

## **The Role of Religiosity, Ethnicity and Gender Identification in Individual's Moral Judgments; The Mediation Effect of Self-transcendence**

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### **ABSTRACT**

Most recently, corporate financial scandals, and unethical behaviour cast doubt on investors and raised public concern globally. It is due to the weak corporate governance structure and low ethic awareness amongst the people. The purpose of this research is therefore to justify the factors that influence an individual's moral judgement. This study also seeks to provide practical recommendations to corporations and different associations. As such, to evaluate the proposed hypotheses, 300 self-administered questionnaires were distributed in five universities in Malaysia using a non-probability sampling approach. As a result, the findings demonstrate that ethnicity has the highest impact on self-transcendence and moral judgement, followed by religiosity and gender identification (gender difference). The contribution of this research is to evaluate the relationships between religiosity, ethnicity, and gender identification towards moral judgement with the intervention of mediating variable (self-transcendence). In essence, ethical values and moral obligations should be highlighted in corporations, and these values should be practised and embraced into the organisational

culture. Thus, organisational decision-makers should highly emphasise the role of ethicality and morality in corporations because ethical competence aligns with an employee's responsibility as a whole.

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## INTRODUCTION

Ideally, it is presumed that every firm follows corporate governance measures and practices globally. However, recent financial reports revealed the financial scandals and failure of attaining companies' objectives by some high-profile companies like Dick Smith, China Medical Technologies (CMED), Banco Espirito Santo (BES), Volkswagen AG and Dynegy (Hamzah et al., 2018; Ivan, 2019; Lei & Chen, 2019). It is unremarkable that the existence of these global ethical debacles cast doubt on stakeholders and investors' confidence, which afflict firm value and potential investment decision making (Godlewska & Pilewicz, 2018; Nakpodia et al., 2018; Primec & Belak, 2018).

It is evident that insufficient accountability, unethical behaviour, and inefficiency of corporate governance structure has led to the corporations' financial failure (Karaca et al., 2018; Nikolić & Zlatanović, 2018; Surbhi & Vij, 2018). Consequently, a U.S. federal law called Sarbanes-Oxley Act was enacted in 2002, and ethical standards are primarily interested in every firm within the context of corporate governance logic. In contributing to this, accounting fraud, poor disclosure and transparency had stimulated regulatory interest in ethics and subsequently, the International Accounting Education Standards Board (IAESB) was developed in the year 2003 by establishing standards that prescribe technical competence and professional skills, ethics, and attitudes to strengthen public trust.

Although there is a rich body of literature in understanding corporate governance, it has become too centred and, in turn, pays less attention to the individual intention towards unethical individual behaviour. In addition, influential studies report the inconsistency of literature review in ethical behaviour. Thus, the purpose of this study seeks to underpin the conceptual framework towards ethical judgement and to delineate better the relationships between personality traits and morally ethical behaviour. Furthermore, this research also seeks to provide suggestions for the firms on selecting key personnel to ensure success therein. Therefore, the Theory of Planned Behaviour and Moral norms work with this construct, followed by research methodology, findings, and key contributions for future studies.

## LITERATURE REVIEW

### Theory of Planned Behaviour

Theory of Planned Behaviour (TPB) is a social-psychological theory used to explain and predict an individual's intentional behaviour. As such, this theory is well-known and widely applied to the studies among attitude, relativism, consumer ethics and behaviour (Bairaktarova & Woodcock, 2017; Ferencz-Kaddari et al., 2016; Hashim et al., 2018). To further illustrate, TPB consists of three main constructs: attitude toward the behaviour, subjective norm, and perceived behavioural control. Attitude toward a behaviour is defined as an individual's perceptions towards an event or activity based on his/her perceptions, beliefs, observations, past experiences, and

availability of information (Chang & Chou, 2018; Ferencz-Kaddari et al., 2016; Jiang et al., 2018). On the other hand, subjective norm refers to an individual's perceptions towards the expectations of recommended behaviour from the third parties (family members, friends, peers, and society). Finally, as for perceived behavioural control, it explains the perception of an individual on his/her ability to overcome the difficulties and consequences (legally or reaction from society) of the suggested behaviour.

