

# Antecedent Factors of Ethical Ideologies in Moral Judgment: Evidence from the Mixed Method Study

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**Abstract**—This research investigates the factors that influence moral judgments when dealing with ethical dilemmas in the organizational context. It also investigates the antecedents of individual ethical ideology (idealism and relativism). A mixed method study, which combines qualitative (field study) and quantitative (survey) approaches, was used in this study. An initial model was developed first, which was then fine-tuned based on field studies. Data were collected from managers in Malaysian large organizations. The results of this study reveal that in-group collectivism culture, power distance culture, parental values, and religiosity were significant as antecedents of ethical ideology. However, direct effects of these variables on moral judgment were not significant. Furthermore, the results of this study confirm the significant effects of ethical ideology on moral judgment. This study provides valuable insight into evaluating the validity of existing theory as proposed in the literature and offers significant practical implications.

**Keywords**—Antecedents Factors, Ethical Ideology, Mixed Method, Moral Judgment.

## I. INTRODUCTION

WHEN dealing with ethical issues, individuals will use their moral judgment to evaluate and determine the morality of a particular action. According to the model proposed by Rest [1], and Jones [2], moral judgment is the central component in a multistep process of an individual's ethical behavior. This component might increase or decrease the possibility of the individuals' engagement in ethical behavior. Findings from previous studies have supported the premise that moral judgment has a significant effect on moral behavior [3], [4], [5]. Those who judge questionable actions as unethical tend not to engage in such actions.

Given that moral judgment is a crucial component in an individual's ethical behavior, many studies have been conducted in order to determine the factors that influence this component. These studies have found that individuals will apply ethical ideologies as their guidelines when making judgments involving ethical issues. Ethical ideology provides the set of beliefs, attitudes and values for individuals to set the

moral standard for a certain behavior [6]. Forsyth [7][8], proposed that ethical ideology explains differences in individuals' moral judgments. To classify this ideology, Forsyth [7] identified two broad categories - idealism and relativism. Idealism is described as the degree to which individuals assume that desirable consequences can, with the "right" action, always be obtained. They believe that moral action should and does have a positive effect on others' welfare. Conversely, relativism describes the extent to which individuals reject universal moral values [7], suggesting that the morality of action depends upon the situation involved. Generally, studies have suggested that idealism is more associated with ethical judgment than relativism [4], [10]. Sivadas et al. [10], for example, found that individuals with high idealism are more likely to reject questionable practices compared to those who score high on relativism.

Understanding that individuals judge the moral standard of certain practices according to their ideology - idealism or relativism, it addresses the question on what exactly are the factors that determine whether individual ideology is either idealist or relativist. In terms of the related literature in this area, however, this issue is still relatively unexplored. Studies by Singhapakdi et al. [11] and Barnett et al. [6], for example, have contributed to understanding the antecedents of ethical ideology, but there is still 'much necessary to be learned' [11]. Some existing studies use a similar notion, but fail to integrate the antecedents of ethical ideology in the context of moral judgment. Most of these studies have focused on the direct effect of ethical ideology on moral judgment only. Thus, sources of individual ethical ideology remain unanswered from either a conceptual or an empirical standpoint [11]. Barlett [12] advocates that most models that describe the antecedent factors of ethical behavior are either trapped in undersocialized (only examining individual behavior in organizations and ignoring the social context) or oversocialized (exploring the practices of organizations and denying the role of individuals) views. As a result, many deficient models have been proposed to describe the behavior. Furthermore, current studies have focused on the marketing field that emphasizes the importance of both customers and practitioners understanding ethical behavior, as [13]. As a result, a gap between theory and practice in understanding the ethical behavior of individuals in organizations has emerged. Moreover, most of the major frameworks have been formulated from a Western perspective. This preference leads to an insufficient grasp of ethical decision-making outside the Western context [9], [14].

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In the light of these shortcomings, this study aims to explore the antecedents of both ideologies: idealism and relativism in the context of moral judgment. Focus is given to investigating the precise factors that determine whether an individual is a relativist or idealist. This study also investigates the direct effect of these factors on moral judgment. Furthermore, the significance of ethical ideology to moral judgment is investigated.

