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Kamran. Nazari[1*], Ruhangiz. Mehdikhani[2]

1 Assistant Professor, Department of Public Administration, Payame Noor University, Tehran, Iran
2 Instructor, Department of Economics, Payame Noor University, Tehran, Iran

Corresponding author email address:
kamrannazari@pnu.ac.ir

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Identification and Ranking of Factors Affecting Business Legitimacy with Emphasis on Individual Decision-Making

ABSTRACT

This study was conducted with the aim of identifying and ranking the factors affecting business legitimacy with an emphasis on individual decision-making. In terms of purpose, this research is applied, and in terms of implementation, it is qualitative. The statistical population of this study included managers of industrial companies in Kermanshah in 2024. From this population, using the sampling method until reaching theoretical saturation, 14 individuals were selected as the sample. The required information was collected through two methods: library research and fieldwork (interviews). The results of the study showed that the factors affecting business legitimacy with an emphasis on individual decision-making included the following: judgmental perspective, risk of social sanctions, social awareness, economic shareholding, and distrust. Furthermore, based on the results obtained from the ranking test and Kendall's correlation coefficient, the prioritization of these indicators in order of importance included distrust, economic shareholding, risk of social sanctions, social awareness, and judgmental perspective. Factors related to the process of individual decision-making, social awareness, and the personal characteristics of decision-makers play an important role in the ineffective decisions of managers. Overall, to enhance business legitimacy, attention to these factors and the related components in individual decision-making is essential.

Keywords: Identification, ranking, influential factors, legitimacy, business, individual decision-making

Introduction

Legitimacy is a core condition for organizational survival and strategic latitude, yet it is neither static nor solely structural; it is continually (re)produced through the judgments of multiple audiences who interpret rules, norms, values, and consequences in specific contexts [1, 2]. Classic distinctions between moral and pragmatic legitimacy remain useful, but contemporary settings—platformized markets, transnational supply chains, AI-mediated decision systems, and polarized public spheres—complicate how such judgments are formed and expressed, and by whom [3-6]. For managers inside firms, this shifting environment means that individual decision-making—how a decision-maker perceives social sanctions, reads normative signals, or weighs stakeholder claims—can directly alter the organization's perceived right to operate. The present study responds to this reality by identifying and ranking the micro-level factors that shape business legitimacy judgments in an industrial context, foregrounding the role of individual decision-makers whose cognitive and moral appraisals anchor organizational conduct.

A growing body of scholarship frames legitimacy fundamentally as a problem of judgment rather than mere compliance: evaluators—ranging from regulators and investors to employees and local communities—render assessments that are situated, comparative, and open to social influence [1]. Research on when evaluators publicly express legitimacy judgments shows that peer endorsement and the mode of evaluation (public versus private) condition whether and how judgments surface, amplifying the reputational consequences of managerial choices [2]. In public arenas, expressive acts such as journalistic satire or art-historical critique can crystallize or destabilize legitimacy claims by exposing perceived norm violations or value incongruities [6, 7]. These dynamics mean that managerial decisions are evaluated not only against codified rules but against socially constructed expectations that evolve across media ecologies and peer networks.

At the organizational frontier, digital platforms operate as gatekeepers of information and market access, attracting scrutiny of their moral legitimacy and political responsibilities. Analyses from political corporate social responsibility argue that platform governance must be justified in moral terms—fairness, accountability, and inclusiveness—beyond procedural legality, raising the stakes for individual decisions by managers who design and enforce rules at scale [4]. Similar tensions emerge in global value chains where corporate assurances intersect with state capacity: distant labor and environmental harms trigger legitimacy contests in which firms' claims, public oversight, and civil society monitoring interact, again placing managerial judgment under the lens of audiences that may be geographically remote yet normatively proximate through transnational media [5]. Manufacturing multinationals increasingly deploy corporate social responsibility to seek moral approval in host countries, but the credibility of such efforts depends on perceived sincerity and fit with local values, magnifying the importance of how individual managers interpret and implement CSR on the ground [8].