In relation to this research, attitude toward TPB behaviour accounts for the influence of an individual's moral judgment in engaging in ethical/unethical intention in decision making (Baden, 2014; Zaman et al., 2018). To further describe, ethics (moral philosophy) refers to the moral principles that govern the concepts of right and wrong conduct. Thus, an individual with a low level of ethical concern is highly likely to engage in unethical behaviour.

### **Moral Norms and Moral Judgement**

Moral norms are the rules and obligations of morality that people ought to follow. The norms provide people with the breadth and depth for moral judgement by adequately guiding people what is right and good in moral dilemmas (Maffini & Kim-Ju, 2018; Mansori, Rezaee et al., 2015; Yusupova, 2018). In the same vein, moral norms can be applied with the Theory of Planned Behaviour (attitude) to predict an individual's intentional behaviour better. With that being said, an individual with a high level of moral obligation may exhibit ethical decision making and vice versa.

On the other hand, moral judgement is defined as a state of belief, a judgement of moral values that can be used to evaluate an individual's ethical behaviour in a given situation (Breakey, 2018; Moncrieff & Lienard, 2018; Proctor et al., 2017). From the broader viewpoint, moral judgement is accompanied by moral obligation and moral sentiment. It is, therefore, safe to consider that an individual perceives a particular behaviour as right when he/she feels that there is a moral obligation (moral norms) beneath (Henrich et al., 2017; Maffini & Kim-Ju, 2018; Ward & King, 2018; Wegner et al., 2019). Thus, along with the feeling of approval (moral judgement), eventually, the individual tends to exhibit morally salient behaviour.

Regarding the above, TPB and moral norms advocate that attitude and moral obligations might be influenced by personality traits (people's characteristics), which in turn can influence moral judgement and potential intended behaviour (Grosby, 2015; Yacob et al., 2018). However, little research focuses on the ethical and moral factors influencing an individual's moral judgement and behavioural intention. As a result, this study seeks to evaluate the relationships between religiosity, ethnicity, and gender identification towards moral judgement with the inclusion of self-transcendence as a mediator.

### **Religiosity**

In essence, religiosity portrays the degree of an individual's belief in God, his/her adherence to the religious practices and

values applied in his/her daily routine (Breakey, 2018; Yacob et al., 2018). Different studies have revealed that religiosity significantly impacts an individual's attitude and intended behaviour (TPB) to enhance this provision. Correspondingly, religiosity is validated as an integral role in influencing an individual's level of religiosity adherence towards moral judgement and ethical decision making (Hashim et al., 2018; Jiang et al., 2018). In this context, if a person has high religiosity, he/she may tend to exhibit more ethical behaviour. Thus, to test the relationship between religiosity and moral judgement, the hypothesis is developed below:

*H1:* There is a relationship between religiosity and self-transcendence towards ethical, moral judgement.

### **Ethnicity**

Ethnicity can be defined as an individual's behaviour and self-concept, which is directly influenced by his/her membership of a social group and the value and emotional significance attached to that membership (Grosby, 2015; Moncrieff & Lienard, 2018; Yusupova, 2018). By and large, ethnicity is presumed to have a crucial role in influencing a person's ethics and moral obligations. However, little research proposed the impact of ethnicity on a person's attitude and ethical-moral judgment. As opposed to this viewpoint, the concept of the social norm social in Theory of Planned Behaviour (TPB) explains that a person tends to engage in a recommended behaviour which is suggested by his/her social group or close

ones (family members, friends, siblings; Bairaktarova & Woodcock, 2017; Ferencz-Kaddari et al., 2016; Zaman et al., 2018). Hence, it is argued that ethnicity might be linearly associated with ethical decision making. In brief, to justify the relationship between ethnicity and moral judgement, the following hypothesis has been derived:

*H2:* There is a relationship between ethnicity and self-transcendence towards ethical, moral judgement.

### **Gender Identification**

Gender identity can be defined as an individual sense of own self-identified gender. Gender identity can have a high level of correlation with the person sex at birth as in many societies; the underlying assumption is that a man should be masculine, and a woman should behave in a femininely. However, pioneer scholars such as Stoller (1964) tried to differentiate natural sex labelling from gender-based behaviour's related behavioural and psychological aspects by introducing gender identity terms (Turban & Ehrensaft, 2018).

Recently, the question of measuring gender differences in ethical decision making has raised research interest worldwide. In this concept, rigorous studies reported that moral issues arise due to the different modes of thinking between men and women. For example, some studies show that men tend to justify moral issues in terms of rules and rights (Nguyen et al., 2016; Wang & Calvano, 2013; Zayer & Coleman, 2015). In contrast, women tend to justify moral issues in terms of feelings and relationships.

