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# Consumer ethical beliefs and intention: investigation of young Malaysian consumers

Teck Chai Lau

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**CONSUMER ETHICAL BELIEFS AND INTENTION:  
INVESTIGATION OF YOUNG MALAYSIAN  
CONSUMERS**

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BSc (MONTANA), MBA (UTM)**

SUBMITTED IN PARTIAL FULFILMENT  
OF THE REQUIREMENTS FOR THE DEGREE OF  
DOCTOR OF BUSINESS ADMINISTRATION  
SOUTHERN CROSS UNIVERSITY, AUSTRALIA

FEBRUARY 2012

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## **STATEMENT OF ORIGINAL AUTHORSHIP**

I certify that the work presented in this thesis is, to the best of my knowledge and belief, original, except as acknowledged in the text, and that the material has not been submitted, either in whole or in part, for a degree at this or any other university.

I acknowledge that I have read and understood the University's rules, requirements, procedures and policy relating to my higher degree research award and to my thesis. I certify that I have complied with the rules, requirements, procedures and policy of the University (as they may be from time to time).

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**Lau Teck Chai**  
February 2012

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To my wife Joanne and family, I thank you for your love and emotional support during this doctoral programme.

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## ABSTRACT

The aim of the research is to examine the impact of attitude towards business, intrinsic and extrinsic religiosity and money ethics on the four consumer ethics dimensions. The study also investigates the demographic effect of gender and ethics course on consumer ethical beliefs. Finally the association between the four consumer ethics dimensions with ethical intention is also explored. The sample is drawn from young consumers from one public and one private university in Malaysia and comprises of 510 individuals. For the dimension of 'actively benefiting from illegal activities (CE1)', the result indicates positive relationship with extrinsic religiosity and money ethics but a negative relationship with intrinsic religiosity and attitude towards business. As for 'benefiting from questionable activities (CE2)', the outcome shows a positive relationship with extrinsic religiosity and money ethics but a negative relationship with intrinsic religiosity and attitude towards business. For 'no harm / no foul (CE3)' dimension, there is no relationship with attitude towards business, intrinsic as well as extrinsic religiosity but shows negative relationship with money ethics. For 'recycling / doing good (CE4)' activities, there is no relationship with attitude towards business, intrinsic as well as extrinsic religiosity but shows negative relationship with money ethics. Female consumers are found to be more ethical in three of the four dimensions of consumer ethical beliefs. As for ethics course, there is no evidence to suggest that those who have taken ethics course in university are more ethical in their beliefs. On the association between consumer ethics dimensions and ethical intention, the result concludes that there is positive association between CE1, CE2 and CE3 with ethical intention but for CE4, negative association is revealed. The research contributes to the literature as one of very few Malaysian empirical studies that examine the effect of the antecedents of consumer ethics on the ethical beliefs and intention of young consumers. Results also extend understanding on the under research consumer ethics field and suggest theoretical and managerial implications for academics and practitioners.

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# TABLE OF CONTENTS

## **Title Page**

<b>Statement of Original Authorship .....</b>	<b>i</b>
<b>Acknowledgements .....</b>	<b>ii</b>
<b>Abstract .....</b>	<b>iii</b>
<b>Table of Contents .....</b>	<b>iv</b>
<b>List of Tables .....</b>	<b>ix</b>
<b>List of Figures .....</b>	<b>xii</b>
<b>List of Appendices .....</b>	<b>xiii</b>

## **CHAPTER 1 INTRODUCTION..... 1**

1.1 Introduction .....	1
1.2 Background to the Research .....	1
1.3 Research Problem .....	3
1.3.1 The Research Questions .....	3
1.3.2 The Research Objectives .....	4
1.4 Justification for the Study .....	5
1.5 Research Methodology .....	6
1.6 Contributions of the Study .....	6
1.7 Delimitations and Scope of the Study .....	8
1.8 Summary of Research Gaps .....	8
1.9 Key Theories .....	9
1.10 Definition of Key Constructs .....	10
1.11 Methods and Statistical Analysis .....	12
1.12 Structure of the Thesis .....	12
1.13 Summary .....	13

## **CHAPTER 2 LITERATURE REVIEW ..... 14**

2.1 Introduction .....	14
2.2 Consumers and the Marketplace .....	14
2.3 Young Malaysian Consumers .....	15

---

2.4	Overview of Ethical Theories .....	17
2.4.1	Normative Approaches .....	18
2.4.2	Descriptive Approaches.....	20
2.5	Ethical Decision Making Framework .....	22
2.5.1	Ethical Decision Making Process .....	22
2.5.2	The Hunt-Vitell Model .....	23
2.6	Consumer Ethics Research .....	25
2.6.1	Overview of Consumer Ethics Research .....	25
2.6.2	Consumer Ethics Research Before 1990 .....	26
2.6.3	Consumer Ethics Research After 1990.....	27
2.6.4	Consumer Ethics Research: Other Approaches.....	34
2.6.5	Consumer Ethics Research in Malaysia .....	36
2.6.6	Vitell's (2003) Suggestions for Future Consumer Ethics Research .....	38
2.7	Research Gaps .....	42
2.7.1	Research Gap 1: Cnfirming the Dimensions of the Consumer Ethics Scale .....	42
2.7.2	Research Gap 2: The Relationship between Religiosity, Attitude toward Business and Money Ethics on Consumer Ethics .....	42
2.7.3	Research Gap 3: Gender and Consumer Ethics .....	43
2.7.4	Research Gap 4: Ethics Education and Consumer Ethics .....	43
2.7.5	Research Gap 5: Association between the Dimensions of Consumer Ethics and Ethical Intention .....	43
2.8	Summary .....	44
<b>CHAPTER 3 CONCEPTUAL FRAMEWORK.....</b>		<b>45</b>
3.1	Introduction .....	45
3.2	Proposed Conceptual Framework .....	45
3.3	Dependent Variable – Consumer Ethics Scale.....	46
3.4	Antecedents of Consumer Ethics .....	51
3.4.1	Gender .....	52
3.4.2	Ethics Education.....	54
3.4.3	Religiosity .....	57
3.4.4	Attitude towards Business.....	61
3.4.5	Money Ethics / Love of Money .....	63

---

---

3.5	Ethical Intention .....	66
3.6	Summary .....	67
<b>CHAPTER 4 RESEARCH METHODOLOGY .....</b>		<b>68</b>
4.1	Introduction .....	68
4.2	Research Paradigm.....	68
4.3	Scientific Research.....	69
4.4	Justification of a Positivistic Exploratory Methodology.....	69
4.5	Research Design .....	71
4.6	Construct Measurement .....	78
	4.6.1 Origin of Construct .....	78
4.7	Data Collection .....	87
	4.7.1 Target Sample and Sampling Method Used .....	87
	4.7.2 Anticipated Final Sample Size.....	88
	4.7.3 Questionnaire Design and Administration .....	89
4.8	Pilot Testing .....	93
4.9	Reliability and Validity .....	95
	4.9.1 Reliability .....	95
	4.9.2 Validity .....	96
4.10	Mapping of Hypotheses and Questionnaire Items .....	99
4.11	Data Analysis Methods .....	105
	4.11.1 Factor Analysis .....	105
	4.11.2 Independent Sample t-Test.....	106
	4.11.3 Multiple Regression .....	106
	4.11.4 Pearson’s Correlation.....	107
4.12	Ethics Considerations.....	108
4.13	Summary .....	110
<b>CHAPTER 5 DATA ANALYSIS .....</b>		<b>111</b>
5.1	Introduction .....	111
5.2	Data Preparation.....	111
5.3	Respondents’ Demographic Profile .....	113
5.4	Assessment of Measurement Scales.....	115
	5.4.1 Validity Analysis – Factor Analysis of Consumer Ethics .....	115

---

---

5.4.2 Reliability Analysis .....	117
5.5 Assumptions of Regression Analysis.....	118
5.5.1 Ratio of Cases to Independent Variables.....	119
5.5.2 Normality .....	119
5.5.2.1 Actively Benefiting from Illegal Activities (CE1).....	119
5.5.2.2 Benefiting from Questionable Activities (CE2).....	120
5.5.2.3 No Harm / No Foul Activities (CE3).....	121
5.5.2.4 Recycling Doing Good Activities (CE4) .....	121
5.5.3 Multicollinearity and Singularity.....	122
5.6 Inferential Analysis .....	124
5.6.1 Gender and Consumer Ethics (CE1 – CE4) .....	124
5.6.2 Ethics Course and Consumer Ethics (CE1 – CE4).....	126
5.6.3 The Four Independent Variables and Actively Benefiting from Illegal Activities (CE1) .....	126
5.6.4 The Four Independent Variables and Benefiting from Questionable Activities (CE2) .....	128
5.6.5 The Four Independent Variables and No Harm / No Foul Activities (CE3).....	130
5.6.6 The Four Independent Variables and Recycling / Doing Good Activities (CE4).....	132
5.6.7 Consumer Ethics (CE1 – CE4) and Ethical Intention .....	134
5.7 Summary of Results in Relation to the Research Hypotheses .....	136
5.8 Summary .....	138
<b>CHAPTER 6 CONCLUSION AND IMPLICATIONS.....</b>	<b>139</b>
6.1 Introduction .....	139
6.2 Conclusion From Hypotheses Testing .....	139
6.2.1 Gender and the Four Construct of Consumer Ethics (CE1 – CE4) .....	139
6.2.2 Ethics Course and the Four Construct of Consumer Ethics (CE1 – CE4) .....	141
6.2.3 The Four Independent Variables and Actively Benefiting from Illegal Activities (CE1) .....	143
6.2.4 The Four Independent Variables and Benefiting	

---

---

from Questionable Activities (CE2) .....	145
6.2.5 The Four Independent Variables and No Harm / No Foul Activities (CE3) .....	147
6.2.6 The Four Independent Variables and Recycling / Doing Good Activities (CE4) .....	148
6.2.7 Consumer Ethics (CE1 – CE4) and Ethical Intention .....	150
6.3 Summary of the Study in Relations to the Research Objectives and Hypotheses .....	151
6.4 Implications of Research .....	153
6.4.1 Theoretical Implication.....	153
6.4.2 Managerial Implication .....	155
6.4.2.1 International and Local Retailers .....	155
6.4.2.2 Organisations, Managers and Employees .....	156
6.4.2.3 Perception towards Business.....	157
6.4.2.4 Ethical Business .....	158
6.4.2.5 Ethical Appeal.....	159
6.4.2.6 Ethics Education.....	160
6.5 Limitations of the Study .....	163
6.5.1 Cross Sectional Data.....	163
6.5.2 Non Probability Sampling .....	163
6.5.3 Social Desirable Answers .....	163
6.5.4 Scenario Approach.....	164
6.5.5 Self Assessment Report .....	164
6.6 Directions for Future Research .....	164
6.6.1 Logitudinal Approach.....	165
6.6.2 Cross-Cultural Perspective .....	165
6.6.3 Sampling Method.....	165
6.6.4 Alternative Ethical Theories (Theoretical Framework).....	166
6.6.5 Social Desirable Answers .....	166
6.6.6 Other Antecedents .....	166
6.7 Summary .....	167
<b>REFERENCES .....</b>	<b>168</b>

---

## LIST OF TABLES

### CHAPTER 1

No Tables

### CHAPTER 2

Table 2.1: Summary of Ethical Theories Applied to Normative Approaches.....18

Table 2.2: Consumer Ethics Research: Suggestions for the Future .....39

### CHAPTER 3

Table 3.1: Comparison of Consumer Ethics Dimensions Across Research .....51

### CHAPTER 4

Table 4.1: Goals of Research .....75

Table 4.2: Selection of Research Method.....75

Table 4.3: The Study's Hypotheses.....76

Table 4.4: Construct and Sources of Construct Measurement .....79

Table 4.5: Consumer Ethics (Active Illegal Dimension) and  
Measurement Items .....80

Table 4.6: Consumer Ethics (Passive Dimension) and  
Measurement Items .....80

Table 4.7: Consumer Ethics (Active Legal Dimension) and  
Measurement Items .....81

Table 4.8: Consumer Ethics (No Harm / No Foul Dimension) and  
Measurement Items .....82

Table 4.9: Consumer Ethics (Doing Good / Recycling Dimension) and  
Measurement Items .....82

Table 4.10: Attitude towards Business Construct and  
Measurement Items .....83

Table 4.11: Religiosity (Intrinsic Dimension) and Measurement Items .....84

Table 4.12: Religiosity (Extrinsic Dimension) and Measurement Items .....84

Table 4.13: Money Ethics Construct and Measurement Items .....85

Table 4.14: Consumer Ethical Intention Construct and Measurement Items .....86

Table 4.15: Anticipated Final Sample Size and Response Rates .....89

---

Table 4.16: Hypotheses for Gender and Consumer Ethics (CE1 – CE4) .....	99
Table 4.17: Hypotheses for Ethics Course and Consumer Ethics (CE1 – CE4) .....	100
Table 4.18: Hypotheses for the Four Antecedents and CE1 .....	101
Table 4.19: Hypotheses for the Four Antecedents and CE2 .....	102
Table 4.20: Hypotheses for the Four Antecedents and CE3 .....	103
Table 4.21: Hypotheses for the Four Antecedents and CE4 .....	104
Table 4.22: Hypotheses for CE1 to CE4 and Ethical Intention .....	104

## CHAPTER 5

Table 5.1: Breakdown on Completed and Useable Questionnaires after Editing and Screening .....	112
Table 5.2: Respondents' Demographic Profiles .....	114
Table 5.3: Factor Analysis and Scales Reliability for Consumer Ethics .....	116
Table 5.4: Reliability of Constructs .....	118
Table 5.5: Collinearity Statistics (Tolerance and VIF Value) .....	122
Table 5.6: Pearson's Correlation Analysis .....	123
Table 5.7: Independent Sample t-Test Results of Consumer Ethics by Gender .....	124
Table 5.8: Independent Sample t-Test Results of Consumer Ethics by Ethics Course .....	126
Table 5.9: Regression Analysis Results for Actively Benefiting From Illegal Activities .....	127
Table 5.10: Regression Analysis Results for Benefiting from Questionable Activities .....	129
Table 5.11: Regression Analysis Results for No Harm / No Foul Activities .....	131
Table 5.12: Regression Analysis Results for Recycling / Doing Good Activities .....	133
Table 5.13: Pearson's Correlation Results for Consumer Ethics (CE1- CE4) and Ethical Intention .....	134
Table 5.14: Rules of Thumb about Correlation Coefficient Size .....	135
Table 5.15: Summary of Results in Relation to the Research Hypotheses .....	136

---

## CHAPTER 6

Table 6.1:	Summary of Hypotheses and Conclusion (Gender and Consumer Ethics CE1 to CE4) .....	139
Table 6.2:	Summary of Hypotheses and Conclusion (Ethics Course And Consumer Ethics CE1 to CE4) .....	141
Table 6.3:	Summary of Hypotheses and Conclusion (Predictors and Actively Benefiting from Illegal Activities) .....	143
Table 6.4:	Summary of Hypotheses and Conclusion (Predictors and Benefiting from Questionable Activities) .....	145
Table 6.5:	Summary of Hypotheses and Conclusion (Predictors and No Harm / No Foul Activities) .....	147
Table 6.6:	Summary of Hypotheses and Conclusion (Predictors and Recycling / Doing Good Activities) .....	149
Table 6.7:	Summary of Hypotheses and Conclusion (Consumer Ethic CE1 to CE4 and Ethical Intention) .....	150
Table 6.8:	Summary of Research Objectives, Hypotheses and Outcomes .....	152

---

# LIST OF FIGURES

## CHAPTER 1

No Figures

## CHAPTER 2

Figure 2.1: The Ethical Decision Making Process .....23

## CHAPTER 3

Figure 3.1: Schematic Diagram – Conceptual Framework .....46

Figure 3.2: Four Factor Structure of Consumers' Ethical Beliefs  
by Muncy and Vitell (1992) .....48

Figure 3.3: Five Factor Structure of Consumers' Ethical Beliefs  
by Vitell and Muncy (2005) .....50

## CHAPTER 4

Figure 4.1: The Three-Stage Research Design for the Study .....72

Figure 4.2: The Research Process .....74

Figure 4.3: The Questionnaire Design Process .....93

## CHAPTER 5

No Figures

## CHAPTER 6

No Figures

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## LIST OF APPENDICES

<b>A :</b>	<b>Summary of Consumer Ethics Research .....</b>	<b>190</b>
<b>B:</b>	<b>Survey Information Sheet .....</b>	<b>193</b>
<b>C:</b>	<b>Survey Questionnaire .....</b>	<b>195</b>
<b>D:</b>	<b>Types of Scales Used .....</b>	<b>202</b>
<b>E :</b>	<b>Mapping of Analysis Tools and Hypotheses .....</b>	<b>206</b>
<b>F:</b>	<b>Assessing Normality for Actively Benefiting from Illegal Activities .....</b>	<b>210</b>
<b>G:</b>	<b>Assessing Normality for Benefiting from Questionable Activities (CE2) .....</b>	<b>213</b>
<b>H:</b>	<b>Assessing Normality for No Harm / No Foul Activities (CE3).....</b>	<b>216</b>
<b>I:</b>	<b>Assessing Normality for Recycling / Doing Good Activities (CE4) .....</b>	<b>219</b>

# CHAPTER 1 - INTRODUCTION

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## 1.1 Introduction

Whilst major corporate scandals involving corporations and business personalities often draw wide coverage and media attention, ethical issues concerning ordinary consumers are often sidelined. Not much interest has been given to investigate consumer ethics in particular among young consumers. This chapter introduces the background of the present research and discusses the research problem, research questions, objectives and research methodology. The chapter also briefly introduces the conceptual framework and the hypotheses.

## 1.2 Background to the Research

Ethics has received increased attention from the private and public sectors as well as from the academics over the past several decades. In the West, the highly publicized incidents at Enron, Arthur Anderson and WorldCom have brought the topic of ethics particularly business ethics to the public's attention. The recent collapse of financial institutions in America notably Lehman Brothers and AIG Group due to the sub-prime mortgage scandals generated an 'economic tsunami' across the world. This resulted in an unprecedented financial meltdown dubbed by many as the worst economic crisis since the Great Depression. The devastating impact of the U.S. led global financial catastrophe is taking a heavy toll on the rest of the world and with it, asset and equity values have taken a severe beating. The wealth destruction has significantly weakened consumers' confidence.

Business ethics has become an increasingly important part of this global conscience (Freyne 2009; Gilmartin 2008). Some businesses now recognise that damage can be done by unethical behaviour: 'leading businesses no longer debate the legitimacy of the role and importance of ethics; rather, they are forging ahead, finding new ways to put ethics into practice' (Krehmeyer 2007). Some even state that sustainable business success can be achieved only through ethical behaviour (Veiga 2004). Notably, the marketing discipline has devoted considerable conceptual and empirical work to research on these issues (Ferrell & Gresham 1985; Hunt & Vitell 1986). This is because marketing, in general, and

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the buyer/seller dyad in particular, is where many ethical problems in business arise (Baumhart 1961; Brenner & Molander 1977; Vitell & Festervand 1987).

The interest in ethics opens up questions: who is to be blamed, the individual, the business or the society? Can problems of ethics be prevented? How? Many explanations have been offered, such as corporate culture, business leadership, corporate governance structures and business school (Henle 2006). While much of the research in the area of business ethics has focused on the incorporation of codes of ethics within a company and the ethical climate of the organisation, the individual rather than the organisation code of ethics should be the unit of analysis when studying ethics (Al-Khatib et al 2005). It is the individual's core values and beliefs that are of ultimate importance as ethics pertains to the individual value-guided behaviour (McDonald & Zepp 1988). Vitell, Lumpkin and Rawwas (1991) emphasized that there is a 'gap' in the marketing ethics literature concerning the ethical beliefs and attitudes of the final consumers regarding potentially unethical consumer practices. Consumers are also the major contributors in the business process and not considering them in ethics research may result in an incomplete understanding of the buyer-seller dyad.

Through the present study's exploration of patterns of Malaysian young consumers' ethical beliefs and intention, the researcher hope to reveal interesting and significant differences into the ethical mindset of the Malaysian consumer. Emerging economies such as Malaysia often place higher priority on economic development objectives than on social and ethical commitment. Faced with the dilemma of economic growth on one hand and societal maturity in the other hand, it makes this study of ethics and morality important if not essential.

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## 1.3 Research Problem

Research must start with an idea or a research problem. ‘The research problem drives or directs the research enterprise’ (Berg 2004, p. 28). For this study, the research problem requiring investigation and which underpins the entire process of the literature review, data collection and data analysis is:

*‘How do the antecedents of consumer ethics affect the ethical beliefs and intention of young Malaysian consumers?’*

### 1.3.1 The Research Questions

Research questions were designed to guide the development of the methodology through which the research problem would be addressed, and the proposed contributions to knowledge. These questions evolved throughout the course of the study as new information and insights came to light. The final seven research questions are presented as follows:

- i. How would intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics affect the dimension of *actively benefiting from illegal activities*?
- ii. How would intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics affect the dimension of *benefiting from questionable activities*?
- iii. How would intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics affect the dimension of *no harm / no foul activities*?
- iv. How would intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics affect the dimension of *recycling / doing good activities*?
- v. Are male consumers more tolerant to unethical behaviour than female consumers?

- 
- vi. Would those who have not taken ethics course in university be more tolerant to unethical behaviour than those who have taken ethics course in university?
  - vii. Is there a significant association between all the dimensions of consumer ethical beliefs and ethical intention?

### 1.3.2 The Research Objectives

Based on the research problems, the objectives of this research are:

- i. To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics on the dimension of *actively benefiting from illegal activities*.
- ii. To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics on the dimension of *benefiting from questionable activities*.
- iii. To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics on the dimension of *no harm / no foul activities*.
- iv. To discover the relationship effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics on the dimension of *recycling / doing good activities*.
- v. To investigate if male consumers are more tolerant to unethical behaviour than female consumers.
- vi. To investigate if those who have not taken ethics course in university are more tolerant to unethical behaviour than those who have taken ethics course in university.

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- vii. To explore if there is any significant association between all the dimensions of consumer ethical beliefs and *ethical intention*.

## **1.4 Justification for the Study**

Considering the recent ethical environment in Malaysia where ethical violations involving politicians and business professionals are common practice and the country is suffering from a number of ethical problems such as tax fraud, deceptive advertising, production of unsafe products and copyright piracy, the current research is therefore timely to examine ethical issues in the marketplace from the perspective of the consumers. Most of the major corporate scandals received wide coverage and publicity in the media. Unfortunately in most cases corporations and big businesses were portrayed as perpetrators preying on the helpless consumers. However, research indicates (Al-Khatib, Vitell & Rawwas 1997; Fullerton, Taylor & Ghosh 1997; Wikes 1978) that consumers are not only victims but are also victimizers.

This ‘criminality of the good’ can be found in most countries and is increasing (Silverman 1999). As Bernstein (1985, p. 24) pointed out, consumers are ‘out-doing big businesses and the government at unethical behaviour’. Understanding why some consumers engage in unethical behaviour may be helpful in ultimately curtailing such practices. Hence, it is pertinent to study consumer behaviour in ethics research so as to gain a complete understanding of ethical issues in the marketplace (Vitell 2003). Furthermore Rao and Al-Wugayan (2005) pointed out that there is a growing interest in researching consumer ethics. However, there seems to be a dearth of consumer ethics studies in the context of Malaysia. In reality, unethical consumer behaviour is prevalent in daily life and has non-trivial consequences for business. Therefore ‘the understanding of consumer ethics is crucial to today’s marketers and policy makers’ (Chan, Wong & Leung 1998, p.1163).

The main aim of this research therefore is to examine and analyse the antecedents that affect consumer ethical beliefs and intention in the Malaysian context. The study will attempt to develop a conceptual framework for identifying antecedents that influence the ethical beliefs and intention of young Malaysian consumers. Although there are many factors influencing consumers’ ethical behaviour, it is still not clear how these factors

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affect ethical beliefs and intention especially in the Malaysian context. Young consumers will be the focal point of the study as this group is growing rapidly and has been the target of many marketing and promotional efforts. With the siege of advertising, direct marketing, e-commerce and recently mobile marketing, it has made decision-making among young consumers more complex. Furthermore advertising, personal selling, pricing, marketing research and international marketing have been subjected to frequent ethical controversy (Murphy & Laczniak 1981), as many questionable practices have been uncovered over the years. Another reason for the emphasis on young consumers is that many of them would one day become future corporate leaders. Understanding the factors that contribute to the ethical beliefs and intention of this group of consumers would certainly assist policy makers in formulating guidelines that will address the ethical problems.

## **1.5 Research Methodology**

This research moves into an area where there is little known prior research. This means that the nature of the research is uncertain, and an appropriate approach is that of an exploratory study (Zikmund 2003). Accordingly, this research is an exploratory study to gain an understanding and insight into consumer ethics behaviour of young consumers in the Malaysian context. The adaptation of the model will be used via a positivist methodology, namely the development of hypotheses to address the research questions, use of objective measures to obtain quantitative data from a large sample, and statistical analysis to test the hypotheses (Cavana, Delahaye & Sekaran 2001; Tashakkori & Teddlie 1998). This will be consistent with the positivist approach used by Vitell, Singh and Paolillo (2007) in the testing of their model.

## **1.6 Contributions of the Study**

There are three contributing areas of the study.

The first is the theoretical contribution. One of the aims of the study is to confirm the dimensionality of the consumer ethics scale especially in the context of Malaysian. Further to this, other theoretical contribution would be to discover the relationship between the

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antecedents of intrinsic, extrinsic religiosity as well as attitude towards business and money ethics on the consumer ethics dimensions. In addition the association between the dimensions of consumer ethics and ethical intention will be explored as well. Evaluation of current literature revealed a dearth of consumer ethics research particularly in the case of Malaysian young consumers. The results from the current study will hopefully add to the lack of existing literature on consumer ethics.

There is also a methodology contribution of the research. The current study will adopt and extend the Vitell, Singh and Paolillo's (2007) model of consumer ethics research. However there are a few major differences in the sample and method used. The study by Vitell, Singh and Paolillo's (2007) was conducted in the U.S. using a nationwide sample of 1,000 adult consumers through mail survey. The target audience for the current research would be different as the present research focus on young consumers rather than adult consumers. Further to this the questionnaire for this study is administered personally to the respondents in their respective universities instead of using mail survey method as in Vitell, Singh and Paolillo's (2007) research.

For the managerial contribution, the study will provide insights to local as well as international retailers. This will provide understandings on the ethical disposition of the demand side, providing companies thinking about entering the Malaysian market with useful information for the design of culturally sensitive marketing strategies. For educational institutions, the current study might provide understandings into the effectiveness of ethics course currently delivered in public and private universities in Malaysia. For public policy makers and legislators, the research will provide information into the need to have publicly funded consumer education in areas such as seeking recourse in cases of dissatisfaction and obtaining and using product information. Furthermore, to curb unethical consumer behaviour in the marketplace, organisations, managers and employees will also have their own part to play. It may be important for organisations to recruit managers and employees who have been appropriately introduced to marketplace ethical standards. This might result in a greater emphasis on consumer ethics within the organisation itself. By associating the consumption of a particular good or service with ethical behaviour, firms, particularly those identified as having a strong record of protecting the environment as well as firms that treat their employees fairly may strike a positive chord with consumers. Lastly, projecting positive attitude towards businesses

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among young consumers might lead these consumers to view unethical behaviour less favourably and probably would be least likely engage in unethical behaviour. Therefore, one of the methods to prevent unethical behaviour might be through improving positive perception towards businesses by developing a relationship between the customers and businesses.

## **1.7 Delimitations and Scope of the Study**

There are several delimitations for this research. The current study is on consumer ethical beliefs and intention of young Malaysian consumers. Therefore, the target sample in this research is undergraduate students from two major universities in Malaysia – a private and a public university. Undergraduate students are chosen as respondents due to their demographic profile that fits into this category of young Malaysian consumers. Young consumers in this research refer to the Generation Y, a specific cohort of individuals born, roughly, between 1980 and 1994 (McCrindle Research 2008) who are now entering colleges and universities. The target sample in this research is undergraduate students from two major universities located at the Klang Valley, Malaysia. The reason for choosing Klang Valley is that the area is a major educational hub for private and public universities in Malaysia. The chosen public university is Malaysia's premier and oldest public university with a student population of about 30,000. The private university chosen for this research is selected because it is one of the most established and largest private universities in Malaysia with enrolment of about 25,000 students. All the targeted respondents are undergraduate business students aged between 18 and 30 years old. The reason for targeting business students is because these students would be most familiar with the terms and consumer scenarios in the questionnaire survey.

## **1.8 Summary of Research Gaps**

Five research gaps are identified for this study.

For the first research gap, there is a need to confirm the dimensions of consumer ethics scale in the context of consumers in Malaysia as past studies reveals that there are four (Muncy & Vitell 1992) or five dimensions (Vitell & Muncy 2005) of consumer ethics

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scale. Review of past literature also revealed that there is a lack of published research specifically attempting to directly link religiosity with consumer ethical beliefs. Attitude toward business and money ethics are also not included in many of the past research on consumer ethics. Therefore, this is the second research gap identified. For the third gap it is discovered that there are many studies conducted to investigate whether there are differences in gender to ethical beliefs but these results are not conclusive (Lund 2008; Valentine & Rittenburg 2007; Pomeroy 2005; Roxas & Stoneback 2004). Vitell (2003) called for further investigation on demographic factors especially gender.

A review of the literature examining whether ethics course have an impact on attitudes toward ethics shows that the results of the studies are mixed with some notion supporting that ethics education make a difference while other studies do not. Hence in the context of Malaysian young consumers, there is a need to examine whether ethics education will affect their perception on ethical beliefs. Therefore this is the fourth research gap identified. Finally, for the fifth research gap, there are also no past studies that empirically test the association between consumer ethics dimensions and ethical intention. In his article on suggestions for future research, Vitell (2003) also proposed that future researchers should consider linking consumer ethics to consumer ethical intention.

## **1.9 Key Theories**

The basis and foundation of this study originated from the general marketing ethics model developed by Hunt and Vitell (1986, 1993). Vitell (2003) affirms that only the Hunt-Vitell model can easily be applied to consumers' ethical behaviour. The model identifies the individual's moral philosophy or ethical ideology as the key factor in explaining the differences between the ethical judgments and behaviours of individuals. Vitell (2003) also reviewed the major research studies involving consumer behaviour that have appeared since 1990 and the studies of Muncy and Vitell (1992) and Vitell and Muncy (1992) should be mentioned. By developing a consumer ethics scale, they examined the extent to which consumers believe that certain questionable behaviours are ethical or unethical and found that consumers' ethical beliefs that differentiate their behaviours has four dimensions: (1) actively benefiting from illegal activities (2) passively benefiting (3) actively benefiting from deceptive (questionable) practices and (4) no harm / no foul. In

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2005, the consumer ethics scale was modified and a new dimension that represents consumers' desire to recycle products and 'do the right thing' was added (Vitell & Muncy 2005).

The current research adopts and extends the Vitell, Singh and Paolillo's (2007) model of consumer ethics. A key difference between the current study and that of Vitell, Singh and Paolillo's (2007) model is that there is an extension to further investigate the relationship between ethical beliefs and ethical intention of young consumers in this study. This has not been explored before but was called upon by Vitell (2003) in his suggestions for further research in consumer ethics. Furthermore, the current study would also extend Vitell, Singh and Paolillo's (2007) model by investigating whether there is any significant difference in the demographic factors of gender and ethics education with the consumer ethics dimensions.

### **1.10 Definition of Key Constructs**

The definitions of the key constructs in the study are given below.

- i. Consumer ethics* - Muncy and Vitell (1992, p. 298) define consumer ethics as 'the moral principles and standards that guide behaviour of individuals or groups as they obtain, use and dispose of goods and services.' Consumer ethics have also been described as the 'rightness as opposed to the wrongness of certain actions on the part of the buyer or potential buyer in consumer situations' (Dodge, Edwards & Fullerton 1996).
- ii. Actively benefiting from illegal activities* - The first dimension of consumer ethics scale signifies the behaviour in which the consumers actively taking advantage of a situation at the expense of the seller. For example, a customer gives misleading price information to the cashier when the price tag has been peeled off.
- iii. Passively benefiting at the expense of others* - The second dimension of consumer ethics scale consists of a situation where consumers passively benefit themselves due to the seller's mistake. An example of this situation is when a customer gets too much change and does not inform the cashier.
- iv. Actively benefiting from a questionable behaviour* - The third dimension of consumer ethics scale represents actions in which consumers actively involved in

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unethical but not necessarily illegal practices. For example, a customer keeps quiet when a waitress at the fast food restaurant serves him first instead of the other customer lining up in front of him.

- v. *No harm / no foul* - The fourth dimension of consumer ethics scale refers to the behaviour that is not seen as harmful to others. An example of this situation is the act of spending an hour trying on different shoes and not purchasing any.
- vi. *Recycling / doing good* - A new and fifth dimension that represents consumers' desire to recycle products and 'do the right thing' was added (Vitell & Muncy 2005). An example of this situation is not purchasing products from companies that consumers believe are not treating their employees fairly.
- vii. *Religiosity* - McDaniel and Burnett (1990) defined religiosity as a belief in God accompanied by a commitment to follow principles believed to be set by God. This differs from spirituality in that spirituality may involve 'a search for meaning, unity, connectedness to nature, humanity and the transcendent' whereas religiosity provides a 'faith community with teachings and narratives that encourage morality' (Emmons 1999, p. 877).
- viii. *Extrinsic religiosity* - Allport & Ross (1967) extrinsic dimension refers to motivations based upon the inherent goals of religious tradition itself. The extrinsic dimension of religious orientation might therefore lead one to religion for the objective of achieving mundane social or business goals such as to make friends or to promote one's business interest (how one's religion might serve oneself).
- ix. *Intrinsic religiosity* - The Intrinsic religiosity from Allport & Ross (1967) that would lead one to religion for its more inherent, spiritual objectives (how one might serve his or her religion or community).
- x. *Money ethics* - Tang (1992, 1993, 1995) developed a scale to measure the ethical meanings that people ascribe to money and called it the money ethics scale (MES). Tang (2002) reports that one's money ethic has a significant and direct impact on unethical behaviour. Furthermore, he labelled the money ethic as the 'love of money' and unethical behaviour as 'evil' stating that 'the love of money is the root of all evil.'

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## 1.11 Methods and Statistical Analysis

Consistent with Vitell, Singh and Paolillo's (2007), this study also uses a survey method. Non-probability judgment sampling method is adopted in this research. Previous researchers on consumer ethics have also adopted the non-probability sampling method (Erffmeyer, Keillor & LeClair 1999; Muncy & Vitell 1992). To facilitate analysis, detailed mapping of questionnaire items is provided in terms of the study's hypotheses and the statistical tools used for analysis. Data analysis is undertaken using SPSS software. Reliability and factor analysis are conducted prior to the testing of the research hypotheses. Finally a mix of independent sample t-test, Pearson's correlation analysis and multiple regression analysis are utilised.

## 1.12 Structure of the Thesis

Guided by Perry (1998), this thesis adopts a structured approach and is organised into six chapters.

**Chapter 1:** This initial Chapter provides the background for the research and sets the study framework. It justifies the conduct of the study, describes the research problem and identifies the research questions and objectives. It also outlines the methodologies for the collection and analysis of the data. Finally, the Chapter lists key constructs' and the delimitations of study.

**Chapter 2:** This Chapter commences with an overview of ethical theories followed by the description of the various ethical decision making framework. Subsequently the discussion moves on the overview of consumer ethics research in other countries as well as the sporadic consumer ethics research in Malaysia. The gaps in the existing body of literature are then identified.

**Chapter 3:** The Chapter starts off with an outline of the conceptual framework followed by the discussion of the dependent and independent variables identified in the study. These formed the basis for reaffirming the relevance of the research problem, the identification of

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the research questions and the crafting of the research hypotheses. Thereafter the formulations of the research hypotheses are discussed.

**Chapter 4:** This Chapter presents the research methodology and design including the choice of the preferred paradigm. It then explains the data collection techniques and the procedures used for the selection of the target sample and the survey questionnaire. The measures taken to make the findings more valid and reliable are also detailed. This is followed by the discussion on the various statistical analytical tools employed in the study. Finally, the Chapter presents the safeguards taken to address ethical concerns.

**Chapter 5:** This Chapter analyses the collected primary data in conjunction with each of the research hypotheses. It begins with an explanation of the data-screening procedures used to check for missing data, outliers and normality distribution. Thereafter, it presents and analyses the results of the research using appropriate statistical methods. Factor analysis and reliability analysis outcomes are also discussed. Finally the research hypotheses are tested with the relevant statistical tools and the outcomes explained.

**Chapter 6:** This final Chapter provides conclusions and implications of this research. The conclusions relate to the research problem, questions and hypotheses of this thesis. This is followed by the discussion on the implications of the research's findings from the context of theoretical and managerial perspective. The Chapter concludes with a listing of the limitations that emerged during the course of the research followed by suggestions for further research.

### **1.13 Summary**

This chapter introduces the research problem, the research questions and objectives as well as the justifications for the research. These are the grounds that the findings extend the existing scholarship on the research topic. It then outlines the research design, delimitations of the study, summary of research gaps as well as the study's key theories. It also presents the definition of key constructs, a summary of methods and statistical analysis and finally the structure of the thesis. The next chapter details the literature review conducted for this research.

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## **CHAPTER 2 – LITERATURE REVIEW**

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### **2.1 Introduction**

A large body of literature has been developed concerning ethics in the marketplace. However, much of this research focused primarily on the seller side for example sweatshop products, offensive advertising and copy-cat branding (Laczniak & Murphy 1991; Whalen, Pitts & Wong 1991; Whysall, 1998, 2000; Wood 1995). Despite this emphasis, consumers are major participants in the business process and not considering them in ethics research could result in an incomplete understanding of that process since all aspects of consumer behaviour such as acquisition, use and disposition of goods or services tend to have an integral ethical component (Vitell 2003). Consequently, the past decade has begun to yield an increase research concentrating on the buyer side of the exchange dyad.

Consumer ethic refers to consumer misconduct (mainly in retail settings) by which the consumer takes advantage of the seller. This includes widespread and sometimes small ‘everyday’ deceptions on part of the consumer. Shoplifting, not saying anything when receiving too much change, changing price tags on products and copying CDs are just a few examples of the wide range of ethically questionable consumer practices. As negative or ‘dark side’ consumer behaviour has been identified to be an important new topic in the agenda of consumer research, including among others unethical consumer behaviour (Hirschman 1991; Holbrook 1994; Mick 1996), a significant stream of literature has emerged around consumer ethics since the pioneering studies of Muncy and Vitell (1992).

### **2.2 Consumers and the Marketplace**

Consumers play a critical role in sustaining market dynamics. They purchase goods and services in support of business sectors such as retailing, and they interact with business people to develop loyal relationships that contribute to firms’ long-term profits (Crosby, Evans & Cowles 1990; Morgan & Hunt 1994). Consumers empower firms that produce what they need and boycott firms that produce inferior or unethical products (Shaw, Newholm & Dickinson 2006). Yet the concept of consumer sovereignty has prompted

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market policymakers to work to contain unethical business behaviours as a means to protect consumer welfare, such that consumers have gained an asymmetrical market position in which their misconducts rarely are socially monitored (Fullerton, Kerch & Dodge 1996).

Consumers, when making ethical decisions, consider not only their personal values, such as their ethical beliefs, but also the relationship that they have developed with retailers. Tian and Keep (2002) found that consumers engage in fraud to retaliate against businesses that commit unethical acts against them. Kenhove, Wulf and Steenhaut (2003), in contrast, reveal that loyal consumers commit less questionable behaviour when dealing with retailers. Consumers who express greater commitment also are likely to forgive unethical business behaviours (Ingram, Skinner & Taylor 2005). In other words, the relationship quality with the retailer may affect the likelihood of unethical behaviour.

### **2.3 Young Malaysian Consumers**

The number of young Malaysian consumers has grown tremendously over the years. In 2003, it was estimated that 43 percent of Malaysia's 25 million people fall into the category of less than 20 years old (PricewaterhouseCoopers 2004). As the country aspires to become a high income economy by the year 2020, the growing affluence and potentially declining moral and religious standards might affect the ethical orientation of these young consumers.

The current research will look at the category of 'consumer ethics' especially among young Malaysian consumers. In their research on consumer behaviours, Cowe and Williams (2001) found that many young consumers are yet to be set in their purchase behavioural patterns. The main issue that this study will explore is the ethical stance of young Malaysian consumers on their acceptance of ethical and potentially unethical situations. Are they more accepting of unethical behaviour or are they less tolerant to unethical behaviour?

A recent survey in Malaysia showed that university students had no qualms about accepting and giving bribes. The study conducted by Universiti Kebangsaan Malaysia

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(UKM) reported that 30.5 percent of the students interviewed were willing to accept bribes if they had the power and the opportunity. Furthermore 15 percent were willing to offer bribes to facilitate business deals and 23.7 percent more would do likewise to prevent actions against them (The Star 2009). This is alarming as the wrong perception of corruption has crept into the minds of university students.

Young consumers provide an interesting focus for the consumer research for several reasons (Grant & Waite 2003). At the period of transition from adolescence to early adulthood, young people seek to establish their own individual personas and form behaviour patterns, attitudes, and values, hence their own consumption patterns. They make purchases to define themselves and to create an identity of their own making (Holbrook & Schindler 1989). Many of these patterns are carried well into individual's lifetimes (Moschis 1987). Furthermore, young people are able to influence the purchase and decision-making of others (Grant & Waite 2003). Subsequently, they act as a change agent by influencing society and culture (Leslie, Sparling & Owen 2001). Finally, from a marketing perspective, young adults are recognised as a specialised market segment that forms a powerful consumer spending group in their own way (Moschis 1987; Grant & Waite 2003). Therefore it is important that consumer ethics research be conducted especially among young consumers as knowing the ethical orientation of this group of consumers will provide researchers and policy makers the means of addressing ethical issues early, while they are still receptive and impressionable.

The current study will focus on young consumers who are university students. Despite the fact that the majority of university students are unemployed and their 'earning' comes mainly from educational loans and parental contributions, university students represent an extremely large and important market segment for many products and services. They are seen as a lucrative market since they have higher than average lifetime earnings and are just beginning a major transition period which is a key time to change previous behaviours (Warwick & Mansfield 2000). Marketers are often keen to target this group because they perceive them as potential loyal customers both currently and in the future (Feldman 1999; Speer 1998).

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The rapid growth of university student population in Malaysia over the past two decades has been largely attributed to the government policy of expanding the tertiary education facilities through the public as well as private institutions (Government of Malaysia 2006). With the expansion of tertiary educational services, which resulted in the establishment of twenty public universities and many more private colleges, the number of students in higher education has been increasing steadily over the years. Recent statistics showed that the number of students entering local public universities for undergraduate studies rose dramatically from 29,962 in 2001 to 58,304 in 2006 – a 95 percent increase within a five year period (Ministry of Higher Education 2007). The government policy to have at least 35 percent of the labour force with tertiary education should encourage this growth to continue in the future (Government of Malaysia 2001).

## **2.4 Overview of Ethical Theories**

Ethics is defined as the ‘inquiry into the nature and grounds of morality where the term morality is taken to mean moral judgments, standards, and rules of conduct’ (Taylor 1975, p. 1). The word ‘ethics’ originated from the Greek word ‘ethos’. Beauchamp and Norman (2003) defined ethics as a systematic attempt, through the use of reason to make sense of our individual social and moral experiences, in such a way as to determine the rules that ought to govern human conduct and the values worth pursuing in life. Ethics according to Stoner et al. (1994) is concerned with ‘right and wrong’. It is an individual’s personal beliefs regarding what is right and wrong or good and bad (Davidson & Griffith 2000).

According to Fukukawa (2003) the literature on ethical issues in marketplaces has moved along two major approaches: normative approaches and descriptive approaches. The former is grounded in philosophical and theoretical discourse, and in identifying principles and guidelines for ethical conduct in the marketplace. The latter uses knowledge based on psychology to explain the decision-making process for ethical situations in marketplaces. These two approaches represent different research perspectives in trying to understand ethics. Normative approaches are concerned with what individuals ought to do, while descriptive approaches are concerned with what individuals actually do when facing ethical situations (Fukukawa 2003).

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### 2.4.1 Normative Approaches

Normative approaches (also termed as philosophical approaches) focuses on the determination of ‘perspective ethics, identifying moral principles and methods of moral reasoning that justify rules and judgments of what is right and wrong’ (Smith 1995, p. 86). The main ethical theories applied to normative approaches are briefly summarised and presented in Table 2.1.