Moral psychology and socio-legal perspectives enrich this picture by explaining how people decide that "a rule was broken." Recent experimental work demonstrates that observers rely on codification (is the rule written), social norms (is it customary), morality (is it right), and enforceability (will it be sanctioned) to classify rule-breaking; crucially, these cues combine rather than substitute, which makes managerial decisions vulnerable to multiple avenues of contestation [9, 10]. In public decision-making about controversial facilities, moral foundations and empathic concern shape judgments about who should decide, illustrating why communities often insist that "the concerned party should be the decision-maker" and why perceived exclusion can delegitimize otherwise legal processes [11]. Comparable mechanisms animate judgments about the legitimacy of police violence, where moral evaluation interacts with social identity to produce sharply divergent assessments of the same act [12]. These findings generalize to corporate contexts: when managers choose among options with uneven moral salience, stakeholders' moral foundations and perceived standing influence whether the outcome is judged legitimate.

The philosophical and jurisprudential literature underscores that corporate legitimacy is inseparable from the corporation's moral agency and obligations under the social contract. Treating the corporation as a morally responsible agent reframes managerial decisions as actions attributable to a collective actor capable of reason-giving and accountable conduct [13]. From a social-contract perspective, firms owe duties that extend beyond profit-seeking to include respect for rights and the maintenance of fair institutional orders, implying that legitimacy claims must be justified in terms intelligible to affected publics [14]. Political theory further clarifies that legitimacy hinges on judgment under conditions of disagreement; because reasonable people may diverge on values and facts, the legitimacy of corporate actions rests on practices that enable defensible, revisable judgments rather than on unanimity [1]. In regulatory and constitutional domains, debates about lawful authority and interpretive standards remind managers that legality is a floor, not a ceiling, for legitimacy, particularly where constitutional courts or administrative bodies articulate competing readings of public interest [15, 16].

These normative and cognitive dynamics manifest concretely in sectoral crises, emergencies, and media environments. After natural disasters, for example, aviation organizations confront heightened expectations about safety, transparency, and care; public perceptions of their legitimacy depend on how decision-makers prioritize moral obligations amid uncertainty and time pressure [17]. In host countries, the local news media frame multinational firms' sociopolitical initiatives, thereby constructing "media legitimacy" that can either bolster or erode stakeholder trust depending on the salience and valence of frames; managerial communication strategies become legitimacy-relevant decisions in their own right [18]. Satirical journalism similarly functions as social critique that polices the boundary between formal compliance and moral acceptability, punishing managerial choices perceived as hypocritical or extractive [6]. In these contexts, individual-level capacities—moral awareness, perspective-taking, sensitivity to normative drift—condition whether managers anticipate and meet public expectations.

Corporate governance research complements these insights by showing how organizations proactively create legitimacy through strategic venturing and purpose-driven initiatives. In the sustainability domain, firms cultivate field-level approval by aligning ventures with societal values and by building coalitions with knowledgeable audiences, a process that depends on managers' judgments about which values to foreground and which partners confer credibility [19]. Performing-arts organizations provide an instructive template: governance choices are evaluated through a social value judgment model in which boards and leaders must navigate artistic, community, and financial logics—an archetypal arena where individual decision-makers reconcile plural values under external scrutiny [20]. At the same time, critical work warns that "corporate legitimacy" can be instrumentalized to evade the iron law of responsibility—pursuing legitimacy façades that shield firms from substantive accountability—again placing weight on the integrity of individual decisions in disclosure, engagement, and remediation [21].

The rise of algorithmic adjudication sharpens the stakes. Proposals to shift elements of corporate dispute resolution to AI-driven courts suggest potential gains in efficiency and consistency, but they also displace visible human judgment with coded proxies, raising new questions about opacity, bias, and recourse [22]. Even inside firms, employees may comply with headquarters' language mandates or processes not because they are able, but because they perceive them as legitimate commands of an authority whose judgments must be followed—a phenomenon with implications for how managerial decisions are communicated and justified across cultural contexts [23]. More broadly, moralism and metamoralism debates caution against simplistic moralizing, urging decision-makers to reflect on the standards by which they evaluate others' conduct and the meta-level norms that govern moral critique itself [24]. Together, these developments underline that legitimacy is co-produced by individual choices and audience judgments across human and algorithmic forums.