A group of researchers proposed that women are more unselfish, emphatic, exhibit higher moral sensitivity and, thus, have lesser intention to engage in unethical behaviour than men (Bossuyt & Van Kenhove, 2016; Chen et al., 2016; Jereb et al., 2018). Also, other studies found that there is no gender difference in moral beliefs. It is, therefore, safe to consider that there is an inconsistency of conceptual framework towards ethical, moral judgement. Based on the findings, to test the relationship between gender difference and ethical-moral judgement, the hypothesis is conducted below:

*H3*: There is a relationship between gender difference and self-transcendence towards ethical, moral judgement.

### Basic Human Values

Theory of Basic Human Values (TBHV) is commonly used to measure universal values recognised by almost all individuals. Utilising this theory encompasses ten motivationally distinct values, and these values are divided into a total of four dimensions: openness to change (stimulation, self-direction), self-transcendence (benevolence, universalism), conservation (security, conformity, tradition) and self-enhancement (hedonism, achievement, power; Magun et al., 2017; Seddig & Davidov, 2018; Tevrüz et al., 2015). In addition, self-transcendence is emphasised in this study to enhance this explanation. Given that, it epitomises the attitude of tolerance, appreciation, the values of concern and protection for the welfare of others.

By considering TBHV and Theory of Planned Behaviour (TPB), individuals generally should be motivated by their social groups (social norm and benevolence), and it is presumed that they tend to appreciate and accept the values/beliefs (universalism) shared by those who are in the same social group (Ariza-Montes et al., 2017; Pohling et al., 2016; Różycka-Tran et al., 2017). It is being said that values affect attitude, perceptions, intention and subsequently, behaviour. Likewise, if the behaviour of a person in the group shows the value of self-transcendence, he/she will facilitate others' moral cognition processes (benevolence) and eventually influence their attitude and intended behaviour (Baden, 2014; Jiang et al., 2018). The following hypothesis is proposed to test the relationship between self-transcendence and ethical-moral judgement:

*H4*: There is a relationship between self-transcendence and ethical-moral judgement.

### Mediation Effect

Self-transcendence is employed in this research as a mediating variable to examine key attributes' impact on ethical moral judgment. To further illustrate, a mediating variable is termed as an intervening variable that seeks to justify the mechanism of the relationships between the independent variables (religiosity, ethnicity, and gender identification) and the dependent variable (moral judgement; Figure 1). As such, its intervention will affect the significance between these variables. However,

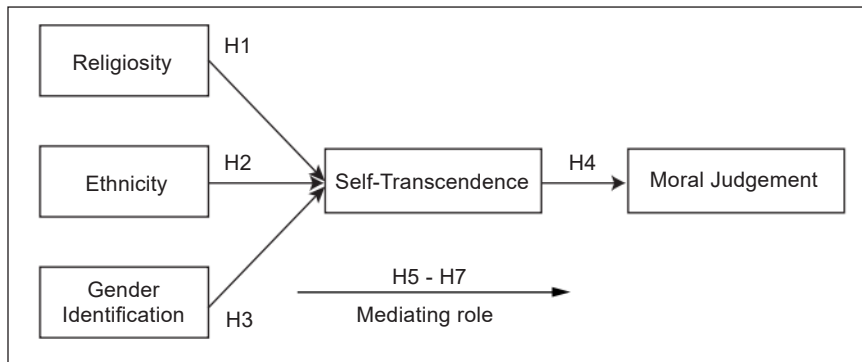


Figure 1. Proposed conceptual framework

inconsistent findings were found with the limitation in using self-transcendence as a mediator for moral-salient behaviour. As a result, it is hypothesised that self-transcendence should trigger a person’s ethical, moral judgement and thus, the following hypotheses have been designed:

*H5:* Self-transcendence mediates the relationship between religiosity and ethical-moral judgement.

*H6:* Self-transcendence mediates the relationship between ethnicity and ethical-moral judgement.

*H7:* Self-transcendence mediates the relationship between gender identification and ethical-moral judgement.

**METHODOLOGY**

During the data collection process, 300 self-administrated questionnaires were distributed. Students pursuing an undergraduate degree in Business, Recourse Management, Marketing, Human Management Finance and Accounting programmes from three private and two public universities in Malaysia were

selected using non-probability convenience sampling.