This paper starts with a discussion of the theoretical background of the proposed influence of ethical ideology (idealism and relativism) on moral judgment. This discussion also reviews the previous theory that established cultural influences as the antecedent factors determining an individual's ethical ideology. Based on this review, the initial model of this study is proposed. The next section describes the field study that was conducted to fine-tune the initial model. Based on the analysis using Nvivo software, two additional antecedents - parental value and religiosity - are presented in the final model. Then, the final model is tested in a national survey, followed by an analysis of the key findings using the Partial Least Square based on the Structural Equation Modeling technique. Finally, the study's implications are presented for both theory and practice, along with recommendations for further investigation.

## II. THEORETICAL BACKGROUND

### A. The Influence of Ethical Ideology on Moral Judgment

Moral judgment is defined as the cognitive process in which individuals use their ability to evaluate certain practices based on some moral ideas [1]. This evaluation results in the belief of which course of action is morally right. Hunt & Vitell [15] proposed that moral judgments are a function of the individual's teleological and deontological norms. This norm provides a set of guidelines that represent the moral standard of behavior. Teleological values will focus on the consequences of decisions or actions. On the other hand, deontological theory is based on universal truth. This theory, however, is difficult to deploy in solving ethical dilemmas [6] due to the variety of values, moral beliefs and attitudes in individuals. Corresponding to this argument, Forsyth [7] developed a 20-item Ethics Position Questionnaire (EPQ) to determine an individual's moral values. He identified two broad categories - relativism (deontological) and idealism (teleological) - to classify individual's ethical ideology. Forsyth's typology has become one of the most widely used to define ethical beliefs, and has become much discussed and influential.

The significance of ethical ideology in ethical behavior is supported by subsequent studies [4], [6], [10], [16]. Generally, studies have concluded that idealism is positively related to moral judgment. On the other hand, relativism is negatively related to moral judgment. Sivadas et al. [10] for example, reveals that individuals with high idealism are more likely to reject questionable practices compared to those who score high on relativism. Similarly, Steenhaut & Kenhove [17] found that individuals with a high relativistic value were more likely to have lower ethical judgment of unethical situations

than those with a low score on relativism. These findings have supported the influence of ethical ideology on moral judgment. Because individuals are differed in terms of their level of idealism and relativism, each individual will judge the morality of a particular action differently. This judgment will then influence the possibility of an individual to engage or not to engage in ethical behavior [1], [2], [11]. Given the important of ethical ideology influences on moral judgment, this study addresses the antecedent that becomes the source of an individual's ethical ideology: idealism and relativism. This study will determine the factors that lead individuals to become an idealist or relativist.

### B. Antecedents factors of Ethical Ideology

The area of individual ethical behavior is a multidimensional construct. Varieties of factors have been determined to contribute to individual beliefs in order to determine the morality of particular action. Furthermore, ethical beliefs are a very subjective field. One ethical action might be unethical to others. Thus, conducting a study to understanding the factors that influence individual's ethical ideology becomes very challenging. However despite this notion, the influence of culture has been theorized as an important determinant of such ideology.

*Cultural influences* Culture can be viewed in terms of both what one does and/or how one thinks based on beliefs, traditions, customs, norms and even religions [18],[19]. Based on GLOBE's study [20], culture is defined as shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences among members of a collective that are transmitted across generations. The influence of culture in ethical ideology has been theorized based on the argument that an individual's beliefs are founded on their cultural values [15], [16], [21]. According to England [22], individuals raised in different cultures have different values systems for interpreting the ethical propriety of certain practices. These values systems create the individual's ethical ideology based on moral philosophies in dealing with moral judgment. Previous studies have supported this notion [10], [23]. For example, Ralston et al. [24], in their study of U.S. (n=161) and Hong Kong (n=141) managers, concluded that value differences in the responses reflected ethical beliefs. They found that Western culture believes that "ethical behavior is an absolute and applied universally, while in the Eastern culture, 'face' and ethical behavior depend on the situation" [24, p. 997]. This finding proposes that culture constitutes a variable influence on individual ethical beliefs. Thus, in the next section, we propose the initial model that encompasses the cultural influence as the antecedent of ethical ideology.