**Table 2.1: Summary of ethical theories applied to normative approaches**

<b>Ethical theory</b>	<b>Characteristics</b>
Egoism	Moral principles based on the goodness of self-interest and whereby the decision-maker pursues maximisation for his/her best interest. Such decisions may be evaluated as ethical, though the extent limited only to where other people have the same interest or receive no harm. Yet, some decisions result in harming the well being of other members of a society and as a consequence can be perceived as morally questionable in a society.
Ethical relativism	Asserts that behaviour cannot be evaluated in terms of ethicality or rightness since one culture evaluates decisions differently from another.
Justice theory	Supported by the principle of equal opportunities and their conditional violation. Every member of a society should be exposed equally to opportunity, wealth and burden, but where those principles are constrained, permissible inequalities are to be redefined.
Objectivism	Considers that ethics and ethical behaviour are ‘good’ although unlikely to be clearly observed in the ‘real’ world. In this sense, decision makers are encouraged at least to aspire to make ‘ethical’ decisions and also oppose ‘unethical’ behaviour.
Teleology	Consequences are evaluated by the degree of justification of social well-being, not by the benefits of decision-makers or other members of a society. Hence, when conditions are feasible to make the right decisions for social well-being, decision-makers are

	encouraged to do so even if those decisions do not result in their own benefits.
Utilitarianism	One form of teleology. Its aim is to achieve benefits for other members of a society as well as for decision-makers. Consequences should be of the greatest benefit or the least harm to everybody in the society. This theory is popular and considered relatively easy to apply in business practice.
Deontology (Kantian or Duty-based approach)	Based on Greek philosophy of ethics and later extended by Kant. Indicates moral duties that a human being has to follow under any circumstance. Differentiated from teleology theories in terms of its evaluations, this theory provides universal principles for goodness and badness in a society, while teleology refuses universal principles for the best results by decisions. Consequences are not evaluated because decision themselves are already predicated in the theory.
Virtue ethics	A counterpart of relativism, with the central idea being the pursuit of virtue in ethical decision-making. Although there may be no absolute moral discipline, the aim is not to react in terms of total moral disaster, but rather to think towards what should be done for the ideal future of individuals or organisations and for the well-being of a society. The process of questioning and attempting to introduce ethical rules or codes is believed to lead towards more ethical decision-making.
Hybrid theories	These theories consider the ambiguity of real life scenarios, and recognise the grey areas of many ethical dilemmas; cases in which the application of a single ethical standard or theory is often unsatisfactory. Hybrid theories in general emphasise the process of decision making in ethical situations, such as reasoning and determining a decision.

Sources: Laczniak & Murphy 1993; Malhotra & Miller 1998; Dunfee, Smith & Ross 1999

Egoism and ethical relativism are theories which refer to maximisation of benefits for individuals or members within the same culture. Egoism is used to describe profit maximisation and is often termed as Machiavellianism, while ethical relativism explores

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cultural impacts on ethics. Both theories have implications for ethics research in explaining profit maximisation by organisations and inconsiderate materialistic consumption (Rawwas 1996). Justice theory, objectivism and utilitarianism consider the balance of individual benefits and social wellbeing. Commonly, these theoretical perspectives take an account of the wide spectrum of members of a society in terms of ethical judgments in decision-making. Teleology, deontology and virtue ethics encourage ethical decisions for the 'good' as defined from within these respective theories. The theories inherited a strong association of the importance of ethical decisions to the health of social well-being.

Each theory introduced above can be said to be more or less problematic in dealing with real situations (Fukukawa 2003). In reality, it is seen that there are various alternatives available as a set of judgments (decisions) for any given ethical situation. By examining a situation, a decision-maker might not just apply one principle as delineated in ethical theory but evaluate a number of alternatives. The decision-maker might then compare between these alternatives while considering both the ethicality and result of a decision. This implies that situations faced in real life are not simple and do not lend to the application of a single theory, or a set of theories, every time.

To deal with such situations, hybrid theories (Malhotra & Miller 1998) have been developed to emphasise on the process of the reasoned decision making process, rather than in terms of determining the goodness of the behaviour. Hybrid theories seek to emphasise which imperative among the alternatives should be more important in a particular situation. While other ethical theories mentioned previously are able to conceptualise ethical decisions in a certain manner, the hybrid theories encourage accommodating various related disciplines and justify decisions through each decision-making process. These hybrid theories have influenced the emergence of descriptive approaches that aim to understand and develop a decision-making process with more practical implications (Malhotra & Miller 1998).

#### **2.4.2 Descriptive Approaches**

While normative approaches are grounded in philosophical discourse, descriptive approaches stem from developments in psychology (personal, behavioural and social

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psychology). Descriptive approaches, including empirical studies conducted by psychologists; focus on behavioural predisposition of decision-makers with regards to ethics (Fukukawa 2003). Descriptive approaches in ethics research are largely differentiated between a cognitive approach (also termed as cognitive developmental approach) and a social learning approach (Ho et al. 1997). The cognitive approach is founded on the assumption that “morality can be studied in terms of recognizably distinct patterns of reasoning about justice that develop in an invariant sequence” (Kohlberg 1969 cited in Ho et al. 1997, p.118). The emphasis is on personal (or internal) elements of decision-making. On the other hand, social learning approaches assume that ‘understanding social conditioning is more important than rational consideration in explaining morality’ (Ho et al. 1997, p. 117). Hence, its emphasis is on social (or external) elements of decision-making.

A cognitive approach is used to explain the decision-making process and conceptualise behaviour. Decision-making models within this approach are built upon frameworks of information processing theories (Foxall, Goldsmith & Brown 1998), and components of behaviour are examined through extended attitude theories (Lutz 1991). Researchers using a cognitive approach focus on the internal mechanism and stages of a decision-making process, including for example purchase behaviour, need recognition, search, pre-purchase alternative evaluation, purchase, consumption and post purchase behaviour (Engel, Blackwell & Miniard 1995). Ethics researchers using such a cognitive approach investigate judgments for a variety of ethical situations by examining internal reasoning.

In the area of consumer ethics research, a number of studies – categorised as cognitive in their approach – have investigated ethical beliefs and judgment in ethical situations. These studies are interested in identifying dimensions or distinctive characteristics of ethical judgment and are applied to a number of different backgrounds or scenarios. Muncy and Vitell’s (1992) consumer ethics scale (CES) has proved to be a standard bearer for this type of research. Muncy and Vitell’s initial model characterised consumer judgments toward ‘unethical’ behaviour for the purpose of identifying possible causes of subsequent unethical behaviour. Hence, it is reasonable to argue that many subsequent studies that have applied the consumer ethics scale also make the presumption that the judgments will be the main cause of, or significant influence on subsequent behaviour (Fukukawa 2003).

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The social learning approach emerged as a response to the criticisms of the cognitive approach that is considered as insufficient in dealing with the influence of external agents such as cultural and sociological factors (Engel, Blackwell & Miniard 1995). In particular, the social learning approach has been considered as being more appropriate in examining external influences on judgment. Hence, for the social learning theorist, ‘understanding social conditioning is more important than rational considerations in explaining morality’ (Ho et al. 1997, p.117). Thus, a social learning approach engaged researchers in the investigation of individual differences and their social setting in the overall decision-making process. This approach has now received great attention particularly where environmental factors take on unique attributes because of the specific organisational and marketing settings (Fukukawa 2003).

Researchers in consumer ethics have also investigated individual and environmental factors influencing consumer decision-making. However, studies tend to concentrate on a few limited areas. Individual ideologies provide popular constructs that help to understand the difference in ethical judgments between consumers. The Ethical Position Questionnaire (Forsyth 1980), based on idealism / relativism constructs, has been subsequently applied to identify predominant ethical ideologies of consumers (Rawwas 1996). The measurements of Machiavellianism and materialism have been used to understand the effects of egoism and materialistic value that supposedly conflict with ethical values such as Machiavellianism (Al-Khatib, Vitell & Rawwas 1997) and materialism (Muncy & Eastman 1998).

## **2.5 Ethical Decision Making Framework**

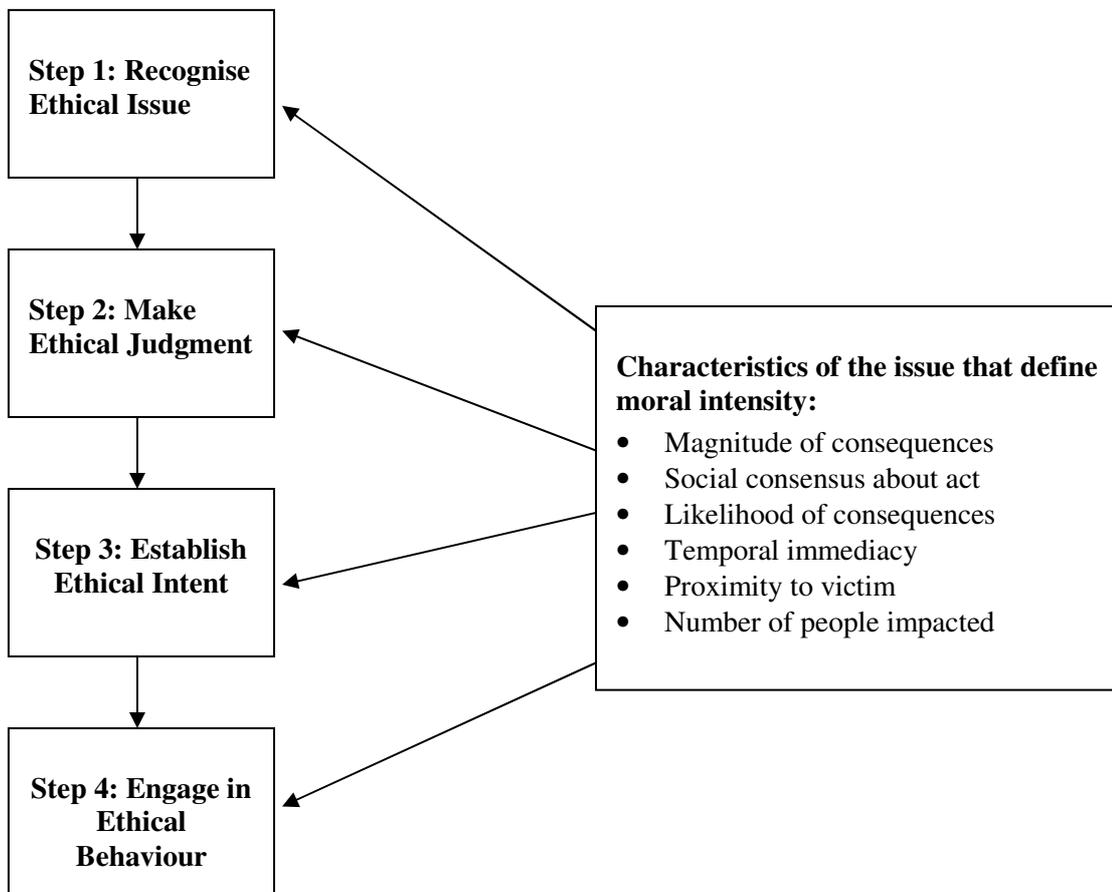
### **2.5.1 Ethical Decision Making Process**

In the model proposed by Jones (1991) and Cohen and Bennie (2006), the ethical decision making process can be decomposed into four discrete steps (see Figure 2.1). Firstly, an individual must have ethical awareness (Step 1); the person must be able to recognize and ethical issue. Secondly, the individual must be able to make an ethical judgment - what should be done (Step 2). Then, the individual must be able to establish ethical intent (Step 3). As opposed to deciding what should be done, this step involves deciding what will be

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done. Finally, the individual engages in an ethical action or behaviour (Step 4). The characteristics of the ethical issue itself impact every step. Six specific characteristics together define the issue's level of moral intensity (Jones 1991). Research has generally shown that the higher an issue's moral intensity, the more likely individuals follow the ethical decision-making framework, at least through Step 3 (Cohen & Bennie 2006; Jones 1991).

**Figure 2.1: The ethical decision-making process**



Source: Jones (1991, p. 379), Cohen and Bennie (2006, p. 5)

### 2.5.2 The Hunt-Vitell Model

When consumers make decisions that involve ethical issues, they may use their ethical beliefs to judge various alternatives in terms of their morality (Rest 1986). This is consistent with the premise of the theory of reasoned action, which states that a person's behavioural intention, which leads to his or her actual behaviour, is a function of his or her

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subjective norms and attitude toward the behaviour, which in turn are determined by his or her beliefs (Fishbein & Ajzen 1975). Vitell (2003) states that there are mainly three major comprehensive theoretical models that could explain the ethical decision-making process of individuals. They are the models of Ferrell and Gresham (1985), Hunt and Vitell (1986, 1993), and Trevino (1986). However, only the Hunt-Vitell model can easily be applied to consumers' ethical behaviour. The model identifies the individual's moral philosophy or ethical ideology as the key factor in explaining the differences between the ethical judgments and behaviours of individuals.

The basis and foundation of this study originated from the general marketing ethics model developed by Hunt and Vitell (1986, 1993). According to the Hunt and Vitell's (1993) model, consumers make two types of ethical judgments: deontological and teleological. Deontologists believe that certain features of the act itself other than value it brings into existence make an action or rule right while teleologists believe that there is one and only one basic or ultimate right-making characteristic. The deontological evaluation involves comparisons among the various alternatives and a set of established personal norms, whereas the teleological evaluation entails the consumer's assessment of how much good or bad will result from the decision. In most situations a consumer's ethical judgments are likely to be a function of both the deontological and teleological evaluation. The concept that individuals typically use both types of evaluations has been supported by empirical findings (Mayo & Marks 1990; Hunt & Vasquez-Parraga 1993). For example, when consumers realise their behaviour may damage their relationship with the retailer, they may change the behaviour, even if they deem it in-appropriate from an ethical perspective (Rao & Al-Wugayan 2005).

Ethical judgments (the extent to which one believes that a certain alternative is ethical or not) determine behaviour through the intentions construct, but ethical judgments might differ somewhat from intentions because one's teleological evaluation also affects intentions directly. That is, upon examining the consequences and deontological norms relative to a particular alternative, an individual consumer might perceive it to be the most ethical. However, the individual might still intend to adopt a different alternative because of some highly desirable consequences flowing from it. Furthermore, the action control construct may cause behaviour to be inconsistent with both intentions and ethical judgments.

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After the consumer chooses a behaviour, there is an evaluation of the actual consequences resulting from that behaviour. These consequences provide feedback to the individual's personal experiences when compared to the originally expected consequences. The Hunt-Vitell model contains several distinct background factors that impinge the entire decision making-process. However, only the cultural environment and personal characteristics are pertinent to consumer ethics. The cultural environment includes culture and any sub-culture that might impact consumer choices in a situation involving ethical issues. The personal characteristics, on the other hand, include a number of possible dimensions, such as the individual's level of moral development and the individual's personality.

## **2.6 Consumer Ethics Research**

### **2.6.1 Overview of Consumer Ethics Research**

The study of ethical consumer behaviour can be categorised into two groups: ethical consumerism and consumer ethics. According to Harper and Makatouni (2002, p. 289), being an ethical consumer means 'buying products which are not harmful to the environment and society'. Shaw and Clarke (1998, p. 163) refer to ethical consumption as 'the degree to which consumers prioritize their own ethical concerns when making product choices'. In the nutshell, ethical consumerism therefore relates to environmental and social concern in consumption-related activities (e.g. recycling, buying fairly traded products, charitable giving and market place activism such as boycotting).

Muncy and Vitell (1992, p. 298) define consumer ethics as 'the moral principles and standards that guide behaviour of individuals or groups as they obtain, use and dispose of goods and services.' Consumer ethics have also been described as the 'rightness as opposed to the wrongness of certain actions on the part of the buyer or potential buyer in consumer situations' (Dodge, Edwards & Fullerton 1996). Therefore in this instance, consumer ethics refers to the role of ethics in decision-making, including misconduct in the marketplace (e.g. shop lifting, failing to declare undercharging, buying counterfeit goods and downloading pirated digital products). The focus point for this research would be consumer ethics rather than ethical consumerism.

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A number of researchers (Swaidan, Rawwas & Al-Khatib 2004, p. 752; Vitell 2003, p. 33) point out that, although there is a large body of empirical research concerning ethics in the market place, most of them focused on the seller side. As Rao and Al-Wugahan (2005) emphasize, marketing is an exchange process between buyers and sellers, and unethical behaviours can be exhibited by both parties. Therefore, ignoring consumers may result in an incomplete understanding of that process (Vitell 2003) and in the development of ineffective marketing strategies (Swaidan, Rawwas & Al-Khatib 2004). As a result, in the last decade, consumer ethics has emerged as an important area for research (Steenhaut & Kenhove 2006).

### **2.6.2 Consumer Ethics Research Before 1990**

Although the bulk of the existing consumer ethics literature appeared since 1990 (Vitell 2003), some consumer ethics research existed prior to that date. These earlier studies can be classified into five broad categories.

First, some authors have empirically examined a single component of unethical consumer behaviour. The areas most commonly investigated have been shoplifting (Kallis, Krentier & Vanier 1986; Moschis & Powell 1986), ecologically related consumption (Antil 1984; Haldeman, Peters & Tripple 1987), and consumer views about ethical issues related to gambling and lottery playing (Burns et al. 1990).

A second stream of research attempted to provide normative guidelines for businesses and consumers on ethically related issues. Stampfl (1979) outlined a code of ethics for consumers and Schubert (1979) developed a set of strategies for combating consumer abuses.

A third research stream examined the apparent 'double standard' that exists between what consumers perceive as acceptable consumer behaviour and what consumers believe are acceptable business practices. Historically, consumers are inclined to hold businesses to a higher standard of ethics than they, themselves, are willing to adhere. Two studies

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supporting this concept of double standard are Davis (1979), which used an adult sample and DePaulo (1987) a student sample.

A fourth research stream involved the development of theoretical models (Ferrell & Gresham 1985; Hunt & Vitell 1986; Trevino 1986). These researchers tried to develop a conceptual and empirical base for understanding ethical decision-making in marketing. These theories, however mainly focused on the ethical decision-making processes of marketers, not consumers. Alternatively theories that address an individual's perspective of the ethical decision making process are provided by Grove, Vitell and Strutton (1989), Kohlberg (1981) and Rest (1986). Grove, Vitell and Strutton (1989) presented a model based on the techniques of neutralization developed in sociology by Sykes and Matza (1957) that helps explain how some people may justify non-normative consumer behaviour.

Finally, the fifth stream of research focused on consumer attitudes relative to a variety of potentially unethical consumer practices. Wilkes (1978) is one of the relatively few studies that can be included within this stream. Though statistics were readily available on the extent of illegal or fraudulent consumer behaviour, this is the only study that investigated people's perceptions of such behaviour. In particular, Wilkes (1978) investigated how wrong consumers perceived certain activities to be, the degree of the perceived participation by consumers in these activities, and how serious consumers considered these activities to be.

### **2.6.3 Consumer Ethics Research After 1990**

Vitell (2003) reviewed the major research studies involving consumer behaviour that have appeared since 1990. Among the first consumer ethics research in this period, the studies of Muncy and Vitell (1992) and Vitell and Muncy (1992) should be mentioned. By developing a consumer ethics scale, these authors examined the extent to which consumers believe that certain questionable behaviours are ethical or unethical and found that consumers' ethical beliefs that differentiate their behaviours has four dimensions: (1) actively benefiting from illegal activities (e.g., changing price labels in a supermarket), (2) passively benefiting (e.g., getting too much change and not saying anything), (3) actively

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benefiting from deceptive (questionable) practices (e.g., using an expired coupon for merchandise), and (4) no harm / no foul (e.g., copying and using computer software that the consumer did not buy) (Vitell & Muncy 1992). Their findings revealed that actions in the first dimension are initiated by consumers, most of whom perceive that these actions are illegal. The second dimension involves actions where consumers passively benefit from sellers' mistake. The third dimension is also initiated by the consumers, however these actions are not perceived to be illegal. Yet, they are still morally questionable. Study findings indicated consumers believe that it is more unethical to actively benefit from an illegal activity than to passively benefit. Finally, the fourth dimension involves actions that most consumers perceive as not even being unethical at all. Most of these actions involve the copying of intellectual property such as software, tapes or movies (Swaidan, Rawwas & Al-Khatib 2004; Vitell 2003).

Muncy and Vitell (1992) and Vitell and Muncy (1992) research were soon followed by a number of related studies, including some cross cultural studies, using the Muncy-Vitell consumer ethics scale. For example, Lascu (1993) examined the extent to which the Muncy-Vitell scale and other ethics scales might be appropriate for use in cross-cultural studies. Lascu's (1993) conclusion, based upon a panel of expert assessments, was that the Muncy-Vitell scale is quite appropriate for use in cross-cultural studies although some of the items might have to be re-worded first (e.g., 'supermarket' might need to be changed to 'store').

Many individual factors influence consumers' ethical behaviours. Among those individual factors, demographic factors have received considerable research attention. Studies that investigated the relationships of age, gender, nationality, religion, and education with ethical decision-making have produced conflicting results (Loe, Ferrell & Mansfield 2000; Lund 2000; Rawwas & Singhapakdi 1998; Vitell 2003; Vitell, Lumpkin & Rawwas 1991; Ford & Richardson 1994). However, age appears to be the most significant demographic variable, with older consumers being more ethical (Vitell 2003).

Vitell, Lumpkin and Rawwas (1991) investigated the ethical beliefs of elderly consumers and found that while older 'senior citizen' are generally more ethical than somewhat younger 'senior citizens', they are very diverse in terms of their ethical beliefs. Also

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examining the age issue, and comparing U.S. adults with teenagers and children, Rawwas and Singhapakdi (1998) found that age was significant between these groups with adults (20 to 79 year olds) being more ethical than either teenagers (mostly 19 year olds) or children (10 to 12 year olds). However, teenagers and children only differed on two of the four consumer ethics dimensions with teenagers tending to be more ethical. Interestingly, the authors also found that adults such as family members and teachers served as role models in assisting children and teens in shaping their behaviors in an ethical direction.

Regarding gender, although research results are mixed, some studies support that females are more ethical than males. Using an Austrian sample, Rawwas (1996) found that gender is a significant determinant of not only the 'actively benefiting from a questionable act' dimension but also the 'no harm / no foul' dimension. However, as Vitell (2003) pointed out, the research findings regarding gender are certainly not definitive. As far as the other demographic factors such as educational level and income are concerned, more research is required, since results using these variables are also inconclusive.

Besides demographic variables, a number of researchers have studied the role of personal values on ethical decision-making, since it has been shown that personal values affect a wide variety of attitudes and behaviours (Shafer, Fukukawa & Lee 2007). Several personal characteristics were tested as factors influencing ethical decision-making. Among the most frequently studied factors, Machiavellianism (Erfmeyer, Keilor & LeClair 1999; Rawwas, Vitell & Al-Khatib 1994; Rawwas, Strutton & Johnson 1996; Van Kenhove, Vermier & Verniers 2001) and moral philosophy (Al-Khatib et al. 2002; Singhapakdi et al. 1999; Swaidan, Rawwas & Al-Khatib 2004) should be mentioned.

Overall, Vitell (2003) points out that less Machiavellian, less relativistic, and more idealistic consumers were found to be more ethical. Numerous other variables have also been examined; for instance, Rallapalli et al. (1994) examined the relationship between the consumer ethics scale and a number of personality traits, including high propensity to take risks, high needs for autonomy, innovation, and aggression. Findings showed that consumers with a high need to follow socially desirable behaviour tend to be more ethical, as those with strong problem-solving coping styles.

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In a five-year study, Glover et al. (1997), on the other hand, conducted three separate research studies. In the first two studies, they investigated the relationship between honesty / integrity and ethical decision choices an individual makes and the moderating affects of self-monitoring and self-consciousness. Findings indicated that the degree of the influence of a particular value on ethical decision choice rests on demographical or environmental factors. Therefore, they expanded the third study by investigating the influence of the demographical factors that had provided the strongest results, including age, gender, and years of work experience, and some selected workplace values including achievement, fairness, and concern for others, on the ethical decision process. Findings indicated that gender, years of work experience, and achievement influence the ethical choices of individuals. In the study, women were found to be making more ethical decisions than men. In addition, years of work experience and high levels of need for achievement seemed to have correlation with higher levels of ethical decision-making.

In addition to personal characteristics, cultural environment has also attracted research attention. Rao and Al-Wugayan (2005) state that cross-cultural studies have started to appear in consumer ethics. However, considering the diversity of world cultures, their number is insufficient. In addition, most of them focus on a specific geographic region (Al-Khatib et al. 2002; Polonsky et al. 2001) or even in a single country (Al-Khatib, Dobie & Vitell 1995; Chan, Wong & Leung 1998; Erffmeyer, Keillor & LeClair 1999; Van Kenhove, Vermier & Verniers 2001). However, cross-cultural studies comparing different cultures (Al-Khatib, Vitell & Rawwas 1997; Rawwas 2001; Rawwas, Patzer & Klassen 1995) are also present.

Rawwas, Vitell and Al-Khatib (1994) used the consumer ethics scale in a cross-cultural study comparing consumers in Egypt and Lebanon. The results indicated that consumers in Lebanon, which had been torn by civil unrest and terrorism at the time, were more accepting of all of the 'questionable' consumer practices that comprise the consumer ethics scale. They were also more Machiavellian, more relativistic and less idealistic than their Egyptian counterparts. A similar study by Al-Khatib, Vitell and Rawwas (1997) compared consumers in the U.S. with those in Egypt. The U.S. consumers were significantly more ethical on three of the four consumer ethics dimensions. The U.S. consumers were also found to be both less idealistic and less relativistic than the Egyptian consumers. In an earlier study using the same Egyptian sample, Al-Khatib, Dobie and Vitell (1995) found

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that an idealistic ethical perspective was related to three of the four consumer ethics dimensions (more idealistic, higher ethical beliefs) while a relativistic perspective was significantly related to two of them (more relativistic, lower ethical beliefs).

In another cross-cultural study, Rawwas, Strutton and Johnson (1996) compared U.S. consumers to Australian consumers using the consumer ethics scale and found that Australian consumers were significantly more intolerant (for three of the four dimensions) of these questionable consumer actions than were U.S. consumers. They further found that the Australian consumers were more Machiavellian than the U.S. consumers, but there were no differences in terms of either idealism or relativism. Rawwas, Strutton and Johnson (1996) speculate that the harsh and desolate geographical conditions in Australia may have helped to develop a greater sense of individualism and, thus, also greater Machiavellianism in that country.

Swaidan (1999) examined the ethical beliefs of Muslim immigrants in the U.S., comparing those who desire to keep their original culture and remain separate (separators) with those who want to integrate into American society while still keeping their original culture (integrators). Results indicated that the separators (about 26% of the total sample) tend to be less tolerant of questionable consumer practices than integrators (about 60% of the sample). That is, the separators perceived these practices as being more wrong than the integrators did. Apparently, those who are more likely to integrate in various ways into the American culture are also more likely to accept the questionable consumer practices of, at least some, American consumers as well.

Rawwas, Patzer and Klassen (1995) conducted a cross-cultural study comparing consumers in Northern Ireland to those in Hong Kong. They hypothesized that those subjected to a more chaotic form of colonialism (the Northern Irish consumer) would be more accepting of 'questionable' consumer practices than those subjected to a more stable form of colonialism (the Hong Kong consumers). While their results tend to somewhat support their hypotheses, nevertheless, the Northern Irish consumers were no different than the Hong Kong consumers in terms of their general ethical beliefs; they were about the same in terms of idealism and relativism with the Irish only slightly higher in terms of Machiavellianism. In another study, Rawwas, Patzer and Vitell (1998) compared the Northern Irish consumer with the Lebanese consumer and found that both groups were

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relatively insensitive to consumer ethical issues, but that the Irish tend to be less sensitive. They were also less idealistic, more relativistic and more Machiavellian than the Lebanese. Both of the above studies, involving Irish consumers, supported the original factor structure of the Muncy and Vitell studies.

Chan, Wong and Leung (1998) administered the consumer ethics scale to a Hong Kong population and found support for a somewhat similar factor structure (and perhaps a similar consumer perspective) to that discovered in the original study. Nevertheless, there were some interesting cultural elements present in the findings. For example, the items in the 'no harm / no foul' dimension were perceived as more wrong than those in the 'actively benefiting from a questionable act' dimension, in contrast to other studies. Furthermore, the authors asked the same attitudinal questions that Vitell and Muncy (1992) did, with the results indicating that respondents who had a more positive attitude toward business were less tolerant of passively 'benefiting at the expense of others.' Furthermore, respondents that felt that man is basically good tend to apply stricter standards towards 'actively benefiting from questionable actions.' The latter result was in direct contrast to the Vitell and Muncy (1992) results. Additionally, the Hong Kong consumers seemed to be less likely to allow personal attitudes to affect their ethical beliefs. For example, being pro-business did not seem to influence their ethical beliefs whereas it did for U.S. consumers.

Also using an Asian sample, but this time from Japan, Erffmeyer, Keilor and LeClair (1999) surveyed a total of 258 Japanese consumers. They showed that a Machiavellianism philosophy was significantly related to all four consumer ethics dimensions such that those who were more Machiavellian tends to believe that the various consumer practices were less wrong. In contrast, those consumers who were more idealistic tend to think all four consumer ethics dimensions were more wrong. However, a relativistic philosophy was only related to the 'passively benefiting' and 'no harm / no foul' dimensions. In these cases, the more relativistic that the consumer appeared to be the less wrong the perception of the consumer action. These authors also examined various demographic variables. Their most interesting result was that younger consumers tend to be more relativistic or Machiavellian and that they also tend to perceive these various consumer actions as less wrong. This latter result is consistent with U.S. studies (Muncy & Vitell 1992; Vitell & Muncy 1992).

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Van Kenhove, Vermier and Verniers (2001) examined a sample of Belgian consumers. While they included many of the constructs used previously such as the consumer ethics dimensions and Machiavellianism, they also added a new construct, the consumer's 'need for closure.' They discovered that those with a high need for closure tend to have a more ethical consumer belief system and were less Machiavellian. They also tend to be more likely to follow an idealistic moral philosophy. In spite of the different cultural setting, the same four dimensions were supported by factor analysis. In another unique aspect of the study, an examination of political preferences tend to show that a high preference for the politically extreme-left resulted in a more tolerant score for the 'actively benefiting from a questionable act' dimension while a high preference for the politically extreme-right resulted in a less tolerant score for the 'no harm / no foul' dimension. Finally, gender was not significant in terms of determining any of the consumer ethics dimensions. Rawwas (1996), however, using an Austrian sample, showed gender as being a significant determinant of both the 'actively benefiting from a questionable act' dimension and the 'no harm / no foul' dimension. In these cases, females were more likely to find these activities unethical. There was, however, agreement between males and females in terms of the 'illegal activities' and 'passive activities' dimensions.

Rawwas (2001) compared the ethical judgments of consumers from eight different countries, the U.S., Ireland, Austria, Egypt, Lebanon, Hong Kong, Indonesia and Australia. As before, the four dimension factor structure of the consumer ethics scale was supported. Furthermore, the 'actively benefiting' items were almost universally perceived as being illegal and unethical. On the other hand, 'actively benefiting from a questionable action' was the best dimension in terms of discriminating among consumers from the cultures tested. For example, the U.S., Australia and Ireland tend to be more tolerant of these actions than consumers from Lebanon and Egypt while consumers from Austria and Hong Kong tend to take a moderate approach to these issues.

Another study by Polonsky et al. (2001) compared consumers in northern Europe versus those in Southern Europe on the consumer ethics scale. As in previous studies, the four factor structure was supported and was generally consistent with previous research. While some minor differences existed between the two groups tested, consumers in the two regions generally perceived issues somewhat similarly.

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Bateman, Fraedrich and Iyer (2002) conducted a study of U.S. consumers to determine what effect the framing or wording of scenarios has on moral reasoning in consumer ethics research. Their results indicated that ‘framing effects are more likely to occur in situations with low to moderate ethicality’ (p. 135). This would appear to include the ‘actively benefiting from a questionable act’ and ‘no harm / no foul’ dimensions of the consumer ethics scale, and might explain why sometimes there are differences found on these two dimensions, but less often on the other two, especially the ‘illegal activities’ dimension. A further result was that ‘framing effects are not likely to vary by gender’ (p. 135).

Al-Khatib et al. (2002) compared consumers in four Middle Eastern countries: Saudi Arabia, Oman, Kuwait and Egypt. Preliminary results indicate that the Saudi consumers were somewhat less accepting of these various ‘questionable’ consumer practices than their counterparts in the other three countries and that the Saudi consumers were also more idealistic. However, no definitive conclusions were reached by the authors. Appendix A summarises the various consumer ethics research discussed above.

#### **2.6.4 Consumer Ethics Research: Other Approaches**

While a number of studies used the consumer ethics scale to study consumer ethics issues, many other studies have taken several different approaches toward examining the issue of consumer ethics.

Fullerton, Kerch and Dodge (1996) calculated their own ‘consumer ethics index.’ Their results were somewhat similar to those obtained with the Hunt-Vitell consumer ethics scale as consumers were generally quite intolerant of questionable ethical practices by other consumers yet they were ambivalent where they perceived that the seller was not harmed economically. Furthermore, younger and more educated consumers seemed to be more accepting of unethical behaviours. Using the same set of 15 scenarios developed in the Fullerton, Kerch and Dodge (1996) study, Dodge, Edwards and Fullerton (1996) sampled over 1,700 heads of households in the U.S. (532 completed surveys) and found support for the results of the previous study, that consumers were relatively intolerant of most questionable consumer practices, but they were more tolerant when the economic harm to the victim appeared to be relatively less.

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The use of the techniques of neutralisation by consumers was the focus of a study by Strutton, Vitell and Pelton (1994). They found that consumers tend to explain away their negative behaviour, and that of other consumers, by invoking issues such as ‘denial of injury’, ‘denial of responsibility’ and ‘condemning the condemners.’ These techniques were first proposed by Sykes and Matza (1957) and represent a learned set of motives that can insulate an individual from self-blame.

Thong and Yap (1998) tested the Hunt-Vitell model using a consumer-related issue, the illegal copying of computer software. Sampling 243 graduating, information-system students, they found that these individuals used both deontological and teleological evaluations to come to an ethical judgment when faced with moral dilemma. They further concluded that the Hunt-Vitell theory is not only adequate for describing the ethical decision-making process, but that it is also ‘a better alternative than the theory of reasoned action for understanding the ethical decision-making process’ (pp. 232-233).

Albers-Miller (1999) examined the issue of consumer buying of illicit goods. The results indicated that the product type, buying situation and the price were all significant predictors of one's willingness to buy illicit goods. Peer pressure to engage in the illicit behaviour was also significant. However, contrary to expectations, the perception of criminal risk was not.

In another study, Vitell, Singhapakdi and Thomas (2001) tested four consumer situations, (1) switching price tags, (2) using an expired coupon, (3) cashier mistake and (4) copying software. Although they did not use the consumer ethics scale, each of these situations relates to activities common to one of the 4 dimensions of the consumer ethics scale. These were tested using the Hunt-Vitell theory of ethics and the methodology developed by Hunt and Vasquez Parraga (1993). The results, using a U.S. consumer sample, supported the notion that consumers rely more on deontological ethical norms than on teleological issues such as perceived consequences, when forming their ethical judgments.

In the same Vitell, Singhapakdi and Thomas (2001) study, materialism was not related to either ethical judgments or intentions. This result was in contrast to the findings of Muncy and Eastman (1998), as the latter found that materialism was related to each of four

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dimensions of the consumer ethics scale (a higher level of materialism will lead to lower ethical beliefs). Additionally, coupon proneness (the propensity to respond to specific purchase offers), consumer alienation and religiosity or spirituality all had only a very limited impact on the two dependent variables of ethical judgments and intentions in the Vitell, Singhapakdi and Thomas research.

Several personal characteristics were tested as independent variables potentially impacting ethical judgments and intentions. Value consciousness (a general concern for paying lower prices) was not found to be related to the two dependent constructs. However, using the same measure of value consciousness, Ang et al. (2001) found that the more value conscious the individual, the more favourable was their attitude towards the purchase of counterfeit products and pirated goods, and they also found that one's attitude toward piracy and counterfeit products was significant in influencing intention to buy. They further found that males and those from lower income groups as well as those with lower levels of integrity were more likely to have favourable attitudes towards piracy.

In a study of 138 consumers, Gardner, Harris and Kim (1999) attempted to define the 'fraudulent consumer.' They considered fraudulent consumer behaviour as 'intentional deception under the guise of legitimate consumer behaviour' (p. 49). Consistent with research using the consumer ethics scale, whether or not one was the active instigator or the passive recipient appeared to affect one's actions. Furthermore, consistent with the Hunt-Vitell theory of ethics, the perceived likelihood of success or failure of the action also affected one's ultimate action. Finally, information also seemed to impact the consumer's attitude toward the act. Appendix A summarises the various consumer ethics research discussed above.

### **2.6.5 Consumer Ethics Research in Malaysia**

The majority of past ethics research in Malaysia took the view of business ethics (Zabid & Alsagoff 1993; Alam 1995; Zabid & Ho 2003; Zabid & Saidatul 2008; Wong 2008) rather than consumer ethics. Only recently has there been a growing interest in exploring the under-researched area of consumer ethics in Malaysia.

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One of the earliest consumer ethics studies was conducted by Singhapakdi et al. (1999). The research compares ethical beliefs held by consumers towards businesses in America and Malaysia. The results indicated that Malaysian consumers tend to be less idealistic and more relativistic in their moral philosophies than U.S. consumers. Based on their ethical perceptions and ideologies, Malaysian consumers will be less sensitive to unethical marketing practices than US consumers.

Recently there are several studies in Malaysia that specifically adopted Muncy and Vitell (1992) consumer ethics scale in consumer ethics research. Ramly, Lau and Choe (2008) examined the role of religiosity in determining the ethical attitudes of young consumer groups in Malaysia. Two hundred and seventy eight undergraduate business and accounting students from public and private universities were surveyed. They found limited evidence to support the hypothesis that religiosity was a positive determinant of young consumers' ethical beliefs. The results also revealed that young male consumers were more willing to benefit from illegal activities as well as to passively benefit at the expense of others compared to female students.

In another research Lau, Choe and Ramly (2009) assessed consumer ethical beliefs about potentially questionable consumer behaviours. Their research looked at whether Machiavellianism, relativism and idealism would have an impact on the students' perceptions of a variety of consumer actions and practices. The result showed that male students were generally less ethical compared to female students and public university students were more ethical compared to private university students. Further analysis also revealed that university students were generally more idealistic in their outlook and were less tolerant to unethical or questionable consumer behaviour. Lau and Choe (2009) explored the acceptance of unethical consumption activities of young consumers' with regards to gender, exposure to ethics education and the amount of allowances received per month. The results indicated that female consumers were more ethical in two of the four dimensions of consumer ethical beliefs. Furthermore those who had not taken ethics course were found to be more ethical in at least two of the dimensions of the consumer ethical scale. Finally the quantum of allowance received per month did not influence the level of consumer ethical beliefs in all the four dimensions of consumer ethics. In the latest study by T.C. Lau (2010), the researcher adopted the Vitell and Muncy (2005) consumer ethics scale and investigated the effect of moral ideologies and Machiavellianism on Malaysian

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consumer ethical beliefs. The results indicated that idealism exerted the greatest influence on all the four dimensions of consumer ethics. It was also revealed that Malaysian consumers had evolved over the past ten years in their moral ideology: from relativism to idealism in comparison to Singhapakdi et al. (1999) research almost ten years ago.

Despite several recent studies on consumer ethics in Malaysia, the current research would be different as compared to the several past studies illustrated above. The present research would investigate the effect of religiosity (intrinsic and extrinsic), money ethics and attitude towards business with the recently modified consumer ethics scale by Vitell and Muncy (2005). In the context of Malaysia this has not been investigated before. Furthermore, the study would also investigate the role of gender and ethics education on consumer ethical beliefs. Finally, as called for by Vitell (2003) the present study would also try to establish the association between Vitell and Muncy's (2005) consumer ethical beliefs with ethical intention (Vitell, Singhapakdi & Thomas 2001).

#### **2.6.6 Vitell's (2003) Suggestions for Future Consumer Ethics Research**

Vitell (2003) suggested future research on consumer ethics to consider undertaking the following areas of research topics as summarised in Table 2.2.

**Table 2.2: Consumer ethics research: Suggestions for the future**

<b>Issue</b>	<b>Suggested future research topics</b>
Muncy-Vitell consumer ethics scale	Additional cross-cultural studies should be conducted, especially in those developing regions such as Latin America and Africa where few prior studies have been done. Linking the consumer ethics scale to intentions and/or behaviour is also worthy of subsequent research.
Hunt-Vitell theory of consumer ethics	Any studies, whether cross-cultural or not, testing the validity of the relationships postulated in this theory in a consumer context are needed.
Demographic / psychographic determinants of ethical beliefs	Constructs such as materialism, need for closure, the need to take risks, the needs for autonomy and aggression, political party preferences and ones attitude toward business, among others, should be tested as antecedents to consumer ethical beliefs. Further, variables such as gender, level of education and level of income are still in need of research. Finally, product involvement, store commitment, attitude toward brand / store, guilt proneness, generosity, loyalty proneness, shopping orientation (acquisition vs. recreation) and optimism / pessimism, among others, could be examined.
Environmental determinants of ethical beliefs	Further work on the level of stability vs. unrest in a marketing environment, and the role it plays in consumer ethical beliefs is warranted. The role of peer pressure on ethical beliefs is also worthy of consideration by researchers. Finally, a consumer's level of acculturation into a host society might be an interesting issue to tie to consumer ethical beliefs.
Consumer use of the techniques of neutralisation	Any studies expanding the knowledge base of this concept are needed, whether cross-cultural or not.

Source: Vitell (2003)

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Through the synthesis of consumer ethics research, Vitell (2003) reported that there is the relatively consistent factor structure for the consumer ethics scale, even when used cross-culturally. Ethical judgments seem to be determined by (1) whether or not the consumer actively sought an advantage or was basically passive, (2) whether or not the activity might be perceived as illegal and (3) the degree of perceived harm, if any, to the seller. The 'actively benefiting from an illegal activity' items from the Muncy-Vitell scale are almost universally seen as being both illegal and unethical. Therefore, the other dimensions may be better for discriminating among consumers from different cultures, especially the 'actively benefiting from a questionable action' or 'no harm / no foul' dimensions. Vitell (2003) suggested that additional studies might be conducted using consumers from cultures not yet tested such as those from developing countries in Latin America or Africa, among others. He also mentioned that linking the scale to intentions and / or behaviour would be a worthwhile research endeavour.

The basic relationships of the Hunt-Vitell theory are supported in some consumer studies. The success versus failure of various actions has been linked to ethical behaviour. The perceived consequences of various actions seem to determine ethical judgments. Further, both the deontological and teleological evaluations seem to be used in arriving at ones ethical judgments although the deontological evaluation appears to carry more weight. Still according to Vitell (2003), only a few studies have attempted to test this theory in a consumer setting and he calls on future researchers to conduct subsequent testing of the validity of the major relationships of this model within a consumer ethics context and in various cultures.

Vitell (2003) also reasoned that various demographic or psychographic constructs seem to be tied to ethical judgments. Age appears to be related to ethical judgments with older consumers being more ethical. Ethical judgments also appear to be directly tied to ones attitude toward business, in general. An overall belief that man is basically good appears directly tied to ethical beliefs. Gender was linked by more than one study to ethical beliefs, but the results are not definitive. Similarly, materialism was linked to ethical beliefs in one study, but was an insignificant determinant of ethical intentions in another study. Both of these variables, gender and materialism, are in need of further study. In addition, less Machiavellian, less relativistic and more idealistic consumers tend to be more ethical, and Vitell (2003) suggested that these three variables have been included in numerous studies

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and may not need the same amount of additional testing as others. In one study, he found that a high need for closure was tied to a more ethical belief system while in another study a strong problem-solving coping style was tied to a more ethical belief system. In this latter study, a high propensity to take risks along with high needs for autonomy and aggression were tied to less ethical behaviour. Vitell (2003) suggested that these as well as other personality variables should be included in subsequent research studies as well as further demographic variables such as education level and income also still need research as results using these are mixed.

From his examination, Vitell (2003) also mentioned that political party preferences were linked to ethical beliefs in one study with those on the extreme-left appearing to be less ethical and those on the extreme-right more ethical in their beliefs. He postulated that these results could be country specific and there is a need of further testing in other cultures. Other variables that have not been examined, but might prove fruitful; include product involvement, attitude towards the brand / store, store commitment, loyalty proneness, optimism / pessimism, generosity, guilt proneness and shopping orientation (i.e., acquisition vs. recreation).

Vitell (2003) also observed that environmental factors influence ethical judgments. An environment of civil unrest and even terrorism can lead to lower consumer ethics. Likewise, a more chaotic type of colonialism (versus a more stable one) can lead to a lower standard of consumer ethics. Peer pressure to engage in unethical / illegal behaviours was also a deciding factor in at least one study. Finally, whether or not immigrants desire to integrate into their host society or stay separated may play a role in how they view consumer ethics. Vitell (2003) also suggested that definitive statements concerning these constructs cannot yet be made and all of these factors should be examined further in future research.