The developed questionnaire consists of two sections. Section A is inquiries about religiosity, ethnicity, gender identity, self-transcendence, and moral judgments (please see Table 2 for more details). Section B asks for participants’ demographic information. As authors tried to minimise any over-generalisation of findings by creating any prejudice, the nationality, ethnic group and religious affiliation of participants are not asked and not included in this part.

To measure the level of religiosity, gender identity, and ethnicity, participants rated their disagreement and agreement level with the statements (1; “Strongly Disagree” and 6: “Staringly Agree”). The self-transcend measurement is adapted from the Portrait Values Questionnaire (PVQ; Schwartz et al., 2001). In this part, participants were asked to rate their similarities with the provided statements (1; “Not Like Me at All” and 6; “Very Much Like Me”).

Five potential scenarios developed by Reidenbach and Robin (1990) were

adopted to measure the moral judgment of participants. This part evaluated four moral judgement’s dimensions (Contractualism, Moral Equity, Relativism and Universalism). The value of each dimension was calculated based on the mean score (reversed) of all five scenarios (Please see appendix A). As the used questions for some constructs have male and female versions and to avoid confusion for participants, two copies of the questionnaire (Male and Female) were passed to participants, and they have full liberty to choose the version that their wish to answer based on their preference (unused questionnaires were discarded).

**DATA ANALYSIS**

Some of the returned questionnaires were filtered out due to the missing values and incomplete answers. As a result, a total of 251 samples were finalised for data analysis. According to Table 1, 39.8% of the participants are majoring in accounting, whilst finance stands for 29.5%, followed by other majors (11.2%). Similarly, the fourth ranking falls to management (8.4%), and the fifth is marketing (4.0%). On the other

hand, more than half of the participants are in year 2 (57.8%), and 21.9% are in year 1. Additionally, the data shows that approximately 76.5% of the participants have learnt about ethics whilst 23.5% have not.

Based on the reliability and validity analysis shown below (Table 2), the developed measurement model has presumed to fit as it is within the acceptable level of reliability and validity measurement. To further explain, the Factor Loading and Average Variance Extracted (AVE) of all variables are more than 0.5 respectively (0.643- 0.865 and 0.526- 0.674) and thus, it is within the acceptable range. On the other hand, Composite Reliability (CR) and Cronbach’s Alpha (CA) are within the level of acceptance as both values exceed 0.7 (ranging between 0.816- 0.912 and 0.726- 0.880, respectively).

By adhering to this, the path model below (Figure 2) exhibits three independent variables (religiosity, ethnicity, and gender identification) towards moral judgement with the mediation effect of self-transcendence.

According to Table 3 below, religiosity presents a significant direct relationship

Table 1  
*Demographic information*

Major	%	Academic Year	%	Pass any Ethics Course	%
Accounting	39.8	Year 1	21.9	Yes	76.5
Finance	29.5	Year 2	57.8	No	23.5
Marketing	4.0	Year 3	14.3		
Human Resource	1.6	Year 4	6.0		
Management	8.4			Gender	%
Business	3.2			Male	49.0
Law	2.4			Female	51.0
Other	11.2				