*The Initial Model* Fig.1 shows the initial model of this study that describes the influence of culture on ethical ideology in moral judgment. Two cultural dimensions were adapted from the GLOBE project: in-group collectivism and power distance. These two dimensions were determined to be relevant in explaining the influence of culture on individual ethical behavior.

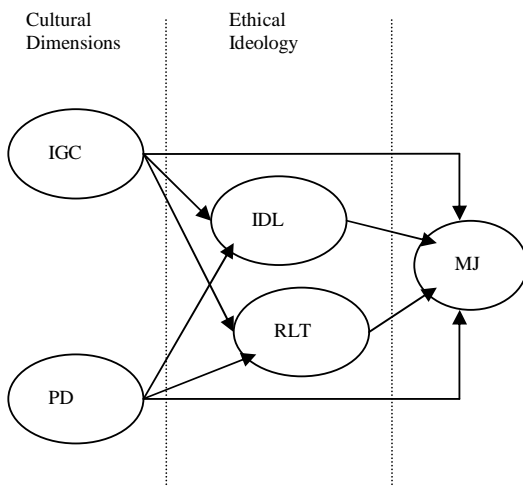


Fig. 1 The Initial Model

(IGC= In-group collectivism, PD=Power Distance, RLT=Relativism, IDL=Idealism, MJ=Moral Judgment)

The GLOBE cultural dimension is used in the present study because of its relevance, currency, and sophistication. In-group collectivists consider themselves as members of an extended family or organization; consequently, they view themselves as highly interdependent with the organization [20]. Their decisions are predicated on the benefits likely to be accrued for all group members. Power distance, on the other hand, refers to the acceptance of power inequality in organizations [19], [20]. Individuals in high power-distance cultures behave in accordance with their position in an organization. They are expected to show loyalty, obey their superiors blindly, use formal standards for ethical conduct, and support the status quo. Even though no studies have investigated the direct effect of in-group collectivism on ethical decision-making, this dimension reflects the elements of a collectivism culture that is concerned about relationships and others' welfare. Such a culture ensures that decisions do not harm others. This argument provides the indication that in-group collectivist strives to be more idealistic and less relativist. Besides the influence of culture as an antecedent of ethical ideology, previous studies have also found a direct effect of culture on moral judgment. Parboteeah et al. [25] for example, found that a collectivist culture was positively related to a willingness to justify ethically suspect behavior. Similarly, Christie et al. [23], for instance, found that business managers from a high power-distance culture viewed questionable business practice as more ethical than business managers from relatively lower power-distance cultures. Thus, a significant effect of in-group collectivism and power distance on ethical ideology and moral judgment is expected.

### III. RESEARCH METHODOLOGY

In understanding the richness of data in the area of individual ethical judgment, it is important to choose the right method to obtain a 'more complete picture of human behavior and experience' [26]. O'Fallon & Buttefield [27] addressed the need for researchers to design creative ways to explore the area of ethics to overcome difficulties, limitation and biases posed by any other method. Based on these premises, we conducted a mixed method research comprising qualitative and quantitative approaches to provide a comprehensive method for conducting the current research. The combination of qualitative and quantitative methods would compensate for their mutual and overlapping weaknesses [28] and provide cohesive and coherent outcomes as each method has its own strength to provide relevant data [29]. In other words, both methods are capable of strengthening research results and contributing to knowledge about the antecedent factors on ethical ideology in an individual's moral judgment.

#### A. Phase 1: Field Study

**Data Collection :** A qualitative approach by using in-depth interviews was carried out with 14 middle managers and above from large organizations. It is important to ensure that participants have experienced the phenomena and can articulate their experience [30]. Thus, middle managers and above were chosen as they are more attached to decision making in organizations. In doing so, the respondents were asked semi-structured interviews that contained a set of questions to explore the antecedent factors and the process. The questions were with the objective of refining the initial model. The main issue of cultural influences and other antecedent factors were covered in the interview. The interviews were recorded with the permission of the participants. Notes were taken through the interview. On average, the duration of each interview was one hour.