Finally, Vitell (2003) also mentioned about the work of Strutton et al. (1994) that seems to indicate that even normally ethical consumers can easily rationalise unethical behaviours by appealing to the techniques of neutralisation. Vitell (2003) reiterated that it would be worthwhile to investigate this in more depth especially in cross-cultural settings as the concept has the potential to explain much as to why otherwise ethical consumers sometimes behave unethically.

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The current study will adopt some of the recommendations put forth by Vitell (2003) on the following areas:

- i. Linking the consumer ethics scale to intentions and / or behaviour.
- ii. Conduct subsequent testing on the validity of the major relationships of the Hunt-Vitell model within a consumer ethics context and in various cultures.
- iii. Attitude towards business to be tested as antecedents to consumer ethical beliefs.
- iv. Variables such as gender and level of education to be further researched.

## **2.7 Research Gaps**

From the reading of past literature, five research gaps are identified for further investigation in this study.

### **2.7.1 Research Gap 1: Confirming the Dimensions of the Consumer Ethics Scale**

The original consumer ethics scale by Muncy and Vitell (1992) revealed four dimensions of consumer ethics scale (actively benefiting from illegal activities, passively benefiting, actively benefiting from deceptive practices and no harm / no foul). The scale was later modified by Vitell and Muncy (2005) and a new dimension that represents consumers' desire to recycle and 'do the right thing' was added. Subsequently many researchers debated whether the consumer ethics scale is a four or five dimensions structure (Kavak et al 2009; Rawwas 2001; Polonsky et al. 2001). The current study will investigate this in the context of Malaysia.

### **2.7.2 Research Gap 2: The Relationship between Religiosity, Attitude toward Business and Money Ethics on Consumer Ethics**

Review of past literature revealed that there is a lack of published research specifically attempting to directly link religiosity (intrinsic and extrinsic), attitude toward business and money ethics with consumer ethical beliefs. The only recent study linking all the antecedents of religiosity, attitude towards business and money ethics was the Vitell, Singh

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and Paolillo (2007) research. Furthermore, none of these past studies link these antecedents in the Malaysian setting and in the context of young consumers.

### **2.7.3 Research Gap 3: Gender and Consumer Ethics**

Much research shows that ethicality in a business or consumer context is often influenced by gender (Chatzidakis & Mitussis 2007; Valentine & Rittenburg 2007; Vermeir & Kenhove 2008). However, despite the accumulation of this research, results are varied and inconclusive with some research reporting substantial differences in men's and women's ethical reasoning (Lund 2008; Valentine & Rittenburg 2007) while other research reports modest or select dissimilarities or no differences at all (Pomeroy 2005; Roxas & Stoneback 2004). Some research even indicates that men are more ethical than women (Haan 1975; Holstein 1976). Vitell (2003) called for further investigation on demographic factors especially gender in future research, as past studies on gender differences were not definitive.

### **2.7.4 Research Gap 4: Ethics Education and Consumer Ethics**

A review of the literature examining whether ethics course have an impact on attitudes toward ethics shows that the results of the studies are mixed. Recent empirical study shows that private universities and universities with more selective programs and religious affiliations have more ethics coursework in their curricula than their counterparts (Evans, Trevino & Weaver 2006). On the other hand, very little evidence supports the notion that students who take ethics courses will make ethical decisions (Evans, Trevino & Weaver 2006; Ritter 2006). Hence in the context of Malaysian young consumers, there is a need to investigate whether ethics education will affect their perception on ethical beliefs.

### **2.7.5 Research Gap 5: Association between the Dimensions of Consumer Ethics and Ethical Intention**

Finally, there are also no past studies that empirically test the association between consumer ethics dimensions and ethical intention. Hunt and Vitell (1986) argued that the perception of an ethical problem was a prerequisite for ethical intentions. In his article on

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suggestions for future research, Vitell (2003) proposed that future researchers should consider linking consumer ethics to consumer ethical intention. Review of past literature found that no empirical research had been conducted on this.

## **2.8 Summary**

This chapter reviewed the pertinent literature on the research topic with the key aims of rationalising the significance of the research problem, developing a theoretical framework for the study and identifying gaps in the existing body of knowledge on the research problem. The review commenced with a discussion on the consumers in the marketplace and young Malaysian consumers in order to provide the contextual setting for the review. It then identified the key research issues and the pertinent theories associated with the research. The gaps in the existing body of literature are then identified.

The next section discusses the conceptual framework and then details the specific hypotheses that are encapsulated in the research objectives.

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## **CHAPTER 3 – CONCEPTUAL FRAMEWORK**

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### **3.1 Introduction**

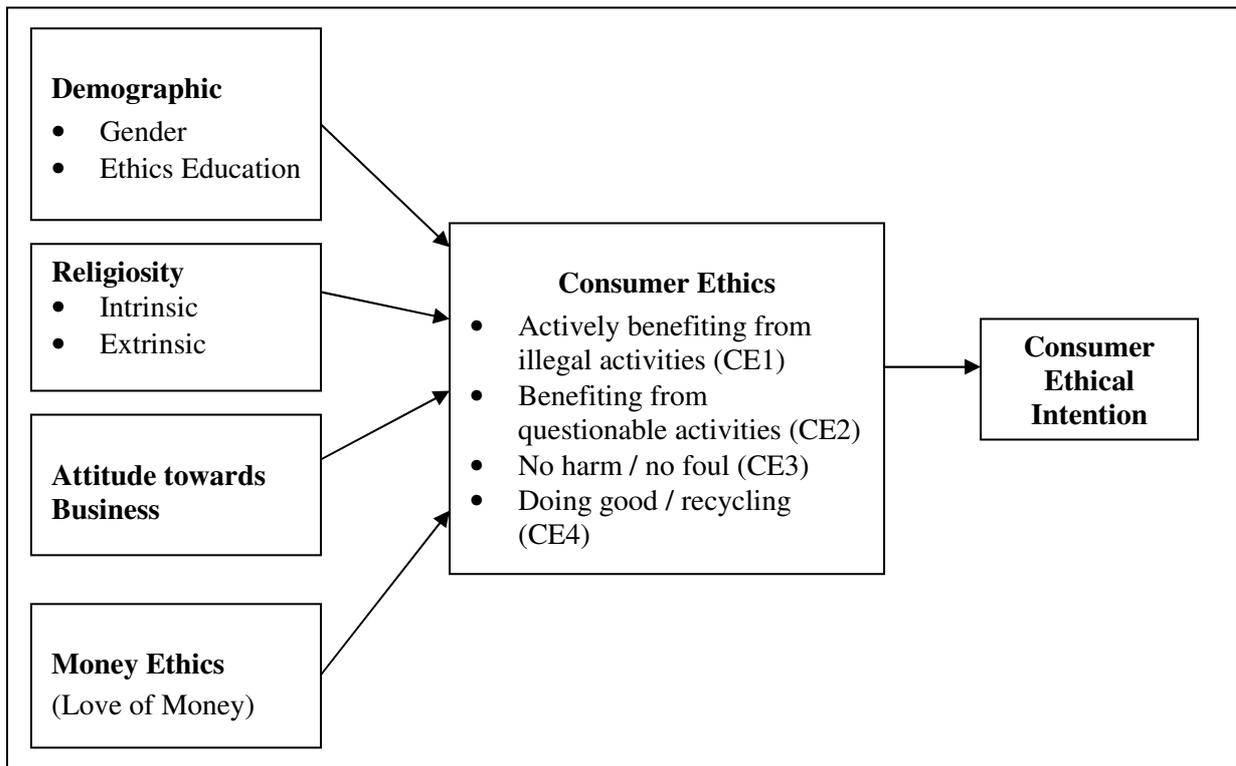
The chapter starts off with an outline of the conceptual framework followed by the discussion of the dependent and independent variables identified in the study. These formed the basis for reaffirming the relevance of the research problem, the identification of the research questions and the crafting of the research hypotheses. Thereafter the formulations of the research hypotheses are discussed.

### **3.2 Proposed Conceptual Framework**

The current research will adopt and extend the Vitell, Singh and Paolillo's (2007) model of consumer ethics as shown in the proposed conceptual framework in Figure 3.1. A key difference between the proposed conceptual framework and that of Vitell, Singh and Paolillo's (2007) model is that there is an extension to further investigate the relationship between ethical beliefs and ethical intention of young consumers in this study. This has not been explored before but was called upon by Vitell (2003) in his suggestions for further research in consumer ethics. Furthermore, the current study would also extend Vitell, Singh and Paolillo's (2007) model by investigating whether there is any significant difference in the demographic factors of gender and ethics education with the consumer ethics dimensions.

Therefore the current research will firstly investigate whether there is any significant difference between gender (male and female) and the four dimensions of consumer ethics. Secondly, the study will also explore if there is any significant difference between ethics education (those who have taken ethics course versus those who have not) with consumer ethics. Thirdly, the effect of the independent variables of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics against the dependent variables of consumer ethics (four dimensions) will be examined. Finally, the study will also explore whether there is any association between the four dimensions of consumer ethics and ethical intention.

**Figure 3.1: Schematic diagram – conceptual framework**



Source: Developed for this research

Positivist methodology, namely the development of hypotheses to address the research questions, use of objective measures to obtain quantitative data from a large sample, and statistical analysis to test the hypotheses will be adopted in this research (Cavana, Delahaye & Sekaran 2001; Tashakkori & Teddlie 1998). This will be consistent with the positivist approach used by Vitell, Singh and Paolillo (2007) in the testing of their model.

### **3.3 Dependent Variable – Consumer Ethics Scale**

The original consumer ethics scale by Muncy and Vitell (1992) consists of four distinct dimensions (Figure 3.2): (1) actively benefiting from illegal activities, (2) passively benefiting, (3) actively benefiting from deceptive but legal practices and (4) no harm, no foul activities. The first dimension signifies the behaviour in which the consumers actively taking advantage of a situation at the expense of the seller. For example, a customer gives misleading price information to the cashier when the price tag has been peeled off. The second dimension consists of a situation where consumers were passively benefiting themselves due to the seller's mistake. An example of this situation is when a

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customer gets too much change and does not inform the cashier. The third dimension represents actions in which consumers were actively involved in unethical but not necessarily illegal practices. For example, a customer keeps quiet when a waitress at the fast food restaurant serves him first instead of the other customer lining up in front of him. The final dimension refers to the behaviour that is not seen as harmful to others. An example of this situation is the act of spending an hour trying on different shoes and not purchasing any.

Their findings revealed that actions in the first dimension are initiated by consumers, most of whom perceive that these actions are illegal. The second dimension involves actions where consumers passively benefit from sellers' mistake. The third dimension is also initiated by the consumers, however these actions are not perceived to be illegal. Yet, they are still morally questionable. Study findings indicated consumers believe that it is more unethical to actively benefit from an illegal activity than to passively benefit. Finally, the fourth dimension involves actions that most consumers perceive as not even being unethical at all. Most of these actions involve the copying of intellectual property such as software, tapes or movies (Swaidan, Rawwas & Al-Khatib 2004; Vitell 2003).

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**Figure 3.2: Four-factor structure of consumers' ethical beliefs by Muncy and Vitell (1992)**

**Actively benefiting from an illegal activity**

- Changing price tags on merchandise in a retail store
- Drinking a can of soda in a supermarket without paying for it
- Reporting a lost item as 'stolen' to an insurance company in order to collect the money
- Giving misleading price information to a clerk for an un-priced item
- Returning damaged merchandise when the damage is your own fault

**Passively benefiting at the expense of others**

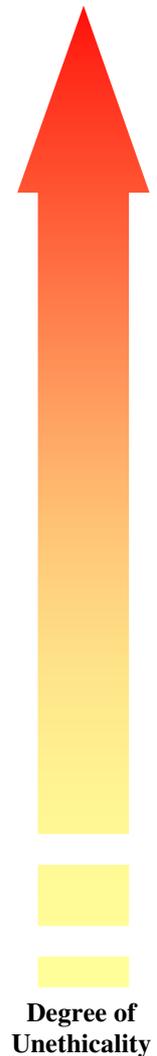
- Getting too much change and not saying anything
- Lying about a child's age in order to get a lower price
- Not saying anything when the waitress miscalculates the bill in your favour

**Actively benefiting from a questionable behaviour**

- Returning merchandise to a store by claiming that it was a gift when it was not
- Stretching the truth on an income tax return
- Using an expired coupon for merchandise
- Using a coupon for merchandise that you did not buy
- Not telling the truth when negotiating the price of a new automobile

**No harm / no foul**

- Using computer software or games that you did not buy
- Recording an album instead of buying it
- Spending over two hours trying on different dresses and not purchasing any
- Taping a movie off the television
- Returning merchandise after trying it and not liking it



Source: Developed for this study

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Consumer ethical judgments seem to be determined by three, instead of four, focal issues: (1) whether or not the consumer actively sought an advantage or was basically passive, (2) whether or not the activity might be perceived as illegal, and (3) whether or not there is any perceived harm to the seller (Vitell 2003). In addition, ‘the actively benefiting from an illegal activity items from the Muncy–Vitell scale are almost universally seen as being both illegal and unethical’ (Vitell 2003, p. 40). The structure of consumer ethics scale seems to be supported by two recent studies. Kavak et al. (2009) found that in the Turkish context the first dimension of consumer ethics was labelled as ‘actively benefiting from illegal activity’, similar to the original proposed by Muncy and Vitell (1992); the second dimension was labelled as ‘benefiting from questionable action’; finally, the third dimension was labelled as ‘no harm / no foul’.

In 2005, the consumer ethics scale was modified and a new dimension that represents consumers’ desire to recycle products and ‘do the right thing’ was added (Vitell & Muncy 2005). An example of this situation is not purchasing products from companies that consumers believe are not treating their employees fairly (refer to Figure 3.3).

**Figure 3.3: Five-factor structure of consumers' ethical beliefs by Vitell and Muncy (2005)**

**Actively benefiting from an illegal activity**

- Changing price tags on merchandise in a retail store
- Drinking a can of soda in a supermarket without paying for it
- Reporting a lost item as 'stolen' to an insurance company in order to collect the money
- Giving misleading price information to a clerk for an un-priced item
- Returning damaged merchandise when the damage is your own fault

**Passively benefiting at the expense of others**

- Getting too much change and not saying anything
- Lying about a child's age in order to get a lower price
- Not saying anything when the waitress miscalculates the bill in your favour

**Actively benefiting from deceptive but legal practices**

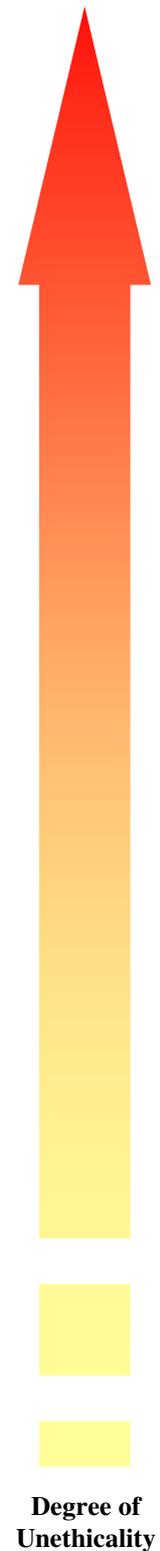
- Returning merchandise to a store by claiming that it was a gift when it was not
- Stretching the truth on an income tax return
- Using an expired coupon for merchandise
- Using a coupon for merchandise that you did not buy
- Not telling the truth when negotiating the price of a new automobile

**No harm / no foul**

- Using computer software or games that you did not buy
- Recording an album instead of buying it
- Spending over two hours trying on different dresses and not purchasing any
- Taping a movie off the television
- Returning merchandise after trying it and not liking it

**Recycling / doing good**

- Buying products labeled as 'environmentally friendly' even if they don't work as well as competing products
- Purchasing something made of recycled materials even though it is more expensive
- Buying only from companies that have a strong record of protecting the environment
- Recycling materials such as cans, bottles, newspapers etc.
- Returning to the store and paying for something that the cashier mistakenly did not charge you for
- Correcting a bill that has been miscalculated in your favour
- Giving a larger than expected tip to a waiter or waitress
- Not purchasing products from companies that you believe do not treat their employees fairly



Source: Developed for this study

In the context of Malaysia, using the recently modified Vitell and Muncy (2005) consumer ethics scale, T.C. Lau (2010) confirmed the factors of consumer ethics scale into the following dimensions: actively benefiting from illegal activity, benefiting from questionable action, no harm / no foul and recycling / doing good. His findings supported the dimensionality of consumer ethics scales as proposed by Kavak et al. (2009). Table 3.1 shows the comparison of consumer ethics dimensions across different studies. The present study will adopt Vitell and Muncy (2005) and T.C. Lau (2010) consumer ethics dimensions.

**Table 3.1: Comparison of consumer ethics dimensions across different research**

No	Muncy and Vitell (1992)	Vitell and Muncy (2005)	Kavak et al (2009)	T.C. Lau (2010)
1	Actively benefiting from illegal activities	Actively benefiting from illegal activities	Actively benefiting from illegal activities	Actively benefiting from illegal activities (CE1)
2	Passively benefiting	Passively benefiting	Benefiting from questionable activities	Benefiting from questionable activities (CE2)
3	Actively benefiting from deceptive but legal practices	Actively benefiting from deceptive but legal practices		
4	No harm / no foul activities	No harm / no foul activities	No harm / no foul	No harm / no foul (CE3)
5	Nil	Recycling / doing good	Nil	Recycling / doing good (CE4)

Source: Developed for this research

### 3.4 Antecedents of Consumer Ethics

The following section will discuss the antecedents that affect consumer ethic that will be investigated in this research. The antecedents or predictors are gender, ethics education, religiosity, attitude towards business and money ethics.

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### 3.4.1 Gender

Much research shows that ethicality in a business or consumer context is often influenced by gender (Chatzidakis & Mitussis 2007; Valentine & Rittenburg 2007; Vermeir & Kenhove 2008). However, despite the accumulation of this research, results are varied and inconclusive with some research reporting substantial differences in men's and women's ethical reasoning (Lund 2008; Valentine & Rittenburg 2007) while other research reports modest or select dissimilarities or no differences at all (Pomeroy 2005; Roxas & Stoneback 2004). Some research even indicates that men are more ethical than women (Haan 1975; Holstein 1976).

Betz, O'Connell and Shephard (1989) examined the relationship between gender and unethical behaviour. They found that male students believed that career advancement was more important than developing and building relationships or helping others. They also found that men were at least twice as likely to engage in unfair practices as were women. Another study by Malinowski and Berger (1996) supported these findings. When questioned regarding marketing dilemmas, undergraduate women took a more ethical stance than their male counterparts.

Hoffman (1998) further developed the issue of gender and ethics by adding a situational dimension to the question of gender influence. He discovered that the situational variable affected whether women were more ethical than men. In his study women managers of a large firm in the Southeast United States were more ethical than their male colleagues with respect to unsafe products, but not with respect to product misrepresentation. In another study of gender influence, Deshpande (1997) found that male managers objected less to the notion of accepting favours for special treatment than did female managers.

Larger scale meta-analytic studies also indicate that women's right oriented principles and ethical decision making are more prominent than men's reasoning (Thoma 1986). Ford and Richardson (1994) conducted a review of fourteen past literature and reported that seven studies found that women tend to behave more ethically than men. Franke, Crown and Spake (1997) conducted a meta-analysis of over 20,000 respondents in 66 samples and found that women were more likely than men to recognise that an unprincipled business

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practice involved a moral issue. Borkowski and Ugras (1998) reported that female students displayed stronger ethical attitudes than males.

In a study delving further into gender and age among business professionals, Peterson, Beltramini and Kozmetsky (1991) found that for both male and females, ethical beliefs increased with age. It was also found that external factors such as the employee's family and supervisor had an impact on beliefs about ethics, especially among younger males.

In a more recent research, Atakan, Burnaz and Topcu (2008) found men to have a lower need to act ethically compared to women. In terms of beliefs and behaviours, a number of studies show that women have higher concerns for duties and obligations and ethical intentions compared to men (Callen & Ownbey 2003; Cohen & Single 2001; Ruegger & King 1992). Oumli and Balloun (2009) also posited that women have greater ethical sensitivities and intentions than men because they tend to be more caring. Women appear to be less likely than men to engage in an unethical act (Ameen, Guffey & McMillan 1996; Atakan, Burnaz & Topcu 2008). Coate and Frey (2000) and Atakan, Burnaz and Topcu (2008) suggested that female students will be more ethically disposed than males. In the context of consumer ethics, Rawwas (1996) reported that female consumers tend to view unquestionable consumer practices more negatively than males.

In line with the above discussion, the following hypotheses are formulated:

- H<sub>1a</sub> There is a significant difference between male and female with regards to actively benefiting from illegal activities (CE1).
- H<sub>1b</sub> There is a significant difference between male and female with regards to benefiting from questionable activities (CE2).
- H<sub>1c</sub> There is a significant difference between male and female with regards to no harm / no foul activities (CE3).
- H<sub>1d</sub> There is a significant difference between male and female with regards to recycling / doing good activities (CE4).

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### 3.4.2 Ethics Education

Rest (1986) and Rest et al. (1999, 2000) proposes that individuals facing ethically questionable situations will respond according to the person's stage of moral development. Those who have progressed to higher stages due to maturation and/or moral education will act more ethically. This suggests that business ethics education, especially during formative years, may help individuals go through the steps of moral decision making.

A review of the literature examining whether ethics courses have an impact on attitudes toward ethics shows that the results of the studies are mixed. Recent empirical study shows that private universities and universities with more selective programs and religious affiliations have more ethics coursework in their curricula than their counterparts (Evans, Trevino & Weaver 2006). On the other hand, very little evidence supports the notion that students who take ethics courses will make ethical decisions (Evans, Trevino & Weaver 2006; Ritter 2006).

Other research on the effect of teaching ethics shows different outcomes. Glenn (1992) conducted a four year longitudinal study to measure the effects of a business and society course on students' ethical judgment. He found that such a course did indeed cause some students to move in a more ethical direction. Hilltebeitel and Jones (1992) studied accounting students in two universities using an experimental approach, they found that the integration of ethics into accounting courses resulted in a greater reliance on ethical standards by the students participating in the study. Similarly Eynon, Hill and Stevens (1997) also concentrating their research on accounting education, discovered that taking an ethics course significantly affected students' attitudes towards ethics. In yet another study, Carlson and Burke (1993) establish that college students' thinking evolved from a rigid right and wrong conception of ethics at the beginning of the semester to a more flexible and enlightened approach at the end. Gautschi and Jones (1998) found substantial improvement in students' abilities to recognise ethical issues after taking a business ethics course. Wu (2003) found that Taiwanese students' ethical values, ability to recognise ethical issues and ethical decision making skills were improved following a business ethics course, though ethical behaviour was still not optimal. Desplaces et al. (2007) argued that discussions of ethics in business courses are significantly associated with moral

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competence among students. Shaub (1994) and Eynon, Hill and Stevens (1997) discovered that accounting professionals who completed an ethics course in college had a higher level of moral reasoning abilities.

While some ethics education programmes provide positive results, others do not. Luoma (1989) suggested that teaching students the rules and guidelines of a particular profession to achieve a certification or license such as in accounting would not ensure that students would act more ethically. In Wynd and Mager's (1989) longitudinal study over a two and a half year period, it was determined that a course in business and society produced no significant effect on students' attitudes toward ethical decisions. They advanced that a single class focusing on ethical dilemmas in business was not enough to effect changes in ethical perspectives. A study by Davis and Welton (1991) produced similar results to those of Wynd and Mager (1989). In research examining attitudinal differences toward ethics in business based on university class level (lower, upper or graduate), they found that courses did not influence ethical behaviour. Instead they contended that long term exposure to business circumstances was more effective in bringing about attitude change than was formal training. Using self reporting projective techniques and different scenarios, Duizend and McCann (1998) examined the effects of teaching ethics in business and society courses projected onto small business owners and found the courses had a positive impact on attitudes in only one scenario. Supporting that no or little effect findings, Peppas and Diskin (2000) found that taking an ethics course made no difference in marketing majors' attitudes toward a marketing code of ethics. Despite years of research, Adkins and Radtke (2004) argue that there was little consensus over the effectiveness of business ethics education.

According to Shannon and Berl (1997), in the study of eight universities across the US, students indicated their strong belief that the discussion of ethics was worthwhile. Students felt that the topic of ethics was covered most fully in sales and sales management courses and that a course in business or marketing ethics should be a requirement. Also based on survey findings, Kerr and Smith (1995) found that accounting students believed that a lack of ethics was damaging to their profession and that these students wanted ethical and moral guidance.

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In a study of auditing professors and ways of teaching ethics, Smith (1993a, 1993b) found that a vast majority felt that ethics and personal integrity should be included in the curriculum. However, several authors have suggested that offering an ethics course is not sufficient. Trevino and McCabe (1994) proposed that students gain the most through 'meta-learning', learning not only from their classes but also by being part of an 'honourable' business school community where real ethical issues are discussed openly and regularly. Owens (1998) suggested that as many universities include within their missions a desire to graduate students able to make ethically informed decisions, business ethics should take on more importance than simply being included in the curriculum as a single course. He suggested that business ethics should be the conceptual glue holding together the curriculum. On the other hand however, according to a survey by Hosmer (1999) many involved in teaching business ethics indicated that neither teaching nor research in this area was rewarded in terms of promotion or pay rise. It was further found that few of the respondents received much support from their academic superiors, colleagues or students.

Despite mixed results, a review of the ethics education literature reveals themes or best practices that are more likely to be successful. The strongest argument is the use of interactive discussion and group work (Geary & Sims 1994; McPhail 2001) or role playing (Loeb 1988; Park 1998). Some authors also suggest that discussion topics include not only those of direct relevance to the profession, but also topics relevant to the students (Geary & Sims 1994) and issues that are likely to be experienced on a daily basis in the corporate world (Maclagan 2003). Several suggest developing a code of ethics, preferably led by the students themselves as part of the program (McCabe, Trevino & Butterfield 2002; Park 1998; Trevino 1992). Finally a de-briefing at the end of the programme assists in cementing what students learn throughout the course (Geary & Sims 1994).

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In line with the above discussion, the following hypotheses are formulated:

- H<sub>2a</sub> There is a significant difference between ethics and no ethics course with regards to actively benefiting from illegal activities (CE1).
- H<sub>2b</sub> There is a significant difference between ethics and no ethics course with regards to benefiting from questionable activities (CE2).
- H<sub>2c</sub> There is a significant difference between ethics and no ethics course with regards to no harm / no foul activities (CE3).
- H<sub>2d</sub> There is a significant difference between ethics and no ethics course with regards to recycling / doing good activities (CE4).

### **3.4.3 Religiosity**

McDaniel and Burnett (1990) defined religiosity as a belief in God accompanied by a commitment to follow principles believed to be set by God. This differs from spirituality in that spirituality may involve ‘a search for meaning, unity, connectedness to nature, humanity and the transcendent’ whereas religiosity provides a ‘faith community with teachings and narratives that encourage morality’ (Emmons 1999, p. 877).

Geyer and Baumeister (2005, p. 413) point out, ‘Religion has strong ties to morality in that religions prescribe morality. Further, many religious persons believe that religion is the source of morality’. Indeed, Magill (1992) stated that personal religiosity affords a background against which the ethical nature of behaviour is interpreted. Weaver and Agle (2002) reported that religiosity is known to have influence both on human behaviour and on attitudes. They argue that behaviour is influenced by religious self-identity, which is formed by the internalization of role expectations offered by religion.

Still, some researchers, including Kohlberg (1981) argued that religiosity and moral reasoning are unrelated as they represent two distinct ways of thinking. That is, moral reasoning is based upon rational arguments and influenced by cognitive development whereas religious reasoning is based upon revelations of religious authorities. However, most researchers have noted that these two constructs are closely linked (Glover 1997; Sapp & Gladding, 1989). Glover (1997) argued that one’s moral reasoning depends, in part, upon the seriousness and character of one’s religious commitment. Duriez and

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Soenens (2006) attempted to resolve any apparent controversy in the literature by applying Wulff's (1991) theory that separates religion into literal versus symbolic dimensions. They found that while being religious had no impact on moral reasoning ability, the way in which religious content is processed was critical. Those processing religious material symbolically had a significantly stronger moral reasoning ability than those applying a literal approach to religious content.

Numerous scales for measuring the various components of religiosity have been developed. A compendium of religiosity scales containing 126 scales by Hill and Hood (1999) provides a comprehensive catalogue of the various measures of religiosity. However, in spite of this abundance of distinctive religiosity measures, one of the most extensively used religiosity scales in the business ethics literature, appearing in numerous studies is the religious orientation scale (Allport & Ross 1967) which is based upon Allport's earlier theoretical work on the psychology of religion (Allport 1950). The significance of this scale is that Allport essentially proposed two distinct dimensions to religiosity, an extrinsic and an intrinsic dimension. The extrinsic dimension refers to motivations based upon the inherent goals of religious tradition itself. The extrinsic dimension of religious orientation might therefore lead one to religion for the objective of achieving mundane social or business goals such as to make friends or to promote one's business interest (how one's religion might serve oneself), whereas the intrinsic dimension would lead one to religion for its more inherent, spiritual objectives (how one might serve his or her religion or community). This characterization of the religious orientation dimensions is supported by the fact that the extrinsic dimension is a weaker predictor of positive life outcomes in comparison to the intrinsic dimension (Salsman et al. 2005). Moreover, the extrinsic dimension has sometimes even been associated with negative life outcomes (Smith, McCullough & Poll 2003). The 'extrinsically motivated person uses his religion whereas the intrinsically motivated lives his religion' (Allport & Ross 1967, p. 434). Donahue (1985) argued that intrinsic religiosity correlated more highly than extrinsic religiosity with religious commitment. Hence, intrinsic religiosity tends to have positive relationship with ethical beliefs.

Allport (1950) believed that religion assumed differential roles in an individual's life. In particular, he believed that the extrinsic role represents the peripheral role of religion for social approval and / or even personal contentment, whereas the intrinsic role represents a

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strong internal commitment to religion as a part of one's everyday life. In short, extrinsic religiosity is indicative of having religious involvement for somewhat selfish reasons (promoting one's own business interests and finding ways that religion might serve oneself), whereas intrinsic religiosity is indicative of having religious commitment and involvement for more inherent, spiritual objectives (using faith to promote the interests of the commonwealth and finding ways that one might serve one's religion).

Vitell and Paolilo (2003) specifically examined the impact of religiosity on consumers' ethical beliefs using a US national consumer sample. Measuring religiosity using a three item scale that included statements such as, 'I go to church regularly,' they found that religiosity was a significant determinant of both idealism (positive direction) and relativism (negative direction) and as such an indirect determinant of consumer ethical beliefs. Religiosity was directly significant in determining only the passively benefiting and no harm / no foul dimensions, and then only at the 0.10 level of significance. However, since idealisms and relativism were both significant determinants of all four dimensions of consumer ethics scale, religiosity was still indirectly a determinant of all four dimensions of consumer ethics since religiosity was itself a direct determinant of idealism and relativism.

In the research by Vitell, Paolillo and Singh (2005), intrinsic and extrinsic dimensions of religiosity were used in relation with consumer ethics research. The consumer ethics scale was used to measure the ethical beliefs of consumers. The increased sensitivity of the religiosity measure as compared to the more general measure of religiosity used in their 2003 study, showed that when religiosity is measured in this manner, intrinsic religiosity was a significant direct determinant of consumers' ethical beliefs except for the no harm / no foul dimension. Extrinsic religiosity was not a significant determinant of any of the dimensions of consumers' ethical beliefs. Thus, in short, if one internalizes one's religious beliefs in a spiritual sense this will impact ethical beliefs and if one tends to be religious for more mundane and selfish reasons, it will not. The insignificant results relating to the no harm / no foul dimension may be attributed to the fact that the majority of consumers perceive these actions as not being wrong.

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Vitell, Paolillo and Singh (2006) extended this by using a nationwide U.S. sample of adult consumers. While extrinsic religiosity was not included in this study, intrinsic religiosity was again a significant determinant of consumer ethical beliefs. As before, the sole exception was the no harm / no foul dimension. Many consumers do not find these actions to be wrong or unethical and thus their religion does not play a role in making no harm / no foul decisions either for or against a particular action.

A more recent study by Vitell, Singh and Paolillo (2007) did include the extrinsic dimension of religiosity. It also included a new dimension of the consumer ethics scale, namely a 'doing good / recycling' dimension. Intrinsic religiosity was not a significant determinant of this new dimension. Extrinsic religiosity however, was a significant determinant of the new dimension although it was not significant for the other four dimensions of consumer ethical beliefs. Since the items in this dimension are considered the 'right thing to do' by society, someone who is extrinsically oriented religiously might be likely to support these activities.

In line with the discussion, the following hypotheses are formulated:

#### Hypotheses to test intrinsic religiosity

- H<sub>3a</sub> There is a significant relationship between intrinsic religiosity and actively benefiting from illegal activities (CE1).
- H<sub>4a</sub> There is a significant relationship between intrinsic religiosity and benefiting from questionable activities (CE2).
- H<sub>5a</sub> There is a significant relationship between intrinsic religiosity and no harm / no foul activities (CE3).
- H<sub>6a</sub> There is a significant relationship between intrinsic religiosity and recycling / doing good activities (CE4).

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### Hypotheses for extrinsic religiosity

- H<sub>3b</sub> There is a significant relationship between extrinsic religiosity and actively benefiting from illegal activities (CE1).
- H<sub>4b</sub> There is a significant relationship between extrinsic religiosity and benefiting from questionable activities (CE2).
- H<sub>5b</sub> There is a significant relationship between extrinsic religiosity and no harm / no foul activities (CE3).
- H<sub>6b</sub> There is a significant relationship between extrinsic religiosity and recycling / doing good activities (CE4).

### **3.4.4 Attitude towards Business**

The background of attitude towards business (ATB) and its relation to ethics can be traced back to past study on the theory of neutralization. Grove, Vitell and Strutton (1989) presented a model based upon the techniques of neutralization developed in sociology by Sykes and Matza (1957) that helps explain how some people may justify non-normative consumer behaviour. Specifically, they stated that consumers may justify their non-normative consumer behaviour through the denial of responsibility, denial of injury, denial of victim, condemning the condemners and appeal to higher loyalties.

In a similar study, DePaulo (1987) investigated students' perceptions about how wrong they believed certain behaviours to be. Some situations presented to various subjects focused on the behaviour of sellers and some focused on the behaviour of buyers. There were pairs of behaviours that were conceptually similar but different in terms of whether it was the buyer or seller engaging in the unethical behaviour (e.g. the buyer misleading the seller when negotiating versus the seller misleading the buyer when negotiating). Consistent with Davis (1979), consumers were more critical of sellers when they engaged in potentially unethical behaviour than they were of buyers when they engaged in the same potentially unethical behaviour. Both Davis (1979) and DePaulo (1987) indicated that there is a 'double-standard' in terms of what is wrong for consumers versus what is wrong for buyers. Consistent with the techniques of neutralisation discussed earlier, it seems that those who have a more positive ATB would be less likely to have this double standard and thus, would make different ethical judgments than those who have negative ATB.

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Relating to one's ATB, it was expected that consumers who felt a greater alienation from business would make ethical judgments that were more tolerant of unethical behaviour. Sykes and Matza (1957) in studying juvenile delinquency identified five ways that juveniles justify aberrant behaviour. One of the primary methods identified for justifying such behaviour was labelled 'condemning the condemners.' Here, the person justified behaviour that is socially disapproved of by making accusations towards those who do the disapproving. Thus, those who find it easier to condemn the buying side of the buyer / seller dyad would see greater justification in engaging in behaviour that might be considered by others to be unethical.

Extensive reviews of the literature reveal that there were only three research linking attitude towards business and consumer ethics. Attitude toward business was included as a scale in the original Vitell and Muncy (1992) research. The result of their study indicated that consumers' ethical beliefs were determined in part by who was at fault in the unethical behaviour (the seller or the buyer). It further revealed that those with a more positive ATB were less likely to engage in questionable consumer practices. Consumers seemed to be generally satisfied with businesses, believing that businesses care about consumers and deal fairly with them. The greatest consensus among respondents was that the best economic system is the free enterprise system. The research also revealed that since consumers who believe themselves alienated from business seems to be more likely to accept questionable consumer acts, businesses start 'cleaning up' its own image. This can only be done through a real improvement in business ethics across the board, in conjunction with a campaign to inform the consumer of this effort (Vitell and Muncy 1992).

Another study by Vitell and Muncy (2005) discovered that attitude toward business was not a significant predictor of differences in consumer ethics between students and non-students. ATB was measured using the six items scale developed by Richins (1983) and adopted from two earlier studies (Allison 1978; Lundstrom & Lamont 1976). The construct exhibited a coefficient alpha reliability of 0.613. Based on the independent sample t-test result, there was no difference between students and non-students in terms of their ATB. They postulated that the differences that exist in terms of the ethics of the two groups must be explained by something other than their ATB.

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A recent study by Vitell, Singh and Paolillo (2007) also investigated the relationship between attitude towards business and consumer ethics. The result indicated that ATB was significant only for the passive dimension. Apparently, one's ATB is generally not relevant in terms of shaping one's attitudes toward various consumer practices. They reasoned that perhaps one's attitude toward a particular firm would be more likely to shape attitudes concerning practices that affect that specific firm but general ATB does not seem to be important to consumers making ethical decisions.

In line with the above discussion, the following hypotheses are formulated:

H<sub>3c</sub> There is a significant relationship between attitude towards business and actively benefiting from illegal activities (CE1).

H<sub>4c</sub> There is a significant relationship between attitude towards business and benefiting from questionable activities (CE2).

H<sub>5c</sub> There is a significant relationship between attitude towards business and no harm / no foul activities (CE3).

H<sub>6c</sub> There is a significant relationship between attitude towards business and recycling / doing good activities (CE4).

### **3.4.5 Money Ethics / Love of Money**

Krueger (1986) states that money at the individual level is the most meaningful object in modern contemporary life and only food and sex are close competitors for conjuring strong, diverse and significant feelings. Tang (1992, 1993, 1995) developed a scale to measure the ethical meanings that people ascribe to money and called it the money ethics scale (MES). Tang (2002) further reports that one's money ethics has a significant and direct impact on unethical behaviour. Furthermore, he labelled money ethics as the 'love of money' and unethical behaviour as 'evil' stating that 'the love of money is the root of all evil.'

The love of money (LOM) is defined as (1) one's attitude toward money with affective, behavioural and cognitive components; (2) the meaning one attributes to money; (3) one's desire for, value of, expectation about, or aspiration for money; (4) not one's need, greed or materialism; (5) a multi-dimensional individual difference variable; and (6) a second-

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order latent construct with several first-order latent sub-constructs (Law, Wong & Mobley 1998). Researchers have investigated measurement invariance of the LOM scale across cultures (Luna-Arocas & Tang 2004; Tang, Luna-Arocas & Sutarso 2005; Tang, Tang & Homaifar 2006), college majors and genders (Du & Tang 2005). The measurement and functional equivalence, reliability and validity of the LOM scale and the money ethics scale have been well established, cited and published in Chinese, English, French, Italian, Spanish, Romanian, Russian and many other languages (Luna-Arocas & Tang 2004).

The LOM has three sub-constructs: I want to be rich (affective), money is a motivator (behavioural) and money is important (cognitive) (Tang & Chiu 2003; Tang, Tang & Homaifar 2006). For example, if money is a motivator (Harpaz 1990), one may do whatever it takes to make money. Studies have shown that children from poor economic background tend to overestimate the size of a coin (Lea & Webley 2006) and people with financial hardship are obsessed with money (Lim & Teo 1997). Regarding improving performance in organizations, ‘no other incentive or motivational technique comes even close to money’ (Locke et al. 1980, p. 381). Money can also motivate people to behave unethically. In response to a bonus plan that paid people for finding insect parts in a food processing plant, ‘innovative Green Giant employees brought insect parts from home to add to the peas just before they removed them and collected the bonus’ (Milkovich & Newman 2008 p. 13). The emphasis on the ‘importance’ of money (Mitchell & Mickel 1999, p. 569) is the most consistent thread of the money attitude research. Thus, money is an important cognitive component.

Mitchell and Mickel (1999) reported that money appears to be related to important individual personality and attitudinal variables. More importantly, Tang (2002) reported that one’s money ethic has a significant and direct impact on unethical behaviour. Hence, it is reasonable to assume that people with a high money ethic (love of money) who place a high degree of importance on money would be less ethically sensitive than individuals with a low money ethic. Recent research supports the notion that the love of money is the root of all kinds of evil (Tang & Chiu 2003, Vitell, Paolillo & Singh 2006; Vitell, Singh & Paolillo 2007). However, there is a dearth of empirical research on the LOM and unethical behaviour as many have shown great reluctance to study these issues and consider the topic as taboo (Furnham 1984; Tang & Chiu 2003).

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Researchers in different fields have examined money and money attitudes. For example, psychology of money (Furnham & Argyle 1998; Thierry 1992; Vohs, Mead & Goode 2006), compensation and pay satisfaction (Rynes & Gerhart 2000; Tang, Tang & Homaifar 2006), voluntary turnover (Tang, Kim & Tang 2000), consumer behaviour (Vitell, Paolillo & Singh 2006) and subjective well being (Diener & Seligman 2004; Srivastava, Locke & Bartol 2001). Money attitudes are also similar to but not exactly the same as other constructs examined in the literature such as materialism (Belk 1985). Tang and Chen (2008) argued that the LOM (one's desire and aspiration for money) is more strongly related to unethical behaviour than materialism (one's pursuit of the good life through consumption or possessions). The LOM scale has been considered as one of the most well-developed and systematically used measures of money attitude in the literature (Lea & Webley 2006; Mitchell & Mickel 1999).

Past research suggests that among professional Hong Kong employees, the LOM is directly related to unethical behaviour and is also indirectly related to unethical behaviour through pay dissatisfaction (Tang & Chiu 2003). More recently, Tang et al. (2007) examined the relationship between LOM and unethical behaviour across three levels of economic development (based on Gross Domestic Product (GDP) per capita) and found that among full time managers, the LOM is significantly related to unethical behaviour for high GDP group and median GDP group but not for the low GDP group. After applying equality constraints using a structural equation model (SEM), the final model shows that the LOM is positively related to unethical behaviour for all GDP groups. Thus, the LOM will be related to unethical behaviour, in general.

Based on the above observations, the following hypotheses are presented:

- H<sub>3d</sub> There is a significant relationship between money ethics (love of money) and actively benefiting from illegal activities (CE1).
- H<sub>4d</sub> There is a significant relationship between money ethics (love of money) and benefiting from questionable activities (CE2).
- H<sub>5d</sub> There is a significant relationship between money ethics (love of money) and no harm / no foul activities (CE3).
- H<sub>6d</sub> There is a significant relationship between money ethics (love of money) and recycling / doing good activities (CE4).

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### **3.5 Ethical Intention**

Hunt and Vitell (1986) argued that the perception of an ethical problem was a prerequisite for ethical intentions. They stated that if the individual does not perceive some ethical content in a problem situation, subsequent elements of the model do not come into play. They further classified the influence of the perception of an ethical problem into four categories: cultural environment, organizational environment, industry environment and personal experience. The formation of intentions is a component of several ethical decision-making models (Dubinsky & Loken 1989; Hunt & Vitell 1986; Jones 1991; Rest 1986). Intention is also posited as the strongest predictor of behaviour in the theory of planned behaviour (Ajzen 1991). To support Hunt's and Vitell's theory, Jones (1991) and Singhapakdi and Vitell (1991) argued that there was a significant relationship between the perception of an ethical problem and ethical intentions. They inferred that one's perception of an ethical problem determined the action which that individual took.

Singhapakdi et al. (2000) hypothesized and proved that managers who perceive ethical problems in a situation are more likely to have an ethical intention than their counterparts. They supported their hypothesis by citing Singhapakdi and Vitell (1991) who identified that framing a situation as an ethical challenge is a prerequisite to seeing it as a problem to be resolved. Singhapakdi et al. (2000) also argues that ethical intention of a business manager is a function of his or her personal moral philosophies. Specifically, they concluded that idealism will influence an individual's intention in a positive way and the opposite for relativism.

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In line with the discussion, the following hypotheses are elicited:

- H<sub>7a</sub> There is a significant association between actively benefiting from illegal activities (CE1) and ethical intention.
- H<sub>7b</sub> There is a significant association between benefiting from questionable activities (CE2) and ethical intention.
- H<sub>7c</sub> There is a significant association between no harm / no foul activities (CE3) and ethical intention.
- H<sub>7d</sub> There is a significant association between recycling / doing good activities (CE4) and ethical intention.

### **3.6 Summary**

This chapter commences with the research framework followed by discussions of the dependent and independent variables. Subsequently the discussion moves on to the development and formulation of the research hypotheses. The next chapter details the justification for the research methodology followed by an explanation of the methods used.