Empirically, observers often rely on layered cues—norms, codification, enforceability—to infer whether a boundary has been crossed, and they update their judgments in light of peer signals and public endorsements [2, 9, 10]. This helps explain recurring puzzles in corporate life: why a technically compliant decision can be condemned, why a normatively ambitious initiative can still be doubted, and why identical actions are judged differently across communities. It also clarifies the managerial levers most likely to matter: cultivating moral legitimacy rather than mere pragmatic acceptance; diagnosing norm landscapes across stakeholder segments; and anticipating media frames that can amplify or reinterpret decisions [3, 18]. Importantly, legitimacy judgments are temporally dynamic—what is applauded today may be criticized tomorrow as norms shift—so decision-makers must treat legitimacy as an ongoing practice of justification rather than a one-off hurdle [4, 5].

Despite these advances, several gaps persist. First, micro-level antecedents of legitimacy judgments—such as distrust sensitivity, perceived risk of social sanctions, and the salience of economic stakes—remain under-specified in many field studies that prioritize institutional or discursive variables. Second, most research aggregates “the firm” or “the audience,” thereby masking the heterogeneity of individual decision-makers and evaluators who bring distinct moral foundations, identities, and informational constraints [11, 12]. Third, the interplay between codified rules and living norms is frequently theorized at a high level, with less attention to the day-to-day judgments managers make when interpreting ambiguous policies or choosing communication strategies under pressure [9, 16]. Finally, although critics warn about legitimacy as a shield, we know less about the specific micro-decisions through which legitimacy is either instrumentalized or deepened through genuine responsiveness [7, 21].

This study addresses these gaps by examining legitimacy through the lens of individual managerial decision-making in an industrial setting. Building on theoretical insights about the corporation’s moral agency and social obligations [13, 14], the political character of legitimacy judgments [1], and the multi-cue processes stakeholders use to identify rule violations [9, 10], we focus on five candidate factors suggested by recent scholarship and practice: judgmental perspective, perceived risk of social sanctions, social awareness, economic stakes, and distrust. We also remain attentive to contextual forces—media framing, crisis expectations, transnational CSR claims, and governance arrangements—that contour how these micro-level factors are read by audiences [5, 17-20]. Recognizing that evaluators differ in when and how they go public with their judgments [2] and that moral critique can be refracted through satire or aesthetic discourse [6, 7], we treat legitimacy as an emergent property of interactions between managerial choices and audience sensemaking.

Methodologically, a qualitative, expert-informed approach is well suited to surface the latent concepts managers use when navigating legitimacy-sensitive decisions and to prioritize the factors most salient in practice. By eliciting and ranking these factors, the study contributes a grounded micro-foundational account of legitimacy judgments that complements macro-institutional and discursive perspectives. The resulting framework is intended to guide decision-makers who must weigh codified requirements against normative expectations, anticipate social sanctions, and allocate attention across economic and moral stakes—while avoiding the pitfalls of performative legitimacy [3, 21]. In parallel, the analysis speaks to debates about AI adjudication by clarifying which human judgments are central and therefore most at risk of being obscured by algorithmic proxies [22], and to metamoral concerns by encouraging reflexivity about the standards used to appraise others’ actions [24].

In sum, legitimacy today is a moving target co-authored by managerial choices and audience judgments across institutional, media, and technological arenas [2, 4, 5, 18]. To inform practice and scholarship, this study systematically identifies and ranks the individual-level decision factors most consequential for business legitimacy in an industrial context, offering an empirically grounded map of where managerial attention should fall. Objective of the study is to identify and rank the individual decision-making factors that most strongly influence business legitimacy judgments among industrial firm managers.