**Data Analysis :** After the interviews, transcriptions were developed and analyzed by using content analysis. Content analysis involves the examination of data in a systematic and replicable fashion [31]. The process of analyzing the data is conducted in two steps: an inductive and deductive process. Firstly, themes were determined based on the answer from each participant. Secondly, an analysis that combined the answer from all participants was developed. This process provided the quantitative elements for the research. All the factors and variables from the analysis are matched with those from literature review. The analysis provides many valuable insights into significant issues. Qualitative data shows interesting differences with regard to factors that influence the ethical ideology and moral judgment. In the next step, a comparison between the initial model and the analysis of the field study model was organized. Again, a review of the literature in the area of EDM was undertaken. Secondly, findings from the field study were revisited in order to select the most significant construct that represents the antecedent factors. The selected constructs and established links were evaluated in term of generality and commonality in the field

study and literature review. And the dimensions of each appropriate construct were examined precisely. This process required very careful and conscientious work. Thirdly, the integrated flowchart was developed to show the appropriate constructs based on the justification between the literature review and the field study. Then, an analysis that combines the findings from the initial model and field study is used to develop the final model as shown in fig. 2.

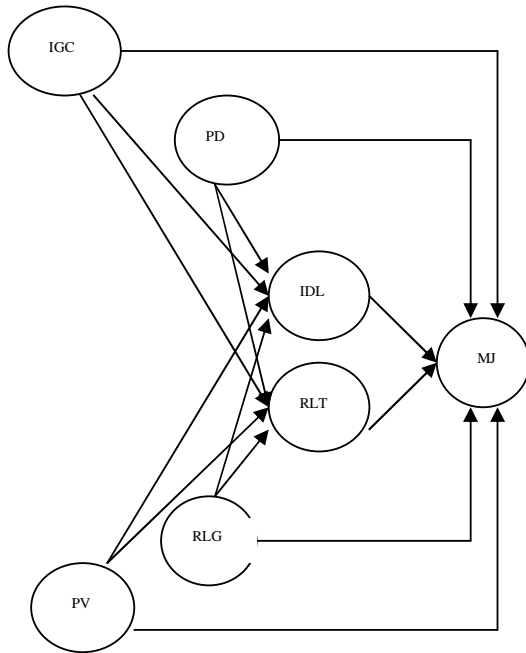


Fig.2 The Final Research Model

(PV=Parental Value, RLG= Religiosity )

**Final Proposed Model :** As proposed in the fig. 2, two more factors that are influential were added compared to the initial model; *parental values and religiosity*. Based on the analysis in the field study, these two factors are found to have a very significant contribution in influencing the ethical ideology and moral judgment. Referring to the literature of the ethical decision making area, however, the factor of parental values has been discussed very infrequently. To the best of our knowledge, no study has been conducted to examine the influence of parental values on the process of ethical decision-making.

Studies of the influence of parental values actually have been established very extensively in the psychological area, particularly on the topic of children's moral development. However, since these studies ([32], [33], [34], [35]) have used children as their sample, the findings on the influence of parental values on behavior need to be reviewed carefully. Hoffman [33], for example, has used fifth grade students to investigate the influence of parental values on a child's moral

development. He proposed that the influence of parental value could be shown by three major roles: disciplinarian, supplier of affection, and an exemplary model. In this study, Hoffman [33] found that parents who display the value of altruism would develop altruism as salient in their child's life and provide guidelines for such behavior. Despite using young children, some other studies have used older children to explore the factor of parental values. A study by Walker et al. [36], for example, monitored target children from late childhood in order to examine the influence of parent context into moral reasoning development. This study implemented a 4-year longitudinal interval study and found that the influence of parents, described as the vertical relationship, has a great role to play in children developing moral maturity. The influence then becomes lesser as peer influence, described as a horizontal relationship, also affects the children's moral maturity. However, parents still had a strong influence in providing a more cognitively stimulating environment by relying on more operational and representational behavior than the peers. This conclusion has been support in a recent study by Pratt et al. [37]. They conducted a two-year longitudinal study on high school students to investigate the relationship between moral emphases and strictness of parenting style. In this study, they found that the strictness of the parenting style was linked positively with the children's moral emphases, particularly on the social responsibility value. Despite using children from early or late childhood as the respondents, these studies have supported the significant relationship between parental values and the level of moral development. Within the context of the recent study, this justifies the influence of parental values into an individual's ethical ideology. Similarly, Haan et al. [34] in his study found that the relationship of the parental role and the level of moral development are stronger and significant.