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## **CHAPTER 4 – RESEARCH METHODOLOGY**

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### **4.1 Introduction**

As discussed in Chapter 2, there has been little research done in the area of consumer ethics in Malaysia. This study adapts and extends Vitell, Singh and Paolillo's (2007) model of consumer ethics to gain an understanding and insight into the phenomena of consumer ethical beliefs and intention of young consumers in the Malaysian context. A positivistic, exploratory methodological approach is used to facilitate this empirical investigation. Justification for the research methodology is provided below, followed by an explanation of the methods used.

### **4.2 Research Paradigm**

The idea of 'paradigm' has its ancient origins in the history of philosophical thought and its use has been confused by different meanings, especially in the social sciences. In the social sciences, the meaning of paradigm can refer to, for example, a theory, and a subdivision of a theory, a system of ideas of a pre-scientific nature, a school of thought, an exemplary research procedure or method (Corbetta 2003). In another development, Kuhn (1962) refers paradigm to a theoretical perspective that is founded on the previous acquisitions of specified discipline and that perspective is accepted by the community of scientists of that discipline. This also means a theoretical perspective that directs research through the specification and choice of what to study, the formulation of hypotheses to explain the phenomenon observed and the identification of the most suitable empirical techniques (Corbetta 2003, p. 10). It is noted that the paradigm referred to by Kuhn is a characteristic feature of the 'mature' science. However, in the field of social sciences, there is a lack of a single paradigm broadly agreed upon by the scientific community, except perhaps the economics (Corbetta 2003). Nevertheless, the interpretation of the thinking of Kuhn has been refined by Friedrichs (1970). The redefined thinking maintains all the element of the original definition except the paradigm is agreed upon by the members of the scientific community. This paves the way for the presence of multiple paradigms in the social science discipline. Thus, the concept of the paradigm seems useful in analysing and evaluating the various basic frames of reference in the fields of social

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research methodology. Indeed, one of the functions of a paradigm is to establish acceptable research methods and techniques in discipline.

### **4.3 Scientific Research**

Social research has been defined as ‘the systematic observation of social life for the purpose of finding and understanding patterns among what is observed’ (Babbie 1995, p. 2). Davis (1996, p. 9) defines business research along the lines of a scientific method of inquiry as ‘a systematic, controlled, empirical, and critical investigation of phenomena of interest to managerial decision makers’. This research, being a social research in business, takes on the scientific approach and, specifically, a positivist methodology. Neuman (2003) states three philosophical bases to social research: positivism, interpretive science and critical social science. The positivist philosophical base is the dominant approach that is linked to a quantitative approach to research. Interpretivist research and critical social science are linked to a qualitative approach, which may be grouped into phenomenology. Deshpande (1983) argues that both competing approaches are in reality a philosophical continuum from positivism to idealism, with two major research methodologies, i.e. quantitative (positivism) and qualitative (phenomenology).

### **4.4 Justification of a Positivistic Exploratory Methodology**

While this study is not a replication of Vitell, Singh and Paolillo’s (2007) work, it is intended to complement their research by moving and extending it into an aspect of consumer ethics that has not been studied before (see Chapter 2). Positivistic approach was adopted in this research because this approach: (1) allows the researcher to search for truths of the observation by empirical evidence via the hypothetico-deductive method; and (2) many researches and observations on the consumer attitude towards advertising had been conducted and the extant literature was well developed (Jankowicz 2005). The Vitell, Singh and Paolillo (2007) research applies a positivist methodology and the use of a similar methodology in this study justifies the methodology adopted. In the interest of triangulation, it can be argued that use of qualitative methods would also complement Vitell, Singh and Paolillo’s (2007) work and would allow some indirect comparison of empirical results (Neuman 2003) but Perry (1998) suggests the necessity of selecting only

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one major research methodology that is suited to a research problem within the time and resource constraints of a thesis. Punch (2005) supports this selection of only one major research methodology for practical consideration and resource issues like time, availability of samples and data.

This research moves into an area where there is little prior research (“green fields”) although, there is some previous understanding of the nature of the problem. Researchers have conducted various studies on consumer ethics over the years, but these studies look at predictors not investigated in the current research. The current consumer ethics study addressing the research gaps is a relatively new development in the context of Malaysia. Since the nature of the research problem is essentially unknown and uncertain, an exploratory type of business research is the appropriate approach to clarify this ambiguity (Zikmund 2003). Exploratory studies are undertaken in situations where little or no information is available and, frequently, they generate qualitative data to provide a better conceptual understanding of an ambiguous problem. Descriptive studies aim to ascertain and describe the characteristics of groups in given situations (Malhotra 2004), while causal research addresses a clearly defined problem that uses quantitative methods to identify associations or relationships between variables.

However, Churchill (2001) cautions that while dividing research into three neat categories (exploratory, descriptive or causal research) is helpful, the distinction between these categories is not absolute. The design of the research should stem from the research problem. Similarly, Yin (2003) reminds that in selecting a research strategy, the choice should follow its own logic and the common misconception that various research strategies are arrayed hierarchically should be avoided. Carson et al. (2001) also offer a broad label of interpretivism that allows research designs and methodologies to be adapted into a specific research context in marketing, while also accommodating use of multiple methods or a combination of qualitative and quantitative methods. Tashakkori and Teddlie (1998) suggest that in a ‘mixed method studies’ approach, the purpose of the exploratory study can be stated in terms of research questions and with hypotheses.

Thus, this research takes the position that an exploratory approach is not only able to be implemented by an interpretivist methodology, but can also be implemented by a positivist methodology. A positivist study is then exploratory when a positivist methodology is used

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for a research problem that has not been explored in that way before, or when it has been explored before in only a very limited way. For example, the scale used for data collection may be one that is entirely untested, or it may be an adaptation of a scale based on a clear conceptual divergence from the theoretical position in which the scale was originally used, or it may be used in a very different context from the original one. Several of these characteristics apply to this study and support the suggestion that it should be classified as an exploratory study.

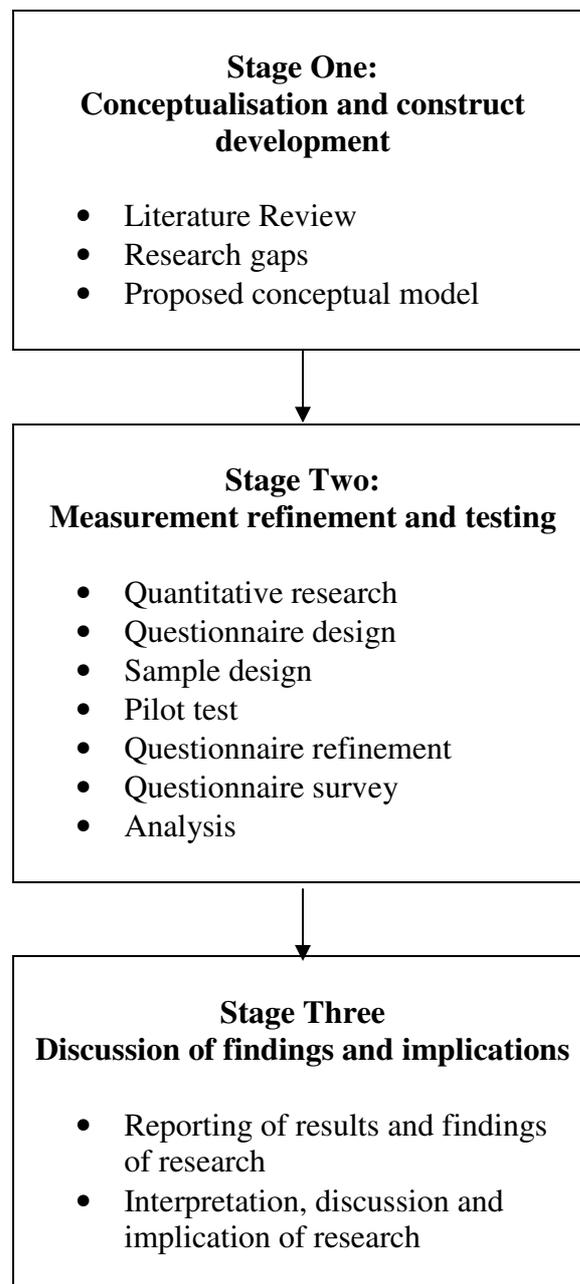
## **4.5 Research Design**

The research design is the master plan of a study that connects the empirical data to the research questions and objectives (Zikmund 2003). Churchill (2001) describes a research design as the 'blueprint' or framework that guides a research study in the collection and analysis of data.

This study takes on a three-stage research design of quantitative methods. Stage One is a literature review that explores the literature on consumer ethics, ethical intention and its antecedents. Following this, Stage Two looks at the research, questionnaire and sampling design, followed by the quantitative survey and analysis of data to test the research hypotheses. In Stage Three the interpretation, discussion and implication of the study are discussed. The three stages are shown below and graphically expressed in Figure 4.1.

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- Stage One : Conceptualisation and construct development;  
Stage Two : Measurement refinement and testing; and  
Stage Three : Discussion of findings and implications.

**Figure 4.1: The three-stage research design for the study**



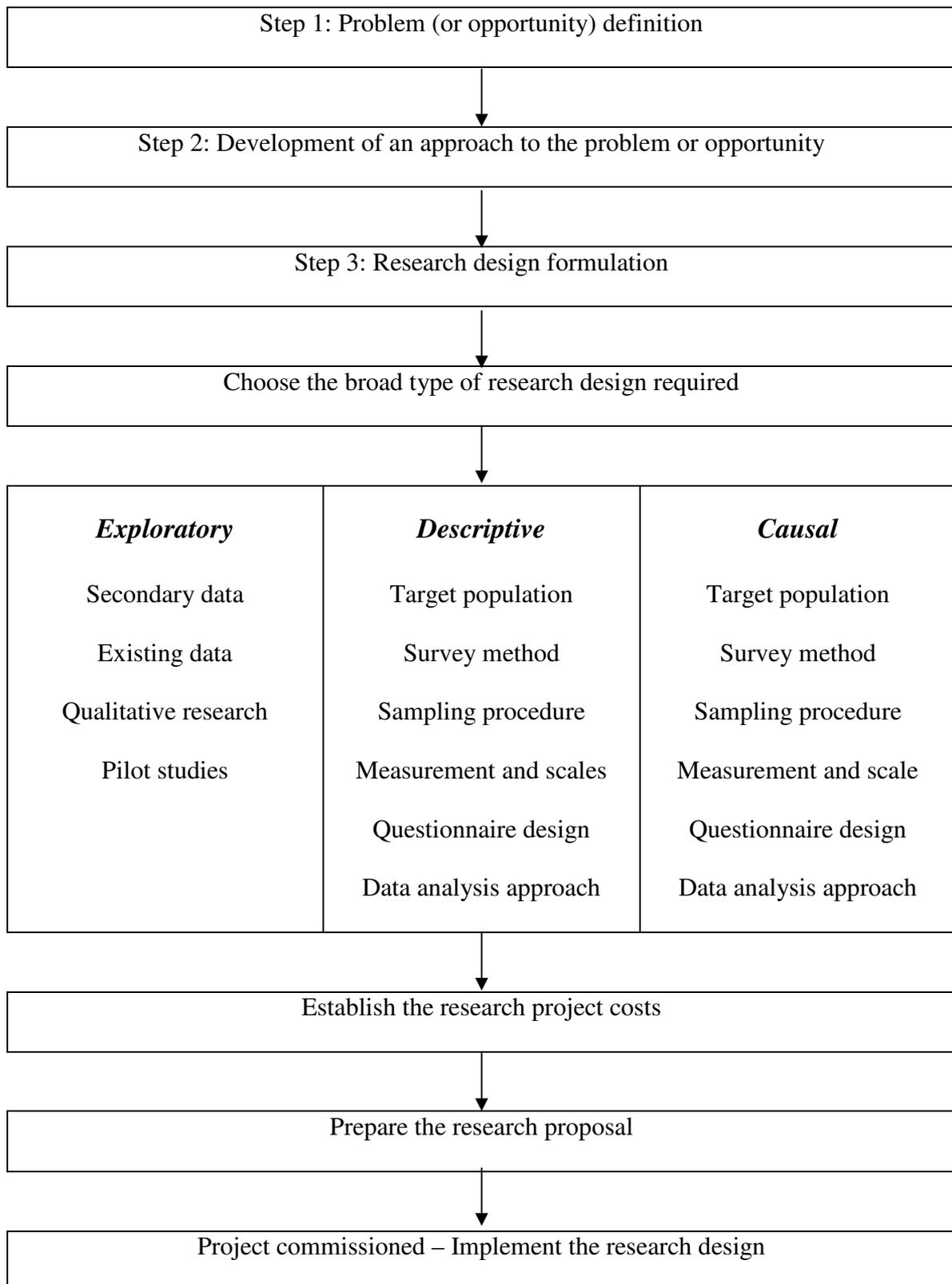
Source: Developed for this research

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Further to the above discussion, the research process for a particular research design consists of several steps that are widely recognised in the literature. These are summarised in Figure 4.2 as an appropriate guide for this study. Carson et al. (2001) suggest the use of the appropriate literature to justify a research problem. The literature review in Chapter 2 has done this and consequently addresses Steps 1 and 2 in the research process identified in Figure 4.2. The adaptation of Vitell, Singh and Paolillo's (2007) model and the proposed hypotheses presented in Chapter 3 also set up the foundation for Step 3 in the research process, the formulation of the research design.

Consistent with the discussion in Section 4.4 above, Hart (1998) suggests that different research purposes have different implications for research designs and the research design is shaped by a goal of the research that could be exploratory, descriptive or explanatory (see Table 4.1). As already mentioned, although the intention of this study is to investigate new aspects of consumers' ethical beliefs and intention (which is exploratory), the study also follows Vitell, Singh and Paolillo's (2007) study as a guide. Their study is a deductive, empirical study that uses a survey method in an attempt to provide both description and explanation that link the predictors to the dimensions of consumer ethics. Accordingly, this study adopts the survey method and, in doing so, attempts to provide a description of relevant phenomena as well as indicators of explanatory links. Being a cross-sectional study, any associations that can be identified between variables are necessarily time-bound and therefore only able to hint at explanatory (causal) relationships (Malhotra 2004). As Yin (2003) points out, a survey method is appropriate when researchers focus on contemporary events over which they have no control and when their research question is looking at who, what, where, how many and/or how much (see Table 4.2).

**Figure 4.2: The research process**



Source: Developed for this research based on Malhotra et al. (2002)

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**Table 4.1: Goals of research**

Type of Research	Goals of Research
Exploratory	To satisfy curiosity, provide better understanding or for general interest
Descriptive	To understand a common or uncommon social phenomena
Explanatory (causal)	To show the causal connections and relationships between variables

Source: Developed for this research based on Hart (1998)

**Table 4.2: Selection of research method**

Research Strategy	Research Question (Form)	Control over Events?	Focus on Contemporary Events?
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how many, how much	No	Yes
Archival analysis	Who, what, where, how many, how much	No	Yes/No
History	How, why	No	No
Case Study	How, why	No	Yes

Source: Developed for this research based on Yin (2003)

Thus, this study is concerned with the understanding of phenomena in a contemporary setting. The experimental method is not appropriate for use in this study's situation as the variables cannot be controlled in a social setting. Archival research (or secondary data study) is considered not appropriate as there are limited published studies on consumer ethics among young customers in Malaysia. As this present study adopts a deductive reasoning model and is not case specific, a case study is also not a suitable method. As identified above, the survey research method is considered the most appropriate one for this research. In addition, surveys are relatively quick and inexpensive means of procuring information and can be used for exploratory, descriptive or causal studies (Baker 2001).

Baker (2001) states that topics particularly suited for surveys are attitudes, behaviour and demographics, which are all factors addressed in the present study. When properly designed, Baker (2002) also suggests that surveys come closest to conforming to the hallmarks of research, for example, parsimony as one of Sekaran's (2003) eight hallmarks of research. Finally, similar studies in the literature on consumer ethics have also utilized the survey method (Al-Khatib, Dobie & Vitell 1995; Chan, Wong & Leung 1998; Erffmeyer, Keillor & LeClair 1999; Van Kenhove, Vermeir & Verniers 2001). This study is, therefore, a deductive empirical survey designed to test the hypotheses identified in Chapter 3 and is repeated below in Table 4.3.

**Table 4.3: The study's hypotheses**

No.	Hypotheses
<b><u>Gender and Consumer Ethics (CE1-CE4)</u></b>	
H <sub>1a</sub>	There is a significant difference between male and female with regards to actively benefiting from illegal activities (CE1).
H <sub>1b</sub>	There is a significant difference between male and female with regards to benefiting from questionable activities (CE2).
H <sub>1c</sub>	There is a significant difference between male and female with regards to no harm / no foul activities (CE3).
H <sub>1d</sub>	There is a significant difference between male and female with regards to recycling / doing good activities (CE4).
<b><u>Ethics Course and Consumer Ethics (CE1-CE4)</u></b>	
H <sub>2a</sub>	There is a significant difference between ethics and no ethics course with regards to actively benefiting from illegal activities (CE1).
H <sub>2b</sub>	There is a significant difference between ethics and no ethics course with regards to benefiting from questionable activities (CE2).
H <sub>2c</sub>	There is a significant difference between ethics and no ethics course with regards to no harm / no foul activities (CE3).
H <sub>2d</sub>	There is a significant difference between ethics and no ethics course with regards to recycling / doing good activities (CE4).

	<p><b><u>The Four Independent Variables and Actively Benefiting from Illegal Activities (CE1)</u></b></p>
H <sub>3a</sub>	There is a significant relationship between intrinsic religiosity and actively benefiting from illegal activities (CE1).
H <sub>3b</sub>	There is a significant relationship between extrinsic religiosity and actively benefiting from illegal activities (CE1).
H <sub>3c</sub>	There is a significant relationship between attitude towards business and actively benefiting from illegal activities (CE1).
H <sub>3d</sub>	There is a significant relationship between money ethics (love of money) and actively benefiting from illegal activities (CE1).
	<p><b><u>The Four Independent Variables and Benefiting from Questionable Activities (CE2)</u></b></p>
H <sub>4a</sub>	There is a significant relationship between intrinsic religiosity and benefiting from questionable activities (CE2).
H <sub>4b</sub>	There is a significant relationship between extrinsic religiosity and benefiting from questionable activities (CE2).
H <sub>4c</sub>	There is a significant relationship between attitude towards business and benefiting from questionable activities (CE2).
H <sub>4d</sub>	There is a significant relationship between money ethics (love of money) and benefiting from questionable activities (CE2).
	<p><b><u>The Four Independent Variables and No harm / No Foul Activities (CE3)</u></b></p>
H <sub>5a</sub>	There is a significant relationship between intrinsic religiosity and no harm / no foul activities (CE3).
H <sub>5b</sub>	There is a significant relationship between extrinsic religiosity and no harm / no foul activities (CE3).
H <sub>5c</sub>	There is a significant relationship between attitude toward business and no harm / no foul activities (CE3).
H <sub>5d</sub>	There is a significant relationship between money ethic (love of money) and no harm / no foul activities (CE3).

<b><u>The Four Independent Variables and Recycling / Doing Good Activities (CE4)</u></b>	
H <sub>6a</sub>	There is a significant relationship between intrinsic religiosity and recycling / doing good activities (CE4).
H <sub>6b</sub>	There is a significant relationship between extrinsic religiosity and recycling / doing good activities (CE4).
H <sub>6c</sub>	There is a significant relationship between attitude towards business and recycling / doing good activities (CE4).
H <sub>6d</sub>	There is a significant relationship between money ethics (love of money) and recycling / doing good activities (CE4).
<b><u>Consumer Ethics (CE1-CE4) and Ethical Intention</u></b>	
H <sub>7a</sub>	There is a significant association between actively benefiting from illegal activities (CE1) and ethical intention.
H <sub>7b</sub>	There is a significant association between benefiting from questionable activities (CE2) and ethical intention.
H <sub>7c</sub>	There is a significant association between no harm / no foul activities (CE3) and ethical intention.
H <sub>7d</sub>	There is a significant association between recycling / doing good activities (CE4) and ethical intention.

Source: Developed for this study

## **4.6 Construct Measurement**

### **4.6.1 Origin of Construct**

The sources of the construct measurements used in this research are adapted from the following literatures as illustrated in Table 4.4.

**Table 4.4: Construct and sources of construct measurement**

<b>Construct</b>	<b>Sources</b>	<b>Dimensions</b>	<b>Number of Items</b>
Consumer Ethics	Vitell and Muncy (2005)	CE1 - Active illegal	5
		CE2 (part1) - Passive	4
		CE2 (part2) - Active legal	3
		CE3 - No harm / no foul	6
		CE4 - Doing good / recycling	8
Attitude towards Business	Richins (1983)	--	6
Religiosity	Allport and Ross (1967)	Intrinsic	8
		Extrinsic	6
Money Ethics	Tang (2002)	--	17
Consumer Ethical Intention	Vitell, Singhapakdi and Thomas (2001)	--	4

Source: Developed for this research

Table 4.5 indicates the items for consumer ethics (active illegal dimension). The active illegal dimension consists of five items. All of these items are adopted and modified from Vitell and Muncy (2005). The dimension of actively benefiting from illegal activities signifies the behaviour in which the consumers actively taking advantage of a situation at the expense of the seller. Actions in this dimension are initiated by consumers, most of who perceive that these actions are illegal. Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) 'strongly believe it is wrong' to (5) 'strongly believe it is not wrong'. A higher score on the scale means that consumers will find these actions as more acceptable and less unethical.

**Table 4.5: Consumer ethics (Active Illegal Dimension) and measurement items (CE1)**

<b>Construct</b>	<b>Measurement Items</b>
Consumer Ethics (Active Illegal Dimension)	Changing price tags on a product in a retail store.
	Drinking a can of coke in a supermarket without paying for it.
	Reporting a lost item as 'stolen' to an insurance company in order to collect the money.
	Giving misleading price information to a cashier for an unpriced item.
	Using a mobile prepaid access code that does not belong to you.

Source: Developed for this research

Table 4.6 indicates the items for consumer ethics (passive dimension). This dimension consists of four items. All items are adopted and modified from Vitell and Muncy (2005). The dimension of passively benefiting at the expense of others signifies the behaviour in which the consumers actively taking advantage of a situation at the expense of the seller. The second dimension involves actions where consumers passively benefit from sellers' mistake. Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) 'strongly believe it is wrong' to (5) 'strongly believe it is not wrong'. A higher score on the scale means that consumers will find these actions as more acceptable and less unethical.

**Table 4.6: Consumer ethics (Passive Dimension) and measurement items (Part of CE2)**

<b>Construct</b>	<b>Measurement Items</b>
Consumer Ethics (Passive Dimension)	Getting too much change and not saying anything.
	Moving into a house, finding that the ASTRO TV channel is still hooked up, and using it rather than signing up and paying for it.
	Lying about a child's age in order to get a lower price.
	Saying nothing when a waitress miscalculates a bill in your favour.

Source: Developed for this research

Table 4.7 indicates the items for consumer ethics (active legal dimension). This dimension consists of three items. The items are adopted and modified from Vitell and Muncy (2005). Actively benefiting from deceptive but legal practices represents actions in which consumers actively involved in unethical but not necessarily illegal practices. The third dimension is also initiated by the consumers, however these actions are not perceived to be illegal. Yet, they are still morally questionable. Consumers believe that it is more unethical to actively benefit from an illegal activity than to passively benefit. Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly believe it is wrong’ to (5) ‘strongly believe it is not wrong’. A higher score on the scale means that consumers will find these actions as more acceptable and less unethical.

**Table 4.7: Consumers ethics (Active Legal Dimension) and measurement items (Part of CE2)**

<b>Construct</b>	<b>Measurement Items</b>
Consumer Ethics (Active legal Dimension)	Stretching the truth on an income tax return.
	Using an expired coupon to purchase a product.
	Not telling the truth when negotiating the price of a new car.

Source: Developed for this research

Table 4.8 indicates the items for consumer ethics (no harm / no foul dimension). This dimension consists of six items. The items are adopted and modified from Vitell and Muncy (2005). No harm / no foul dimension refer to the behaviour that is not seen as harmful to others. An example of this situation is the act of spending an hour trying on different shoes and not purchasing any. This dimension involves actions that most consumers perceive as not even being unethical at all. Most of these actions involve the copying of intellectual property such as software, tapes or movies. Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly believe it is wrong’ to (5) ‘strongly believe it is not wrong’. A higher score on the scale means that consumers will find these actions as more acceptable and less unethical.

**Table 4.8: Consumer ethics (No Harm / No Foul Dimension) and measurement items (CE3)**

<b>Construct</b>	<b>Measurement Items</b>
Consumer Ethics (No harm / No foul Dimension)	Taping a movie off the television.
	Copying computer software or games that you did not buy.
	‘Burning’ a CD instead of buying it.
	Returning a product after trying it and not liking it.
	Downloading music from the internet instead of buying it.
	Buying counterfeit goods instead of buying the original manufacturers’ brands.

Source: Developed for this research

Table 4.9 indicates the items for consumer ethics (doing good / recycling dimension). This dimension consists of eight items. The items are adopted and modified from Vitell and Muncy (2005). Doing good / recycling dimension represents consumers’ desire to recycle products and ‘do the right thing’ Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly believe it is wrong’ to (5) ‘strongly believe it is not wrong’. A higher score on the scale means that consumers will find these actions as more acceptable.

**Table 4.9: Consumer ethics (Doing Good / Recycling Dimension) and measurement items (CE4)**

<b>Construct</b>	<b>Measurement Items</b>
Consumer Ethics (Doing good / Recycling Dimension)	Buying products labelled as ‘environmentally friendly’ even if they don’t work as well as competing products.
	Purchasing something made of recycled materials even though it is more expensive.
	Buying only from companies that have a strong record of protecting the environment.
	Recycling materials such as cans, bottles, newspapers, etc.
	Returning to the store and paying for something that the cashier mistakenly did not charge you for.
	Correcting a bill that has been miscalculated in your favour.

	Giving a larger than expected tip to a waiter or waitress.
	Not purchasing products from companies that you believe do not treat their employees fairly.

Source: Developed for this research

Table 4.10 indicates the items for construct of attitude towards business. This dimension consists of six items. The items are adopted and modified from Richins (1983). Three of the items need to be reverse coded during data entry and are indicated by the symbol (R). Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly disagree’ to (5) ‘strongly agree’. A higher score on the scale means that respondents will find the statements as more acceptable.

**Table 4.10: Attitude towards business construct and measurement items**

<b>Construct</b>	<b>Measurement Items</b>
Attitude towards Business	Many businesses try to take advantage of customers. (R)
	Many products are not as durable as they should be. (R)
	Most companies are concerned about their customers.
	In general, I am satisfied with most of the products I buy.
	What most products claim to do and what they actually do are two different things. (R)
	The business community has helped raise our country’s standard of living.

Source: Developed for this research

Table 4.11 indicates the items for religiosity (intrinsic dimension). This dimension consists of eight items. The items are adopted from Allport and Ross (1967). Three of the items need to be reversed coded during data entry and are indicated by the symbol (R). Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly disagree’ to (5) ‘strongly agree’. A higher score on the scale means that respondents will find the statements as more acceptable.

**Table 4.11: Religiosity (Intrinsic Dimension) and measurement items**

<b>Construct</b>	<b>Measurement Items</b>
Religiosity (Intrinsic Dimension)	I enjoy reading about religion.
	It is important for me to spend time in private thought and prayer.
	It doesn't much matter what I believe so long as I am good. (R)
	I have often had a strong sense of God's presence.
	I try hard to live all my life according to my religious beliefs.
	Although I am religious, I don't let it affect my daily life. (R)
	My whole approach to life is based on my religion.
	Although I believe in my religion, many other things are more important in my life. (R)

Source: Developed for this research

Table 4.12 indicates the items for religiosity (extrinsic dimension). This dimension consists of six items. The items are adopted from Allport and Ross (1967). Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) 'strongly disagree' to (5) 'strongly agree'. A higher score on the scale means that respondents will find the statements as more acceptable.

**Table 4.12: Religiosity (Extrinsic Dimension) and measurement items**

<b>Construct</b>	<b>Measurement Items</b>
Religiosity (Extrinsic Dimension)	I go to religious services because it helps me to make friends.
	I pray mainly to gain relief and protection.
	What religion offers me the most is comfort in times of trouble and sorrow.
	Prayer is for peace and happiness.
	I go to religious services mostly to spend time with my friends.
	I go to religious service mainly because I enjoy seeing people I know there.

Source: Developed for this research

Table 4.13 indicates the items for money ethics construct. This dimension consists of seventeen items. The items are adopted from Tang (2002). Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly disagree’ to (5) ‘strongly agree’. A higher score on the scale means that respondents will find the statements as more acceptable.

**Table 4.13: Money ethics construct and measurement items**

<b>Construct</b>	<b>Measurement Items</b>
Money Ethics	Money is important.
	Money is valuable.
	Money is good.
	Money is an important factor in the lives of all of us.
	Money is attractive.
	Money represents my achievement.
	Money is a symbol of my success.
	Money reflects my accomplishments.
	Money is how we compare each other.
	I am motivated to work hard for money.
	Money reinforces me to work harder.
	I am highly motivated by money.
	Money is a motivator.
	Having a lot of money (being rich) is good.
	It would be nice to be rich.
	I want to be rich.
	My life will be more enjoyable, if I am rich and have more money.

Source: Developed for this research

Table 4.14 indicates the items for the construct of consumer ethical intention. This dimension consists of four items or ethical scenarios. The items are adopted from Vitell, Singhapakdi and Thomas (2001). Respondents are asked to indicate on the five-point Likert Scale with anchors of (1) ‘strongly disagree with this action’ to (5) ‘strongly agree with this action’. A higher score on the scale means that consumers will find these actions as more acceptable and less unethical.

**Table 4.14: Consumer ethical intention construct and measurement items**

Construct	Measurement Items
Consumer Ethical Intention	<p>During grocery shopping, Fred decides to purchase a can of corn for his family. He remembers that he has a coupon, but that it not only has expired, it is also for a competing brand. Upon arriving at the check out aisle, Fred decides to give the coupon to the cashier. The cashier does not notice the problems with the coupon. After calculating all of Fred’s purchases, the cashier gives him credit for his coupon.</p> <p><b>‘I would act in the same manner as the consumer did in the above scenario.’</b></p>
	<p>Bob goes to a local clothing store to purchase a new shirt. During his shopping, the sales clerk tells him, ‘When you’ve finally made up your mind, let me know and I’ll calculate your purchase.’ After the sales clerk leaves, Bob finds the shirt he likes, but he notices that it is priced \$10 more than what the exact shirt costs at another store down the street. Bob decides to switch price tags on the shirt. The sales clerk never notices the difference while adding up Bob’s purchase.</p> <p><b>‘I would act in the same manner as the consumer did in the above scenario.’</b></p>
	<p>At lunch on Thursday, Lisa decides that she does not have time to cook, or sit down to eat in a restaurant. She decides to use the drive-through line at a local fast food restaurant, which is very busy. Her order totals \$4 and she gives the cashier a \$10 note. Due to the restaurant being so busy, the cashier mistakes Lisa’s \$10 note for a \$20 note. Instead of returning \$6 to her, the cashier mistakenly hands her \$16. Although Lisa realizes that the cashier has made a mistake, she is in a hurry, so she drives away.</p> <p><b>‘I would act in the same manner as the consumer did in the above scenario.’</b></p>

	<p>Kim's friend has just obtained the latest version of a leading word processing software package for her computer. She has also obtained the newest computer game that everybody is crazy about. Kim asks her to copy them for her and she agrees to do so. Kim gives her the necessary computer thumb drive to copy both programs. After her friend copies the programs, Kim loads them onto her computer and begins using them.</p> <p><b>'I would act in the same manner as the consumer did in the above scenario.'</b></p>
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Source: Developed for this research

## 4.7 Data Collection

Data is collected through personally administering questionnaires to university students in one public and one private university in Malaysia. The questionnaire is administered to a group of respondents gathered at the same place and at the same time. The researcher explains the questionnaire and is present to answer any queries. In this case, the completion rate tends to be higher than the straight forwarded mail surveys (Babbie 1995; Sekaran 2003). The technique is best suited when data is collected from organisations that are located in close proximity to one another and groups of respondents can be conveniently assembled in the lecture halls or tutorial (or other) rooms. This technique would most likely improve completion rates while reducing costs (Babbie 1995; Sekaran 2003). More details of the sampling processes, questionnaire design and administration are provided below.

### 4.7.1 Target Sample and Sampling Method Used

The target sample in this research is undergraduate students from two major universities in Malaysia – a private and a public university. Undergraduate students are chosen as respondents due to their ready accessibility and their demographic profile that fits into this category of young Malaysian consumers. Young consumers in this research refer to the Generation Y, a specific cohort of individuals born, roughly, between 1980 and 1994 (McCrinkle Research 2008) who are now entering colleges and universities.

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Non-probability sampling method will be adopted in this research. Previous researchers on consumer ethics have also adopted the non-probability sampling method (Erffmeyer, Keillor & LeClair 1999; Muncy & Vitell 1992). Furthermore due to the constraint of time and budget, the non-probability sampling method is deemed to be appropriate in this instance. However, it is noted that non-probability method may create a greater scope of selection bias and limited potential to generalize from the sample to the wider population (Tansey 2007). Judgment sampling will be implemented in this research as the method is used where the collection of ‘specialized informed inputs’ on the topic area researched is vital (Sekaran 2003).

The target sample in this research is undergraduate students from two major universities located at the Klang Valley, Malaysia. The reason for choosing Klang Valley is that the area is a major educational hub for private and public universities in Malaysia. To ensure anonymity, the public university chosen for the study will be known as ‘University A’ and the private university as ‘University B’. University A is Malaysia's premier and oldest university with a student population of about 30,000. University B is selected because it is one of the most established and largest private universities in Malaysia with enrolment of about 25,000 students. All the targeted respondents are undergraduate business students aged between 18 and 30 years old. The reason for targeting business students is because these students would be most familiar with the terms and consumer scenarios in the questionnaire survey.

#### **4.7.2 Anticipated Final Sample Size**

To facilitate a satisfactory response rate, consent and clearance to conduct the survey for this study were obtained from two universities. To ensure anonymity universities are identified for the purpose of this study as University A (which is a public university) and University B (private university).

Before respondents commenced answering the survey questionnaire, the researcher briefed the students on the purpose of the survey and provided instructions for completion of the questionnaire. The researcher also emphasised that participation was entirely voluntary and

that students could leave the venue without being disadvantaged if they did not want to participate. Each student was also provided with a copy of the Survey Information Sheet (see Appendix A) as authorised by Southern Cross University Ethics Committee. No attempt was made to insist that the students must respond to the survey or that they provide personal identifying information. No financial incentive or inducement was offered for completion of the questionnaire. The researcher personally distributed the questionnaire and responded to any queries. To ensure anonymity, a ‘voting box’ was provided for the respondents to drop in the completed survey questionnaires before leaving the venue.

In view of the above procedures it was expected that the final sample size for the study would be reasonably high. Table 4.15 summarises the targeted populations and anticipated final sample sized based on an 80% response rate. The anticipated sample size of 240 each for University A and B and 480 for the overall sample were deemed likely to be sufficient for most statistical techniques. Furthermore according to Roscoe (1975) sample size, should be larger than 30 and less than 500, for most research.

**Table 4.15 Anticipated final sample sized and response rates**

<b>Sample segment</b>	<b>Targeted population</b>	<b>Assumed 80% response rate</b>	<b>Anticipated final sample size</b>
University A (Public university)	300	80%	240
University B (Private university)	300	80%	240
Total	600	80%	480

Source: Developed for this study

### **4.7.3 Questionnaire Design and Administration**

The design of the study’s questionnaire follows the process suggested by Malhotra et al (2002) as an appropriate guide for this study, as identified in Figure 4.3. A copy of the questionnaire used is provided in Appendix C and is designed to capture data of consumers who are university students in University A (public university) and University B (private university).

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Specification of the information needed (Step 1, Figure 4.3) was driven by the literature review, the requirement to extend Vitell, Singh and Paolillo's (2007) work and the study's hypotheses. As noted earlier, it was decided that young consumers would be surveyed using a self-completion questionnaire administered to students at one public University A and one private University B (Step 2, Figure 4.3).

The content of the individual questions (Step 3, Figure 4.3) was addressed by maintaining consistency with the information needed (Step 1) and compatibility with the target population. The items from the questionnaires were adopted from established past studies. To measure consumer ethics construct, the Vitell and Muncy (2005) consumer ethics scale was adopted. Items were measured on a five-point scale with '1' indicating, 'strongly believe that it is wrong' and '5' indicating, 'strongly believe that it is not wrong'. As for the independent variables, the measurement for attitude towards business was adopted from Richins (1983), religiosity from Allport and Ross (1967) and money ethics from Tang (2002). Respondents were asked to indicate their agreement or disagreement with each item using a five point-Likert format where a '1' indicate 'strongly disagree' and '5' indicated 'strongly agree'. For the consumer ethical intention, scenarios or vignettes from Vitell, Singhapakdi and Thomas (2001) were adopted. There were four scenarios: Scenario 1: consumer using expired coupons, Scenario 2: switching price tags, Scenario 3: cashier mistake and Scenario 4: copying software. The respondent will indicate if he or she would act in the same manner as the consumer depicted in each of the scenarios (with '1' indicating 'strongly disagree with the action' to '5' indicating 'strongly agree with the action').

The target population was the students of the two identified universities and questions asked were appropriate to the level of the respondents. Given the multi-racial and multi-religious nature of Malaysian society, care was taken to ensure there were no culturally sensitive or discriminatory questions asked. The respondents would be likely to comprise from various ethnic and religious backgrounds. Further steps were also taken to facilitate respondents' ability and willingness to answer the questions (Step 4, Figure 4.3). An accompanying Survey Information Sheet (see Appendix B) was provided to each respondent to clarify the nature of the research, to specify clearly that participation was voluntary and anonymous, and to indicate that participants were free to withdraw at any time with no personal disadvantage. While the questionnaire comprised of a total of 74

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items, it took only 15-20 minutes to complete. Finally, the questionnaire and accompanying documentation were delivered in English, as this is the language of instruction at both the public and private universities in Malaysia. This means that respondents were in a position to fully understand the questions being asked.

The question structure varies although nearly all questions are closed-ended (Steps 5 and 6, Figure 4.3). This is also to facilitate response, as it is easier to tick a box or circle a number than to write out an answer (Step 4). Some questions use non-metric scales (either nominal/categorical or ordinal), while other questions use a metric scale (interval) (Hair et al. 1998). Table A4.1 in Appendix D maps the questions used with the types of scale.

The questionnaire comprises two main sections with appropriate ‘screening’ items to enable the researcher to determine the suitability of the respondents to be included in the sample (Steps 6 and 7, Figure 4.3). The two items are placed in the personal information section that asks the respondents to indicate their age group as well as nationality. As the research only looks at young consumers, only those who are between 18 to 30 years old will be included. Furthermore, as the research also looks at the ethical beliefs of Malaysian consumers, respondents from other nationalities will be excluded from subsequent analysis. Section A of the questionnaire addresses all the antecedents as well as the dependent variables of the research and Section B seeks demographic details. The ordering of the questions (Step 7, Figure 4.3) so that personal details are in the final section is in line with the general practice of locating personal questions at the end of a questionnaire (Malhotra 2004). Dillon, Madden and Firtle (1997) also suggest that demographic questions should be asked at the end of a questionnaire so that a refusal to answer a question will not affect other responses.

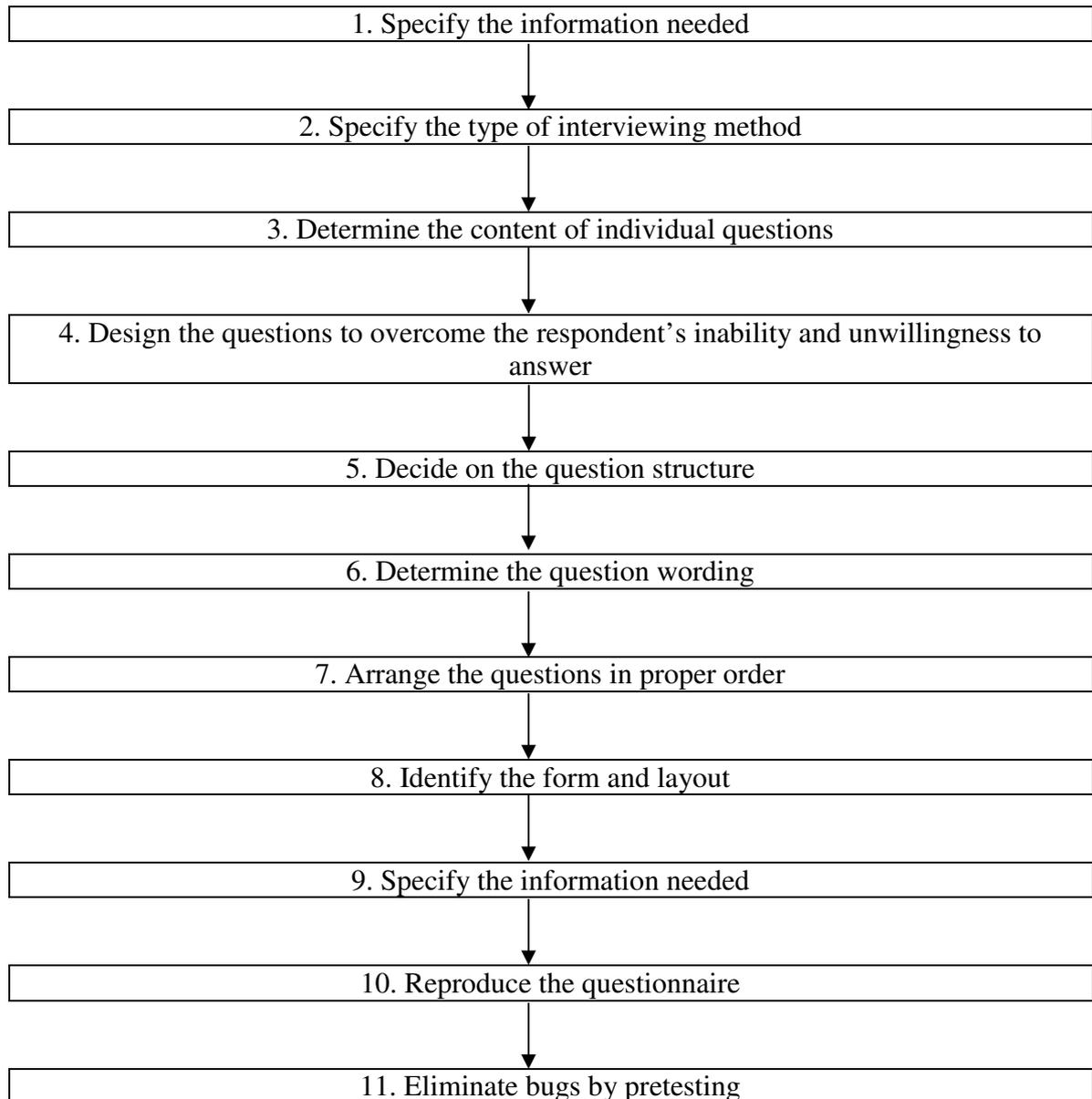
The form, layout and specification of information needed (Steps 8 and 9, Figure 4.3) follows convention. The questionnaire is set out so that it is visually easy to follow, has plenty of ‘white space’ and is easy for respondents to provide an answer (see Appendix C). Response categories were pre-coded to facilitate data analysis, and questionnaires were serially numbered and labelled for either the University A or University B cluster to enable control of the sampling process and subsequent data analysis (Step 10, Figure 4.3).

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The final step of pre-testing the questionnaire (Step 11, Figure 4.3) was undertaken prior to actual data collection. The questionnaire was piloted during the second week of January 2010 with 15 respondents who are university students who fit the characteristics of the study. Hair et al. (2007) reiterated that the pre-testing respondents should have similar characteristics as the target population in a similar setting to the actual research project. The sample size is considered to be a credible size for a pilot and is consistent with Malhotra's (2004) suggestion that a pre-test sample size can be small. Pilot respondents were briefed on an individual, face-to-face basis on the purpose of the pilot run. Pilot respondents suggested some minor changes in terms of sentence structure and choice of words for some questions and these were duly amended. The average time taken for completion of the full questionnaire was 16 minutes and this was within the 15 to 20 minutes estimated duration for the actual survey.

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**Figure 4.3: The questionnaire design process**



Source: Adapted from Malhotra et al. (2002)

## **4.8 Pilot Testing**

Pilot testing involves formally testing a questionnaire or survey on a small sample of respondents (Malhotra 2004; Zikmund 2003). Pilot testing is used to identify any problems with the data collection instrument (Sekaran 2003). It allows the comparison of alternative versions of a questionnaire (Zikmund 2003). Moreover, pilot testing is conducted to assess the efficacy of questionnaires and to ensure that the meaning of each question is clear to all

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respondents so that each variable can be reliably measured (Neuman 2003; Zikmund 2003).