Methods and Materials

This research was designed as an applied study in terms of purpose and qualitative in terms of methodology. The study population consisted of managers of industrial companies in Kermanshah during the year 2024. To select participants, a purposive and snowball sampling approach was applied, ensuring that respondents had the necessary knowledge and managerial experience to provide meaningful insights. Sampling continued until theoretical saturation was reached, at which point no new themes were emerging from the data. A total of fourteen managers participated, representing a diverse range of professional backgrounds, educational levels, and managerial experiences. Their age ranged between 30 and 50 years, and work experience varied from 7 to 15 years, with qualifications spanning from undergraduate degrees to doctoral levels. This diversity contributed to capturing multiple perspectives on the legitimacy of businesses and the role of individual decision-making.

The study relied on both library and field methods for data collection. Library research was conducted to gather theoretical foundations and previous empirical findings relevant to business legitimacy and individual decision-making. Field data were collected primarily through semi-structured interviews, which allowed participants to express their experiences, perspectives, and interpretations in detail. The interview guide contained open-ended questions that encouraged respondents to elaborate on the ways in which individual-level factors such as judgmental perspectives, trust, risk perception, and social awareness influence decisions and, consequently, business legitimacy. Interviews were carried out face-to-face in a confidential setting to ensure openness and accuracy of responses. Each interview was audio-recorded with the consent of participants and subsequently transcribed verbatim for analysis.

Data analysis was performed using the Delphi technique, which facilitated the systematic collection and synthesis of expert opinions over multiple rounds. In the first round, open coding was applied to the interview transcripts to identify meaningful units of information, which were then grouped into conceptual categories. This exploratory coding allowed the emergence of key factors perceived to affect business legitimacy. In subsequent Delphi rounds, these categories were refined and prioritized through iterative consultation with the panel of experts. The process continued until consensus was achieved on the most critical factors. Kendall's coefficient of concordance was employed to assess the degree of agreement among experts and to statistically validate the consistency of their rankings across rounds. The results produced a final set of five major factors, along with their prioritized order, which reflected collective expert judgment on the determinants of business legitimacy with an emphasis on individual decision-making.

Findings and Results

The demographic information of the sample members, which included 14 experts in this field, is presented in the following table:

Table 1.

Demographic information of the sample members

Row	Gender	Work experience	Education	Age
1	Male	10 years	Master's degree	50
2	Male	7 years	Master's degree	30
3	Male	8 years	Master's degree	32
4	Male	13 years	Master's degree	37
5	Male	12 years	PhD	38
6	Male	10 years	Master's degree	38

7	Male	7 years	Bachelor's degree	35
8	Male	15 years	Master's degree	50
9	Male	9 years	Master's degree	42
10	Male	7 years	Bachelor's degree	36
11	Male	14 years	Bachelor's degree	51
12	Male	15 years	Master's degree	49
13	Male	14 years	Master's degree	45
14	Male	8 years	Master's degree	36

As shown in the above table, all sample members were male, with educational levels ranging from bachelor's to doctoral degrees. In addition, work experience ranged between 7 and 15 years, while the age distribution of the sample was between 30 and 50 years.

First Research Question: What are the factors affecting business legitimacy with an emphasis on individual decision-making?

In the process of open coding, meaningful units of data were first labeled with a conceptual name and then grouped into more abstract categories, known as themes. In the next step, the characteristics and dimensions of the identified categories were developed by examining the data in greater depth. It should be noted that these stages did not occur linearly but rather overlapped and often took place simultaneously. At this stage, the researcher, through reviewing the collected data, attempted to recognize the latent concepts within the interviews. This stage of coding is referred to as open coding, as the researcher approaches the process with an open mind, without imposing restrictions on the determination of codes. The aim of open coding is to break down the collected qualitative data into the smallest possible conceptual units. In subsequent tables, the results of open coding are presented and explained. In open coding, the smallest conceptual units in the qualitative data collected through interviews were extracted in an exploratory manner according to the levels of the factors under investigation. Some examples of open codes are presented in the following table:

Table 2.