In term of the influence of religiosity, 88% of respondents mentioned that their ethical ideology was influenced by their commitment to religious values/teachings. They believed that religion provides an approach to life based on always making 'ethical decisions'. Religious values tend to emphasize how each of us is responsible for all the decision that we make, and how we will be judged in the life 'hereafter'. Thus, each individual has a duty to ensure their decisions, when dealing with ethical dilemmas, comply with religious commandments. Referring to the theory of 'Social Structural Symbolic Interactionist', religion provides a role expectation of individuals in their social interaction [38]. DeGeorge [39] argued that religion is the primary reason for an individual to be ethical and a point of reference for evaluating conduct. Previous studies have supported this notion. Christie et al. [23] for instance, found that religiosity has a significant effect on a person's ethical attitudes. Lam & Shi [40] concluded that religious persons tend to react more concisely to unethical acts compared to those who have minimal or no religious beliefs. In other words, "religious persons have values systems that differ from those of the less religious and the non-religious"

[41,p.243]. Religiosity indicates a stronger sense of community, belonging and moral standards [42]. It provides the value of respecting and considering the welfare and dignity of others. In the context of ethical ideology, this is related with the notion of idealism. Furthermore, Rest [1] stated that religious people were more sensitive to “universal justice”. Consistent with this argument, Barnett et al. [43] hypothesized the positive relationship between religiosity and idealism and the negative relationship between religiosity and relativism. Their study is a prominent investigation of the direct effect of religiosity on moral ideology. Relativism is expected to have a negative relationship, as Forsyth [7] proposed that relativists do not accept universal moral standards. Compared with highly religious people, who tend to hold more conservative views of moral standards, relativists judge a moral standard based on the specific situation. Barnett et al. [43] found strong support for this distinction between the religious and the relativists. Singhapakdi et al. [44] also confirmed this relationship. They found that, compared to other constructs in their study, only religiosity showed a predicted influence on both idealism and relativism. Their findings support the notion that religiosity has a significant effect on idealism and relativism.

Referring to these arguments, the final model which addresses two more additional antecedents factors were included. The model provides the validity of the each construct in this study to ensure the dimensions are more realistic and improve its explanatory power.

*Hypotheses Development* : Based on the above discussion and previous study, we propose hypotheses that are related to this study as below:

- H1a:Parental value will positively influence Idealism
- H1b:Parental value will positively influence Relativism
- H1c:Parental value will positively influence Moral Judgment
- H2a:Religiosity will positively influence Idealism
- H2b:Religiosity will negatively influence Relativism
- H2c:Religiosity will positively influence Moral Judgment
- H3a:In-group collectivism culture will positively influence Idealism
- H3b:In-group collectivism culture will negatively influence Relativism
- H3c:In-group collectivism culture will positively influence Moral Judgment
- H4a:Power distance culture will negatively influences Idealism
- H4b:Power distance culture will positively influence influences Relativism
- H4c:Power distance culture will negatively influence Moral Judgment
- H5a:Idealism will positively influence Moral Judgment
- H5a:Relativism will negatively influence Moral Judgment

### *B. Phase 2: Pilot Test*

A pilot test was conducted to validate the instrument. A total of 57 questionnaires were gathered. Feedback was obtained about the length of the instrument, the format of the scales, construct validity and question ambiguity. In addition to that, respondents were allowed to provide comment or suggestion to improve the content validity of the instruments. Subsequently, some changes were made to the questionnaires.