The pilot test is also conducted to ensure that all instructions and questions are understood in the manner intended before they are distributed to the target respondents (Zikmund 2003). The questionnaire was pre-tested in order to provide preliminary results to further validate and improve the proposed scales. It also provided the researcher with participants' feedback which could be used to refine the final questionnaire (Zikmund 2003). In addition, doing pilot testing can ensure the reliability of a questionnaire by using the Cronbach alpha coefficient ( $\alpha$ ).

The initial measurement model in this study was pilot-tested in a survey of 15 young consumers who were university students. Pilot respondents were briefed on an individual, face-to-face basis on the purpose of the pilot run. They were asked to complete Part A and B of the pilot questionnaire. Participant feedback was then used in combination with results of the pilot test to improve the final version of the questionnaire (see Appendix C). After pilot testing, the researcher used the Cronbach alpha coefficient ( $\alpha$ ) to measure the reliability of the questionnaire. If the result of  $\alpha$  is less than 0.6, the reliability is considered to be poor. If the result of  $\alpha$  is between 0.70 and 0.8 the result is considered to be acceptable, and if the result of  $\alpha$  is over 0.80, reliability is considered to be good (Hair et al. 1998; Nunnally 1967; Sekaran 2003). If the result of Cronbach alpha coefficient ( $\alpha$ ) is over 0.90, reliability is considered to be excellent (Hair et al. 1998).

In this pilot test, the questionnaires were returned by all 15 respondents (100%). All the returned questionnaires had been fully completed. Pilot respondents suggested some minor changes in terms of sentence structure and choice of words for some questions and these were duly amended. The following section outlines the procedures used, in both the pilot and main study, to ensure good reliability and validity of the survey measures were achieved.

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## 4.9 Reliability and Validity

Reliability and validity are important in quantitative research. They can measure the degree of consistency and validate the intended concept (Hair et al. 1998; Sekaran 2003).

### 4.9.1 Reliability

Reliability is defined as the consistency or the stability of a measurement (Bollen 1989) and refers to the degree to which measures are free from error and therefore yield consistent results (Neuman 2003; Zikmund 2003). One measure of reliability is a statistical measure of the reproducibility of a survey instrument (Hair et al. 1998; Sekaran 2003). If researchers have no measure of reliability, there are possibilities of measurement error (Hair et al. 1998).

Three classic approaches to empirically assess the reliability of measures include:

- The test-retest reliability method involves collecting data on the correlation in response to the same question and the same subjects at different points in time. However, the test-retest reliability method is not useful if variables naturally change over time. In addition, the first administration often influences the response on the second administration which reduces the accuracy of reliability assessment using this method (Hair et al. 1998).
- The alternative forms or parallel forms methods that involve different methods of collecting information at each time period (Kitchenham & Pfleeger 2002). Using two separate times to distribute the questionnaire is important to ensure that the meaning of the questions is the same and that the questions are easy to understand (Kitchenham & Pfleeger 2002). However, the results of alternative forms can be problematic since some responses may be affected by prior questions.
- The split-halves method overcomes memory effects and changes in the true score over time but assumes that several items are available to measure the true score and that the items are parallel measures. An arbitrary decision must be made as to how to split the items. The split-halves method is employed by calculating the average of the

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coefficients from Cronbach's alpha. Cronbach's alpha relates to all forms of inter-item consistency methods of reliability assessment. These forms of reliability assessment assume that *all* items measure the same characteristic or opinion (Hair et al. 1998).

This study did not assess reliability by using the standard test-retest, as this study did not allow respondents access to the same questions twice. This study had limited time to collect data, thus the test-retest reliability was not suitable. For the same reason of saving time, this study did not use alternative questionnaire formats to ask the same respondents the same questions twice. Additionally, there was a possibility that respondents would not return some questionnaire forms, making reliability difficult to measure. However, the split-halves method of testing reliability requires asking questions only once. Additionally, by self-administration, a researcher can measure the reliability of the questionnaire with this method. Another advantage of this method is that it helps the researcher to measure the internal consistency of the study. The internal consistency is examined by assessing how highly inter-correlated items are to each other according to a scale using Cronbach's alpha coefficient ( $\alpha$ ) (Hair et al. 1998; Kitchenham & Pfleeger 2002). Cronbach's alpha coefficient ( $\alpha$ ) is a measure of consistency that tests how well a set of items measures a single uni-dimensional latent construct (Hair et al. 1998). It also measures the homogeneity of a group of items in a questionnaire (Carmines & Zeller 1990). If items are more highly correlated, the reliability of the scale will be higher. If each item measured in the questionnaire for this study has a Cronbach's alpha ( $\alpha$ ) of less than 0.70, that item has a low value, signifying a low consistency (Hair et al. 1998).

The Cronbach alpha coefficient ( $\alpha$ ) for measuring the overall reliability of the questionnaire in this pilot test was good ( $\alpha = 0.865$ ). However, some questions were further refined because their wording in the pilot study was ambiguous or unclear.

#### **4.9.2 Validity**

There are two types of validity used to assess research. One is internal validity (cause and effect) and the other is external validity (external environment) (Sekaran 2003; Zikmund 2003). Internal validity measures the relationship between variables that are real. The level

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of external validity determines the extent to which inferences based on the research can be made about the external environment. Validity can be referred to as the evidence that the instrument, technique, or process used to measure a concept does indeed measure that concept (Sekaran 2003). Validity can be assessed in a variety of ways such as (Zikmund 2003):

- Does the measure correlate with other measures of the same concept?
- Does the behaviour expected from my measure predict the actual observed behaviour?

Typically, the types of validity considered are content validity, criterion-related validity, construct validity, and face validity (Carmines and Zeller 1990; Hair et al. 1998; Kitchenham and Pfleeger 2002).

Content validity is related to the content of a particular item and is based on existing data. It is a subjective measure of how appropriate the instrument seems to be to various reviewers who have some knowledge of the subject matter. The evaluation of content validity typically involves an organised review of the survey's contents to ensure that it includes everything it should and does not include anything it should not.

Criterion-related validity is an assessment of an item or scale made by using a correlation coefficient to measure the relationships between questionnaire responses and other related behavioural characteristics. This type of validity can predict the future behaviour of phenomena studied in a survey.

Construct validity addresses the issue of whether an instrument does, in fact, measure what it purports to measure. Construct validity is the relationship between an item or scale being evaluated and other variables. Construct validity can be established by statistically analysing the measure through factor analysis. Construct validity refers to the consistency between the questions on a questionnaire and accepted theoretical constructs that relate to the subject being studied. When the results of statistical analyses show that the questionnaire items indicate a high degree of internal consistency, it can be concluded that the different questions do indeed refer to the intended construct.

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The last type of validity, face validity, is the degree to which the test questionnaire appears to be valid based on a simple inspection of the questionnaire itself. It is a weakness of this measurement of validity that the person inspecting the questionnaire may be biased. Maxwell (1996) and Miles and Huberman (1994) explained that validity tests are used at the research design stage, during data collection, or after the data collection has been completed. Validity testing falls into four groups. They do one of the following:

- Confirm the basic quality of data through a check for representation, reactivity, triangulation and weighting of the evidence
- Check outliers, or exceptions, through an analysis of outliers, extreme cases, and negative case evidence
- Test out explanations through if-then tests, replicating findings, ruling out rival explanations and spurious relations
- Get feedback from participants.

Therefore, the first step in assessing the validity of this study is to use face validity, since the initial inspection can strongly detect patterns in the questionnaire (Hair et al. 1998). In addition, this study tested the questionnaire by performing pilot testing before distribution to the target respondents. Thus, many opinions from the young consumers who completed the pilot testing were received. They were easy to assess and hence it was easy to improve the questionnaire.

This study then measured content validity by reviewing the questionnaire in light of the literature on previous studies in the field. Therefore, each question in the questionnaire was matched with the topic of this study. Pilot testing for this study ensured the standard of the questionnaire by adjusting unsuitable questions before they were included in the final version. Lastly, factor analysis was used to measure construct validity, in order to assess the consistency between the questions and the theoretical constructs related to issues of this study.

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## 4.10 Mapping of Hypotheses and Questionnaire Items

To facilitate data analysis, questionnaire items are mapped to this study's hypotheses. Explanations of the representation of the hypotheses are further elaborated below:

Table 4.16 shows the hypotheses with regards to gender and consumer ethics (CE1 to CE4). For hypotheses H1a to H1d, the independent variable is gender (male / female) and is addressed by Part B: Q3 of the questionnaire. The measurement scale is in the form of a nominal non-metric scale. The dependent variable consists of the four dimensions of consumer ethics (CE1 to CE4) and is addressed by Part A: Consumer Ethics Q1 to Q26. All the items for the dependent variable are in the form of metric interval measurement scale.

**Table 4.16: Hypotheses for gender and consumer ethics (CE1 to CE4)**

No	Hypotheses
H <sub>1a</sub>	There is a significant difference between male and female with regards to actively benefiting from illegal activities (CE1).
H <sub>1b</sub>	There is a significant difference between male and female with regards to benefiting from questionable activities (CE2).
H <sub>1c</sub>	There is a significant difference between male and female with regards to no harm / no foul activities (CE3).
H <sub>1d</sub>	There is a significant difference between male and female with regards to recycling / doing good activities (CE4).

Source: Developed for this study

Table 4.17 shows the hypotheses with regards to ethics course and consumer ethics (CE1 to CE4). For hypotheses H2a to H2d, the independent variable is whether the respondents have taken ethics course (yes / no) and is addressed by Part B: Q7 of the questionnaire. The measurement scale is in the form of a nominal non-metric scale. The dependent variable which consists of the four dimensions of consumer ethics (CE1 to CE4) is addressed by Part A: Consumer Ethics Q1 to Q26. All the items for the dependent variable are in the form of metric interval measurement scale.

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**Table 4.17: Hypotheses for ethics course and consumer ethics (CE1 to CE4)**

No	Hypotheses
H <sub>2a</sub>	There is a significant difference between ethics and no ethics course with regards to actively benefiting from illegal activities (CE1).
H <sub>2b</sub>	There is a significant difference between ethics and no ethics course with regards to benefiting from questionable activities (CE2).
H <sub>2c</sub>	There is a significant difference between ethics and no ethics course with regards to no harm / no foul activities (CE3).
H <sub>2d</sub>	There is a significant difference between ethics and no ethics course with regards to recycling / doing good activities (CE4).

Source: Developed for this study

Table 4.18 shows the hypotheses with regards to the four antecedents and actively benefiting from illegal activities (CE1). For hypotheses H3a to H3d, the independent variables are the four antecedents investigated in the study: intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics. Intrinsic religiosity is represented by Religiosity Q1 to Q8 in Part A of the questionnaire. Extrinsic religiosity is addressed by Religiosity Q9 to Q14 (Part A). As for attitude towards business, it is represented in Part A, attitude towards business Q1 to Q6 and for money ethics it is also addressed in Part A, money ethics Q1 to Q17. All the predictors (intrinsic and extrinsic religiosity, attitude towards business and money ethics) are represented in the form of metric interval measurement scale. The dependent variable for the hypotheses is the first dimension of consumer ethics (CE1) and is addressed by Part A: Consumer Ethics Q1 to Q5. All the items for the dependent variable are in the form of metric interval scale.

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**Table 4.18: Hypotheses for the four antecedents and CE1**

No	Hypotheses
H <sub>3a</sub>	There is a significant relationship between intrinsic religiosity and actively benefiting from illegal activities (CE1).
H <sub>3b</sub>	There is a significant relationship between extrinsic religiosity and actively benefiting from illegal activities (CE1).
H <sub>3c</sub>	There is a significant relationship between attitude towards business and actively benefiting from illegal activities (CE1).
H <sub>3d</sub>	There is a significant relationship between money ethics (love of money) and actively benefiting from illegal activities (CE1).

Source: Developed for this study

Table 4.19 shows the hypotheses with regards to the four antecedents and benefiting from questionable activities (CE2). For hypotheses H4a to H4d, the independent variables are the four antecedents: intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics. Intrinsic religiosity is represented by Religiosity Q1 to Q8 in Part A of the questionnaire. Extrinsic religiosity is addressed by Religiosity Q9 to Q14 (Part A). As for attitude towards business, it is represented in Part A, attitude towards business Q1 to Q6 and for money ethics it is also addressed in Part A, money ethics Q1 to Q17. All the predictors (intrinsic and extrinsic religiosity, attitude towards business and money ethics) are represented in the form of metric interval scale. The dependent variable for the hypotheses is the second dimension of consumer ethics (CE2) and is addressed by Part A: Consumer Ethics Q6 to Q12. All the items for the dependent variable are in the form of metric interval scale.

**Table 4.19: Hypotheses for the four antecedents and CE2**

No	Hypotheses
H <sub>4a</sub>	There is a significant relationship between intrinsic religiosity and benefiting from questionable activities (CE2).
H <sub>4b</sub>	There is a significant relationship between extrinsic religiosity and benefiting from questionable activities (CE2).
H <sub>4c</sub>	There is a significant relationship between attitude towards business and benefiting from questionable activities (CE2).
H <sub>4d</sub>	There is a significant relationship between money ethics (love of money) and benefiting from questionable activities (CE2).

Source: Developed for this study

Table 4.20 shows the hypotheses with regards to the four antecedents and no harm / no foul activities (CE3). For hypotheses H5a to H5d, the independent variables are the four predictors: intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics. Intrinsic religiosity is represented by Part A: Religiosity Q1 to Q8. Extrinsic religiosity is addressed by Religiosity Q9 to Q14 (Part A). As for attitude towards business, it is represented in Part A, attitude towards business Q1 to Q6 and for money ethics it is also addressed in Part A, money ethics Q1 to Q17. All the predictors (intrinsic and extrinsic religiosity, attitude towards business and money ethics) are represented in the form of metric interval scale. The dependent variable for the hypotheses is the third dimension of consumer ethics (CE3) and is addressed by Part A: Consumer Ethics Q13 to Q18. All the items for the dependent variable are in the form of metric interval scale.

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**Table 4.20: Hypotheses for the four antecedents and CE3**

No	Hypotheses
H <sub>5a</sub>	There is a significant relationship between intrinsic religiosity and no harm / no foul activities (CE3).
H <sub>5b</sub>	There is a significant relationship between extrinsic religiosity and no harm / no foul activities (CE3).
H <sub>5c</sub>	There is a significant relationship between attitude towards business and no harm / no foul activities (CE3).
H <sub>5d</sub>	There is a significant relationship between money ethics (love of money) and no harm / no foul activities (CE3).

Source: Developed for this study

Table 4.21 shows the hypotheses with regards to the four antecedents and recycling / doing good activities (CE4). For hypotheses H6a to H6d, the independent variables are the four predictors: intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics. Intrinsic religiosity is represented by Part A: Religiosity Q1 to Q8. Extrinsic religiosity is addressed by Religiosity Q9 to Q14 (Part A). As for attitude towards business, it is represented in Part A, attitude towards business Q1 to Q6 and for money ethics it is also addressed in Part A, money ethics Q1 to Q17. All the predictors (intrinsic and extrinsic religiosity, attitude towards business and money ethics) are represented in the form of metric interval scale. The dependent variable for the hypotheses is the fourth dimension of consumer ethics (CE4) and is addressed by Part A: Consumer Ethics Q19 to Q26. All the items for the dependent variable are in the form of metric interval scale.

**Table 4.21: Hypotheses for the four antecedents and CE4**

No	Hypotheses
H <sub>6a</sub>	There is a significant relationship between intrinsic religiosity and recycling / doing good activities (CE4).
H <sub>6b</sub>	There is a significant relationship between extrinsic religiosity and recycling / doing good activities (CE4).
H <sub>6c</sub>	There is a significant relationship between attitude towards business and recycling / doing good activities (CE4).
H <sub>6d</sub>	There is a significant relationship between money ethics (love of money) and recycling / doing good activities (CE4).

Source: Developed for this study

Table 4.22 shows the hypotheses with regards to the four dimensions of consumer ethics (CE1 to CE4) and ethical intention. For hypotheses H7a to H7d, the independent variables are all the four dimensions of consumer ethics (CE1 to CE4). This is addressed in the questionnaire Part A: consumer ethics Q1 to Q26. All the independent variables (CE1 to CE4) are represented in the form of metric interval measurement scale. The dependent variable for the hypotheses is the consumer ethical intention and is addressed in questionnaire Part A: Consumer ethical intention Q1 to Q4. All the items for the dependent variable are in the form of metric interval scale.

**Table 4.22: Hypotheses for CE1 to CE4 and ethical intention**

No	Hypotheses
H <sub>7a</sub>	There is a significant association between actively benefiting from illegal activities (CE1) and ethical intention.
H <sub>7b</sub>	There is a significant association between benefiting from questionable activities (CE2) and ethical intention.
H <sub>7c</sub>	There is a significant association between no harm / no foul activities (CE3) and ethical intention.
H <sub>7d</sub>	There is a significant association between recycling / doing good activities (CE4) and ethical intention.

Source: Developed for this study

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## **4.11 Data Analysis Methods**

The proposed software to be used to set up data files is SPSS. Then data is checked and cleansed with the intention of rejecting any that appear to be extreme or incorrect and missing data is subsequently coded. At the initial stage, factor analysis and reliability analysis will be conducted.

Descriptive statistics will be run to profile key perspectives on the demographic background of the young consumers. Thereafter inferential analysis will be conducted to test the study's seven hypotheses. Because it has been necessary to use a mix of metric and non-metric scales for data collection (see Section 4.7.4 and Appendix D), it is also necessary to use a mix of statistical tools to analyse the data. Appendix E maps the analysis tools to be used for each hypothesis where these include independent sample t-test, multiple linear regression and Pearson's correlation.

### **4.11.1 Factor Analysis**

The principle component factor analysis is an interdependence technique to define the underlying structure among the variables in the analysis (Hair et al. 1998) and it is also used as a data simplification technique (Sekaran 2003; Zikmund 2003). The aim of principle component factor analysis is to summarise patterns of correlations among observed variables, reduce a large number of observed variables to a smaller number of factors, provide an operation definition (a regression equation) for an underlying process by using observed variables, or test a theory about the nature of underlying processes (Tabachnick & Fidell 2006). There is considerable parsimony as the number of factors produced is usually far fewer than the number of observed variables. As the scores on factors are estimated for each subject, they are often more reliable than scores on individual observed variables.

In this study, principal component factor analysis will be applied in Part A Consumer Ethics questions to assess the stability of the dimension across the groups. The Bartlett test of sphericity and the Kaiser-Meyer-Olkin measure of sampling adequacy will be used to evaluate the correlation among the variables. Next, the appropriate number of factors will

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be determined by scree tests and eigenvalues. The scree tests and eigenvalues greater than one are selected as the criteria for determining the number of factors to be extracted. Then, the varimax rotation procedure is performed to ease the interpretation of each factor, and variables that had low loadings (less than 0.5) on the factors are removed. Furthermore, those items that will not load on any factors, were made up of a single factor that is difficult to interpret, or were loaded on several factors simultaneously will be deleted from the scale. After examination of the loading on the factors, a name will be assigned to each factor according to the content of the variables making the greatest contribution to each of the dimensions. Cronbach's alpha coefficient will then be computed to assess the internal consistency among the set of items on each factor. The purpose of conducting the factor analysis at this stage is to extract the underlying consumer ethics dimensions, and then to subsequently use the dimensions in the hypotheses testing.

#### **4.11.2 Independent Sample t-Test**

Independent sample t-test is used to explore differences between two groups (Pallant 2005). Independent sample t-test analysis will be used in this research to compare two different independent groups of respondents' gender (male vs. female) and ethics education (yes vs. no) with the dimensions of consumer ethics. If the result of the t-test is significant ( $p < 0.05$ ), this implies that the two groups are different (Pallant 2005).

#### **4.11.3 Multiple Regression**

The multiple regression analysis involves more than one independent variable to predict a single dependent variable (Burns & Bush 2006, p. 575). The basis of this technique is an assumed straight-line relationship existing between the variable (Burns & Bush 2006, p. 588). According to Hair et al. (1998) multiple regression analysis is a statistical technique which analyses the linear relationship between a dependent variable and independent variables by estimating coefficients for the equation and for a straight line. In this research, multiple regression analysis will be conducted to examine the relationship between the independent variables of attitude towards business, religiosity (intrinsic and extrinsic) and money ethics with the dependent variable of consumer ethics.

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The equation in multiple regressions has the following form:

$$y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 \dots + b_m x_m$$

With multiple regression, the underlying conceptual model specifies that several independent variables are to be used, and it is necessary to determine which ones are significant (Burns & Bush 2006, p. 588). It helps researchers to clearly identify which independent variables have great impact on the dependent variable. In addition, five basic questions used to determine the result in this study: whether a relationship exists; how strong is the relationship; whether the relationship is positively or negatively skewed; what is the best way to describe the relationship and what are the best means of fitting a straight line to the data.

#### **4.11.4 Pearson's Correlation**

The Pearson correlation coefficient measures the degree of linear association between two variables (Burns & Bush 2006, p. 544). According to Aaker, Kumar and Day (2007) the positive correlation reflects a tendency for a high value in one variable to be associated with a high value in the second variable. A negative correlation reflects an association between a high value in one variable and low value in the second variable.

In this study, Pearson's correlation coefficient is used to measure the co-variation or association between dependent variable (ethical intention) and independent variables (actively benefiting from illegal activities, benefiting from questionable activities, no harm / no foul activities, recycling / doing good activities). The significance of the association between two or more variables is important for interpreting the result of the variables.

Besides that, Coefficient ( $r$ ) indicates both the degree of the linear relationship and the direction of the relationship. If the value of correlation coefficient equals to 1.0, there is a perfect positive linear relationship (Aaker, Kumar & Day 2007, p. 510). Whereas, if the value of correlation coefficient equals to -1.0, it indicates that there is a perfect negative linear relationship (Aaker, Kumar and Day 2007). Furthermore, if the result falls between

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-1.0 and +1.0, there is a significant relationship between both variables (Aaker, Kumar & Day 2007).

Once the result showed the relationship is statistically significant, researchers must identify the acceptable strength of the association. The size of the correlation coefficient is used to quantitatively illustrate the strength of the association between two variables (Burn & Bush 2006, p. 541). In this research Pearson's correlation analysis will be utilised to test the association between the consumer ethics dimensions and consumer ethical intention.

#### **4.12 Ethics Considerations**

In conducting business research, the researcher is required to address all moral and ethical issues (Hussey & Hussey 1997). Ethical issues must be addressed before the research commences. Ethical issues concerning each of the research's stakeholders will be affected by the way the research is undertaken. It is important to ensure that no special or self interest of any party is served by the research and that no danger is caused to any party. There are many ethical issues in relation to the research and they include the data, the participants, and the researchers (Kumar 2005).

The ethical issues in relation to participants are as follows:

##### **1. Informed consent**

Before collecting information, informed consent must be obtained from respondents. Informed consent material must include a clear statement of the purposes, procedures, risks and benefits of the research project (Ticehurst & Veal 2000). Informed consent must meet three criteria: that the respondents are competent to give consent, that sufficient information to allow for a reasoned decision to participate has been provided, and that participation is voluntary and un-coerced (Kumar 2005). In order to meet these concerns, this research provided a cover letter requesting the respondent's cooperation. The questionnaires were returned voluntarily.

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## 2. Harm

Harm includes not only hazardous medical experiment but also any social research that might involve such things as discomfort, anxiety, harassment, invasion of privacy, or demeaning or dehumanizing procedures. The researcher will ensure that all risks are minimal and that the research does not create anxiety or harassment for the participants.

## 3. Privacy

After the information is collected, it is important that all sources of data will not be known or identified in order to maintain the confidentiality and privacy of all participants (Kumar 2005). To meet this requirement, the collected information was known only to the researcher, supervisor and the respondents. This research did not reveal the name or any information of the respondents in order to protect privacy and security.

In relation to ethical issues for the researcher, the following matters are addressed:

### 1. Minimum bias

Bias refers to a deliberate attempt to hide what the researcher finds in the study, and/or to overemphasise something in a manner which deviates from the real world (Kumar 2005). To minimise bias, according to the positivist paradigm adopted by this study, the researcher avoided all biases that might occur by remaining objective and did not distort any of the study findings.

### 2. Using an appropriate research methodology

By using an inappropriate sampling method or using an invalid instrument, the researcher may cause errors which may be viewed to be unethical (Kumar 2005). This research used appropriate methodologies and procedures to meet the research objectives.

### 3. Correct reporting

The researcher must commit to report the findings in a way that does not serve the researcher's own interests (Kumar 2005). To meet this requirement, the researcher did not distort any data or result in the process of analysing and testing the model.

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The research design and data collection instruments for this study were submitted to the Southern Cross University Ethics Sub-Committee for approval. The approval was obtained under approval number ECN-10-034.

### **4.13 Summary**

This chapter reports the research methodology for the study. Different approaches to scientific research are discussed and the study's use of a positivist exploratory methodology is justified. Progressive decisions are reported about the detail of the research design and process, identifying that the study is conducted with a survey that uses self-completion questionnaires in a group situation. Sampling decisions include a non-probability judgment sampling method with samples of students from two universities in Malaysia – one public university and one private university.

The anticipated final sample of 480 respondents reflects an assumed 80% response rate from the two targeted universities. Detail of the questionnaire design and administration is addressed and the satisfactory results of pre-testing the questionnaire are reported. For the same purpose, questionnaire items and proposed statistical tools for analysis are mapped to the study's hypotheses. Analysis and results of the survey are presented in Chapter 5.

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## **CHAPTER 5 – DATA ANALYSIS**

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### **5.1 Introduction**

This chapter reports the results of the data analysis. The next section addresses the data preparation which includes the final samples, response rates and data coding. Section 5.3 reports the results of descriptive analysis which includes the demographic of the respondents. This is followed by Section 5.4 that reports the factor analysis results of the consumer ethics constructs, reliability testing and the multicollinearity tests. Section 5.5 presents the results in the context of the study's hypotheses and Section 5.6 summarises the results of the study.

### **5.2 Data Preparation**

According to Malhotra (2004), data checking, editing, coding, transcription, verification and cleaning of data are the process involved in the preparation of data analysis. The various processes involved in the data preparation were discussed in the following sections.

All the questions in the questionnaire were pre-coded before fieldwork was conducted. A total of 600 sets of questionnaires were distributed to students at both the public and private universities. Subsequently 561 questionnaires were completed and returned to the researcher. These questionnaires were then screened for appropriateness and completeness. Respondents that did not fit into the characteristics of the study such as respondents belonging to the foreign students' category and those above 30 years old (not classified under young consumer category) were not included into the sample for subsequent analysis. Furthermore survey questionnaires with missing data that exceeded 15% of the total questionnaires were also removed from the final sample as recommended by Hair et al. (2007).

Generally, questionnaires use positive questions to extract data from respondents (Kumar 2005; Zikmund 2003). For example, if questions are in a positive direction, the Likert scale will be recoded as 1=strongly disagree to 5=strongly agree. If other questions in the survey

are worded in a negative direction, the Likert scale must be reversed for further analysis such as factor analysis (Manning & Munro 2006; Pallant 2005). In this research, six questions were negatively worded and thus were reverse-coded. These questions are presented as follows.

- Many businesses try to take advantage of customers.
- Many products are not as durable as they should be.
- What most products claim to do and what they actually do are two different things.
- It doesn't much matter what I believe as long as I am good.
- Although I am religious, I don't let it affect my daily life.
- Although I believe in my religion, many other things are more important in my life.

Table 5.1 shows the breakdown of completed questionnaires and the percentage of useable questionnaires after data screening.

**Table 5.1 Breakdown of completed and useable questionnaires after editing and screening**

<b>University</b>	<b>Distributed</b>	<b>Completed questionnaire</b>	<b>Useable questionnaire (after data screening)</b>	<b>Percentage (%)</b>
Public University A	300	275	258	86%
Private University B	300	286	252	84%
<b>Total</b>	<b>600</b>	<b>561</b>	<b>510</b>	<b>85%</b>

Source: Developed for this research

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### **5.3 Respondents' Demographic Profile**

Based on the survey, male respondents represented 36.7 percent of the total respondents while female respondents 63.3 percent. This is a normal phenomenon because the majority of the tertiary students in Malaysia are female. All the 510 respondents fit the profile of young Malaysian consumers in this study; they were all Malaysians who were between 18 to 30 years old. In terms of ethnic compositions, the students were mainly Chinese (85.3 percent), followed by Bumiputra / Malay (12.2 percent) and Indian (2.5 percent). In the case of university distribution, about 50.6 percent were from public university and 49.4% were from private university. All the students were from the business discipline with the majority of them (36.5 percent) from the Accounting programme. The categories of the current years of study consist of 10.4 percent who were enrolled in Year One, 29.8 percent who were enrolled in Year Two, 52.7 percent enrolled in Year Three and 7.1 percent who were enrolled in Year Four. From the response it was also noted that 73.1 percent of the students attended ethics course in university and only 26.9 did not. The details of the demographic composition of the respondents are shown in Table 5.2.

**Table 5.2: Respondents' demographic profiles (N=510)**

<b>Profile</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>		
Male	187	36.7%
Female	323	63.3%
<b>Nationality (Screening question)</b>		
Malaysian	510	100%
Non-Malaysian	0	0%
<b>Age (Screening question)</b>		
18 to 30 years	510	100%
Above 30 years old	0	0%
<b>Race</b>		
Bumiputra / Malay	62	12.2%
Chinese	435	85.3%
Indian	13	2.5%
Others	0	0%
<b>University</b>		
Public	258	50.6%
Private	252	49.4%
<b>Course of study</b>		
Accounting	186	36.5%
Commerce / Business	141	27.6%
Marketing / Entrepreneurship	73	14.3%
Banking / Finance	74	14.5%
Economics	36	7.1%
Others	0	0%
<b>Current year of study</b>		
Year 1	53	10.4%
Year 2	152	29.8%
Year 3	269	52.7%
Year 4	36	7.1%

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<b>Taken ethics subject</b>		
Yes	373	73.1%
No	137	26.9%

Source: Developed for this research

## **5.4 Assessment of Measurement Scales**

The goodness of measures attests to the reliability and validity of measures (Sekaran 2003). Validity is concerned with whether the right concept is being measured, while reliability is concerned with stability and consistency in measurement. Lack of validity introduces a systematic error (bias), while lack of reliability introduces random error (Carmines & Zeller 1990). In order to ensure reliability and validity measures for this study, factor analysis and Cronbach alpha reliability analyses are conducted.

### **5.4.1 Validity Analysis – Factor Analysis on Consumer Ethics**

Construct validity was adopted as validity measurement and factor analysis was used to measure the construct validity (Cavana, Delahaye & Sekaran 2001). Details of the factor analysis were presented in Table 5.3. As a preliminary analysis, the dependent variable was factor analysed to reduce the numerous variables to a manageable number of components. Factoring ceased when all eigenvalues of greater than one were obtained and when a set of factors explained a large percentage of the total variance was achieved. A principal components factor analysis was performed on the consumer ethics scale developed by Vitell and Muncy (2005). The Kaiser-Meyer-Olkin test (index: 0.765) and Bartlett's test of sphericity (Barlett's = 2500.114,  $p < 0.001$ ) indicated that these data were deemed fit for factor analysis. Based on the guidelines by Hair et al. (1998), the factor analysis showed that: (1) all research variables exceeded the acceptable standard of Kaiser-Meyer-Olkin's value of 0.6, (2) all research variables were significant in Bartlett's test of sphericity, (3) all research variables had eigenvalues larger than 1, and (4) the items for each research variable exceeded factor loadings of 0.50. The factor solution indicated that 46.487 percent of the total variance was explained by the four consumer ethics factors.

In summary, the first dimension of consumer ethics comprised of four items and was labeled as ‘actively benefiting from illegal activity’. The second dimension was labeled as ‘benefiting from questionable activities’ and comprised of six items. The third dimension included five items and was labeled, as ‘no harm/ no foul’. Finally the fourth dimension was labelled as ‘recycling / doing good’ comprised of five items and was similar with the dimension proposed by Vitell and Muncy (2005). Overall, the findings of the factor analysis support the relatively consistent factor structure of Vitell and Muncy (2005) dimensions for consumer ethics and the Malaysian study by T.C. Lau (2010).

**Table 5.3: Factor analysis and scales reliability for consumer ethics**

<b>Dimension and items</b>	<b>Factor Loading</b>	<b>Cronbach alpha</b>
<b>Actively benefiting from illegal activities (CE1)</b> <ul style="list-style-type: none"> <li>▪ Changing price tags on a product in a retail store.</li> <li>▪ Drinking a can of coke in a supermarket without paying for it.</li> <li>▪ Reporting a lost item as ‘stolen’ to an insurance company in order to collect the money.</li> <li>▪ Giving misleading price information to a cashier for an un-priced item.</li> </ul>	0.719 0.738 0.803 0.646	0.835
<b>Benefiting from questionable activities (CE2)</b> <ul style="list-style-type: none"> <li>▪ Using a mobile prepaid access code that does not belong to you.</li> <li>▪ Getting too much change and not saying anything.</li> <li>▪ Moving into a house, finding that the ASTRO TV channel is still hooked up, and using it rather than signing up and paying for it.</li> <li>▪ Lying about a child’s age in order to get a lower price.</li> <li>▪ Saying nothing when a waitress miscalculates a bill in your favour.</li> <li>▪ Using an expired coupon to purchase a product.</li> </ul>	0.627 0.729 0.567 0.545 0.662 0.636	0.840

<p><b>No harm / no foul (CE3)</b></p> <ul style="list-style-type: none"> <li>▪ Taping a movie off the television.</li> <li>▪ Copying computer software or games that you did not buy.</li> <li>▪ ‘Burning’ a CD instead of buying it.</li> <li>▪ Downloading music from the Internet instead of buying it.</li> <li>▪ Buying counterfeit goods instead of buying the original manufacturers’ brands.</li> </ul>	<p>0.604</p> <p>0.857</p> <p>0.781</p> <p>0.796</p> <p>0.619</p>	<p>0.855</p>
<p><b>Recycling / doing good (CE4)</b></p> <ul style="list-style-type: none"> <li>▪ Purchasing something made of recycled materials even though it is more expensive.</li> <li>▪ Buying only from companies that have a strong record of protecting the environment.</li> <li>▪ Recycling materials such as cans, bottles, newspapers, etc.</li> <li>▪ Returning to the store and paying for something that the cashier mistakenly did not charge you for.</li> <li>▪ Correcting a bill that has been miscalculated in your favour.</li> </ul>	<p>0.522</p> <p>0.702</p> <p>0.640</p> <p>0.766</p> <p>0.644</p>	<p>0.796</p>

KMO measure of sampling adequacy 0.765 Sig. 0.000

Cumulative percentage rotation sums of squared loadings 46.487%

Source: Developed for this research

#### 5.4.2 Reliability Analysis

The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the ‘goodness’ of a measure (Cavana, Delahaye & Sekaran 2001). All the constructs were tested for the consistency reliability of the items within the constructs by using the Cronbach Alpha reliability analysis. In Table 5.4, the results indicated that the Cronbach alpha for all the nine constructs were well above 0.7 as recommended by Cavana, Delahaye and Sekaran (2001). Cronbach alpha for the constructs ranged from the lowest of 0.724 (extrinsic religiosity) to 0.939 (money ethics). In conclusion, the results showed that the scores of the Cronbach alpha for all the constructs used in this research exceeded the preferable scores of 0.70 and this indicates that the measurement scales of the constructs were stable and consistent.

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**Table 5.4: Reliability of constructs**

<b>Construct</b>	<b>No of items</b>	<b>Cronbach alpha</b>
Actively benefiting from illegal activities (CE1)	4	0.835
Benefiting from questionable activities (CE2)	6	0.840
No harm / no foul (CE3)	5	0.855
Recycling / doing good (CE4)	5	0.796
Attitude towards business	6	0.733
Intrinsic religiosity	8	0.804
Extrinsic religiosity	6	0.724
Money ethics	17	0.939
Consumer ethical intention	4	0.785

Source: Developed for this research

## **5.5 Assumptions of Regression Analysis**

The nature of the research involves the use of a sample and not the population. For this reason, it is essential for the data to meet the assumptions of the statistical inference process that is the foundation for all multivariate statistical techniques. As the multiple regression analysis will be employed, the assumption of regression analysis will be investigated. The most important assumptions include ratio of cases to independent variables, normality and multicollinearity and singularity (Coakes, Steed & Ong 2010 pp. 147)

### **a) Ratio of cases to independent variables**

The number of cases needed depends on the type of regression model to be used. Standard or hierarchical regression ideally should have 20 times more cases than predictors and for stepwise regression even more cases. The minimum requirement is to have at least five times more cases than independent variables.

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b) Normality

Normality refers to the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution which is the benchmark for statistical method (Hair et al, 2005). Normality test is valid for both univariate and multivariate data. The graphical analyses of normality used in this research include histogram, normal probability plot and scatterplot. Tests for normality are applied on the dependent variables of this research which are the four dimensions of consumer ethics namely Actively Benefiting from Illegal Activities (CE1), Benefiting from Questionable Activities (CE2), No Harm / No Foul Activities (CE3) and Recycling / Doing Good Activities (CE4).

c) Multicollinearity and singularity:

Multicollinearity refers to high correlations among the independent variables, whereas singularity occurs when perfect correlations among independent variables exist. These problems affect interpretation of any relationships between the predictors (IVs) and the dependent variable and can be detected by examining the correlation matrix, squared multiple correlations and tolerances.

### **5.5.1 Ratio of Cases to Independent Variables**

There are four predictors in this research (attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics). As the rule of thumb states that 'ideally there should have 20 times more cases than predictors' (Coakes, Steed & Ong 2010 pp. 147), the ideal number of cases should be at least 80 cases in this research. There are 510 respondents (or cases) for this study. Therefore the assumption is fulfilled.

### **5.5.2 Normality**

#### **5.5.2.1 Actively Benefiting from Illegal Activities (CE1)**

The histogram of the regression standardised residual for Actively Benefiting from Illegal Activities (CE1) shows an approximately normal shape (Figure A5.1 Appendix F). Therefore it meets the expectation for the normal shape distribution of the residuals for the research.

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The p-p plot of regression standardised residual pertaining to the Actively Benefiting from Illegal Activities (CE1) also shows an almost straight line around the diagonal axis. In this case the normal p-p plot seems to conform to the normality test and thus has not resulted in the violation of the multiple linear regression assumption (Figure A5.2 Appendix F).

As for the scatterplot between regression standardised residual and regression standardised predicted value for Actively Benefiting from Illegal Activities (CE1), there seems to be no definitive patterns in the scatter of the data points. Therefore, this reinforces the notion that multiple regression is a suitable analysis for the research as the assumption on the randomness of the residuals are not violated (Figure A5.3 Appendix F).

#### **5.5.2.2 Benefiting from Questionable Activities (CE2)**

The histogram of the regression standardised residual for Benefiting from Questionable Activities (CE2) also shows an approximately normal shape (Figure A5.4 Appendix G). Therefore it meets the expectation for the normal shape distribution of the residuals for the research.

The p-p plot of regression standardised residual pertaining to the Benefiting from Questionable Activities (CE2) also shows an almost straight line around the diagonal axis. In this case the normal p-p plot seems to conform to the normality test and thus has not resulted in the violation of the multiple linear regression assumption (Figure A5.5 Appendix G).

As for the scatterplot between regression standardised residual and regression standardised predicted value for Actively Benefiting from Questionable Activities (CE2), there also seems to be no definitive patterns in the scatter of the data points. Thus this reinforces the notion that multiple regression is a suitable analysis for the research as the assumption on the randomness of the residuals are not violated (Figure A5.6 Appendix G).

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### **5.5.2.3 No Harm / No Foul Activities (CE3)**

The histogram of the regression standardised residual for No Harm / No Foul Activities (CE3) shows an approximately normal shape (Figure A5.7 Appendix H). Therefore it meets the expectation for the normal shape distribution of the residuals for the research.

The p-p plot of regression standardised residual pertaining to the No Harm / No Foul Activities (CE3) also shows an almost straight line around the diagonal axis. In this case the normal p-p plot seems to conform to the normality test and thus has not resulted in the violation of the multiple linear regression assumption (Figure A5.8 Appendix H).

As for the scatterplot between regression standardised residual and regression standardised predicted value for No Harm / No Foul Activities (CE3), there seems to be no definitive patterns in the scatter of the data points. Thus this reinforces the notion that multiple regression is a suitable analysis for the research as the assumption on the randomness of the residuals are not violated (Figure A5.9 Appendix H).

### **5.5.2.4 Recycling / Doing Good Activities (CE4)**

The histogram of the regression standardised residual for Recycling / Doing Good Activities (CE4) shows an approximately normal shape (Figure A5.10 Appendix I). Therefore it meets the expectation for the normal shape distribution of the residuals for the research.

The p-p plot of regression standardised residual pertaining to the Recycling / Doing Good Activities (CE4) also shows an almost straight line around the diagonal axis. In this case the normal p-p plot seems to conform to the normality test and thus has not resulted in the violation of the multiple linear regression assumption (Figure A5.11 Appendix I).

As for the scatterplot between regression standardised residual and regression standardised predicted value for Recycling / Doing Good Activities (CE4), there seems to be no definitive patterns in the scatter of the data points. Therefore, this reinforces the notion that multiple regression is a suitable analysis for the research as the assumption on the randomness of the residuals are not violated (Figure A5.12 Appendix I).

### 5.5.3 Multicollinearity and Singularity

High levels of collinearity increase the probability that a good predictor of the outcome would be found insignificant and rejected from the model (Hair et al. 2003). Collinearity statistics will show the problem of multicollinearity in the forms of Variance Inflation Factor (VIF) and Tolerance Value. ‘Variance Inflation Factor (VIF) is to measure how much the variance of the regression coefficients is inflated by multicollinearity problems and a maximum acceptable VIF value would be 5.0, anything higher would indicate a problem with multicollinearity’ (Hair et al. 2003, p. 305). Tolerance value is to measure the amount of variance in an independent variable that is not explained by the other independent variables (Hair et al, 2003). ‘If the tolerance value is smaller than 0.10, it indicates a problem of multicollinearity’ (Hair et al. 2003, p. 305).

**Table 5.5: Collinearity statistics (tolerance and VIF value)**

<b>Dependent Variable</b>	<b>Independent variables</b>	<b>Tolerance</b>	<b>VIF</b>
Actively Benefiting from Illegal Activities (CE1)	Attitude towards business	0.935	1.070
	Intrinsic religiosity	0.888	1.126
	Extrinsic religiosity	0.884	1.131
	Money ethics	0.935	1.069
Benefiting from Questionable Activities (CE2)	Attitude towards business	0.931	1.074
	Intrinsic religiosity	0.895	1.117
	Extrinsic religiosity	0.897	1.115
	Money ethics	0.925	1.082
No Harm / No Foul (CE3)	Attitude towards business	0.937	1.067
	Intrinsic religiosity	0.891	1.122
	Extrinsic religiosity	0.884	1.131
	Money ethics	0.941	1.063
Recycling / Doing Good (CE4)	Attitude towards business	0.943	1.060
	Intrinsic religiosity	0.886	1.129
	Extrinsic religiosity	0.882	1.134
	Money ethics	0.944	1.059

Source: Developed for this research

Based on Table 5.5, the values of Variance Inflation Factor (VIF) for all the constructs are less than 5.0 and the range of Tolerance Value is between 0.882 and 0.944. The findings indicate that the problem of multicollinearity is not significant in this research. Further analysis based on the Pearson correlation analysis (Table 5.6) indicate that all the constructs are not highly correlated with each other, therefore the independence assumption is met based on the multicollinearity analysis. This is based on the assumption according to Hair et al. (2003, p.303), that state ‘it has the general rule of thumb adopted by statisticians is a sample correlation coefficient between two independent variables greater than +0.70 or less than -0.70 is evidence of potential problems with multicollinearity’.

**Table 5.6: Pearson’s correlation analysis**

	<b>CEI</b>	<b>CE1</b>	<b>CE2</b>	<b>CE3</b>	<b>CE4</b>	<b>ATB</b>	<b>IR</b>	<b>ER</b>	<b>ME</b>
<b>CEI</b>	1	0.222*	0.455*	0.310*	-0.230*	0.057	-0.119*	0.112*	0.289*
<b>CE1</b>	0.222*	1	0.439*	0.132*	-0.130*	-0.192*	-0.107*	0.104*	0.049
<b>CE2</b>	0.455*	0.439*	1	0.469*	-0.208*	-0.020	-0.181*	0.095*	0.242*
<b>CE3</b>	0.310*	0.132*	0.469*	1	0.047	0.103*	0.014	0.066	0.280*
<b>CE4</b>	-0.230*	-0.130*	-0.208*	0.047	1	0.026	0.011	0.021	-0.212*
<b>ATB</b>	0.057	-0.192*	-0.020	0.103*	0.026	1	0.041	0.193*	0.151*
<b>IR</b>	-0.119*	-0.107*	-0.181*	0.014	0.011	0.041	1	0.275*	-0.181*
<b>ER</b>	0.112*	0.104*	0.095*	0.066	0.021	0.193*	0.275*	1	0.052
<b>ME</b>	0.289*	0.049	0.242*	0.280*	-0.212*	0.151*	-0.181*	0.052	1

Source: Developed for this research

- CEI : Consumer Ethical Intention
- CE1 : Actively Benefiting from Illegal Activities
- CE2 : Benefiting from Questionable Activities
- CE3 : No Harm / No Foul Activities
- CE4 : Recycling / Doing Good
- ATB : Attitude towards Business
- IR : Intrinsic Religiosity

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ER : Extrinsic Religiosity

ME : Money Ethics

## 5.6 Inferential Analysis

This section details the results of data analysis for each of the hypotheses in the study. Tests used for the hypotheses are based on the measurement scales of the variables involved. As introduced in Section 4.11 and summarised in Table A4.2 (see Appendix E), the tests used for the hypotheses in this study are independent sample t-test, multiple regression analysis and Pearson's correlation analysis. The significance level adopted is  $p < 0.05$ .