Open coding derived from the research interviews

Row	Interview section	Open codes	Document reference
1	Environmental threats and opportunities can influence individual decision-making based on business legitimacy.	Risk of social sanctions	Interview 4
2	Satisfaction of stakeholders and social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 2
3	Lack of resources due to the risk of social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 3
4	The economic, social, political, and cultural conditions of the country, which are affected by the risk of social sanctions, can influence individual decision-making based on business legitimacy.	–	Interview 5
5	Necessary cooperation and interaction among civil institutions to reduce the risk of social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 7
6	The consequences of the risk of social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 6
7	The existence of an environment with the risk of social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 8
8	The development of the risk of social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 9
9	Government laws and regulations concerning the risk of social sanctions can influence individual decision-making based on business legitimacy.	–	Interview 1

In this research, 11 indicators were initially selected as criteria. The main indicators included: judgmental perspective, risk of social sanctions, social awareness, economic shareholding, process-related factors, distrust, individual emotions, past experiences, individual differences, personality traits, and level of commitment. A summary of the Delphi technique results based on the opinions of 14 experts is presented in Table 4.

Table 3.

Results of the Delphi Questionnaire – First Round

Indicator/Expert	Judgmental perspective	Risk of social sanctions	Social awareness	Economic shareholding	Process-related factors	Distrust	Individual emotions	Past experiences	Individual differences	Personality traits	Level of commitment
Expert 1	5	3	5	5	4	4	5	5	3	4	5
Expert 2	5	2	5	5	5	4	3	4	3	5	3
Expert 3	4	4	4	4	3	5	2	4	4	4	4
Expert 4	5	3	4	5	3	5	4	3	4	3	3
Expert 5	3	5	3	5	2	5	5	5	5	4	1
Expert 6	4	4	4	5	5	5	4	4	5	4	4
Expert 7	5	3	4	5	3	5	3	3	5	3	4
Expert 8	2	3	3	4	4	4	4	5	4	5	2
Expert 9	3	3	3	5	3	5	3	3	3	3	4
Expert 10	2	3	3	4	4	5	3	3	3	3	3
Expert 11	3	3	3	3	3	3	4	4	5	4	4
Expert 12	5	3	4	3	4	3	3	2	3	3	4
Expert 13	5	4	4	5	4	4	5	5	5	3	4
Expert 14	5	4	3	4	5	4	4	4	4	3	3
Mean	4.45	4.80	4.30	4.05	3.65	4.91	4.76	3.55	4.65	4.00	4.55
Status	Accepted	Accepted	Accepted	Accepted	Rejected	Accepted	Accepted	Rejected	Accepted	Accepted	Accepted

Based on the results of this round, 9 out of the 11 indicators obtained a mean value above 4 and were selected for the next stage.

Table 4.

Results of the Delphi Questionnaire – Second Round

Indicator/Expert	Judgmental perspective	Risk of social sanctions	Social awareness	Economic shareholding	Process-related factors	Level of commitment	Individual differences	Personality traits	Distrust
Expert 1	4	5	5	4	5	3	4	3	4
Expert 2	5	5	5	5	4	5	5	3	5
Expert 3	5	4	4	3	4	4	4	3	5
Expert 4	3	5	5	4	5	4	5	3	3
Expert 5	5	5	5	5	5	5	5	3	5
Expert 6	5	5	4	4	3	3	4	4	5
Expert 7	3	3	4	4	3	3	4	4	3
Expert 8	4	5	5	5	4	4	4	4	4
Expert 9	5	5	4	5	4	4	5	5	5
Expert 10	5	3	4	4	3	3	4	4	5
Expert 11	4	3	4	4	5	4	4	5	4
Expert 12	4	5	5	5	5	5	4	4	4
Expert 13	4	5	4	4	3	3	3	4	4
Expert 14	5	4	3	2	3	2	2	3	5
Mean	4.35	4.86	4.81	4.29	4.33	3.62	3.19	3.48	4.35
Status	Accepted	Accepted	Accepted	Accepted	Accepted	Rejected	Rejected	Rejected	Accepted

As seen in this table, from the 9 indicators assessed, 6 indicators were accepted with a mean value above 4 and were advanced to the third Delphi round for ranking.