### *C. Phase 3: National Survey*

Based on the final model as proposed in figure 2, a national survey was conducted. The data used in this study were collected from managers of large Malaysian business organizations. A standardized and self-administered questionnaire was distributed to 1,200 potential respondents. Two approaches were used to distribute the questionnaire—conventional mail and drop-off survey. The inventory of mail respondents was gathered from the Kuala Lumpur Stock Exchange (KLSE) list and several directories of Malaysian companies published by the government and private organizations. For drop-off surveys, we organized meetings with top management, usually Chief Executive Officers and Chairmen, to get their approval. When permission was granted, questionnaires were distributed to managers in the organizations. A total of 236 usable and completed questionnaires were gathered for this study, which represented a 19.67% response rate.

Parental value, religiosity, cultures and ethical ideology were measured on a six item scale. Previous studies were referred to measure the item of parental value [33], [36], religiosity [38], [43], [44], and ethical ideology [7], [9]. Similarly, cultural dimensions were developed based on the GLOBE project [20] and previous studies that reflected overall cultural practices [23], [25]. However, we altered the wording of scale items to reflect the research context. Three scenarios based on the ethical context in Malaysian organizations were developed to measure the moral judgment. A manipulation check was conducted to test the reliability and validity of the ethical issues in these scenarios. Moral judgment was measured in each scenario on a 6-point scale ranging from 1=morally acceptable to 6=not morally acceptable. A measurement for this component was developed based on previous theoretical and empirical studies [1], [2], [9].

Relationships in the construct were analyzed by use of the Partial Least Square (PLS) approach [45], [46]. PLS was chosen for this study because it is better-suited to causal modeling when the sample size is small and when the models are complex [46].

*Assessment of Measurement Model* : Before testing the structural model, we ran an analysis of composite reliability, convergent analysis, and discriminant validity [47]. Table I shows that composite reliability values exceed the 0.70 cut-off point as suggested by Nunnally [48]. Convergent analysis was demonstrated by the average variance extracted (AVE). As shown in table I, all AVE exceeded the 0.50 cut-off point [47]. Establishing a discriminant analysis, the square root of the

AVE was compared to inter-scale correlations. For each scale, the square root of the AVE should be greater than the variance shared between one construct and another construct in the model. Table II shows that the discriminant test is satisfactory. Given that all the measures show very good reliability and validity, we turned to testing the structural model.

TABLE I  
MEASUREMENT MODEL I

Construct	CR	AVE
PV	0.914	0.605
RLG	0.930	0.658
IGC	0.885	0.564
PD	0.897	0.556
IDL	0.895	0.550
RLT	0.941	0.696
MJ	0.880	0.710

CR= Composite Reliability, AVE=Average Variance Extracted

TABLE II  
MEASUREMENT MODEL II

Construct	PV	RLG	IGC	PD	IDL	RLT	MJ
PV	0.778						
RLG	0.376	0.811					
IGC	0.509	0.439	0.751				
PD	0.389	0.449	0.740	0.746			
IDL	0.426	0.187	0.593	0.528	0.742		
RLT	0.316	0.167	0.477	0.614	0.408	0.834	
MJ	0.229	0.101	0.275	0.224	0.410	0.022	0.843

*Assessment of Structural Model* Table III depicts that path coefficients, t value, and the significance values Bootstrapping analysis were used to derive t-statistics to assess the significance level of the model's path coefficients [49]. The results show that the effect of the parental value is significant to idealism (H1a) and relativism (H1b). However, the results reveal that no significant effect was found between parental value and moral judgment (H1c). Consistently, findings also show that religiosity has a significant effect on both ideologies; idealism (H2a) and relativism (H2b) but no significant effect was found on moral judgment (H2c). In-group collectivism dimension was found to have a strong significant effect only on idealism (H3a). No significant effect of in-group collectivism was found on relativism (H3b) and moral judgment (H3c). Power distance culture was found to have a significant effect on idealism (H4a) and relativism (H4b) but no direct effect on moral judgment (H4c). Consistent with the previous theory, result shows a strong effect of idealism on judgment (H5a); and relativism on judgment (H5b).