Table 2  
*Reliability and validity analysis*

Religiosity	Average extracted Variance (AVE)	Composite reliability (CR)	Cronbach's alpha (CA)	Factor loading
	0.674	0.912	.880	
Religion is especially important to me because it answers many questions about the meaning of life				0.768
I try to follow my religious beliefs in all aspects of life				0.865
Prayers and reflections of my religious thought make me calm				0.806
Religious beliefs influence all my dealings in life				0.831
I enjoy spending time reading and learning more about my religion				0.832
<i>Adopted/Adapted from: Mansori, Sambasivan et al. (2015)</i>				
Ethnicity	Average extracted Variance (AVE)	Composite reliability (CR)	Cronbach's Alpha (CA)	Factor loading
	0.597	0.898	.867	
I feel a strong attachment towards my ethnic group.				0.773
I have often talked to other people to learn more about my ethnic group.				0.855
I have often done things that will help me understand my ethnic background better.				0.819
I understand pretty well what my ethnic group membership means to me.				0.834
I have a strong sense of belonging to my ethnic group.				0.690
I have spent time trying to find out more about my ethnic groups, such as their history, traditions, and customs.				Removed
<i>Adopted/Adapted from: Phinney &amp; Ong (2007)</i>				
Gender Identification	Average extracted Variance (AVE)	Composite reliability (CR)	Cronbach's Alpha (CA)	Factor loading
	0.526	0.816	.726	
When I'm with women, I want to impress, I try to act very feminine.				0.751
When I'm with men, I want to impress, I try to act very masculinely. *				
I prefer to defer to a man rather than trying to be his equal all the time.				0.765
I prefer a woman who defers to me rather than trying to be my equal all the time. *				
When there's an important job to be done, I'd prefer to have a man take the lead than a woman.				0.713
When there's an important job to be done, I'd prefer to have a man as a leader than a woman. *				
When men and women are in the same organisation, women should let the men take the lead and not try to take over.				0.669
When I'm with women, I want to impress, I try to act very feminine.				Removed
When I'm with men, I want to impress, I try to act very masculinely. *				
<i>Adopted/Adapted from: Spence &amp; Helmreich (1980)</i>				
<i>*For Male Participants.</i>				
Self-Transcendence	Average extracted Variance (AVE)	Composite reliability (CR)	Cronbach's Alpha (CA)	Factor loading
	0.543	0.892	.859	
She thinks it is important that every person in the world be treated equally. She believes everyone should have equal opportunities in life.				0.667
He thinks it is important that every person in the world be treated equally. He believes everyone should have equal opportunities in life. *				



Table 2 (continue)

Self-Transcendence	Average extracted Variance (AVE)	Composite reliability (CR)	Cronbach's Alpha (CA)	Factor loading
	0.543	0.892	.859	
It is important for her to respond to the needs of others. She tries to support those she knows.				0.725
It is important for him to respond to the needs of others. He tries to support those he knows. *				
She wants everyone to be treated justly, even people she doesn't know. It is important to her to protect the weak in society.				0.739
He wants everyone to be treated justly, even people he doesn't know. It is important to him to protect the weak in society. *				
It's very important to her to help the people around her. She wants to care for their well-being.				0.708
It's very important to him to help the people around him. He wants to care for their well-being. *				
It is important to her to be loyal to her friends. She wants to devote herself to people close to her.				0.805
It is important to him to be loyal to his friends. He wants to devote himself to people close to him. *				
Forgiving people who have hurt her is important to her. She tries to see what is good in them and not hold a grudge.				0.780
Forgiving people who have hurt him is important to him. He tries to see what is good in them and not hold a grudge. *				
It is important to her to adapt to nature and to fit into it. She believes that people should not change nature.				Removed*
It is important to him to adapt to nature and to fit into it. He believes that people should not change nature. *				
She strongly believes that people should care for nature. Looking after the environment is important to her.				Removed*
He strongly believes that people should care for nature. Looking after the environment is important to him. *				
<i>Adopted/Adapted from: Schwartz et al. (2001)</i>				
<i>*For Male Participants.</i>				
Moral Judgement	Average extracted Variance (AVE)	Composite reliability (CR)	Cronbach's Alpha (CA)	Factor loading
	0.593	0.879	.830	
Contractualism				0.812
Moral Equity				0.772
Relativism				0.673
Universalism				0.786
<i>Adopted/Adapted from: Reidenbach &amp; Robin, 1990</i>				
<i>Items with factor loading below 0.60 are removed.</i>				

towards self-transcendence, and thus, it is supported (*H1*) ( $\beta= 0.243$ , T-value= 3.408). Given that, this hypothesis 1 concludes that the higher level of religiosity and self-transcendence, the higher tendency of a

person to perform ethical, moral judgement. In relation to hypothesis 2 (*H2*), there is a significant positive relationship (supported) between ethnicity and self-transcendence ( $\beta= 0.253$ , T-value= 2.883). Specifically, if a