Table 5.

Results of the Delphi Questionnaire – Third Round

Indicator/Expert	Judgmental perspective	Risk of social sanctions	Process-related factors	Social awareness	Economic shareholding	Distrust
Expert 1	5	5	3	5	5	4
Expert 2	5	5	5	5	4	5
Expert 3	5	5	4	5	5	3
Expert 4	5	5	4	5	5	4
Expert 5	4	3	3	3	3	3

Expert 6	5	5	4	3	4	4
Expert 7	5	4	4	5	4	5
Expert 8	5	5	3	5	5	5
Expert 9	4	5	4	3	4	4
Expert 10	4	5	3	4	4	4
Expert 11	5	4	3	5	4	3
Expert 12	5	4	5	4	4	5
Expert 13	4	5	4	4	4	3
Expert 14	4	4	3	3	4	3
Mean	4.29	4.90	3.90	4.33	4.14	4.19

At the end of the Delphi analysis, five factors were identified as affecting business legitimacy with an emphasis on individual decision-making: (1) judgmental perspective, (2) risk of social sanctions, (3) social awareness, (4) economic shareholding, and (5) distrust. To rank these indicators and calculate the degree of agreement among experts, Kendall's coefficient of concordance was used.

Table 6.

Kendall's Coefficient of Concordance across Three Delphi Rounds

Stage	Number of indicators	Number of experts	Kendall's coefficient	Degrees of freedom	Significance level
First round	9	14	0.523	10	0.000
Second round	6	14	0.681	5	0.000
Third round	5	14	0.352	4	0.000

The results indicate that in the first round the level of consensus among experts was good, in the second round it was desirable, and in the third round it was moderate. In all cases, the significance level was 0.000, confirming that the findings were statistically reliable with 95% confidence.

Second Research Question: How are the factors affecting business legitimacy prioritized with an emphasis on individual decision-making?

Based on the average ranking of the indicators accepted in the third Delphi round, their prioritization is shown below:

Table 7.

Prioritization of indicators derived from the final Delphi stage

Indicator	Priority	Mean rank
Judgmental perspective	Fifth	4.10
Risk of social sanctions	Third	4.19
Social awareness	Fourth	4.14
Economic shareholding	Second	4.33
Distrust	First	4.75

According to the results of the ranking test and Kendall's correlation coefficient, the final prioritization of indicators was as follows: (1) distrust, (2) economic shareholding, (3) risk of social sanctions, (4) social awareness, and (5) judgmental perspective.

Discussion and Conclusion

The findings of this study identified and ranked five key factors that significantly influence the legitimacy of businesses with an emphasis on individual decision-making: judgmental perspective, risk of social sanctions, social awareness, economic shareholding, and distrust. Among these, distrust received the highest ranking, followed by economic shareholding, risk of social sanctions, social awareness, and judgmental perspective. These results suggest that while structural and organizational determinants of legitimacy remain relevant, it is the individual-level evaluations, biases, and risk perceptions of decision-makers that largely shape whether stakeholders view corporate activities as legitimate. This aligns with the growing recognition in management and sociology that legitimacy is not a fixed attribute of organizations but is co-constructed through judgments rendered by audiences and enacted by individuals in positions of authority [1, 2].

A central contribution of this research is the demonstration that distrust functions as the most powerful determinant of legitimacy judgments. Distrust erodes the ability of firms to maintain stable relationships with stakeholders and magnifies the reputational consequences of any decision that appears misaligned with societal expectations. Prior studies in corporate governance and political philosophy have argued that legitimacy is inseparable from trustworthiness, and the absence of trust shifts the burden of proof onto firms to demonstrate compliance with both legal and moral norms [3, 13]. For example, investigations into corporate anti-bribery disclosures show that organizations are judged not only by the transparency of their reporting but by whether such disclosures are perceived as sincere moral commitments or as symbolic efforts to stave off criticism [3]. Similarly, in contexts such as digital platform governance, distrust of corporate motives can transform even procedurally correct decisions into flashpoints of delegitimation [4]. The prioritization of distrust in this study reflects these broader dynamics, indicating that managers must treat trust-building as a foundational element of decision-making rather than as a secondary concern.