TABLE III  
STRUCTURAL MODEL ANALYSIS

Hypotheses	Linkages in the model	Path Coefficient ( $\beta$ )	T value	Conclusion
H1a	PV→IDL	0.198	3.0573**	Supported
H1b	PV→RLT	0.123	2.0913*	Supported
H1c	PV→MJ	0.085	1.2645	Not Supported
H2a	RLG→IDL	-0.165	2.6696**	Supported
H2b	RLG→RLT	-0.170	2.4651**	Supported
H2c	RLG→MJ	-0.037	0.5392	Not Supported
H3a	IGC→IDL	0.390	4.9696**	Supported
H3b	IGC→RLT	0.030	0.3833	Not Supported
H3c	IGC→MJ	0.047	0.4232	Not Supported
H4a	PD→IDL	0.237	2.7086**	Supported
H4b	PD→RLT	0.621	8.2078**	Supported
H4c	PD→MJ	0.123	1.1275	Not Supported
H5a	IDL→MJ	0.393	4.7958**	Supported
H5b	RLT→MJ	-0.257	4.3576**	Supported

Significant at \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

#### IV. DISCUSSION AND IMPLICATIONS

The results of this study have shown that idealism is positively related and relativism negatively related to moral judgment of unethical behaviour. In particular, idealist managers judge unethical behaviour in the given scenario more harshly and relativist managers judge such behaviour more leniently. These findings demonstrate that differences in moral judgment were significantly influenced by variations in managers' ethical ideologies, whether idealist or relativist. This finding also supports the premise that the ethical ideologies of idealism and relativism provide distinctive frameworks for individuals to determine the rightness or wrongness about the morality of a particular behaviour ([1].

Given the importance of ethical ideology in explaining an individual's moral judgment, this study addresses the investigation of the antecedent factors that influence a manager's ideological position in terms of idealism or relativism. Based on the previous theories and studies, and also the analysis of the field study, four factors were considered in this study: parental values, religiosity, in-group collectivism culture, and the power distance culture.

As discussed in the previous section, individuals who correspond with the ideology of idealism are concerned about the welfare of others, and feel that harming others is always avoidable. Findings from this study show that parental values, religiosity, in-group collectivism culture, and the power distance culture have a significant effect as antecedent factors concerning this set of beliefs. Among these factors, in-group collectivism culture was found to have the strongest effect. In-group collectivism culture involves people considering themselves as members of an extended family or organization. Based on this foundation, a manager's ethical ideology from this culture is predicated on the benefits likely to be accrued

for all group members, which is consistent with the ideology of idealism. Findings also show that power distance culture has a significant effect and positively influences ideology. The higher the practices of power distance culture, the higher the likelihood that an ideology of idealism ideology will be applied. The acceptance of power inequality in a power distance culture could explain this relationship. A manager from the power distance culture will avoid any disagreement with their superior to show their loyalty and obedience. The tendency is to believe that harming others, which in this case is a conflict with their superior, is unacceptable. This belief is consistent with the ideology of idealism. In terms of the influence of parental values, the findings of this study demonstrate a positive effect of this antecedent on idealism. The higher the influence of parental values, the more prominent the beliefs of idealism become. This contradicts the hypothesis that predicts a positive influence of religiosity on idealism. The findings of this study reveal that religiosity has a negative effect on idealism. This finding suggests that highly religious managers also perceive that 'ethical action' sometimes produces negative outcomes for others.

The ideology of relativism rejects universal moral values and emphasizes that ethical behavior depends on a given situation. Referring to the antecedent factors that influence relativist ideology, this study has found the significant effect of parental values, religiosity and power distance culture. In-group collectivism culture, however, was found to be insignificant. Among these factors, a power distance culture was found to be the strongest antecedent influencing the ideology of relativism. This finding indicates that managers from the power distance culture judge the morality of certain actions based on the particular situation in order to obey their superior's orders. These findings also support previous research proposing that power distance culture is a key determinant of an individual's ethical ideology, especially the ideology of relativism [11], [50]. A negative effect of religiosity on relativism indicates that highly religious managers also perceive that 'ethical action' sometimes produces negative outcomes for others. In terms of parental values, a positive path between the construct and relativism indicates that parental values also plays an important role in forming a manager's ideology of relativism.