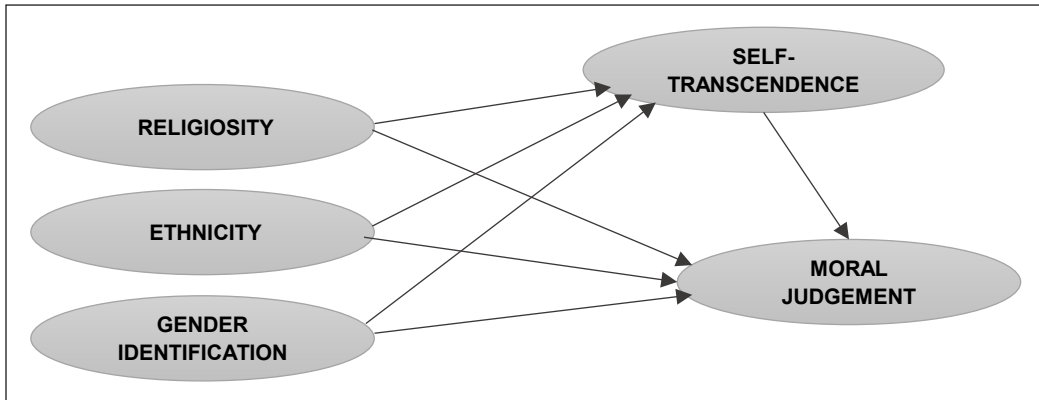


Figure 2. Path model with self-transcendence as mediating variable

Table 3  
Hypothesis testing

Hypothesis (Direct relationship)	Sample mean $\beta$	Standard deviation	T statistics (T > 1.96= p < 0.05)	Supported
H1: Religiosity $\square$ Self-transcendence	0.243	0.072	3.408	Yes
H2: Ethnicity $\square$ Self-transcendence	0.253	0.086	2.883	Yes
H3: Gender Identification $\square$ Self-transcendence	0.140	0.061	2.208	Yes
H4: Self-transcendence $\square$ Moral Judgement	0.290	0.065	4.487	Yes
R-square: Self-transcendence: 0.263, Moral Judgement: 0.356				

person has a high degree of ethnicity, he/she will most likely exhibit ethical behaviour. Along with this table, gender identification (H3) also shows a significant positive relationship towards ethical decision making with the values of  $\beta = 0.140$ , T - value = 2.208 and hence, it is supported.

Associated with H3, it is assumed that males (masculinity) have a higher tendency of engaging in unethical moral judgement than females (femininity) due to the different modes of moral justification. As for hypothesis 4 (H4), there is a significant direct relationship between self-transcendence and moral judgement (supported with  $\beta = 0.290$ ,

T-value = 4.487). Thus, it can be explained that the higher level of self-transcendence in a person, the higher level of ethical engagement of him/her.

To achieve better understanding, the  $R^2$  for self-transcendence is 0.263 (26.3%), whilst moral judgement's  $R^2$  is 0.356 (35.6%). It illustrates that a 26.3% variance of self-transcendence can be justified by the independent variables (religiosity, ethnicity and gender identification), and a 35.6% variance of modal judgement can be explained by self-transcendence.

In addition, to test the mediating effect of self-transcendence, the bootstrapping

Table 4  
*Test of total effect using bootstrapping*

Path c'	Sample mean $\beta$	Standard deviation	T statistics (T> 1.96= p< 0.05)	Supported
H5: Religiosity $\square$ Moral Judgement	-0.119	0.108	1.067	No
H6: Ethnicity $\square$ Moral Judgement	0.360	0.105	3.429	Yes
H7: Gender Identification $\square$ Moral Judgement	0.354	0.057	6.044	Yes

Table 5  
*Test of the indirect effect*

Total indirect effect	P-value	T statistics (T> 1.96= partial)	Mediation effect
Ethnicity $\square$ Moral Judgement	.007	1.765	Yes- Full mediation
Gender Identification $\square$ Moral Judgement	.015	2.731	Yes- Partial mediation

method was employed. The results (Tables 4 and 5) show that self-transcendence mediates the relationship between ethnicity, gender identification and moral judgment. With that being said, both *H6* and *H7* propose significant relationships for ethnicity and gender identification towards moral judgement ( $\beta = 0.360$ , T-value= 3.429;  $\beta = 0.354$ , T-value= 6.044 respectively). Relatively, this reveals that self-transcendence mediates in these hypotheses with a partial mediation effect (T-value= 2.731 for ethnicity; T-value= 5.278 for gender identification). Opposed, *H5* is not supported as there is an insignificant relationship between religiosity and moral judgement ( $\beta = -0.119$ , T-value= 1.067).