### 5.6.1 Gender and Consumer Ethics (CE1 – CE4)

The first part of the analysis uses independent sample t-test for measurement of differences between the four consumer ethical construct (CE1 – CE4) and gender. Table 5.7 provides the results of the t-test for gender (male / female) and the four consumer ethics construct.

**Table 5.7: Independent sample t-test results of consumer ethics by gender**

<b>Construct</b>	<b>Male (Mean)</b>	<b>Female (Mean)</b>	<b>Total (Mean)</b>	<b>Sig.</b>
Actively Benefiting from Illegal Activities (CE1)	1.9108	1.7786	1.8447	0.011*
Benefiting from Questionable Activities (CE2)	2.6554	2.4864	2.5709	0.010*
No Harm / No Foul (CE3)	3.4459	3.3838	3.4149	0.425
Recycling / Doing Good (CE4)	3.5546	3.8165	3.6856	0.000*

\* $p < 0.05$

Source: Developed for this research

For CE1, actively benefiting from illegal activities, the p value is 0.011 and this is less than 0.05. Therefore H1a is supported and there is a significant difference between gender and actively benefiting from illegal activities (CE1). The mean score shows that male (mean =

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1.9108) has a higher score than female (mean = 1.7786). Vitell, Singh and Paolillo (2007, p. 372) mentioned that ‘a high score on the scale means that consumers find these actions as more acceptable and less unethical’. This indicates that male consumers perceived the scenarios under actively benefiting from illegal activities to be more acceptable compared to the female consumers. This means that male consumers were less ethical with regards to actively benefiting from illegal activities compared to female consumers.

For CE2, benefiting from questionable activities, the p value is 0.010 and this is less than 0.05. Therefore H1b is supported and there is a significant difference between gender and benefiting from questionable activities (CE2). The mean score shows that male (mean = 2.6552) has a higher score than female (mean = 2.4864). This indicates that male consumers perceive the situations under benefiting from questionable activities to be more acceptable compared to the female consumers. This means that male consumers were less ethical with regards to benefiting from questionable activities (CE2) compared to female consumers.

For CE3, no harm / no foul activities, the p value is 0.425 and this is more than 0.05. Therefore, H1c is not supported and there is no significant difference between gender and benefiting from questionable activities (CE3). This means that statistically, there is no difference between male and female consumers in their views with regards to no harm / no foul activities.

In the case of CE4, recycling / doing good activities, the p value is 0.000 and this is less than 0.05. Therefore H1d is supported and this means that there is a significant difference between gender with regards to recycling / doing good activities (CE4). The mean score shows that female (mean = 3.8165) has a higher score than male (mean = 3.5546). This indicates that female consumers perceived the situations under recycling / doing good activities to be more acceptable compared to the male consumers.

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### 5.6.2 Ethics Course and Consumer Ethics (CE1 – CE4)

To test hypotheses H2a to H2d, the statistical tool of independent sample t-test was utilised. Table 5.8 shows the result of the independent sample t-test with regards to ethics course taken.

**Table 5.8: Independent sample t-test results of consumer ethics by ethics course**

<b>Construct</b>	<b>Taken (Mean)</b>	<b>Not taken (Mean)</b>	<b>Total (Mean)</b>	<b>Sig.</b>
Actively Benefiting from Illegal Activities (CE1)	1.8086	1.8741	1.8414	0.251
Benefiting from Questionable Activities (CE2)	2.5565	2.5201	2.5383	0.610
No Harm / No Foul (CE3)	3.4157	3.3774	3.3966	0.639
Recycling / Doing Good (CE4)	3.7156	3.7203	3.7179	0.949

$p < 0.05$

Source: Developed for this research

From the result, the significant values for all consumer ethics constructs (CE1-CE4) were in the range of 0.251 to 0.949. The results were not significant as they were more than the 0.05 threshold. Therefore hypotheses H2a to H2d were not supported. This indicates that there is no significant difference between those who have taken ethics course and those who have not, in their perception of consumer ethics situations in all the consumer ethics constructs (CE1 to CE4).

### 5.6.3 The Four Independent Variables and Actively Benefiting from Illegal Activities (CE1)

Multiple regression analysis is defined as ‘a statistical technique which analyses the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line’ (Hair et al. 2003, p. 578). Multiple regression was conducted to test hypotheses 3 on the effect of the four independent variables (attitude towards business, intrinsic religiosity, extrinsic religiosity

and money ethics) towards actively benefiting from illegal activities which is the dependent variable. The result of this regression is shown in Table 5.9.

**Table 5.9: Regression analysis results for Actively Benefiting from Illegal Activities**

Dependent variable: Actively Benefiting from Illegal Activities (CE1)					
	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
Constant	1.782	0.245		7.279	0.000*
Attitude towards business	-0.139	0.035	-0.182	-4.002	0.000*
Intrinsic religiosity	-0.156	0.043	-0.167	-3.594	0.000*
Extrinsic religiosity	0.113	0.047	0.113	2.420	0.016*
Money ethics	0.078	0.038	0.092	2.032	0.043*
R Square = 0.066      F-Value = 8.580					
Adjusted R Square = 0.058      Significance = 0.000      *p < 0.05					

Source: Developed for this research

As highlighted the overall result for the regression model is significant. This indicates that all the four independent variables significantly affect actively benefiting from illegal activities. R square for the regression model is 0.066 which means that the four independent variables contributed only 6.6% towards the dependent variable (actively benefiting from illegal activities). The result also shows that attitude towards business (p=0.000), intrinsic religiosity (p=0.000), extrinsic religiosity (p=0.016) and money ethics (p=0.043) contributed significantly towards actively benefiting from illegal activities since all their significant values are less than the alpha value of 0.05. Therefore hypotheses H3a to H3d are supported. The value of standardized coefficients also indicates the relative importance of the independent variables in the multiple regression analysis. Attitude towards business and intrinsic religiosity show a negative relationship while extrinsic religiosity and money ethics show a positive relationship.

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The results of the standardized coefficient (beta) reveals that attitude towards business is relatively the most important predictor that contributes to the dependent variable (beta = 0.182) followed by intrinsic religiosity (beta = 0.167), extrinsic religiosity (beta = 0.113) and finally money ethics (beta = 0.092).

The effect of attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics (IVs) towards actively benefiting from illegal activities (DV) can be expressed using the equation below:

$$CE1 = 1.782 - 0.139 (ATB) - 0.156 (IR) + 0.113 (ER) + 0.078 (ME)$$

CE1 : Actively Benefiting from Illegal Activities

ATB : Attitude towards Business

IR : Intrinsic Religiosity

ER : Extrinsic Religiosity

ME : Money Ethics

#### **5.6.4 The Four Independent Variables and Benefiting from Questionable Activities (CE2)**

Table 5.10 displays the result of regression analysis for benefiting from questionable activities (CE2). The model looks at the effect of the four independent variables (attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics) towards benefiting from questionable activities which is the dependent variable.

**Table 5.10: Regression analysis results for Benefiting from Questionable Activities**

Dependent variable: Benefiting from Questionable Activities (CE2)					
	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
Constant	1.855	0.302		6.136	0.000*
Attitude towards business	-0.145	0.043	-0.147	-4.045	0.005*
Intrinsic religiosity	-0.219	0.053	-0.189	-4.122	0.000*
Extrinsic religiosity	0.194	0.057	0.156	3.397	0.001*
Money ethics	0.221	0.048	0.209	4.626	0.000*
R Square = 0.102      F-Value = 13.561					
Adjusted R Square = 0.095      Significance = 0.000      *p < 0.05					

Source: Developed for this research

As highlighted the overall result for the regression model is significant. This indicates that all the four independent variables significantly affect actively benefiting from illegal activities. R square for the regression model is 0.102 which means that the four independent variables contributed 10.2% towards the dependent variable (benefiting from questionable activities). The result also indicates that attitude towards business ( $p=0.005$ ), intrinsic religiosity ( $p=0.000$ ), extrinsic religiosity ( $p=0.001$ ) and money ethics ( $p=0.000$ ) contributes significantly towards benefiting from questionable activities since all their significant values are less than the alpha value of 0.05. Therefore hypotheses H4a to H4d are supported. The value of standardized coefficients also indicates the relative importance of the independent variables in the multiple regression analysis. Attitude towards business (beta = -0.147) and intrinsic religiosity (beta = -0.189) show a negative relationship while extrinsic religiosity (beta = 0.156) and money ethics (beta = 0.209) show a positive relationship.

The results of the standardized coefficient (beta) also revealed that money ethics is relatively the most important predictor that contributes to the dependent variable (beta = 0.182) followed by intrinsic religiosity (beta = 0.189), extrinsic religiosity (beta = 0.156) and finally attitude towards business (0.147).

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The effect of attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics (IVs) towards benefiting from questionable activities (DV) can be expressed using the equation below:

$$CE2 = 1.855 - 0.145 (ATB) - 0.219 (IR) + 0.194 (ER) + 0.221 (ME)$$

CE2 : Benefiting from Questionable Activities

ATB : Attitude towards Business

IR : Intrinsic Religiosity

ER : Extrinsic Religiosity

ME : Money Ethics

### **5.6.5 The Four Independent Variables and No Harm / No Foul Activities (CE3)**

Table 5.11 exhibits the results of regression analysis for no harm / no foul activities. The model looks at the effect of the four independent variables (attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics) towards no harm / no foul activities which is the dependent variable.

**Table 5.11: Regression analysis results for No Harm / No Foul Activities**

Dependent variable: No Harm / No Foul (CE3)					
	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
Constant	1.542	0.344		4.489	0.000*
Attitude towards business	0.055	0.049	0.050	1.124	0.262
Intrinsic religiosity	0.073	0.061	0.055	1.198	0.232
Extrinsic religiosity	0.022	0.065	0.015	0.332	0.740
Money ethics	0.345	0.054	0.285	6.367	0.000*
R Square = 0.088      F-Value = 11.654					
Adjusted R Square = 0.080      Significance = 0.000      *p < 0.05					

Source: Developed for this research

The overall result of the regression model is significant as  $p=0.000$ . This indicates that at least one of the independent variables significantly affects no harm / no foul activities. R square for the regression model is 0.088 which means that only one independent variable contributes 8.8% towards the dependent variable (no harm / no foul activities). The result also indicates that only money ethics ( $p=0.000$ ) contributes significantly towards no harm / no foul activities since its significant value is less than the alpha value of 0.05. Therefore hypotheses H5d is supported. The value of standardized coefficients also indicates the relative importance of the independent variables in the multiple regression analysis. For money ethics it is a positive relationship (beta = 0.285). Hypotheses H5a, H5b and H5c failed to be supported as the p value of attitude towards business ( $p=0.262$ ), intrinsic religiosity ( $p=0.232$ ) and extrinsic religiosity ( $p=0.740$ ) are more than the threshold of 0.05.

The result of the standardized coefficient (beta) reveals that money ethics (beta = 0.285) is relatively the most important predictor towards no harm / no foul activities as it is the only variable that is significant. The rest of the variables (attitude towards business, intrinsic religiosity and extrinsic religiosity) are not significant and therefore are not contributors towards no harm / no foul dimension.

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The effect of attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics (IVs) towards no harm / no foul activities (DV) can be expressed using the equation below:

$$CE3 = 1.542 + 0.055 (ATB^*) + 0.073 (IR^*) + 0.022 (ER^*) + 0.345 (ME)$$

Note: ATB, IR and ER are not the significant independent variables to CE3 because their p values > 0.05 respectively

CE3 : No Harm / No Foul

ATB : Attitude towards Business

IR : Intrinsic Religiosity

ER : Extrinsic Religiosity

ME : Money Ethics

#### **5.6.6 The Four Independent Variables and Recycling / Doing Good Activities (CE4)**

Table 5.12 illustrates the results of regression analysis for recycling / doing good activities. The model looks at the effect of the four independent variables (attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethics) towards recycling / doing good activities which is the dependent variable.

**Table 5.12: Regression analysis for Recycling / Doing Good Activities**

Dependent variable: Recycling / Doing Good (CE4)					
	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
Constant	4.390	0.288		15.230	0.000*
Attitude towards business	0.040	0.041	0.045	0.973	0.331
Intrinsic religiosity	-0.051	0.051	-0.047	-0.996	0.320
Extrinsic religiosity	0.052	0.055	0.046	0.956	0.339
Money ethics	-0.199	0.045	-0.203	-4.396	0.000*
R Square = 0.040      F-Value = 5.003					
Adjusted R Square = 0.032      Significance = 0.000      *p < 0.05					

Source: Developed for this research

The overall result of the regression model is significant as  $p = 0.000$ . This indicates that at least one of the independent variables significantly affects recycling / doing good activities. The R square for the regression model is 0.040 which means that only one independent variable contributed only 4.0% towards the dependent variable (recycling / doing good activities). The result also indicates that only money ethics ( $p = 0.000$ ) contributes significantly towards recycling / doing good activities since its significant value is less than the alpha value of 0.05. Therefore hypothesis H6d is supported. The value of standardized coefficients also indicates the relative importance of the independent variables in the multiple regression analysis. For money ethics it is a negative relationship (beta = -0.203). Hypotheses H6a, H6b and H6c failed to be supported as the p value of attitude towards business ( $p = 0.331$ ), intrinsic religiosity ( $p = 0.320$ ) and extrinsic religiosity ( $p = 0.339$ ) are more than the threshold of 0.05.

The result of the standardized coefficient (beta) reveals that money ethics is relatively the most important predictor towards recycling / doing good activities (beta = 0.203) as it is the only independent variable that is significant. The other variables (attitude towards business, intrinsic religiosity and extrinsic religiosity) are not significant and therefore are not contributors towards recycling / doing good dimension.

The effect of attitude towards business, intrinsic religiosity, extrinsic religiosity and money ethic (IVs) towards no harm / no foul activities (DV) can be expressed using the equation below:

$$CE4 = 4.390 + 0.040 (ATB^*) - 0.051 (IR^*) + 0.052 (ER^*) - 0.199 (ME)$$

Note: ATB, IR and ER are not the significant independent variables to CE4 because their p values > 0.05 respectively

CE4 : Recycling / Doing Good

ATB : Attitude towards Business

IR : Intrinsic Religiosity

ER : Extrinsic Religiosity

ME : Money Ethics

### 5.6.7 Consumer Ethics (CE1-CE4) and Ethical Intention

Table 5.13 shows the Pearson Correlation analysis between the four dimensions of consumer ethics (actively benefiting from illegal activities, benefiting from questionable activities, no harm / no foul activities and recycling / doing good activities) with ethical intention.

**Table 5.13: Pearson Correlation result for consumer ethics (CE1 to CE4) and ethical intention**

	<b>Ethical intention</b>	<b>Sig.</b>	<b>Direction of association</b>
Actively benefiting from illegal activities (CE1)	0.222	0.000*	Positive
Benefiting from questionable activities (CE2)	0.455	0.000*	Positive
No harm /no foul activities (CE3)	0.310	0.000*	Positive
Recycling / doing good activities (CE4)	-0.230	0.000*	Negative

\* Correlation is significant at p = 0.01 level (2-tailed)

Source: Developed for this research

The rule of thumb to interpret the Pearson's correlation coefficient size is shown in Table 5.14.

**Table 5.14: Rule of thumb about correlation coefficient size**

Coefficient Range	Strength of Association
$\pm 0.91 - \pm 1.00$	Very Strong
$\pm 0.71 - \pm 0.90$	High
$\pm 0.41 - \pm 0.70$	Moderate
$\pm 0.21 - \pm 0.40$	Small but definite relationship
$\pm 0.00 - \pm 0.20$	Slight, almost negligible
* Assumes Correlation coefficient is statistically significant	

Source: Adapted from Hair et al. (2007)

For CE1, actively benefiting from illegal activities, the p value was 0.000 which is less than 0.05, hence hypothesis H7a is supported. This means that there is a significant association between actively benefiting from illegal activities and ethical intention. The value of Pearson Correlation is 0.222 which indicates a small but definite correlation between CE1 and ethical intention (Hair et al. 2007). The result also indicates a positive association between actively benefiting from illegal activities and ethical intention.

For benefiting from questionable activities (CE2), the p value was 0.000 which is less than 0.05, hence hypothesis H7b is supported. This means that there is a significant association between benefiting from questionable activities and ethical intention. The value of Pearson correlation is 0.455 which signifies a moderate correlation between CE2 and ethical intention (Hair et al. 2007). The result also indicates a positive association between benefiting from questionable activities and ethical intention.

For CE3, no harm / no foul activities, the p value was 0.000 which is less than 0.05, hence hypothesis H7c is supported. This means that there is a significant association between no harm / no foul activities and ethical intention. The value of Pearson correlation is 0.310 which signifies a small but definite correlation between CE3 and ethical intention (Hair et al. 2007). The result also indicates a positive association between no harm / no foul activities and ethical intention.

For recycling / doing good activities (CE4), the p value was 0.000 which is less than 0.05, hence hypothesis H7d is supported. This means that there is a significant association between recycling / doing good activities and ethical intention. The value of Pearson correlation is -0.230 which signifies a small but definite correlation between CE4 and ethical intention (Hair et al. 2007). The result also indicates a negative association between recycling / doing good activities and ethical intention.

## 5.7 Summary of Results in Relation to the Research Hypotheses

The summary of the study's hypotheses and findings is presented in Table 5.15.

**Table 5.15 Summary of results in relation to the research hypotheses**

No	Hypotheses	Finding
<b><u>Gender and Consumer Ethics (CE1-CE4)</u></b>		
H <sub>1a</sub>	There is a significant difference between male and female with regards to actively benefiting from illegal activities (CE1).	Supported
H <sub>1b</sub>	There is a significant difference between male and female with regards to benefiting from questionable activities (CE2).	Supported
H <sub>1c</sub>	There is a significant difference between male and female with regards to no harm / no foul activities (CE3).	Not Supported
H <sub>1d</sub>	There is a significant difference between male and female with regards to recycling / doing good activities (CE4).	Supported
<b><u>Ethics course and Consumer Ethics (CE1-CE4)</u></b>		
H <sub>2a</sub>	There is a significant difference between ethics and no ethics course with regards to actively benefiting from illegal activities (CE1).	Not Supported
H <sub>2b</sub>	There is a significant difference between ethics and no ethics course with regards to benefiting from questionable activities (CE2).	Not Supported
H <sub>2c</sub>	There is a significant difference between ethics and no ethics course with regards to no harm / no foul activities (CE3).	Not Supported
H <sub>2d</sub>	There is a significant difference between ethics and no ethics course with regards to recycling / doing good activities (CE4).	Not Supported

	<b><u>The four independent variables and Actively Benefiting from Illegal Activities (CE1)</u></b>	
H <sub>3a</sub>	There is a significant relationship between intrinsic religiosity and actively benefiting from illegal activities (CE1).	Supported
H <sub>3b</sub>	There is a significant relationship between extrinsic religiosity and actively benefiting from illegal activities (CE1).	Supported
H <sub>3c</sub>	There is a significant relationship between attitude towards business and actively benefiting from illegal activities (CE1).	Supported
H <sub>3d</sub>	There is a significant relationship between money ethics (love of money) and actively benefiting from illegal activities (CE1).	Supported
	<b><u>The four independent variables and Benefiting from Questionable Activities (CE2)</u></b>	
H <sub>4a</sub>	There is a significant relationship between intrinsic religiosity and benefiting from questionable activities (CE2).	Supported
H <sub>4b</sub>	There is a significant relationship between extrinsic religiosity and benefiting from questionable activities (CE2).	Supported
H <sub>4c</sub>	There is a significant relationship between attitude towards business and benefiting from questionable activities (CE2).	Supported
H <sub>4d</sub>	There is a significant relationship between money ethics (love of money) and benefiting from questionable activities (CE2).	Supported
	<b><u>The four independent variables and No harm / No Foul Activities (CE3)</u></b>	
H <sub>5a</sub>	There is a significant relationship between intrinsic religiosity and no harm / no foul activities (CE3).	Not Supported
H <sub>5b</sub>	There is a significant relationship between extrinsic religiosity and no harm / no foul activities (CE3).	Not Supported
H <sub>5c</sub>	There is a significant relationship between attitude towards business and no harm / no foul activities (CE3).	Not Supported
H <sub>5d</sub>	There is a significant relationship between money ethics (love of money) and no harm / no foul activities (CE3).	Supported

	<b><u>The four independent variables and Recycling / Doing Good Activities (CE4)</u></b>	
H <sub>6a</sub>	There is a significant relationship between intrinsic religiosity and recycling / doing good activities (CE4).	Not Supported
H <sub>6b</sub>	There is a significant relationship between extrinsic religiosity and recycling / doing good activities (CE4).	Not Supported
H <sub>6c</sub>	There is a significant relationship between attitude towards business and recycling / doing good activities (CE4).	Not Supported
H <sub>6d</sub>	There is a significant relationship between money ethics (love of money) and recycling / doing good activities (CE4).	Supported
	<b><u>Consumer Ethics (CE1-CE4) and Ethical Intention</u></b>	
H <sub>7a</sub>	There is a significant association between actively benefiting from illegal activities (CE1) and ethical intention.	Supported
H <sub>7b</sub>	There is a significant association between benefiting from questionable activities (CE2) and ethical intention.	Supported
H <sub>7c</sub>	There is a significant association between no harm / no foul activities (CE3) and ethical intention.	Supported
H <sub>7d</sub>	There is a significant association between recycling / doing good activities (CE4) and ethical intention.	Supported

Source: Developed for this research

## 5.8 Summary

In this chapter, the results of the study are presented and analysed. Response rates are satisfactorily high and the sample groups are explained. The discussion also includes the validity, reliability of the constructs and the multicollinearity of the measures. Subsequently inferential analysis is presented which includes the explanation on the testing of the study's hypotheses.

The next chapter discusses theoretical and practical implications of the results of this study and highlights directions for future research.

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## CHAPTER 6 – CONCLUSION AND IMPLICATIONS

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### 6.1 Introduction

The purpose of this empirical study is to investigate consumer ethical beliefs and intention of Malaysian young consumers. This final chapter reports conclusions on the hypothesis testing, theoretical as well as managerial implications, limitations and directions for future research.

### 6.2 Conclusion from Hypotheses Testing

The following section will discuss each of the study's hypotheses, outcome and conclusion.

#### 6.2.1 Gender and the Four Construct of Consumer Ethics (CE1-CE4)

Table 6.1 shows the summary of hypothesis testing in regards to gender and the four constructs of consumer ethics (CE1-CE4).

**Table 6.1: Summary of hypotheses and conclusion (gender and consumer ethics CE1 to CE4)**

No	Hypotheses	Finding	Conclusion
H <sub>1a</sub>	There is a significant difference between male and female with regards to actively benefiting from illegal activities (CE1).	Supported	Female more ethical
H <sub>1b</sub>	There is a significant difference between male and female with regards to benefiting from questionable activities (CE2).	Supported	Female more ethical
H <sub>1c</sub>	There is a significant difference between male and female in regards to no harm / no foul activities (CE3).	Not Supported	No difference in gender
H <sub>1d</sub>	There is a significant difference between male and female with regards to recycling / doing good	Supported	Female more

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	activities (CE4).		ethical
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Source: Developed for this research

The result shows that H1a, H1b and H1d are supported and this indicates that female consumers are behaving more ethically compared to male consumers in actively benefiting from illegal activities (CE1), benefiting from questionable activities (CE2) and recycling / doing good activities (CE4). This seems to support the extant literatures (Borkowski & Ugras 1998; Smith & Oakley 1997; Weber & Glyptis 2000; Albaum & Peterson 2006; Rawwas, Swaidan & Al-Khatib 2006). A recent study by C. Lau (2010) on undergraduate students in Ireland also supported the notion that female students tend to have higher ethical awareness and moral reasoning than males, for example female students were found to be less likely to pay bribes, yield to pressures, and allow pollution. In comparison with past consumer ethics research from Malaysia, Ramly, Lau and Choe (2008) found that male students were more unethical than female students in two out of the four dimensions of consumer ethics. Specifically, male students were shown to be more willing to benefit from illegal activities as well as to passively benefit at the expense of others than did the female students. In another research by Lau and Choe (2009), female consumers were shown to have a low level of willingness to benefit from a marketing or consumption situation that was clearly illegal as compared to the male respondents. The result also shows that female consumers' willingness to passively benefit from the mistakes of others was also significantly lower than male consumers. As for H1c, the result is not supported, which indicates that there is no difference in gender with regards to no harm / no foul activities (CE3). The result is consistent with the Ramly, Lau and Choe (2008) research.

A possible explanation for this finding could be related to the upbringing of the young consumers. In Asian society, parents nurture girls to be considerate, humble and obliging. Meanwhile boys were raised up to be tough-minded, aggressive and competitive. In addition, consistent with being nurtured to be thoughtful and considerate, previous studies also found that women tend to use a variety of decision rules when making ethical judgments (Callahan 1990; Keller 1988). Bateman and Valentine (2010) discovered that women have higher intentions to behave ethically compared to men possibly because of their interest in rules over consequences. This supports the belief that men and women reason differently by emphasizing different aspects of the ethical decision-making process.

## 6.2.2 Ethics Course and the Four Construct of Consumer Ethics (CE1-CE4)

Table 6.2 shows the summary of results in regards to ethics course taken and the four constructs of consumer ethics.

**Table 6.2: Summary of hypotheses and conclusion (ethics course and consumer ethics CE1 to CE4)**

No	Hypotheses	Finding	Conclusion
H <sub>2a</sub>	There is a significant difference between ethics and no ethics course with regards to actively benefiting from illegal activities (CE1).	Not Supported	No difference in ethics course
H <sub>2b</sub>	There is a significant difference between ethics and no ethics course with regards to benefiting from questionable activities (CE2).	Not Supported	No difference in ethics course
H <sub>2c</sub>	There is a significant difference between ethics and no ethics course with regards to no harm / no foul activities (CE3).	Not Supported	No difference in ethics course
H <sub>2d</sub>	There is a significant difference between ethics and no ethics course with regards to recycling / doing good activities (CE4).	Not Supported	No difference in ethics course

Source: Developed for this research

In this instance, H<sub>2a</sub> to H<sub>2d</sub> are not supported. This means that there is no significant difference between those who have taken ethics course in university versus those who have not taken any ethics course in all the four consumer ethics constructs. Whether the students have or have not taken any ethics course would not make any difference in how they perceive consumer ethics situations. This result is supported by several past studies. A study by Budner (1987) discovers that students who took ethics course did not have any influence on students ethical orientation score. Furthermore, Wynd and Mager (1989) indicated that ethics class had no statistically significant impact on students' attitudes.

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However, the current result is in contrast with a recent study by C. Lau (2010) who found ethics education improved students' ethical awareness and moral reasoning among Irish students. In comparison with past studies from Malaysia, Lau and Choe (2009) found significant difference between ethics course in situations concerning benefiting from questionable actions and no harm / no foul activity. However, in contrast with the current research, the sample from Lau and Choe's (2009) study only looks at students from a major private university whereas the current study took sample from both the public and private university students in Malaysia. It is worth noting that except for the study by Lau and Choe (2009) the majority of the past studies on the effect of ethics education on students' ethical beliefs and behaviour were conducted in the Western countries where the socio-cultural attitude and beliefs of consumers concerning ethics and ethical education might be different from Asian consumers.

A possible explanation on the result for this study may be due to how ethics course are perceived by students at both the public and private universities in Malaysia. In order for students to exhibit / display ethical moral belief and intention, moral awareness and readiness to learn are important. Moral awareness, or recognizing the moral nature of a situation, is considered to be the first step in ethical decision making (Lowry 2003). This is the number one goal of business ethics education, to help students to be more aware and sensitive to the ethical consequences of their actions (Williams & Dewett 2005). Lowry (2003) also touched on the idea that students have varying stages of readiness to learn and this may affect their learning outcomes. Students who are willing to learn generally demonstrate a higher ethical awareness. A similar idea is followed in Hersey and Blanchard's situational theory of leadership. This leadership model focuses on readiness of followers (Hersey, Blanchard & Johnson 2000). They argue that the effectiveness of a particular leadership style is contingent upon followers' readiness. Similarly, in this study, it is argued that students' learning outcomes are contingent on their readiness. If students are motivated to know ethics, they will learn better. Highly motivated or high-readiness individuals learn better because they are more motivated to learn. Therefore when students are aware of the goal of ethics education, willing to learn and perceive that ethics education in university is useful, learning outcomes will be improved.

### 6.2.3 The Four Independent Variables and Actively Benefiting from Illegal Activities (CE1)

Table 6.3 shows the relationship between the independent variables (intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics) and consumer ethics dimension of actively benefiting from illegal activities (CE1).

**Table 6.3: Summary of hypotheses and conclusion (predictors and Actively Benefiting from Illegal Activities)**

No	Hypotheses	Finding	Conclusion
H <sub>3a</sub>	There is a significant relationship between intrinsic religiosity and actively benefiting from illegal activities (CE1).	Supported	Negative relationship
H <sub>3b</sub>	There is a significant relationship between extrinsic religiosity and actively benefiting from illegal activities (CE1).	Supported	Positive relationship
H <sub>3c</sub>	There is a significant relationship between attitude towards business and actively benefiting from illegal activities (CE1).	Supported	Negative relationship
H <sub>3d</sub>	There is a significant relationship between money ethics (love of money) and actively benefiting from illegal activities ((CE1).	Supported	Positive relationship

Source: Developed for this research

The result indicates that H3a is supported with intrinsic religiosity having a negative relationship with CE1. This means that the more intrinsically religious a person is, the more one will believe that activities surrounding actively benefiting from illegal activities are wrong. Consumers will view activities such as changing price tags on a product in a retail store or reporting a lost item as stolen to an insurance company in order to collect the money to be wrong. The result is consistent with several past studies (Vitell, Paolillo & Singh 2005, 2006; Vitell, Singh & Paolillo 2007) that also found that intrinsic religious orientation to explain one's attitude towards active or illegal dimension. Those having stronger intrinsic religious orientation tend to be more likely to believe that actively benefiting from illegal activities were wrong or unethical.

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As for extrinsic religiosity, H3b is also supported by having a positive relationship with CE1. This means that consumers who are more extrinsically religious will more likely believe that actively benefiting from illegal activities is not wrong. On the surface, this is somewhat a surprising result and seems to contradict with past studies. However, a more comprehensive look at the definition of extrinsic religiosity reveals that those who display extrinsic religiosity might lead one to religion for the objective of achieving mundane social or business goals such as to make friends or to promote one's business interest or how one's religion might serve oneself (Allport 1950) whereas the intrinsic dimension would lead one to religion for its more inherent, spiritual objectives (how one might serve his or her religion or community). This characterization of the religious orientation dimensions is supported by the fact that the extrinsic dimension is a weaker predictor of positive life outcomes in comparison to the intrinsic dimension (Salsman et al. 2005). Moreover, the extrinsic dimension has sometimes even been associated with negative life outcomes (Smith, McCullough & Poll 2003). The 'extrinsically motivated person uses his religion whereas the intrinsically motivated lives his religion' (Allport & Ross 1967, p. 434). Donahue (1985) argued that intrinsic religiosity correlated more highly than extrinsic religiosity with religious commitment. Hence, intrinsic religiosity tends to have positive relationship with ethical beliefs.

Attitude towards business is also found to be a contributor towards actively benefiting from illegal activities. In this case it is a negative relationship. This indicates that when consumers have a positive attitude towards business (believe companies are concerned about their customers and business communities raise the country's standard of living), they will tend to view the activities under actively benefiting from illegal activities to be wrong. This result seems to be supported by earlier research by Vitell and Muncy (1992) that those with a more positive attitude towards business were less likely to engage in questionable consumer practices. The result of their study indicated that consumers' ethical beliefs were determined in part by who was at fault in the unethical behaviour (the seller or the buyer). However the results from the current study contradict with that of Vitell, Singh and Paolillo (2007) that found attitude towards business not to be a significant contributor.

Hypothesis H3d is also supported. In this instance, money ethics has a positive relationship with CE1. This suggests that consumers who place money as important or consider it to represent their achievement and success will view activities under actively benefiting from illegal activities not to be wrong. This is supported by past studies by Tang (1992, 1993, 1995). Tang (2002) further reports that one's money ethics has a significant and direct impact on unethical behaviour. Furthermore, he labelled 'the love of money is the root of all evil.' Recent studies by Vitell, Paolillo and Singh (2006) and Vitell, Singh and Paolillo (2007) also found that money ethics is not a significant contributor and did not affect actively benefiting from illegal activities.

#### **6.2.4 The Four Independent Variables and Benefiting from Questionable Activities (CE2)**

Table 6.4 shows the relationship between the four independent variables (intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics) and consumer ethics dimension of benefiting from questionable activities (CE2).

**Table 6.4: Summary of hypotheses and conclusion (predictors and Benefiting from Questionable Activities)**

<b>No</b>	<b>Hypotheses</b>	<b>Finding</b>	<b>Conclusion</b>
H <sub>4a</sub>	There is a significant relationship between intrinsic religiosity and benefiting from questionable activities (CE2).	Supported	Negative relationship
H <sub>4b</sub>	There is a significant relationship between extrinsic religiosity and benefiting from questionable activities (CE2).	Supported	Positive relationship
H <sub>4c</sub>	There is a significant relationship between attitude towards business and benefiting from questionable activities (CE2).	Supported	Negative relationship
H <sub>4d</sub>	There is a significant relationship between money ethics (love of money) and benefiting from questionable activities (CE2).	Supported	Positive relationship

Source: Developed for this research

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Hypothesis H4a is supported with intrinsic religiosity having a negative relationship with CE2. This means that the more intrinsically religious a person is, the more one would believe that activities surrounding benefiting from questionable activities are wrong. Consumers would view activities such as getting too much change and not saying anything or saying nothing when a waitress miscalculates a bill in your favour to be wrong. This is consistent with past studies by Vitell, Paolillo and Singh (2005, 2006) and Vitell, Singh and Paolillo (2007). As for extrinsic religiosity, H4b is also supported. The result shows a positive relationship with CE2. This means that consumers who are more extrinsically religious would be more likely believe that benefiting from questionable activities are not wrong. Comparing with past research, Vitell, Paolillo and Singh (2005) and Vitell, Singh and Paolillo (2007) discovered that there was no significant relationship in the case of extrinsic religiosity. The results for intrinsic and extrinsic religiosity in relation to benefiting from questionable activities (CE2) reflect similar results in CE1 above. This seems to suggest that consumers who display extrinsic religiosity which is indicative of having religious involvement for somewhat selfish reasons (promoting one's own business interests and finding ways that religion might serve oneself) will view unethical consumer situations (CE1 and CE2) as acceptable. In contrast, those who display intrinsic religiosity which is indicative of having religious commitment and involvement for more inherent, spiritual objectives (using faith to promote the interests of the commonwealth and finding ways that one might serve one's religion) will view unethical consumer situations (CE1 and CE2) as not acceptable. This is consistent with several past studies on religiosity and ethics (Allport & Ross 1967; Salsman et al. 2005; Smith, McCullough & Poll 2003; Donahue 1985).

Attitude towards business is also found to be a contributor towards benefiting from questionable activities (CE2). In this case it shows a negative relationship. This indicates that when consumers have a positive attitude towards business (believe companies are concerned about their customers and business communities raise the country's standard of living), they will tend to view the activities under benefiting from questionable activities to be wrong. The result seems to be partially supported by past literature (Vitell & Muncy 1992; Vitell & Muncy 2005, Vitell, Singh & Paolillo 2007). It concurs with Vitell and Muncy (1992) research that those with a more positive attitude towards business are less likely to engage in questionable consumer practices. Similar to the result with regards to

CE1, consumers who view businesses as favourable will also tend to view unethical consumer situations less favourably.

Hypothesis H4d is also supported. In this instance money ethics has a positive relationship with benefiting from questionable activities (CE2). This suggests that consumers who place money as important or consider it to represent their achievement and success will view activities under benefiting from questionable activities not to be wrong. This is supported by past studies (Tang 2002; Vitell, Paolillo & Singh 2006; Vitell, Singh & Paolillo 2007) that money ethics is a significant positive contributor towards benefiting from questionable activities.

### 6.2.5 The Four Independent Variables and No Harm / No Foul Activities (CE3)

Table 6.5 shows the relationship between the four independent variables (intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics) and consumer ethics dimension of no harm / no foul activities (CE3).

**Table 6.5: Summary of hypotheses and conclusion (predictors and No Harm / No Foul Activities)**

No	Hypotheses	Finding	Conclusion
H <sub>5a</sub>	There is a significant relationship between intrinsic religiosity and no harm / no foul activities (CE3).	Not Supported	No relationship
H <sub>5b</sub>	There is a significant relationship between extrinsic religiosity and no harm / no foul activities (CE3).	Not Supported	No relationship
H <sub>5c</sub>	There is a significant relationship between attitude towards business and no harm / no foul activities (CE3).	Not Supported	No relationship
H <sub>5d</sub>	There is a significant relationship between money ethics (love of money) and no harm / no foul activities (CE3).	Supported	Positive relationship

Source: Developed for this research

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The results indicate that H5a, H5b and H5c are not supported. Therefore intrinsic religiosity, extrinsic religiosity and attitude towards business have no effect on no harm / no foul activities (CE3). The result with regards to intrinsic religiosity and no harm / no foul activities (CE3) is consistent with past studies that there is no significant relationship between intrinsic religiosity and no harm / no foul activities (Vitell, Paolillo & Singh 2005, 2006; Vitell, Singh & Paolillo 2007). In the case of extrinsic religiosity, the result is also consistent with the studies by Vitell, Paolillo and Singh (2005) and Vitell, Singh and Paolillo (2007) that found no support for no harm / no foul activities. As for attitude towards business, the current result is consistent with the study of Vitell, Singh and Paolillo (2007) which indicates that there is no significant relationship between attitude towards business and no harm / no foul activities. Comparing with other types of consumer activities such as actively benefiting from illegal activities (CE1) or benefiting from questionable activities (CE2), consumers might not think that no harm / no foul activities are harmful to others and hence the result shows this to be the case.

On the other hand, H5d is supported and there is a positive relationship between money ethics and no harm / no foul activities (CE3). This means that consumers who view money as important in their lives will be more likely to accept no harm / no foul activities (e.g. downloading music from the Internet instead of buying it or buying counterfeit goods instead of buying the original manufacturers' brands) as not wrong. The result for money ethics is also consistent with past studies (Vitell, Paolillo & Singh 2006; Vitell, Singh & Paolillo 2007) indicating that there is a significant positive relationship between money ethics and no harm / no foul activities. This shows that those who perceive money to be important will also perceive no harm / no foul activities as acceptable and thus not wrong.

#### **6.2.6 The Four Independent Variables and Recycling / Doing Good Activities (CE4)**

Table 6.6 shows the relationship between the four independent variables (intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics) and consumer ethics dimension of recycling / doing good activities (CE4). This is a new dimension investigated in this study.

**Table 6.6: Summary of hypotheses and conclusion (predictors and Recycling / Doing Good Activities)**

No	Hypotheses	Finding	Conclusion
H <sub>6a</sub>	There is a significant relationship between intrinsic religiosity and recycling / doing good activities (CE4).	Not Supported	No relationship
H <sub>6b</sub>	There is a significant relationship between extrinsic religiosity and recycling / doing good activities (CE4).	Not Supported	No relationship
H <sub>6c</sub>	There is a significant relationship between attitude towards business and recycling / doing good activities (CE4).	Not Supported	No relationship
H <sub>6d</sub>	There is a significant relationship between money ethics (love of money) and recycling / doing good activities (CE4).	Supported	Negative relationship

Source: Developed for this research

Similar with no harm / no foul activities, the results for recycling / doing good activities (CE4) also indicate that H<sub>6a</sub>, H<sub>6b</sub> and H<sub>6c</sub> are not supported. Therefore intrinsic religiosity, extrinsic religiosity and attitude towards business have no effect on recycling / doing good activities (CE4). As recycling / doing good activities is a new dimension and has only been investigated by Vitell, Singh and Paolillo (2007), subsequent comparisons will be made with the research done by Vitell, Singh and Paolillo (2007). In the case of Intrinsic religiosity the result is supported by Vitell, Singh and Paolillo (2007) that there is no significant relationship between intrinsic religiosity and the recycling / doing good dimension. As for extrinsic religiosity the result contrasts with that of Vitell, Singh and Paolillo (2007) that found significant relationship with recycling / doing good activities. Vitell, Singh and Paolillo (2007) also support the results for attitude towards business that there is no significant relationship.

On the other hand, H<sub>6d</sub> is supported and shows a negative relationship between money ethics and recycling / doing good activities (CE4). This indicates that consumers who view money as important and are motivated by money will be less likely to engage in recycling / doing good activities (recycling materials such as cans, bottles, newspapers, etc. or

returning to the store and paying for something that the cashier mistakenly did not charge them for). However the current outcome contrasts with Vitell, Singh and Paolillo (2007) that found no significant relationship with CE4.

### 6.2.7 Consumer Ethics (CE1-CE4) and Ethical Intention

Table 6.7 shows the association between the four dimensions of consumer ethics (CE1 to CE4) and ethical intention. The results indicated that H7a to H7d are supported.

**Table 6.7: Summary of hypotheses and conclusion (consumer ethics CE1 to CE4 and ethical intention)**

No	Hypotheses	Finding	Conclusion
H <sub>7a</sub>	There is a significant association between actively benefiting from illegal activities (CE1) and ethical intention.	Supported	Positive association
H <sub>7b</sub>	There is a significant association between benefiting from questionable activities (CE2) and ethical intention.	Supported	Positive association
H <sub>7c</sub>	There is a significant association between no harm / no foul activities (CE3) and ethical intention.	Supported	Positive association
H <sub>7d</sub>	There is a significant association between recycling / doing good activities (CE4) and ethical intention.	Supported	Negative association

Source: Developed for this research

There is a positive association between actively benefiting from illegal activities (CE1) and ethical intention. This means that consumers who believe that the activities associated with actively benefiting from illegal activities are not wrong such as changing price tags on a product in a retail store, and will be prone to have greater intention to act in an unethical manner.

There is also a positive association between benefiting from questionable activities (CE2) and ethical intention. This indicates that consumers who view favourably activities that fall under benefiting from questionable activities such as saying nothing when a waitress

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miscalculates a bill in their favour, will be more likely to have the intention to behave in an unethical manner.

Hypothesis H7c is also supported in which there is a positive association between no harm / no foul activities (CE3) and ethical intention. This connotes that consumers who believe no harm / no foul activities are not wrong (such as copying computer software or games that they did not buy) will be have greater intention to act in an unethical way.

Finally, the result shows a negative association between recycling / doing good activities (CE4) and ethical intention. This implies that consumers who support recycling or doing good initiatives (such as buying only from companies that have a strong record of protecting the environment or correcting a bill that has been miscalculated in their favour) will less likely act or intend to act in an unethical manner.

The above results are supported by Jones (1991) and Singhapakdi and Vitell (1991) that posited that there was a significant relationship between the perception of an ethical problem and ethical intentions. They inferred that one's perception of an ethical problem determined the action which that individual took.

### **6.3 Summary of the Study in Relations to the Research Objectives and Hypotheses**

Table 6.8 shows the summary of the study's research objectives, research hypotheses and outcomes.