The second-ranked factor, economic shareholding, also highlights the pragmatic dimension of legitimacy. Stakeholders evaluate organizational legitimacy not solely on moral or symbolic grounds but also on the perceived fairness and inclusiveness of economic benefits. Prior work has documented that stakeholders scrutinize whether firms distribute value equitably across communities, workers, and investors, and failures in this regard are interpreted as violations of implicit social contracts [5, 14]. For instance, research on global supply chains demonstrates that corporate assurances about labor or environmental standards carry weight only if stakeholders perceive that firms are genuinely committed to protecting vulnerable actors and not simply consolidating profits [5]. Likewise, empirical studies of Chinese multinationals show that legitimacy efforts through corporate social responsibility resonate when they are linked to tangible improvements in social and economic welfare [8]. Our findings reinforce these perspectives by showing that decision-makers themselves rank economic shareholding highly when evaluating legitimacy, suggesting that equitable economic participation is a visible and decisive legitimacy cue.

The prominence of the risk of social sanctions as the third-ranked factor underscores the fear of reputational damage and collective disapproval in shaping managerial judgments. When decision-makers perceive that audiences may impose boycotts, protests, or reputational penalties, they adjust their strategies to protect organizational legitimacy. This is consistent with studies showing that evaluators express legitimacy judgments more readily and more harshly in public settings, where peer endorsement amplifies reputational consequences [2]. Likewise, journalistic practices such as news satire and cultural critique act as vehicles for social sanction, exposing managerial missteps and reframing them as violations of moral or societal norms [6, 7]. Empirical work further reveals that media framing of multinational corporations' sociopolitical initiatives directly conditions their perceived legitimacy in host societies [18]. In light of these findings, it is not surprising that managers in our study prioritized the anticipation of social sanctions as a key element of legitimacy-sensitive decision-making.

Social awareness emerged as the fourth-ranked factor, reflecting the role of managerial empathy, moral perception, and responsiveness to stakeholder concerns. Previous psychological research indicates that moral foundations and empathic concern shape legitimacy judgments in public decision-making, particularly in controversial projects where communities demand inclusion and recognition [11]. In law enforcement contexts, for instance, public perceptions of the legitimacy of police violence are strongly mediated by moral judgments about fairness and social identity [12]. By analogy, managers who cultivate social awareness are better positioned to anticipate which decisions stakeholders will interpret as fair or unjust, thereby protecting organizational legitimacy. The literature on crises supports this as well: during earthquakes, aviation organizations are judged not only by technical compliance but by how decision-makers display care and accountability to affected publics [17]. Our results support these insights by showing that social awareness is a crucial but secondary factor in legitimacy construction, often shaping how distrust and social sanctions are interpreted.

Finally, the judgmental perspective was ranked fifth. While appearing less decisive than other factors, judgmental perspective remains integral to the interpretive frameworks managers use to classify decisions as legitimate or illegitimate. Recent experimental research shows that individuals rely on codification, enforceability, and social norms to decide whether a rule was broken, underscoring that legitimacy is grounded in interpretive processes [9, 10]. Philosophical work also reminds us that legitimacy is inherently a problem of judgment: because reasonable people disagree on facts and values, legitimacy requires justifying decisions in terms that withstand public scrutiny [1]. Our finding that judgmental perspective plays a role, albeit a modest one compared to distrust and economic shareholding, suggests that while interpretive schemas are important, they may operate in the background, shaping but not dominating legitimacy assessments.