**FINDINGS AND DISCUSSION**

The above findings show that there is a strong direct correlation between ethnicity and self-transcendence. This result can be explained by the Theory of Planned Behaviour (TPB) as based on TBP person’s moral judgement

can be influenced by attitude, social norm(s) and perceived behavioural control of his/her ability to perform moral obligations. In other words, if a person has a strong tight with his/her ethnic group that holds the value and belief of ethical judgement, highly likely, he/she will follow and maintain this group’s common values.

This result can be used as a guideline for corporations and universities to design and develop training programmes that highlight unethical behaviour’s the negative impact and detriments towards society and the community. Additionally, the benefits of engaging in ethical behaviour should be nudged to the public to build a moral direction therein. Given that, ethics awareness will grow and spread among the society in the long term.

On the other hand, the current results show that the level of religiosity has a direct association with the level of self-transcendence. It is important to be considered that there is a difference between

religiosity/spirituality with some extreme interpretations of religions which can be observed in some societies. The main focus of this study's instrument to measure the participants' religiosity is intrinsic (the use of religion without social pressure and/or gain) than extrinsic religiosity (use of religion to gain social acceptance). These results can enhance programmes/modules in ethics and corporate governance fields by adding more spirituality related content into the developed curricula.

Furthermore, the current results reveal that gender identification has a positive relationship with self-transcendence and moral judgment. Gender identification in this study refers to an individual sense of own self-identified gender. In this study, participants have full liberty to choose the type of questionnaire that they wish to answer based on their sense of identification towards their gender. Thus, there is a possibility that some individuals that chose to answer the male (or female) version of the questionnaire were from the opposite birth sex. As a result, these findings should be interpreted in a way that higher gender identification based on self-identified gender has a direct and positive relationship with self-transcendence and moral judgment (not simply are interpreted as masculine males or feminine females may show a higher level of self-transcendence and moral judgment). As a result, training and professional development programmes should be provided in the corporations to train both male and female employees. In addition, hypothetical ethical scenarios should be included in the training sessions to

learn through the different modes of thinking and moral obligations.

Positive psychology and the moral conation process should be emphasised in future research to enhance understanding of taking a person to make a moral judgment. Secondly, employers should seek value profiles during interviews. Given an example, knowing which values (personal traits) should be endorsed by a potential employee so that these ethical values could assist his/her working performance if he/she is successfully hired. In essence, ethical values and moral obligations should be highlighted in corporations, and these values should be practised and embraced into the organisational culture. Thus, organisational decision-makers should highly emphasise the role of ethicality and morality in corporations because ethical competence aligns with an employee's responsibility as a whole.

## CONCLUSION

Several business scandals have occurred in the recent years mainly because of a weaker corporate governance structure and lack of sufficient accountability. Some studies argued that more restricted regulations and governance procedures can reduce the chance of unethical behaviour at the corporate level. While other research highlighted that more restricted regulations pre se might not be effective and discussed the contribution of moral and ethical educations in reducing the chance of corporate wrongdoing. The findings of this study indicate that ethnicity has the highest

impact on self-transcendence and moral judgement, followed by religiosity and gender identification. In essence, ethical values and moral obligations should be highlighted in training and professional development programmes, and these values should be practised and embraced into the organisational culture.

Same as any other empirical study, this study's results should also be generalised by considering the below-mentioned limitations. In addition, the provided suggestion can be useful to improve the further studies' results in this field. 1) the samples in this study were selected based on non-probability sampling and from a limited number of universities in Malaysia. Therefore, it is advisable if further studies can have a multinational approach and collect samples from different countries and test the moderating effect of other cultural dimensions such as power distance, individualism/collectivism, and long-term/short-term orientation. 2) the coefficient of determinations of the study are  $R^2_{(\text{Self-transcendence})} = 0.263$  and  $R^2_{(\text{Moral Judgement})} = 0.356$ , which shows that the current model can predict 26.3% and 35.6% of Self-transcendence and Moral Judgement. As a result, further studies can consider including other variables from the Theory of Basic Human Values to improve predictability. 3) As exploratory and quantitative research, this study could not deeply explore the means and justifications of provided responses by participants. Accordingly, having more exploratory qualitative studies in the future can shade more light on this phenomenon.

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## APPENDIX

### Moral Judgment Scenarios

In the following section, you will read five (5) scenarios. Please read each scenario carefully and rank your judgment regarding each taken action. **(Please circle the appropriate number)**

**Scenario 1:** Misleading the appraiser

An automobile salesman is told by a customer that a serious engine problem exists with a trade-in. However, because of his desire to make the sale, he does not inform the used car appraiser at the dealership, and the problem is not identified.