**Table 6.8: Summary of research objectives, hypotheses and outcomes**

No	Research objectives and hypotheses	Summary of outcomes
1	<p>To investigate if male consumers are more tolerant to unethical behaviour than female consumers.</p> <p>Hypotheses: H1a, H1b, H1c, H1d</p>	<p>Female more ethical in CE1, CE2 and CE4. No difference in CE3.</p>
2	<p>To investigate if those who have not taken ethics course in university are more tolerant to unethical behaviour than those who have taken ethics course in university.</p> <p>Hypotheses: H2a, H2b, H2c, H2d</p>	<p>No significant difference for CE1- CE4 in ethics course</p>
3	<p>To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics (IVs) on the dimension of <i>actively benefiting from illegal activities</i> (DV).</p> <p>Hypotheses: H3a, H3b, H3c, H3d</p>	<p>Positive relationship with extrinsic religiosity &amp; money ethics. Negative relationship with intrinsic and ATB.</p>
4	<p>To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics (IVs) on the dimension of <i>benefiting from questionable activities</i> (DV).</p> <p>Hypotheses: H4a, H4b, H4c, H4d</p>	<p>Positive relationship with extrinsic religiosity &amp; money ethics. Negative relationship with intrinsic and ATB.</p>
5	<p>To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics (IVs) on the dimension of <i>no harm / no foul activities</i> (DV).</p> <p>Hypotheses: H5a, H5b, H5c, H5d</p>	<p>No relationship with intrinsic, extrinsic &amp; ATB. Negative relationship with money ethics.</p>

6	<p>To discover the effect of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics (IVs) on the dimension of <i>recycling / doing good activities</i> (DV).</p> <p>Hypotheses: H6a, H6b, H6c, H6d</p>	<p>No relationship with intrinsic, extrinsic &amp; ATB. Negative relationship with money ethics.</p>
7	<p>To explore if there is any significant association between all the dimensions of consumer ethical beliefs and <i>ethical intention</i>.</p> <p>Hypotheses: H7a, H7b, H7c, H7d</p>	<p>Positive association between CE1, CE2 and CE3 with intention. For CE4 and intention – negative association.</p>

Source: Developed for this research

## 6.4 Implications of Research

This section will discuss the implication of the study from both theoretical and managerial perspectives.

### 6.4.1 Theoretical Implication

For researchers, the current study will increase understanding of consumer ethical beliefs and intention of young consumers. There are basically four main theoretical implications in this study.

Based on the exploratory factor analysis, the result reveals that there are four main dimensions to the consumer ethics scale. The four dimensions are actively benefiting from illegal activities (CE1), benefiting from questionable activities (CE2), no harm / no foul activities (CE3) and recycling / doing good activities (CE4). In the context of Malaysian consumers, the result confirms and validates past research by T.C. Lau (2010).

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Secondly, the study also reveals that for gender, female consumers are more ethical in three of the four dimensions of consumer ethics (CE1, CE2 and CE4) compared to male consumers. As for ethics education, there seems to be no significant difference between those who have taken ethics course with those who have taken ethics course in their ethical beliefs. The result on the roles of religiosity (intrinsic and extrinsic), money ethics and attitude towards business has added theoretical understanding on the effect of these antecedents on consumer ethics. However, further studies still need to be conducted as the results are far from being conclusive. Furthermore, investigating the new dimension of recycling / doing good (CE4) has also added theoretical knowledge to future researchers on consumer ethics.

Thirdly, the current study was also undertaken to investigate the association between the four dimensions of consumer ethics and ethical intention. The results have indicated that there is an association between all the four dimensions and ethical intention. This has also contributed to the theoretical knowledge and warrants further study to examine the nature of association between the variables.

Finally, the four antecedents of consumer ethics (intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics) only contribute between four to ten percent of the variance in the consumer ethics dimensions (CE1 to CE4). This means that about ninety percent of the variance are accounted for and might come from other antecedents not included in this study. Future researchers are advised to include more antecedents to improve on the percentage. Nevertheless, the current study has contributed to the theoretical knowledge on the impact of intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics on consumer ethical beliefs.

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## **6.4.2 Managerial Implication**

The following section will discuss the implication of this research to retailers, managers, educationists and policy makers.

### **6.4.2.1 International and Local Retailers**

International and local retailers operating in Malaysia will find the results useful for various reasons. First, when young consumers are more willing to actively benefit from illegal actions, these retailers should realise that as they increase their involvement in Malaysia and directly deal with consumers, they may be likely to be affected by consumers attempting to actively benefit from illegal actions (e.g. shoplifting). While some consumers may say they accept some illegal actions that by no means should lead to the conclusion that those same consumers are also shoplifters. Nonetheless, the potential for misconduct is there and retailers need to develop policies to deal with the potential occurrences of such unethical behaviour. These policies could vary depending on the type of customers a store is dealing with. For example, when dealing with transactional customers, physical in-store security measures are needed. Store security enhancement techniques could include video cameras and security guards to improve the visual surveillance of the store and electronic tags on merchandise to discourage any potential unethical behaviour (Al-Khatib et al. 2005). Heightened security, however, must be approached carefully so as not to create the impression of a hostile or distrusting environment. When dealing with relational customers the store policy should focus on investing in customer loyalty programs. Beatty et al. (1996) suggests that customers are less likely to behave unethically toward a store to which they are highly committed than are transactional customers.

Retailers should also understand that consumer unethical behaviour in a retail setting may be due to the consumer's negative perceptions of retailers' unethical conduct in the form of uninformed and unhelpful retail sales employees, high pressure sales tactics, unfair pricing, preferential treatments of some prospects over others, as well as strict, unclear and non-communicated return and refund policies (McIntyre, Thomas & Gilbert 1999). Previous research (Strutton et al. 1994) has shown that consumers use such retailers-

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initiated unfair practices to neutralise and justify their inappropriate behaviours in retail settings. Therefore, it is essential that retail managers control these unfair practices by monitoring the nature and scope of their occurrences and taking the appropriate measures to prevent their potentially harmful effects. Additionally, retail managers should be alert to the fact that sales employees committing unethical acts or choosing to ignore unethical behaviours may be driven to such behaviours by their retail managers who mismanage them by setting unrealistic sales quotas, applying unfair compensation schemes (e.g. 100% commission) and using negative incentives (e.g. achieve quota or face termination). Previous research has shown that such policies can cause a retail sales force to behave unethically when dealing with the consumers, thus inviting retaliatory unethical reactions from consumers (Strout 2002). It is therefore, essential that retail managers manage their retail personnel in a just and equitable manner to prevent retaliatory unethical reactions from consumers.

#### **6.4.2.2 Organisations, Managers and Employees**

To curb unethical consumer behaviour in the marketplace, organisations, managers and employees have their own part to play. It is important that organisations start hiring managers and employees who have been appropriately introduced to marketplace ethical standards. This should result in a greater emphasis on consumer ethics within the organisation itself. In addition, the development of team building opportunities that mix knowledgeable individuals with new employees should facilitate positive socialization and create opportunities for in-depth discussions about consumer ethical issues within such organisation.

Bateman and Valentine (2010) proposed that organisations should also try to identify important ethical issues affecting consumer behaviour through partnerships with key stakeholder groups. These partnerships could be orchestrated through interview sessions and focus groups that identify the questionable marketplace behaviours that commonly affect the company and that create the approaches and policies needed to correct these issues. Research programmes could then be developed to address these various stakeholder concerns. Such interest in consumer ethics has the potential to advance positive descriptive and normative approaches that enhance ethical consumerism.

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On the other hand, Vitell and Paolillo (2003) suggests that managers and executives do not have the ability to change consumers' ethics but in practice could eliminate the situations where unethical behaviour occurs, for example making it difficult, or better, impossible to change price tags on merchandise in a store. They also pointed out that managers need to be tough on unethical consumers. Unethical consumers should be punished for their unethical behaviours. Hopefully, this will deter future unethical behaviours on the part of the chastised consumer as well as others who observe or become cognisant of the punishment.

#### **6.4.2.3 Perception towards Business**

In the past, prevention of unethical consumer practices has been predicated mainly on methods to increase store security (e.g. video cameras and security guards to improve visual supervision of the customer, electronic tags on goods to discourage the customer from stealing them). Current research shows that young consumers who have a positive attitude towards businesses tend to view unethical behaviour less favourably and probably would be least likely engage in unethical behaviour. Therefore, one of the methods to prevent unethical behaviour is through improving positive perception towards businesses by developing a relationship between the customers and businesses.

Improving customer commitment and positive image of the business will not only lead to better behavioural loyalty but also to more ethical behaviour from customers. This means that focusing on loyal customers may not only result in better bottom-line profits by reducing the costs of attracting new customers but also bottom-line profits may also be influenced indirectly by having customers with more ethical behaviour, as the loss due to unethical consumer practices will decrease.

Most retailers have a mix of customers, ranging from low to high commitment to the business. Enhancing commitment of customers through positive reinforcement and image of the business has an important implication. Customers who are highly committed towards the business or have positive attitude towards the business may positively influence other less committed customers to act more appropriately in a retail setting.

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Strutton, Vitell and Pelton, (1994) suggested the use of in-store displays offering directly worded statements such as ‘We’re all hurt by shoplifting’ or ‘Shoplifting is everyone’s responsibility’ as a retailer’s measure for preventing unethical consumer practices. Highly committed customers can replace these displays, as commitment has not only a significant and strong direct impact on consumer loyalty, but also positively influences word-of-mouth communication (Beatty et al. 1996; Hennig-Thurau, Gwinner & Gremler 2002). Highly committed customers who have strong attitude towards business can communicate about ethical behaviour, stimulate others to avoid unethical practices and report unethical behaviour of others.

#### **6.4.2.4 Ethical Business**

Businesses should always ensure that they behave ethically and project a positive image of the company to consumers. Bad publicity of corporate scandals and unethical corporate behaviour would probably lead customers to behave unethically when patronizing these businesses. Customers might think that their unethical action is justifiable as the corporations also acted in an unethical way. The dangerous notion that it is alright to steal from a thief as the wealth is gained through bad conduct might result in a spiralling chaos where both businesses and consumers try to take advantage of one another through unethical means. By associating the consumption of a particular good or service with ethical behaviour, firms, particularly those identified as having a strong record of protecting the environment as well as firms that treat their employees fairly may strike a positive chord with consumers. D’Astous and Legendre (2009) reiterate that changes in consumer behaviour depend on the concrete actions that are undertaken to inform consumers about social responsibility in general and the consequences of unethical behaviours in particular. Thus consumers who perceive that their individual actions can make a real difference in terms of solving society’s ethical problems will be less likely to justify their own unethical behaviours. Communication strategies aimed at convincing consumers for their individual effectiveness in consumers ethical matters can modify their use of the arguments and ultimately the degree to which they engage in ethical behaviours.

According to Vitell and Muncy (1992), some consumers view passive, unethical behaviour as more acceptable than active, unethical behaviour because they believe that if it is the

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seller's mistake or the seller's fault that leads to the seller being harmed, then he or she is just getting what they deserve. This explanation fits within the techniques of neutralisation model of 'condemning the condemners' and / or 'denial of victim.'

Similarly, the fact that indirect, less immediate harm to seller is more acceptable than direct, immediate harm can be explained by the 'denial of injury' technique. One implication of this is that a consumer education campaign could be useful in clarifying the magnitude of losses due to practices such as copying software, CDs and movies. Some consumers may not be aware of the problem caused by these practices since they have been made possible by relatively new technology.

Since consumers who believe themselves alienated from business seem to be more likely to accept questionable consumer acts, business can help itself by 'cleaning up' its own image. This can only be done through a real improvement in business ethics across the board, in conjunction with a campaign to inform the consumer of this effort. Unfortunately, there will always be some 'dishonest' firms who will find it to their advantage to ignore any such efforts, but stronger attempts at self-regulation could be beneficial.

#### **6.4.2.5 Ethical Appeal**

Using ethical appeals which emphasize on the moral implications of engaging in unethical behaviour might be an effective tool in addressing ethical issues. Appealing and reinforcing this to consumers especially those who have a deep sense of intrinsic religiosity, positive attitude towards business and low love-for-money attitude may be an effective means to address unethical behaviour. Both governments and marketers may draw on ethical appeals in reaching out to consumers through advertising and public service announcements. However, on the other hand, for certain group of consumers, ethical appeals may not work since this group of consumers may not perceive unethical behaviour as unacceptable. The remedy might for the government to take punitive measures in law enforcement rather than ethical appeal. A combination of both ethical appeal as well as enhancing the enforcement of the law might be more effective in reducing unethical consumer behaviour.

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#### **6.4.2.6 Ethics Education**

There might be a need to re-look at how ethics course is currently delivered in public and private universities in Malaysia. The effectiveness of ethics education in addressing ethical issues among students needs to be addressed. The result from the current study seems to indicate that ethics education does not seem to make any difference in students' ethical beliefs and attitude. When taking ethics course, do students merely regurgitate or memorise facts for reasons of passing examinations? For many of these students, ethics course might be a boring and time-wasting subject and if they had a choice they would very likely drop the subject and take another which has more 'marketable' value.

Perhaps lecturers should encourage students to ask questions and engage in discussions during lessons. Additionally lecturers also have a tremendous task to bring ethics subject alive in classrooms by using different methods of delivery and to engage students in exploratory, healthy and worthwhile discussions even though the students' opinions and assessments of ethics may appear non-conventional. Furthermore, ethics education needs to be 'real', addressing issues that relate to students daily lives and encounters rather than something that they cannot relate to. Davis and Welton (1991) suggest that long term exposure to business circumstances was more consequential than formal training in affecting attitudes toward ethics and perhaps an emphasis on case studies could help simulate this experience for students and bring about changes in students' ethical pre-dispositions.

C. Lau (2010) in her study recommended that students' readiness and awareness to learn will improve learning outcome. In order for students to exhibit ethical moral belief and intention, moral awareness and readiness to learn are important. Therefore another challenge for educators in public and private universities is to nurture moral awareness and readiness to learn among students. Students who are willing to learn generally demonstrate a higher ethical awareness. When students are motivated to know ethics, they will learn better. Highly motivated or high readiness individuals learn better because they are more motivated to learn.

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Educational programs in universities and also businesses should be developed to teach students and key stakeholders the standards of ethical consumerism, and these programs could use group and social learning to convey the key elements of rule-based and consequence-based moral philosophies. Research shows that group reasoning and exposure to ethical cohorts in an ethics course can increase individual moral development (Abdolmohammadi, Gabhart & Reeves 1997).

Mayhew and Murphy (2009) propose that using a combination of ethics education and some form of social pressure – in this case public disclosure – can result in significantly improved ethical behaviour. The key to impacting ethical behaviour appears to be establishing group expectations of behaviour. The results have implications for schools and universities. They suggested that firstly, instructors and university officials should enthusiastically and publicly embrace the importance of ethical decision making in the school curriculum. Secondly, the school needs to get the students involved and ensure that students' discuss ethical decision making amongst themselves. This will give students the opportunity to participate in or lead an effort to formulate ethics policies or codes of student conduct. Finally, the school needs to promote transparency whereby behaviour is observable or potentially observable to peers.

Specific to gender, group discussion, assignments, projects and tutorials during business ethics course might be particularly effective when male and female students are matched together in different socialization situations that enable them to teach each other various ethical standards and decision-making approaches. This creates opportunities for in-depth discussions about consumer ethical issues. Consequently, when consumer policies and behavioural expectations are clearly communicated, one would expect to find no significant gender effect in ethical decision making. When socialization into the organisational culture or the consumer marketplace culture (or the ways businesses may expect consumers to behave) is ineffective, one would expect to find a significant gender effect.

Religiosity seems to be clearly linked to ethical judgments in the sense that those with stronger religious beliefs are likely to be more ethical, at least in terms of their beliefs / judgments (Clark & Dawson 1996; McNichols & Zimmerer 1985; Shepard & Hartenian 1990). Religiosity also appears to be linked to one's intentions to behave ethically. That is,

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someone who has stronger religious beliefs is more likely to intend to behave ethically. Due to this a more holistic approach to ethics education should include topics such as religion and money. Religiosity especially intrinsic religiosity has been shown to impact the perception of unethical beliefs. A person who has a deep sense of intrinsic religious beliefs tends to view unethical conduct unfavourably. This is in contrast with the more superficial extrinsic religiosity where a person who is extrinsically religious might not find unethical conduct to be unacceptable. The challenge here is for university ethics curriculum to incorporate and emphasise intrinsic rather than extrinsic religiosity in the curriculum. In a multi-ethnic and religious country such as Malaysia, another challenge is to incorporate religious education that looks at a broad spectrum of religious beliefs rather than a narrow religious viewpoint. As the love of money influences ethical beliefs of consumers, the effect of greed and examples of corrupt corporate leaders who pay the price for their greed need to be emphasised. This might serve as a lesson or deterrent for the future business leaders on the pitfalls of placing money above ethics.

For public policy makers, consumer ethics education programmes need to be redesigned and this could include public funding for consumer education in areas such as seeking recourse in cases of dissatisfaction and obtaining and using product information. These programmes would not only heighten consumer awareness, but more importantly they tend to educate consumers about their responsibilities as consumers. Furthermore to promote ethical awareness, joint efforts from the government, the professional bodies, NGOs and the private sectors need to be coordinated. Grimshaw (2001) argued that professional bodies have a responsibility to promote ethical awareness and initiate debates on ethical issues within the professions working hand in hand with practitioners, educational establishments and employers to develop a professional culture within which ethics can flourish. Through this the ethical climate can be created and nurtured in all levels of societies.

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## **6.5 Limitations of the Study**

Although the research findings provide some new insights, these should be viewed in light of some limitations.

### **6.5.1 Cross Sectional Data**

The study is based on cross-sectional data that is only capable of revealing the net effect of predictor variable towards a particular criterion variable at a specific point in time (Cavana, Delahaye & Sekaran 2001). Due to the inherent limitation of cross-sectional study, the findings are not able to ‘explain why the observed patterns are there’ (Easterby, Thorpe & Lowe 2003, pp. 45). In other words, this research is not able to describe satisfactorily the observed changes in pattern and the causality of consumer ethical beliefs and intention.

### **6.5.2 Non-Probability Sampling**

The result from the current study could not be generalized to the population of young consumers in Malaysia as the sampling method selected is based on non-probability sampling method. Furthermore, the restriction of the boundary set in selecting young consumers’ undergraduate business students in one public University A and one private University B as samples resulted in the findings not generalisable across all private higher education institutions in the country.

### **6.5.3 Social Desirable Answers**

Consumer ethics is a delicate research topic, prone to social desirable answers. Despite the fact that attempts were made to prevent such bias (e.g. anonymous self-administered surveys, indirect measures, phenomenological descriptions) some respondents may have provided the socially desirable response in order to appear ethical (Al-Khatib et al. 2005). The likelihood of such a possibility has been cited in other cross-cultural researchers in ethical issues (Akaah 1990; Al-Khatib, Vitell & Rawwas 1997; Al-Khatib, Robertson &

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Lascu 2004). In order to control such a bias, future studies should examine the inclusion of social desirability measures.

#### **6.5.4 Scenario Approach**

To measure consumer ethics and ethical intention, scenario approach was adopted in the study. In consumer ethics research this method is widely applied. However, the scenarios used might not adequately replicate the experience of an actual encounter. It is likely that emotions and reactions evoked by hypothetical dilemmas may vary from real-life situations (Skoe, Eisenberg & Cumberland 2002) because of factors such as personal relevance and involvement.

#### **6.5.5 Self Assessment Report**

The research relied on self administered questionnaire to measure behavioural intentions or (past and future) behaviour. Although several theories predict a link between intention and behaviour (Hunt and Vitell 1986, 1993; Ajzen 1985, 1991), what an individual intends to do may not always be what an individual actually does (Weber & Gillespie 1998). Real instances and actual consumers would have led to a more complete and accurate understanding of the examined issues. However, it would be difficult to conduct consumer ethics research in real retail settings. The first practical barrier lies in the lack of retailers' willingness to cooperate in such studies due to the risk of negatively affecting their customer base. Secondly, it would be unethical to manipulate consumers in real life experiment to see if they would behave ethically or unethically.

### **6.6 Directions for Future Research**

Due to the limitations addressed in section 5.5, several recommendations are suggested for further research for the purpose of enhancing the study.

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### **6.6.1 Longitudinal Approach**

Consumers' ethical beliefs and intention is a form of psychological judgment in which this judgment will change over time. Therefore, cross-sectional study may not be able to portray the observed changes in patterns and the causality of the consumer attitude towards advertising (Easterby, Thorpe & Lowe 2003). Longitudinal study, which can capture the temporal dynamics of perception change that affect the determinants of consumers' ethics, is proposed to be adopted in the future research in order to help researchers to identify the cause and effect relationships among the various constructs (Cavana, Delahaye & Sekaran 2001).

### **6.6.2 Cross-Cultural Perspective**

It is also recommended that the study be replicated in other Southeast Asian market, as what constitutes unethical behaviour in one country may be acceptable in another. A comparative study between developed and developing Asian consumer markets should also be considered.

### **6.6.3 Sampling Method**

As the current research is based on convenience sampling method from the sample of just one public and one private university, future researchers could broaden the research setting through random sampling method incorporating students from more public and private higher education institutions. Furthermore they could draw the sample from students who are enrolled in various undergraduate degree programmes (instead of just business students) as this may enhance the validity and generalization of the research findings. Subsequently in order to generalize the study to the Malaysian population, the future researchers should also consider sample drawn from cross sections of the Malaysian population instead of just students' population.

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#### **6.6.4 Alternative Ethical Theories (Theoretical Framework)**

The current consumer ethics research was based on the work of Hunt and Vitell (1986, 1993) as this model is generally acknowledged to be the most appropriate to study research questions involving consumer ethics (Vitell 2003; Vitell, Singhapakdi & Thomas 2001). However, future research should also consider other theories that may serve as a fruitful framework to address particular research questions concerning unethical consumer behaviour for example, Hegarty and Sim's (1978) model or Kohlberg's (1981) typology of cognitive moral development.

#### **6.6.5 Social Desirable Answers**

Future research should take social desirability answers into account and might include measures for controlling the social desirability bias, for example using Marlow-Crowne social desirability scale, (Crowne & Marlowe 1960) or Paulhus (1991) self-deceptive enhancement versus impression management. Another, more advanced challenge would be to creatively develop other research methodologies which would decrease the likelihood of socially desirable responses when examining threatening research topics such as unethical consumer behaviour. In view of this future research might use cartoons or pictographs displaying a specific unethical consumer practice instead of written descriptions in order to enhance respondents' ability to imagine them in the situation and hence decrease socially desirable answers.

#### **6.6.6 Other Antecedents**

The current research looks at the impact of the antecedents of attitude towards business, money ethics and intrinsic and extrinsic religiosity. Results in chapter 5 conclude that these antecedents contributed only between four to ten percent of all the dimensions of consumer ethics. Approximately ninety percent of the variance in the dependent variables is from other predictors not included in this study. Future researchers should explore and include other predictors such as personal characteristics (idealism, relativism, and Machiavellianism) in their research. Future study should also consider the effect of other

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demographic factors such as age, education level, marital status and place of residence on consumer ethical behaviour.

## **6.7 Summary**

This chapter has discussed conclusions drawn from testing the study's hypotheses with regards to consumer ethical beliefs and intention of Malaysian young consumers. The discussion of hypotheses testing looks at the differences with regards to gender and ethics course in four dimensions of consumer ethics. Furthermore, the effect of the study's four antecedents (intrinsic religiosity, extrinsic religiosity, attitude towards business and money ethics) on the four dimensions of consumer ethics is also examined. Finally the discussion also looks at the hypotheses concerning the association between the four consumer ethics dimensions and ethical intention. Based on the hypotheses examined in this research, the chapter also discusses the implications of the study from theoretical and managerial viewpoint.

At the same time, limitations of the research suggest some caution in terms of the cross sectional method and non-probability sampling method utilised, the possibilities of social desirable answers, and limitations of scenario approach used. Suggestions for future research include longitudinal approach, cross cultural perspective, alternative ethical theories and to include and investigate other antecedents that might affect consumer ethical beliefs and intention.

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## APPENDIX A – SUMMARY OF CONSUMER ETHICS RESEARCH

**Table A2.1: Summary of consumer ethics research**

<b>Study</b>	<b>Population</b>	<b>Findings</b>
Albers-Miller (1999)	US MBA students	Peer pressure was significant in buying illicit goods, but criminal risk was not significant.
Al-Khatib, Dobie and Vitell (1995)	Egyptian consumers	Idealism and relativism are both related to the consumer ethics scale.
Al-Khatib, Vitell and Rawwas (1997)	US and Egyptian consumers	US consumers were less idealistic and less relativistic than the Egyptians. US consumers were more ethical on 3 of 4 dimensions of consumer ethics scale.
Al-Khatib, Roberson, Al-Habib and Vitell (2002)	Omani, Kuwaiti, Saudi & Egyptian consumers	These consumers differ in their view of consumer ethics.
Ang, Cheng, Lim and Tambyah (2001)	Singaporean consumers	Males, lower income consumers, those higher in value consciousness and those lower in integrity had more favourable attitudes towards buying counterfeit goods.
Bateman, Fraedrich and Iyer (1998)	US consumers	Framing of scenarios may result in differences in moral reasoning, especially where there is low to moderate perceived ethicality, but no framing effects relative to gender.
Chan, Wong and Leung (1998)	Hong Kong consumers	Factor structure of consumer ethics scale supported. Less likely to let personal attitudes affect ethical beliefs. 'No-harm/no foul' was more wrong than 'actively benefiting from a questionable act.'
Dodge, Edwards and Fullerton (1996)	US, head of households	Consumers were generally intolerant of consumer 'transgressions' but more tolerant when seller not harmed.
Erffmeyer, Keilor and Thorne LeClair (1999)	Japanese consumers	Machiavellianism and idealism are both related to the consumer ethics scale. Younger consumers were less ethical.
Fullerton, Kearch and Dodge (1996)	US, head of households	Consumers ambivalent when seller not harmed economically. Younger consumers were less ethical.

<b>Study</b>	<b>Population</b>	<b>Findings</b>
Gardner, Harris and Kim (1999)	US consumers	Success or failure of the unethical act tends to affect one's actions as does whether or not one is active instigator or passive recipient.
Lascu (1993)	Panel of expert judges	Muncy-Vitell scale is appropriate for cross-cultural studies.
Muncy and Vitell (1992)	US, head of households	Established the consumer ethics scale having 4 dimensions. Important issues were legality, active vs. passive dichotomy and perceived harm. Further, younger consumers were less ethical.
Muncy and Eastman (1998)	US marketing students	Materialism is related to the 4 dimensions of the consumer ethics scale.
Polonsky, Brito, Pinto and Higgs-Kleyn (2001)	Consumers in Germany, Denmark, Scotland, The Netherlands, Spain, Italy, Greece & Portugal	Little difference between consumers in Northern vs. Southern European countries in terms of ethics. Factor structure of consumer ethics scale was generally supported.
Rallapalli, Vitell, Wiebe and Barnes (1994)	US business students	Consumers with a high propensity to take risk and high needs for autonomy and aggression were less ethical. Consumers with a problem solving coping style were more ethical.
Rawwas (1996)	Austrian consumers	Gender was a significant determinant of 2 of the 4 dimensions of the consumer ethics scale.
Rawwas (2001)	Consumers in the US, Egypt, Lebanon, Ireland, Hong Kong, Austria, Indonesia & Australia	Factor structure of consumer ethics scale was supported. Actively benefiting from illegal activities was universally seen as unethical.
Rawwas, Patzer and Klassen (1995)	Consumers in Northern Ireland and Hong Kong	Consumers subjected to a more chaotic form of colonialism were insensitive to consumer ethical issues. The factor structure of the consume ethics scale was supported.
Rawwas, Patzer and Vitell (1998)	Northern Irish & Lebanese consumers	Both consumer groups were insensitive to consumer ethical issues. The factor structure of the consumer ethics scale was supported.
Rawwas and Singhapakdi (1998)	Children, teenagers & adult consumers (US)	Adults were more ethical than either children or teens and teens were somewhat more ethical than children.

<b>Study</b>	<b>Population</b>	<b>Findings</b>
Rawwas, Strutton and Johnson (1996)	US & Australian consumers	Australian consumers were more intolerant of questionable consumer practices for 3 of the 4 consumer ethics dimensions and they were also more Machiavellian.
Rawwas, Vitell and Al-Khatib (1994)	Egyptian & Lebanese consumers	Lebanese were Machiavellian, more relativistic and less idealistic because of civil unrest. Lebanese were more accepting of 'questionable' consumer practices too.
Singhapakdi, Rawwas, Marta and Ahmed (1999)	US & Malaysian consumers	Malaysian consumers had a less positive attitude toward both salespeople and business, in general. They were also less likely to perceive issues of moral intensity.
Strutton, Vitell and Pelton (1994)	US consumers	Consumers tend to explain away their unethical behaviour by invoking issues such as denial of injury, denial of responsibility, denial of victim and condemning the condemners – all techniques of neutralisation.
Swaidan (1999)	Muslim consumers in the US	Immigrants wanting to keep their original culture were less tolerant of unethical consumer practices than those wanting to adopt the host culture.
Thong and Yap (1998)	Singaporean IS students	Individuals use both deontological and teleological evaluations to make ethical judgments. Hunt-Vitell model was better than theory of reasoned action for understanding ethical decision process.
Van Kenove, Vermier and Verniers (2001)	Flemish speaking Belgian consumers	Consumers with a high need for closure had a more ethical belief system. Those on the extreme-left were more tolerant of unethical behaviour than those on the extreme-right.
Vitell, Lumpkin and Rawwas (1991)	Elderly US consumers	'Older', elderly consumers were more ethical. Factor structure of consumer ethics scale was supported.
Vitell and Muncy (1992)	US head of households	Those with a more negative attitude towards business were less sensitive to consumer ethical issues.
Vitell, Singhapakdi and Thomas (2001)	US consumers	Consumers use both deontological and a teleological evaluation to make ethical judgments, but the deontological tends to dominate. Materialism was not related to ethical judgments.

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## APPENDIX B - SURVEY INFORMATION SHEET



### **SOUTHERN CROSS UNIVERSITY INFORMATION SHEET ON A QUESTIONNAIRE SURVEY FOR A DOCTOR OF BUSINESS ADMINISTRATION RESEARCH THESIS**

#### **TITLE OF THESIS**

*CONSUMER ETHICAL BELIEFS AND INTENTION:  
INVESTIGATION OF YOUNG MALAYSIAN CONSUMERS*

My name is Lau Teck Chai and I am conducting a research on the ethical beliefs and intention of young Malaysian consumers. You are invited to participate in a Questionnaire Survey that seeks to investigate the antecedents that influence consumer ethical beliefs and intention. This research forms part of a Doctor of Business Administration (DBA) programme of Southern Cross University, Australia. My supervisor, Dr KJ John, will be guiding me through the research.

#### **Procedures to be followed**

The Questionnaire comprises of two parts. Part A consists of statement or scenarios on consumer ethics situations and some of the antecedents. You are to indicate how you feel about each of the statements. Please be reminded that there is no right or wrong answer. Part B consists of questions regarding demographic details.

Based on an earlier pre-testing of the questionnaire, it is estimated that you would require no more than 20 minutes in total to complete all the questions. Participation is purely voluntary and no financial remuneration or incentive will be offered for taking part in this research. There is no cost to you apart from your time.

#### **Possible Discomforts and Risks**

There are no foreseeable risks or discomforts above those associated with the time taken to complete the questionnaire.

#### **Responsibilities of the Researcher**

To ensure the confidentiality of the information provided by you, your name and other identifying information will not be attached to data collected. Your participation in this study is on a voluntary basis. This Information Sheet accompanying the survey questionnaire should adequately address the concern of consent. Consent will be implied when a person returns a completed survey response.

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You are free to withdraw your consent and to discontinue participation at any time. All data collected is anonymous and confidential. All information collected will be presented as overall data. The results of the research will be made available to interested parties in final thesis format through Southern Cross University's library. Moreover, on completion of the study, you may view the results posted at <http://lautc69.wordpress.com/>. The findings of this study may also be published in scholarly journals.

### **Responsibilities of the Participant**

If there is anything that might unduly affect your response to the Statements in the questionnaire, you are asked not to participate. You may leave the survey voluntarily without any explanation.

### **Freedom of Consent**

If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time. However, we would appreciate you letting us know your decision.

### **Inquiries**

This form is yours to keep for future reference. If you have any questions, we expect you to ask us. If you have any additional questions at any time you may contact:

#### **Researcher**

**Lau Teck Chai (Mr)**

**Tel +6016-3917684**

**Email: [lautc@utar.edu.my](mailto:lautc@utar.edu.my)**

#### **Supervisor**

**Dr KJ John**

**Tel +6012-3451950**

**Email: [kjohn@ohmsi.net](mailto:kjohn@ohmsi.net)**

*The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee. The Approval Number is ECN-10-034. If you have any concerns about the ethical conduct of this research or the researcher you may contact the Committee through the Ethics Complaints Officer:*

The Ethics Complaint Officer

Southern Cross University

PO Box 157

Lismore, NSW, 2480

Email: [ethics.lismore@scu.edu.au](mailto:ethics.lismore@scu.edu.au)

*All complaints are investigated fully and according to due process under the National Statement and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.*

## APPENDIX C - SURVEY QUESTIONNAIRE

### **Part A**

Instructions: Please read each statement carefully and decide how you feel about it. There is no right or wrong answer. Using the following five point scale, please circle how strongly you agree or disagree with the statement (Please circle only one number for each statement).

	<b>Consumer Ethics Vitell and Muncy (2005)</b>	<b>Strongly believe it is wrong</b>	<b>Believe it is wrong</b>	<b>Neutral</b>	<b>Believe it is not wrong</b>	<b>Strongly believe it is not wrong</b>
1	Changing price tags on a product in a retail store.	1	2	3	4	5
2	Drinking a can of coke in a supermarket without paying for it.	1	2	3	4	5
3	Reporting a lost item as “stolen” to an insurance company in order to collect the money.	1	2	3	4	5
4	Giving misleading price information to a cashier for an un-priced item.	1	2	3	4	5
5	Using a mobile prepaid access code that does not belong to you.	1	2	3	4	5
6	Getting too much change and not saying anything.	1	2	3	4	5
7	Moving into a house, finding that the ASTRO TV channel is still hooked up, and using it rather than signing up and paying for it.	1	2	3	4	5
8	Lying about a child’s age in order to get a lower price.	1	2	3	4	5
9	Saying nothing when a waitress miscalculates a bill in your favour.	1	2	3	4	5
10	Stretching the truth on an income tax return.	1	2	3	4	5
11	Using an expired coupon to purchase a product.	1	2	3	4	5
12	Not telling the truth when negotiating the price of a new car.	1	2	3	4	5
13	Taping a movie off the television.	1	2	3	4	5
14	Copying computer software or games that you did not buy.	1	2	3	4	5
15	“Burning” a CD instead of buying it.	1	2	3	4	5
16	Returning a product after trying it and not liking it.	1	2	3	4	5
17	Downloading music from the internet instead of buying it.	1	2	3	4	5
18	Buying counterfeit goods instead of buying the original manufacturers’ brands.	1	2	3	4	5

19	Buying products labelled as “environmentally friendly” even if they don’t work as well as competing products.	1	2	3	4	5
20	Purchasing something made of recycled materials even though it is more expensive.	1	2	3	4	5
21	Buying only from companies that have a strong record of protecting the environment.	1	2	3	4	5
22	Recycling materials such as cans, bottles, newspapers, etc.	1	2	3	4	5
23	Returning to the store and paying for something that the cashier mistakenly did not charge you for.	1	2	3	4	5
24	Correcting a bill that has been miscalculated in your favour.	1	2	3	4	5
25	Giving a larger than expected tip to a waiter or waitress.	1	2	3	4	5
26	Not purchasing products from companies that you believe don’t treat their employees fairly.	1	2	3	4	5

	<b>Attitude towards Business Richins (1983)</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
1	Many businesses try to take advantage of customers. (R)	1	2	3	4	5
2	Many products are not as durable as they should be. (R)	1	2	3	4	5
3	Most companies are concerned about their customers.	1	2	3	4	5
4	In general, I am satisfied with most of the products I buy.	1	2	3	4	5
5	What most products claim to do and what they actually do are two different things. (R)	1	2	3	4	5
6	The business community has helped raise our country’s standard of living.	1	2	3	4	5

	<b>Religiosity Allport and Ross (1967)</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
1	I enjoy reading about religion.	1	2	3	4	5
2	It is important for me to spend time in private thought and prayer.	1	2	3	4	5
3	It doesn't much matter what I believe so long as I am good. (R)	1	2	3	4	5
4	I have often had a strong sense of God's presence.	1	2	3	4	5
5	I try hard to live all my life according to my religious beliefs.	1	2	3	4	5
6	Although I am religious, I don't let it affect my daily life. (R)	1	2	3	4	5
7	My whole approach to life is based on my religion.	1	2	3	4	5
8	Although I believe in my religion, many other things are more important in my life. (R)	1	2	3	4	5
9	I go to religious services because it helps me to make friends.	1	2	3	4	5
10	I pray mainly to gain relief and protection.	1	2	3	4	5
11	What religion offers me the most is comfort in times of trouble and sorrow.	1	2	3	4	5
12	Prayer is for peace and happiness.	1	2	3	4	5
13	I go to religious services mostly to spend time with my friends.	1	2	3	4	5
14	I go to religious service mainly because I enjoy seeing people I know there.	1	2	3	4	5

	<b>Money Ethics Tang (2002)</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
1	Money is important.	1	2	3	4	5
2	Money is valuable.	1	2	3	4	5
3	Money is good.	1	2	3	4	5
4	Money is an important factor in the lives of all of us.	1	2	3	4	5
5	Money is attractive.	1	2	3	4	5
6	Money represents my achievement.	1	2	3	4	5
7	Money is a symbol of my success.	1	2	3	4	5
8	Money reflects my accomplishments.	1	2	3	4	5
9	Money is how we compare each other.	1	2	3	4	5
10	I am motivated to work hard for money.	1	2	3	4	5
11	Money reinforces me to work harder.	1	2	3	4	5
12	I am highly motivated by money.	1	2	3	4	5
13	Money is a motivator.	1	2	3	4	5
14	Having a lot of money (being rich) is good.	1	2	3	4	5
15	It would be nice to be rich.	1	2	3	4	5
16	I want to be rich.	1	2	3	4	5
17	My life will be more enjoyable, if I am rich and have more money.	1	2	3	4	5

	<b>Consumer Ethical Intention Vitell, Singhapakdi and Thomas (2001)</b>	<b>Strongly disagree with this action</b>	<b>Disagree with this action</b>	<b>Neutral</b>	<b>Agree with this action</b>	<b>Strongly agree with this action</b>
1	<p>During grocery shopping, Fred decides to purchase a can of corn for his family. He remembers that he has a coupon, but that it not only has expired, it is also for a competing brand. Upon arriving at the check out aisle, Fred decides to give the coupon to the cashier. The cashier does not notice the problems with the coupon. After calculating all of Fred's purchases, the cashier gives him credit for his coupon.</p> <p><b>'I would act in the same manner as the consumer did in the above scenario.'</b></p>	1	2	3	4	5
2	<p>Bob goes to a local clothing store to purchase a new shirt. During his shopping, the sales clerk tells him, 'When you've finally made up your mind, let me know and I'll calculate your purchase.' After the sales clerk leaves, Bob finds the shirt he likes, but he notices that it's priced \$10 more than the exact shirt costs at another store down the street. Bob decides to switch price tags on the shirt. The sales clerk never notices the difference while adding up Bob's purchase.</p> <p><b>'I would act in the same manner as the consumer did in the above scenario.'</b></p>	1	2	3	4	5
3	<p>At lunch on Thursday, Lisa decides that she does not have time to cook, or sit down to eat in a restaurant. She decides to use the drive-through line at a local fast food restaurant, which is very busy. Her order totals \$4 and she gives the cashier a \$10 note. Due to the restaurant being so busy, the cashier mistakes Lisa's \$10 note for</p>	1	2	3	4	5

	<p>a \$20 note. Instead of returning \$6 to her, the cashier mistakenly hands her \$16. Although Lisa realizes that the cashier has made a mistake, she is in a hurry, so she drives away.</p> <p><b>‘I would act in the same manner as the consumer did in the above scenario.’</b></p>					
4	<p>Kim’s friend has just obtained the latest version of a leading word processing software package for her computer. She has also obtained the newest computer game that everybody is crazy about. Kim asks her to copy them for her and she agrees to do so. Kim gives her the necessary computer thumb drive to copy both programs. After her friend copies the programs, Kim loads them onto her computer and begins using them.</p> <p><b>‘I would act in the same manner as the consumer did in the above scenario.’</b></p>	1	2	3	4	5

**Part B: Personal Information**

Please complete the following demographic information. Your answer will be kept strictly confidential and will be used by the researcher only for statistical purpose. Please tick √ the most appropriate response.

1. Please indicate your age:

- 18 to 30 years old
- More than 30 years old

2. Please indicate your nationality:

- Malaysian
- Non-Malaysian

3. Please indicate your gender:

- Male
- Female

4. Please indicate the type of university you are currently attending:

- Public
- Private

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5. Please indicate your racial background:

- Bumiputra / Malay
- Chinese
- Indian
- Other (Please specify: \_\_\_\_\_)

6. Please indicate the business course that you are currently studying:

- Accounting
- Commerce / Business
- Marketing / Entrepreneurship
- Banking / Finance
- Economics
- Others (Please specify: \_\_\_\_\_)

7. Please indicate if you have taken any ethics subject in the university:

- Yes
- No

*Thank you for your time and assistance*

## APPENDIX D – TYPES OF SCALES USED

Table A4.1 identifies the types of scales used in the survey instrument. The mapping of the labels used for the variables and the types of scales used serves as a guide for data analysis.

**Table A4.1: Types of scales used in the survey instrument**

No.	Question Item	Question	Type of Scale
1.	Consumer Ethics Q1	Changing price tags on a product in a retail store.	Interval
2.	Consumer Ethics Q2	Drinking a can of coke in a supermarket without paying for it.	Interval
3.	Consumer Ethics Q3	Reporting a lost item as ‘stolen’ to an insurance company in order to collect the money.	Interval
4.	Consumer Ethics Q4	Giving misleading price information to a cashier for an un-priced item.	Interval
5.	Consumer Ethics Q5	Using a mobile prepaid access code that does not belong to you.	Interval
6.	Consumer Ethics Q6	Getting too much change and not saying anything.	Interval
7.	Consumer Ethics Q7	Moving into a house, finding that the ASTRO TV channel is still hooked up, and using it rather than signing up and paying for it.	Interval
8.	Consumer Ethics Q8	Lying about a child’s age in order to get a lower price.	Interval
9.	Consumer Ethics Q9	Saying nothing when a waitress miscalculates a bill in your favour.	Interval
10.	Consumer Ethics Q10	Stretching the truth on an income tax return.	Interval
11.	Consumer Ethics Q11	Using an expired coupon to purchase a product.	Interval
12.	Consumer Ethics Q12	Not telling the truth when negotiating the price of a new car.	Interval
13.	Consumer Ethics Q13	Taping a movie off the television.	Interval
14.	Consumer Ethics Q14	Copying computer software or games that you did not buy.	Interval
15.	Consumer Ethics Q15	‘Burning’ a CD instead of buying it.	Interval
16.	Consumer Ethics Q16	Returning a product after trying it and not liking it.	Interval
17.	Consumer Ethics Q17	Downloading music from the internet instead of buying it.	Interval
18.	Consumer Ethics Q18	Buying counterfeit goods instead of buying the original manufacturers’ brands.	Interval
19.	Consumer Ethics Q19	Buying products labelled as ‘environmentally friendly’ even if they	Interval

		don't work as well as competing products.	
20.	Consumer Ethics Q20	Purchasing something made of recycled materials even though it is more expensive.	Interval
21.	Consumer Ethics Q21	Buying only from companies that have a strong record of protecting the environment.	Interval
22.	Consumer Ethics Q22	Recycling materials such as cans, bottles, newspapers, etc.	Interval
23.	Consumer Ethics Q23	Returning to the store and paying for something that the cashier mistakenly did not charge you for.	Interval
24.	Consumer Ethics Q24	Correcting a bill that has been miscalculated in your favour.	Interval
25.	Consumer Ethics Q25	Giving a larger than expected tip to a waiter or waitress.	Interval
26.	Consumer Ethics Q26	Not purchasing products from companies that you believe don't treat their employees fairly.	Interval
27.	Attitude towards Business Q1	Many businesses try to take advantage of customers. (R)	Interval
28.	Attitude towards Business Q2	Many products are not as durable as they should be. (R)	Interval
29.	Attitude towards Business Q3	Most companies are concerned about their customers.	Interval
30.	Attitude towards Business Q4	In general, I am satisfied with most of the products I buy.	Interval
31.	Attitude towards Business Q5	What most products claim to do and what they actually do are two different things. (R)	Interval
32.	Attitude towards Business Q6	The business community has helped raise our country's standard of living.	Interval
33.	Religiosity Q1	I enjoy reading about religion.	Interval
34.	Religiosity Q2	It is important for me to spend time in private thought and prayer.	Interval
35.	Religiosity Q3	It doesn't much matter what I believe so long as I am good. (R)	Interval
36.	Religiosity Q4	I have often had a strong sense of God's presence.	Interval
37.	Religiosity Q5	I try hard to live all my life according to my religious beliefs.	Interval
38.	Religiosity Q6	Although I am religious, I don't let it affect my daily life. (R)	Interval
39.	Religiosity Q7	My whole approach to life is based on my religion.	Interval
40.	Religiosity Q8	Although I believe in my religion, many other things are more important in my life. (R)	Interval
41.	Religiosity Q9	I go to religious services because it helps me to make friends.	Interval
42.	Religiosity Q10	I pray mainly to gain relief and protection.	Interval
43.	Religiosity Q11	What religion offers me the most is comfort	Interval

		in times of trouble and sorrow.	
44.	Religiosity Q12	Prayer is for peace and happiness.	Interval
45.	Religiosity Q13	I go to religious services mostly to spend time with my friends.	Interval
46.	Religiosity Q14	I go to religious service mainly because I enjoy seeing people I know there.	Interval
47.	Money Ethics Q1	Money is important.	Interval
48.	Money Ethics Q2	Money is valuable.	Interval
49.	Money Ethics Q3	Money is good.	Interval
50.	Money Ethics Q4	Money is an important factor in the lives of all of us.	Interval
51.	Money Ethics Q5	Money is attractive.	Interval
52.	Money Ethics Q6	Money represents my achievement.	Interval
53.	Money Ethics Q7	Money is a symbol of my success.	Interval
54.	Money Ethics Q8	Money reflects my accomplishments.	Interval
55.	Money Ethics Q9	Money is how we compare each other.	Interval
56.	Money Ethics Q10	I am motivated to work hard for money.	Interval
57.	Money Ethics Q11	Money reinforces me to work harder.	Interval
58.	Money Ethics Q12	I am highly motivated by money.	Interval
59.	Money Ethics Q13	Money is a motivator.	Interval
60.	Money Ethics Q14	Having a lot of money (being rich) is good.	Interval
61.	Money Ethics Q15	It would be nice to be rich.	Interval
62.	Money Ethics Q16	I want to be rich.	Interval
63.	Money Ethics Q17	My life will be more enjoyable, if I am rich and have more money.	Interval
64.	Consumer Ethical Intention Q1	During grocery shopping, Fred decides to purchase a can of corn for his family. He remembers that he has a coupon, but that it not only has expired, it is also for a competing brand. Upon arriving at the check out aisle, Fred decides to give the coupon to the cashier. The cashier does not notice the problems with the coupon. After calculating all of Fred's purchases, the cashier gives him credit for his coupon.	Interval
65.	Consumer Ethical Intention Q2	Bob goes to a local clothing store to purchase a new shirt. During his shopping, the sales clerk tells him, 'When you've finally made up your mind, let me know and I'll calculate your purchase.' After the sales clerk leaves, Bob finds the shirt he likes, but he notices that it's priced \$10 more than the exact shirt costs at another store down the street. Bob decides to switch price tags on the shirt. The sales clerk never notices the difference while adding up Bob's purchase.	Interval
66.	Consumer Ethical Intention Q3	At lunch on Thursday, Lisa decides that she does not have time to cook, or sit down to eat in a restaurant. She decides to use the drive-	Interval

		through line at a local fast food restaurant, which is very busy. Her order totals \$4 and she gives the cashier a \$10 note. Due to the restaurant being so busy, the cashier mistakes Lisa's \$10 note for a \$20 note. Instead of returning \$6 to her, the cashier mistakenly hands her \$16. Although Lisa realizes that the cashier has made a mistake, she is in a hurry, so she drives away.	
67.	Consumer Ethical Intention Q4	Kim's friend has just obtained the latest version of a leading word processing software package for her computer. She has also obtained the newest computer game that everybody is crazy about. Kim asks her to copy them for her and she agrees to do so. Kim gives her the necessary computer thumb drive to copy both programs. After her friend copies the programs, Kim loads them onto her computer and begins using them.	Interval
68.	Personal Information Q1	Please indicate your age:	Ordinal
69.	Personal Information Q2	Please indicate your nationality:	Nominal
70.	Personal Information Q3	Please indicate your gender:	Nominal
71.	Personal Information Q4	Please indicate the type of university you are currently attending:	Nominal
72.	Personal Information Q5	Please indicate your racial background:	Nominal
73.	Personal Information Q6	Please indicate the business course that you are currently studying:	Nominal
74.	Personal Information Q7	Please indicate if you have taken any ethics subject in the university:	Nominal

Source: Developed for this study

## APPENDIX E – MAPPING OF ANALYSIS TOOLS AND HYPOTHESES

Table A4.2 maps the statistical tools used for analysis against each of the study’s hypotheses. Because it has been necessary to use a mix of metric and non-metric scales in the data collection for this study, it is also necessary to use a mix of statistical tools to test the hypotheses. Statistical tools used include independent sample t-test, multiple regression and Pearson’s correlation.