These findings are strongly aligned with and extend several strands of prior research. They confirm that legitimacy is deeply tied to moral evaluation and not just pragmatic performance, as highlighted in studies of corporate anti-bribery disclosure, CSR, and sustainability governance [3, 8, 19]. They also add empirical support to theoretical arguments that corporations function as morally responsible agents whose legitimacy cannot be reduced to legal compliance [13, 14]. Moreover, our findings echo evidence that legitimacy is highly context-dependent, with crises, media representations, and algorithmic decision-making introducing new complexities [17, 18, 22]. The prioritization of distrust resonates with critical perspectives that corporate legitimacy can become a tool for evading responsibility when symbolic compliance replaces genuine accountability [21]. At the same time, the fact that managers continue to prioritize economic and moral considerations alongside pragmatic concerns reflects the metamoral insight that moral evaluation itself is a layered and contested process [24].

Our findings also contribute to ongoing debates about how legitimacy is created and sustained in organizations. For instance, sustainability venturing is increasingly understood as a strategic tool for legitimacy creation, requiring decision-makers to align initiatives with societal values [19]. Performing arts organizations highlight how social value judgments in governance involve balancing multiple logics, an insight that parallels our finding that individual-level judgments integrate moral, economic, and pragmatic factors [20]. In addition, the rise of AI-driven adjudication raises important questions about the future of legitimacy in contexts where human judgment is partially displaced by algorithms [22]. Our results suggest that because distrust and social awareness are so central, algorithmic systems that obscure or distort human interpretive processes may undermine rather than enhance legitimacy.

Taken together, this study underscores the importance of treating legitimacy as an emergent product of individual decision-making, conditioned by distrust, risk anticipation, social responsiveness, and economic inclusiveness. By grounding legitimacy in the lived judgments of managers and their audiences, our findings bridge theoretical models of moral responsibility and pragmatic legitimacy with empirical evidence from industrial contexts. They extend prior work on media framing, crises, and CSR by highlighting that at the micro level, legitimacy hinges on the interplay of trust, sanctions, awareness, and judgmental reasoning.

This study has several limitations. First, the sample was limited to 14 managers from industrial firms in Kermanshah, which may restrict the generalizability of the findings to other sectors or geographic contexts. The reliance on qualitative methods and Delphi rounds provides depth but may also introduce biases associated with expert selection and subjective interpretation. Furthermore, while the study identified five central factors, it did not explore in detail the dynamic interactions among them, such as how distrust and social awareness jointly shape legitimacy judgments. Finally, the cross-sectional design does not capture the temporal evolution of legitimacy assessments, which may shift significantly in response to crises, policy changes, or shifts in societal values.

Future studies should expand the sample size and include managers from diverse industries and cultural contexts to enhance generalizability. Longitudinal research designs could capture how legitimacy factors evolve over time, particularly in response to external shocks such as economic crises, regulatory reforms, or technological disruptions. Quantitative approaches, including structural equation modeling, could complement qualitative insights by testing causal pathways among distrust, social awareness, sanctions, and economic shareholding. Comparative studies across countries or regions could also shed light on cultural variations in legitimacy judgments. Additionally, future research should examine the role of digital technologies and AI systems in shaping managerial legitimacy assessments, exploring whether algorithmic decision-making amplifies or mitigates distrust and perceptions of fairness.

For practitioners, these findings highlight the need to prioritize trust-building as a core element of decision-making. Managers should integrate mechanisms for stakeholder participation, transparent communication, and equitable distribution of economic benefits to strengthen legitimacy. Anticipating and mitigating social sanctions requires proactive engagement with media, civil society, and local communities. Cultivating social awareness within managerial teams—through training, ethical reflection, and exposure to diverse perspectives—can enhance the moral sensitivity of decisions. Finally, organizations should avoid treating legitimacy as a symbolic exercise and instead embed it into decision-making processes, recognizing that audiences continually evaluate both actions and intentions.

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Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

The study protocol adhered to the principles outlined in the Helsinki Declaration, which provides guidelines for ethical research involving human participants. Written consent was obtained from all participants in the study.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

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