**Action:** The salesman closes the deal that includes the trade-in.

	1	2	3	4	5	6
Unfair ( <i>Moral Equity</i> )				Fair		
Unjust ( <i>Moral Equity</i> )				Just		
Unacceptable ( <i>Moral Equity</i> )				Acceptable		
Morally wrong ( <i>Moral Equity</i> )				Morally right		
Traditionally unacceptable ( <i>Relativism</i> )				Traditionally acceptable		
Culturally unacceptable ( <i>Relativism</i> )				Culturally acceptable		
Violates an unspoken promise ( <i>Contractualism</i> )				Does not violate an unspoken promise		
Violates an unwritten contract ( <i>Contractualism</i> )				Does not violate an unwritten contract		
Ethically unacceptable ( <i>Universalism</i> )				Ethically acceptable		

**Scenario 2:** Over-eager salesperson

A young man, recently hired as a salesman for a local retail store, has been working very hard to favorably impress his boss with his selling ability. At times, this young man, anxious for an order, has been a little over-eager. To get the order, he exaggerates the value of the item or withholds relevant information concerning the product he is trying to sell. No fraud or deceit is intended by his actions, he is simply over-eager.

**Action:** The owner of the retail store is aware of this salesman's actions, but has done nothing to stop such practice.

	1	2	3	4	5	6
Unfair ( <i>Moral Equity</i> )				Fair		
Unjust ( <i>Moral Equity</i> )				Just		
Unacceptable ( <i>Moral Equity</i> )				Acceptable		
Morally wrong ( <i>Moral Equity</i> )				Morally right		
Traditionally unacceptable ( <i>Relativism</i> )				Traditionally acceptable		
Culturally unacceptable ( <i>Relativism</i> )				Culturally acceptable		
Violates an unspoken promise ( <i>Contractualism</i> )				Does not violate an unspoken promise		
Violates an unwritten contract ( <i>Contractualism</i> )				Does not violate an unwritten contract		
Ethically unacceptable ( <i>Universalism</i> )				Ethically acceptable		

**Scenario 4:** Failure to honor a warranty

A person bought a new car from a franchised automobile dealership in the local area. Eight months after the car was purchased, he began having problems with the transmission. He took the car back to the dealer, and some minor adjustments were made. During the next few months, he continually had a similar problem with the transmission slipping. Each time the dealer made only minor adjustments to the car. Again, during the 13th month after the car had been bought, the man returned to the dealer because the transmission still was not functioning properly. At this time, the transmission was completely overhauled.

**Action:** Since the warranty was for only 1 year (12 months from the date of purchase), the dealer charged the full price of parts and labor.

	1	2	3	4	5	6
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Unfair ( <i>Moral Equity</i> )	Fair
Unjust ( <i>Moral Equity</i> )	Just
Unacceptable ( <i>Moral Equity</i> )	Acceptable
Morally wrong ( <i>Moral Equity</i> )	Morally right
Traditionally unacceptable ( <i>Relativism</i> )	Traditionally acceptable
Culturally unacceptable ( <i>Relativism</i> )	Culturally acceptable
Violates an unspoken promise ( <i>Contractualism</i> )	Does not violate an unspoken promise
Violates an unwritten contract ( <i>Contractualism</i> )	Does not violate an unwritten contract
Ethically unacceptable ( <i>Universalism</i> )	Ethically acceptable

**Scenario 5:** Disclosure information

A chartered accountant of a public company knows about the highly positive results that will be shown to the stockholders.

**Action:** A company's chartered accountant, before the public disclosure of the corresponding results, called a personal friend advising him to buy stocks of that same company.

	1	2	3	4	5	6
Unfair ( <i>Moral Equity</i> )						
Unjust ( <i>Moral Equity</i> )						
Unacceptable ( <i>Moral Equity</i> )						
Morally wrong ( <i>Moral Equity</i> )						
Traditionally unacceptable ( <i>Relativism</i> )						
Culturally unacceptable ( <i>Relativism</i> )						
Violates an unspoken promise ( <i>Contractualism</i> )						
Violates an unwritten contract ( <i>Contractualism</i> )						
Ethically unacceptable ( <i>Universalism</i> )						