**Table A4.2: Mapping of analysis tools and hypotheses**

No.	Hypotheses	IV/DV	Type of Scale	Analysis Tools
H <sub>1a</sub>	There is a significant difference between male and female in regards to actively benefiting from illegal activities (CE1).	IV: Gender (male /female)	Nominal	Independent sample t-test
		DV: Actively benefiting from illegal activities (CE1)	Interval	
H <sub>1b</sub>	There is a significant difference between male and female in regards to benefiting from questionable activities (CE2).	IV Gender (male /female)	Nominal	Independent sample t-test
		DV: Benefiting from questionable activities (CE2)	Interval	
H <sub>1c</sub>	There is a significant difference between male and female in regards to no harm / no foul activities (CE3).	IV: Gender (male /female)	Nominal	Independent sample t-test
		DV: No harm / no foul activities (CE3)	Interval	
H <sub>1d</sub>	There is a significant difference between male and female in regards to recycling / doing good activities (CE4).	IV: Gender (male /female)	Nominal	Independent sample t-test
		DV: Recycling / doing good activities (CE4)	Interval	
H <sub>2a</sub>	There is a significant difference between ethics and no ethics course in regards to actively benefiting from illegal activities (CE1).	IV: Ethics course (Yes /No)	Nominal	Independent sample t-test
		DV: Actively benefiting from illegal activities (CE1)	Interval	
H <sub>2b</sub>	There is a significant difference between ethics	IV: Ethics course (Yes /No)	Nominal	Independent sample t-test

	and no ethics course in regards to benefiting from questionable activities (CE2).	DV: Benefiting from questionable activities (CE2)	Interval	
H <sub>2c</sub>	There is a significant difference between ethics and no ethics course in regards to no harm /no foul activities (CE3).	IV: Ethics course (Yes /No)	Nominal	Independent sample t-test
		DV: no harm / no foul activities (CE3)	Interval	
H <sub>2d</sub>	There is a significant difference between ethics and no ethics course in regards to recycling / doing good activities (CE4).	IV: Ethics course (Yes /No)	Nominal	Independent sample t-test
		DV: recycling / doing good activities (CE4)	Interval	
H <sub>3a</sub>	There is a significant relationship between intrinsic religiosity and actively benefiting from illegal activities (CE1).	IV: Intrinsic religiosity, extrinsic religiosity, attitude towards business, money ethics	Interval	Multiple regression
H <sub>3b</sub>	There is a significant relationship between extrinsic religiosity and actively benefiting from illegal activities (CE1).		Interval	
H <sub>3c</sub>	There is a significant relationship between attitude toward business and actively benefiting from illegal activities (CE1).			
H <sub>3d</sub>	There is a significant relationship between money ethic (love of money) and actively benefiting from illegal activities (CE1).			
H <sub>4a</sub>	There is a significant relationship between intrinsic religiosity and benefiting from questionable activities (CE2).	IV: Intrinsic religiosity, extrinsic religiosity, attitude towards business, money ethics	Interval	Multiple regression
		DV: Benefiting from	Interval	

H <sub>4b</sub>	There is a significant relationship between extrinsic religiosity and benefiting from questionable activities (CE2).	questionable activities (CE2)		
H <sub>4c</sub>	There is a significant relationship between attitude toward business and benefiting from questionable activities (CE2).			
H <sub>4d</sub>	There is a significant relationship between money ethic (love of money) and benefiting from questionable activities (CE2).			
H <sub>5a</sub>	There is a significant relationship between intrinsic religiosity and no harm / no foul activities (CE3).	IV: Intrinsic religiosity, extrinsic religiosity, attitude towards business, money ethics	Interval	Multiple regression
H <sub>5b</sub>	There is a significant relationship between extrinsic religiosity and no harm / no foul activities (CE3).	DV: No harm / no foul activities (CE3)	Interval	
H <sub>5c</sub>	There is a significant relationship between attitude toward business and no harm / no foul activities (CE3).			
H <sub>5d</sub>	There is a significant relationship between money ethic (love of money) and no harm / no foul activities (CE3).			
H <sub>6a</sub>	There is a significant relationship between intrinsic religiosity and recycling / doing good activities (CE4).	IV: Intrinsic religiosity, extrinsic religiosity, attitude towards business, money ethics	Interval	Multiple regression

H <sub>6b</sub>	There is a significant relationship between extrinsic religiosity and recycling / doing good activities (CE4).	DV: No harm / no foul activities (CE3)	Interval	
H <sub>6c</sub>	There is a significant relationship between attitude toward business and recycling / doing good activities (CE4).			
H <sub>6d</sub>	There is a significant relationship between money ethic (love of money) and recycling / doing good activities (CE4).			
H <sub>7a</sub>	There is a significant association between actively benefiting from illegal activities (CE1) and ethical intention.	There is no IV or DV in this instance. The variables under investigation are CE1 to CE4 and ethical intention.	All the variables are interval	Pearson's Correlation
H <sub>7b</sub>	There is a significant association between benefiting from questionable activities (CE2) and ethical intention.			
H <sub>7c</sub>	There is a significant association between no harm / no foul activities (CE3) and ethical intention.			
H <sub>7d</sub>	There is a significant association between recycling / doing good activities (CE4) and ethical intention.			

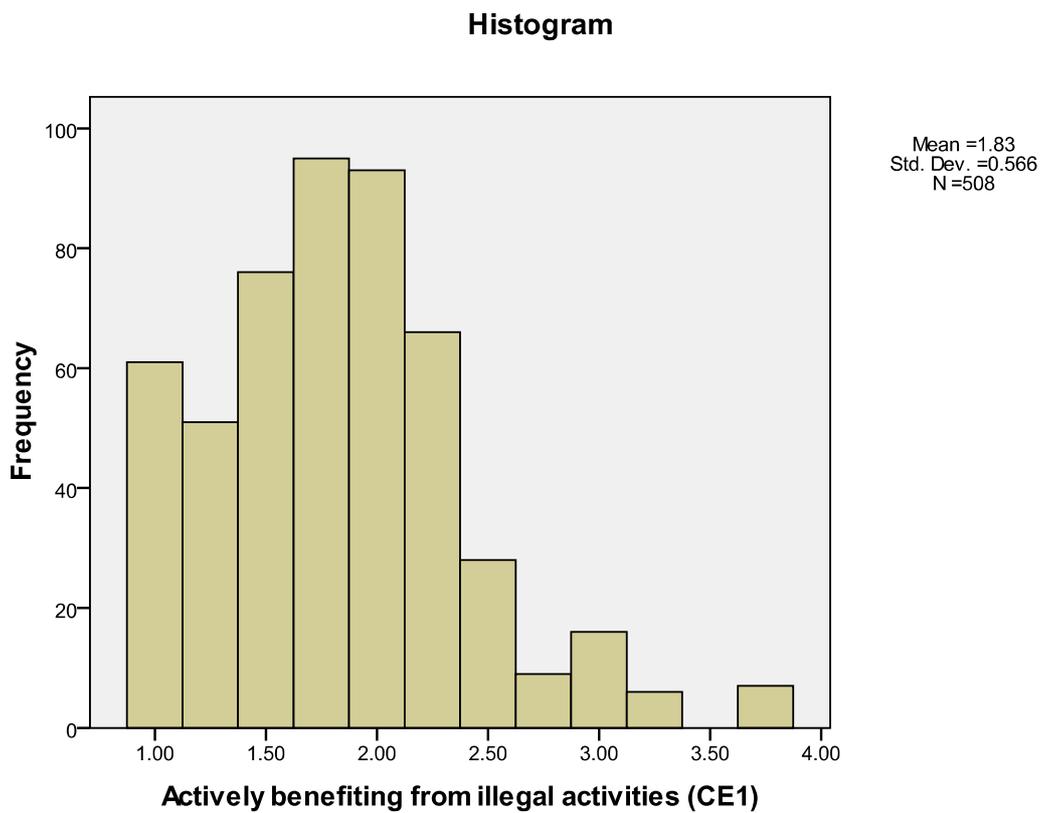
Source: Developed for this study

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**APPENDIX F – ASSESSING NORMALITY FOR ACTIVELY BENEFITING FROM ILLEGAL ACTIVITIES (CE1)**

1. Histogram

**Figure A5.1: Histogram of the regression standardised residual for Actively Benefiting from Illegal Activities (CE1)**



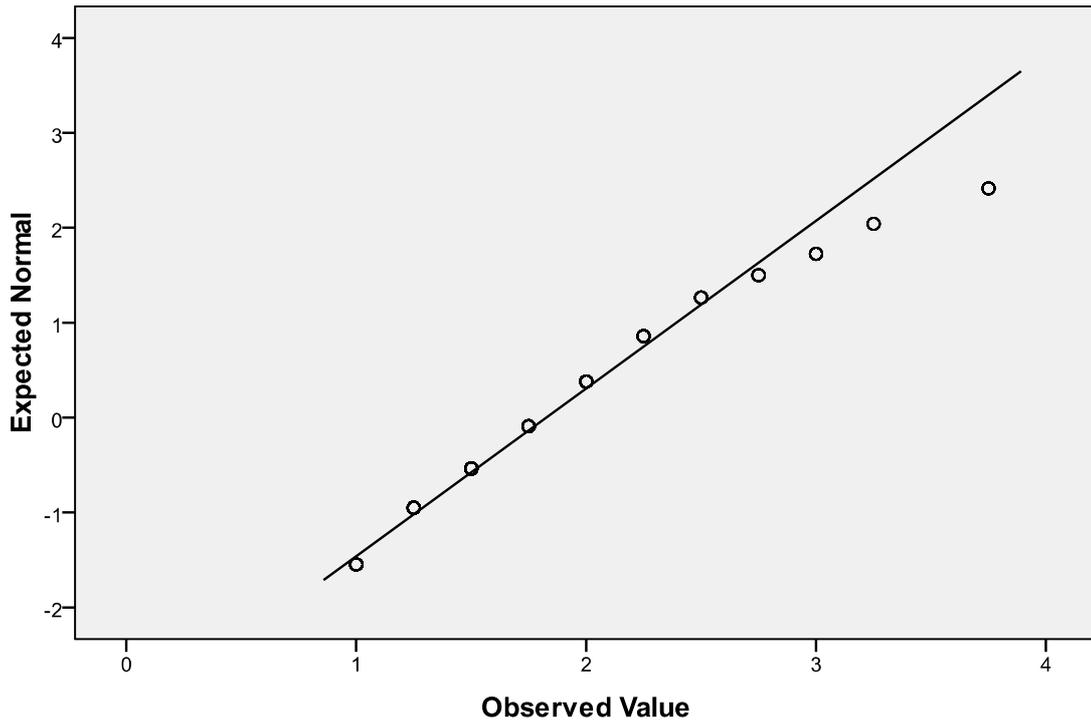
Source: Developed for this study

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2. P-P Plot

**Figure A5.2: P-P Plot of regression standardised residual for Actively Benefiting from Illegal Activities (CE1)**

**Normal Q-Q Plot of Actively benefiting from illegal activities (CE1)**



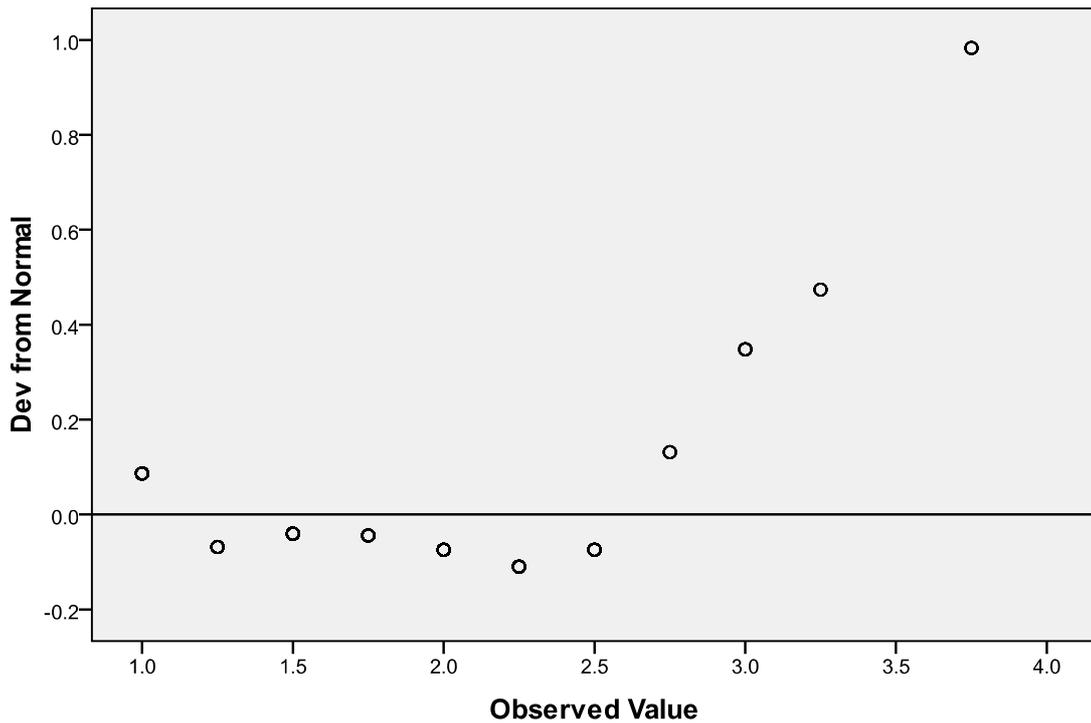
Source: Developed for this study

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### 3. Scatterplot

**Figure A5.3: Scatterplot between regression standardised residual and regression standardised predicted value for Actively Benefiting from Illegal Activities (CE1)**

**Detrended Normal Q-Q Plot of Actively benefiting from illegal activities (CE1)**



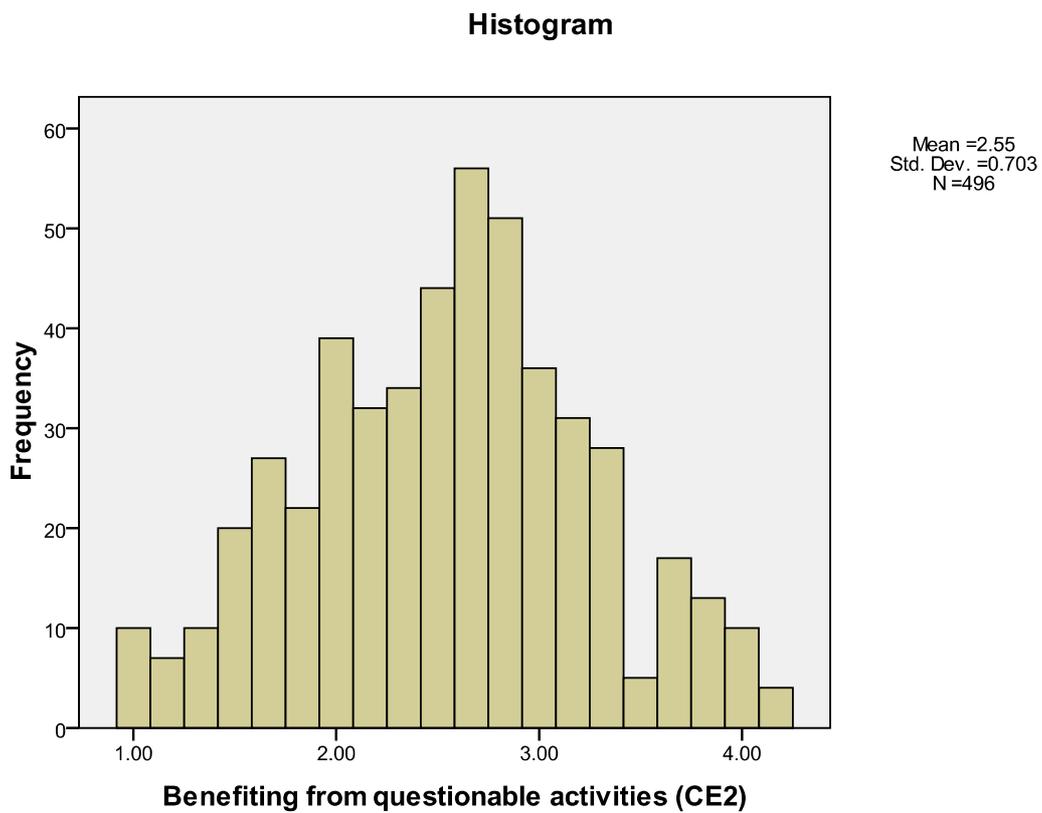
Source: Developed for this study

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**APPENDIX G – ASSESSING NORMALITY FOR BENEFITING FROM QUESTIONABLE ACTIVITIES (CE2)**

1. Histogram

**Figure A5.4: Histogram of the regression standardised residual for Benefiting from Questionable Activities (CE2)**

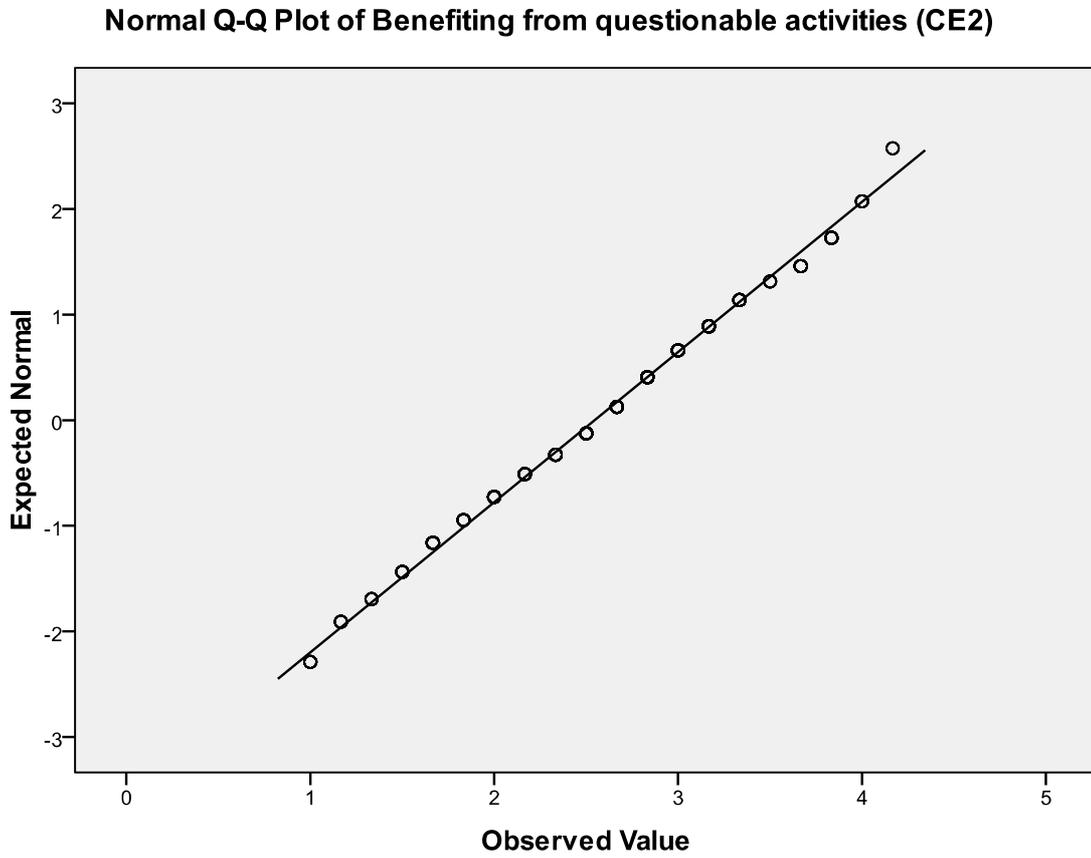


Source: Developed for this study

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2. P-P Plot

**Figure A5.5: P-P Plot of regression standardised residual for Benefiting from Questionable Activities (CE2)**



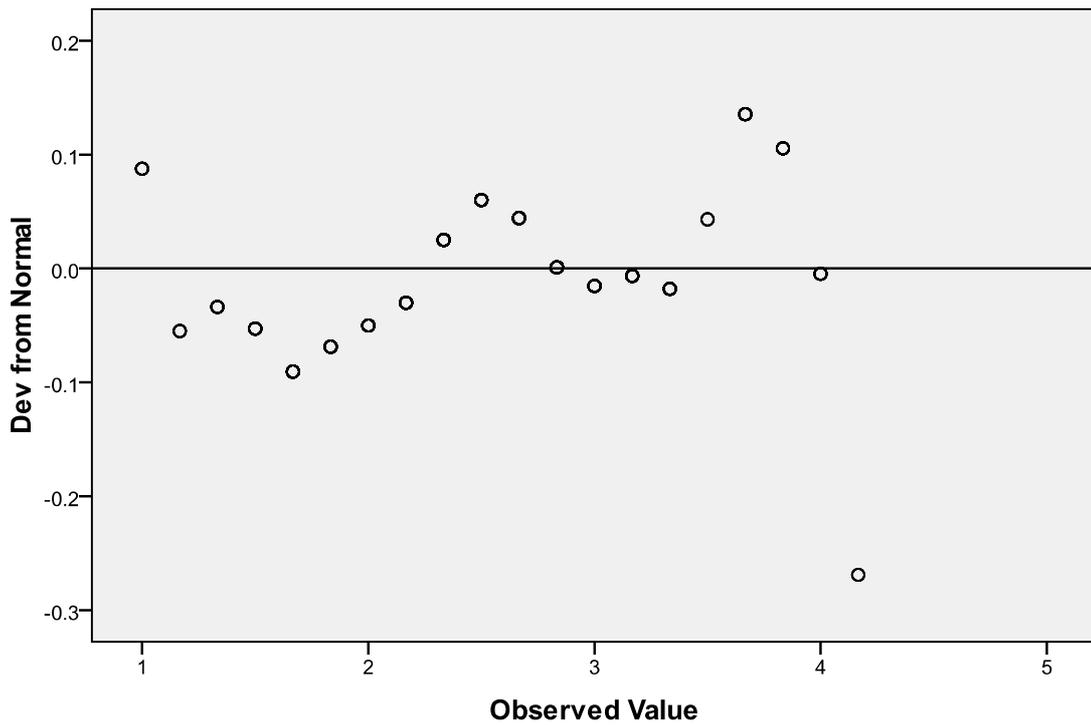
Source: Developed for this study

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### 3. Scatterplot

**Figure A5.6: Scatterplot between regression standardised residual and regression standardised predicted value for Benefiting from Questionable Activities (CE2)**

**Detrended Normal Q-Q Plot of Benefiting from questionable activities (CE2)**



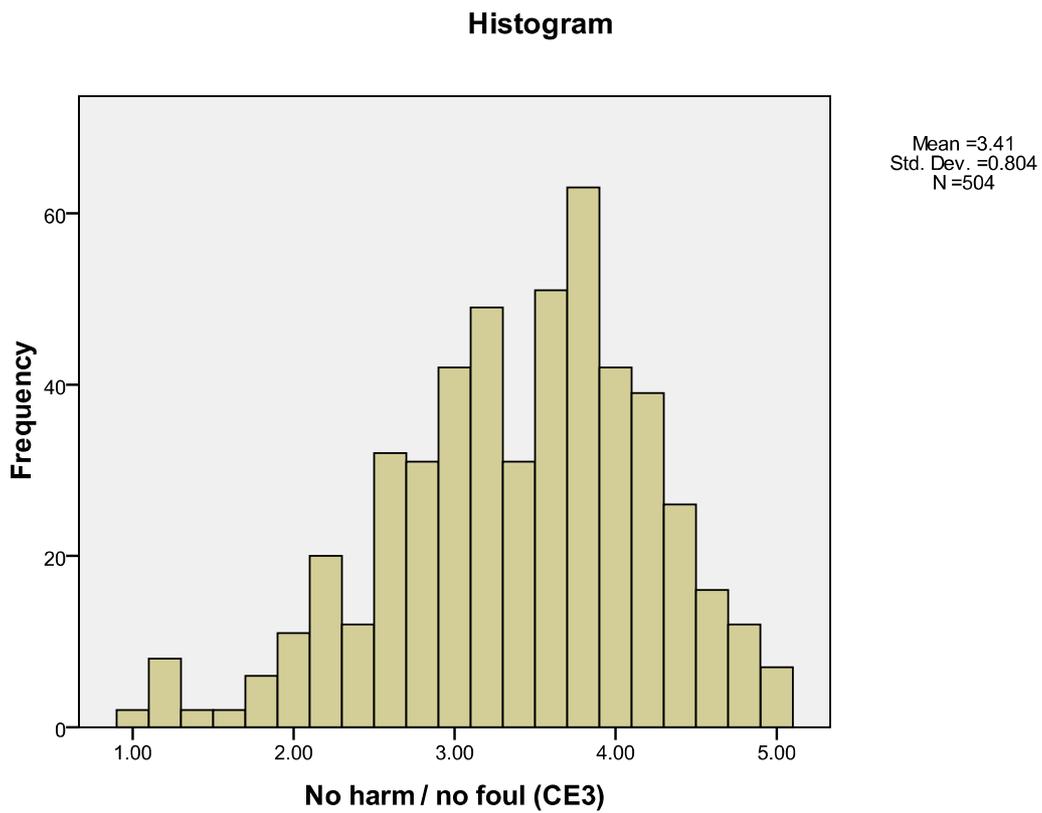
Source: Developed for this study

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**APPENDIX H – ASSESSING NORMALITY FOR NO HARM / NO FOUL  
ACTIVITIES (CE3)**

1. Histogram

**Figure A5.7: Histogram of the regression standardised residual for No Harm / No Foul Activities (CE3)**

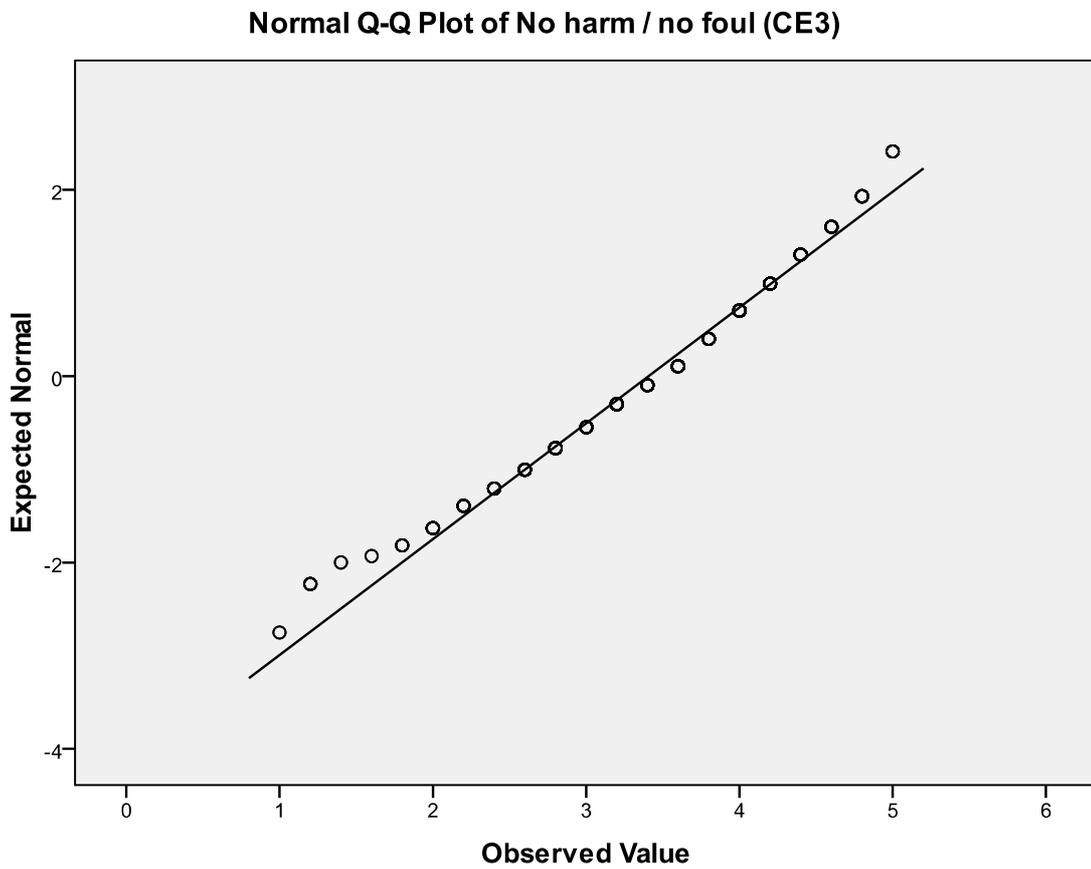


Source: Developed for this study

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2. P-P Plot

**Figure A5.8: P-P Plot of regression standardised residual for No Harm / No Foul Activities (CE3)**

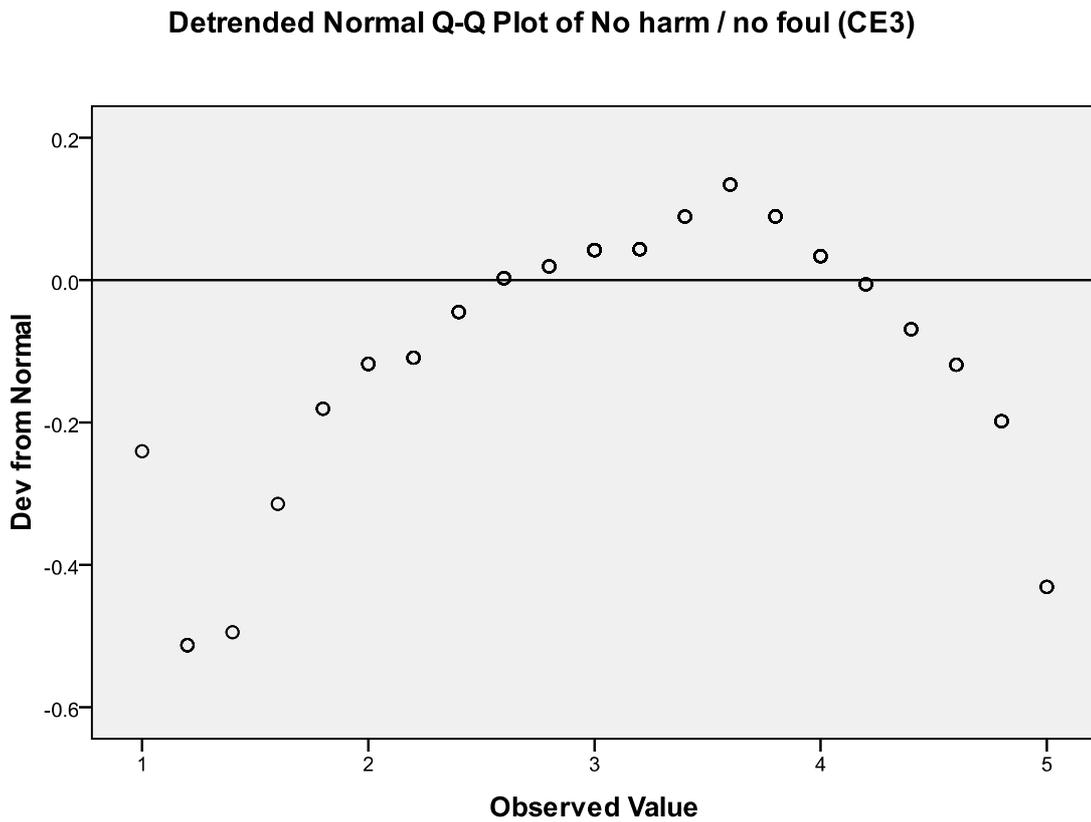


Source: Developed for this study

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3. Scatterplot

**Figure A5.9: Scatterplot between regression standardised residual and regression standardised predicted value for No Harm / No Foul Activities (CE3)**



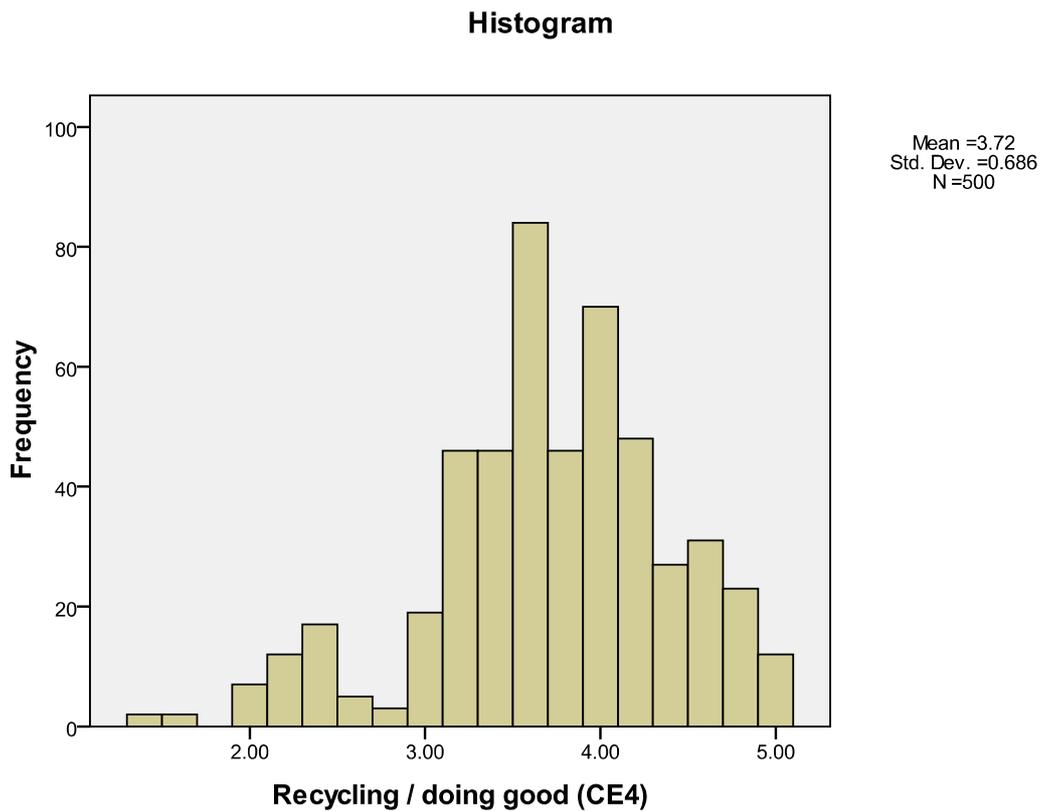
Source: Developed for this study

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**APPENDIX I – ASSESSING NORMALITY FOR RECYCLING / DOING GOOD ACTIVITIES (CE4)**

1. Histogram

**Figure A5.10: Histogram of the regression standardised residual for Recycling / Doing Good Activities (CE4)**

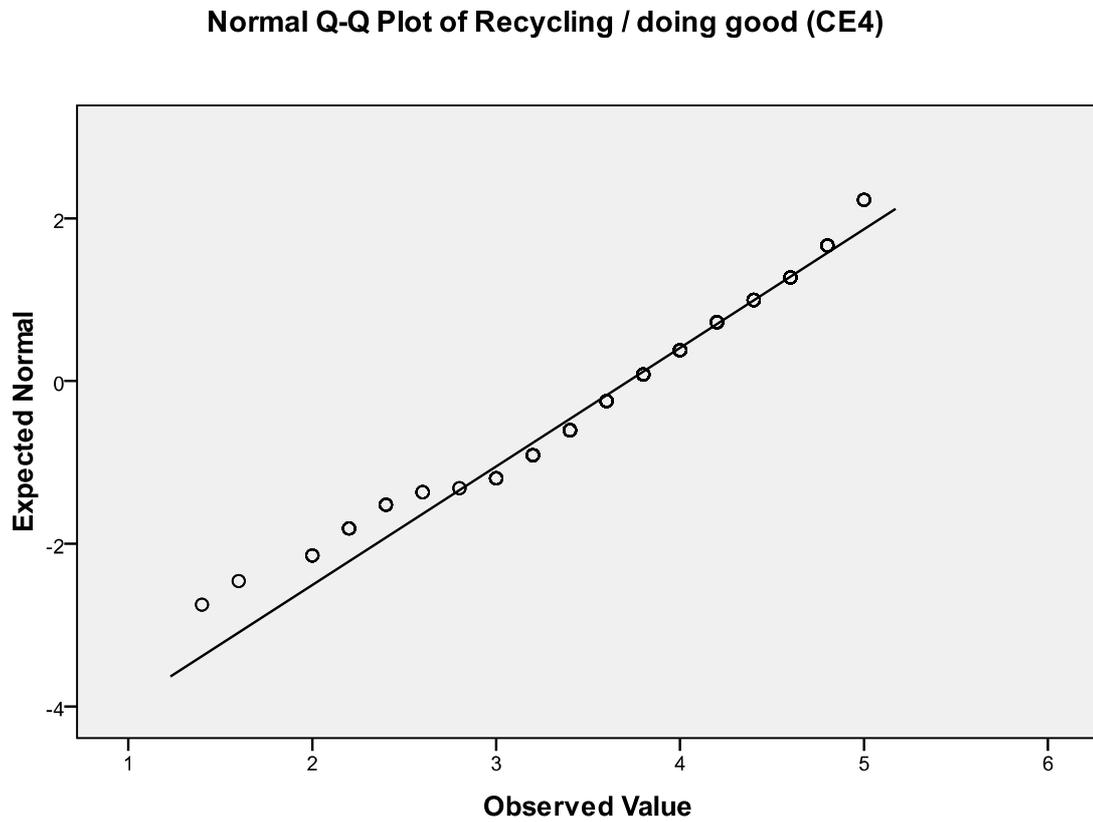


Source: Developed for this study

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2. P-P Plot

**Figure A5.11: P-P Plot of regression standardised residual for Recycling / Doing Good Activities (CE4)**

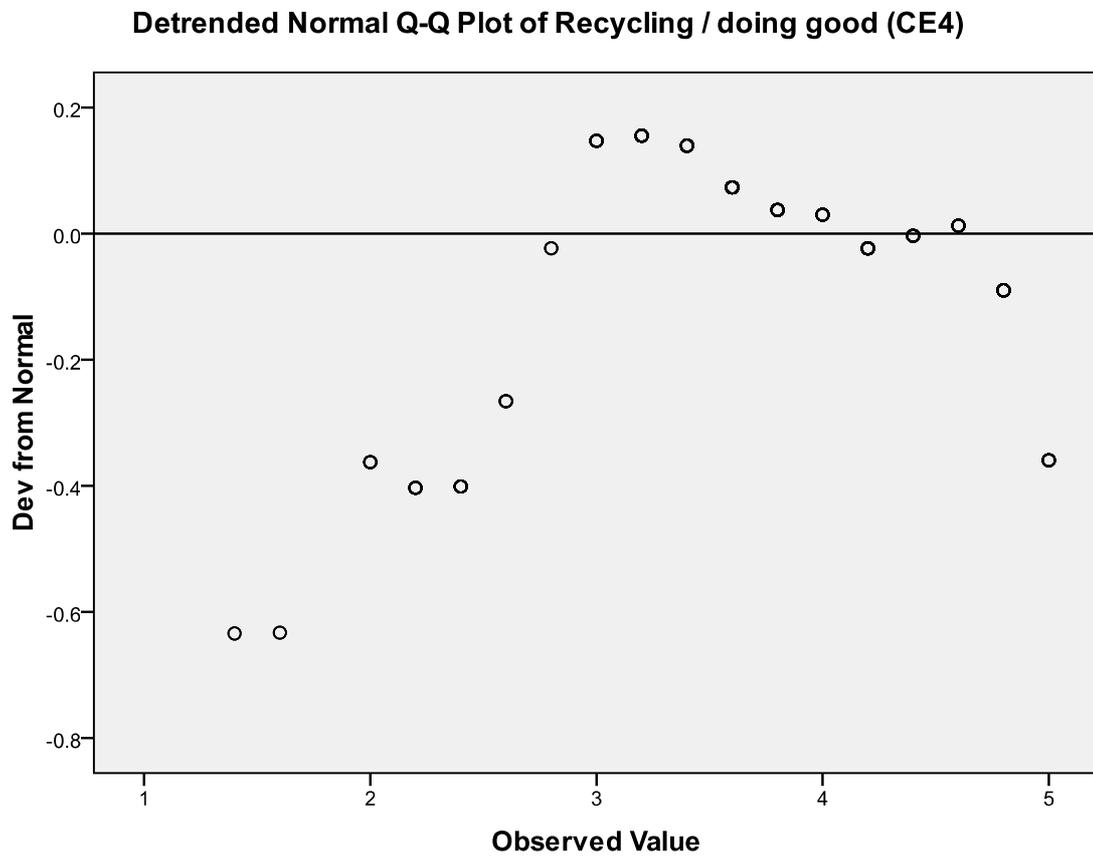


Source: Developed for this study

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3. Scatterplot

**Figure A5.12: Scatterplot between regression standardised residual and regression standardised predicted value for Recycling / Doing Good Activities (CE4)**



Source: Developed for this study