Beside the analysis of the influence of parental values, religiosity, in-group collectivism and power distance culture as antecedent factors in the formation of ethical ideology, the direct effects of these four factors on an individual's moral judgment has also been examined. The results demonstrate, however, that none of these factors have a direct effect on moral judgment. These factors were found to indirectly influence moral judgment through their association with ethical ideology, as explained above. Based on these findings, this provides the evidence that ethical ideology is relevant in explaining the differences in managers' moral judgments in an organizational context.

Overall, these findings make a significant contribution to understanding the factors that influence managers' ethical ideologies, characterized primarily as either idealism or relativism. Interestingly, the findings of this study confirmed two additional constructs that were derived from the field study: parental values and religiosity.

As discussed earlier, the influence of parental values is not well represented in the ethics literature. Thus, the findings of the significant effects of parental values on both ideologies, idealism and relativism, provides a huge contribution into the knowledge of individual ethical behavior. The possible explanation about the absence of this discussion might be related to the theory of moral development as discussed by Kohlberg [51]. Kohlberg [51] proposed that the influence of parental values has a minimal influence and has a nonspecific role in the children's moral development [36]. As the child grows older, they become more mature and parents will have a lesser influence on the child's behavior. This proposition seems to reflect the perceptions of ethical scholars about the influence of parental values on an individual's ethical behavior. As a result, studies on the relationship between these two variables have received less attention. Furthermore, the sample selected in the study of ethical decision making generally involves professional practitioners, such as managers, accountants, or university students. In addition, many studies have found other external factors that also contribute to an individual's ethical decision making, such as peer influence, social environment and social exposure.

Since this study was conducted in Malaysia, one more important justification that explains the influence of parental values is related to the effects of culture. It needs to be acknowledged that the literature that has been used in this study is heavily derived from western society. Failure to address this factor may be due to the difference in the cultural effect. Malaysia is a country that can be described as one based on a collectivist culture, where the relationship between parent and children is very close [18]. The connection between individuals and their parents includes both a practical and physiological relationship. In comparison, western countries, which are based on an individualistic culture, think of themselves as 'I' and distinct from other people, including their parents. They are classifying themselves primarily according to individual characteristics. On the other hand, collectivist societies consider family as a very important aspect of their life, especially their relationship with their parents. They perceive that this relationship is predetermined by birth and this relationship can be oppressive. Thus, the influence of parental values on individuals from this culture is understandable. In addition, Malaysians always perceive that they have a responsibility to look after their parents and perceive that their opinions have been established by the influence of their family members, especially their parents. Yusof et al. [52], in their study that investigates the relationship between the roles of parental values on individuals' desired values in Malaysia, also found a strong

significance of the parents' values influence. Their findings imply that an individual shared similar terminal and instrumental values as their own parents. Referring to this discussion, the influence of the parental values in the context of this study is justified.

In addition to that, these findings demonstrate the influence of culture on both ideologies. These findings provide an important strategic implication for management that seeks to encourage moral judgment within an organization. The significant influence of in-group collectivism for example, indicates that attention should be highlighted to developing relationship among individuals in an organization to encourage moral judgment, rather than to simply exchanging facts and information. Furthermore, the benefit of such judgment to the organization should be emphasized.

## V. CONCLUSION

This study has examined the significant influence of ethical ideology on moral judgment. A key finding is that individuals who differ in terms of the ideological dichotomy of idealism versus relativism make different ethical judgments based on moral issues. Acknowledging that ethical ideology is a potential explanatory construct regarding differences in moral judgment, this study extends the investigation to antecedent factors that determine whether an individual's ideology is either idealist or relativist. Based on previous theory and research studies, the influence of in-group collectivism and power distance culture has been proposed in the initial model of this research. The model was tested in the field study. Based on the content analysis, two additional antecedents were added in the final model: parental values and religiosity. Findings of this study have shown that in-group collectivism culture, power distance culture, parental values and religiosity were a significant influence for the ideology of idealism. For the ideology of relativism, only in-group collectivism was found not to be significant. The present study, however, is limited by its reliance on certain factors only. Recognizing that individual ethical judgment is a multidimensional construct, future research should attempt to confirm these findings by examining the impact of these variables with other relevant variables.

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