ABSTRACT

This A new approach to the field of ethical decision research is proposed to deal with integrating deontology, utilitarianism and virtue ethics into a unified framework of moral philosophy to study ethical reasoning among business professionals. A total of 344 Three hundred thirty-four managers from Small and Medium Enterprises (SMEs) were tested by using structural equation modelling procedures to determine the best fit indices. Although deontology, utilitarianism and virtue ethics are inter-related within the scope of moral philosophy, it was also found that the moral philosophy affects positively on the ethical reasoning: [colon & insert comma], i.e., ethical awareness, judgment, motivation, and intention. It is hoped that our findings will provide greater insights into how moral philosophy determines the ethical values of managers during the ethical decision making process.

Keywords: Ethical reasoning, moral philosophy, deontology, utilitarianism, virtue ethics

INTRODUCTION

Ethical reasoning ability is considered as vitally important in the shared ethical concepts and principles that guide common ethical issues (Paul & Elder, 2005). Ethical reasoning in business depends largely on the way how we think one’s manner of thinking; [colon & insert comma], i.e., what we should be done in making ethical choices and to arrive a final decision (Treviño et al., 2006). According to Knobe (2005), the studies on ethical reasoning studies have heretofore been centered focused on the moral rules and the welfare of others, [comma] and neglected the moral character that transmits the moral and welfare altruistic attachment to others (Arjoon, 2000). Moral philosophy has been used interchangeably used with ethical theory (Ahmad et al., 2005; Bastons, 2006; d'Anjou, 2011) and remains as a crucial part component of reasoning in an ethical decision making process. Treviño et al. (2006) proposed that moral awareness (the existence of an ethical dilemma), moral judgment (deciding what is right), and moral intent (the meaning of an act), [notice inserted comma] and as well as ethical motivation (inspiration to do the right thing) are the constitute the underlying process of ethical reasoning in a business organization.

Moral philosophy offers a rationale that provides the impetus for an elaboration elaborating of on thrusts to an ethical reasoning structure. The Akrivou et al. (2011) explained that an understanding and knowledge of moral philosophy enables business people persons to decide achieve decisions based on
the an inclusive comprehensiveness of morally moral comprehension that is reasoned through opinion and intuition. Moreover, Akrivou et al. (2011) explained that it this comprehension also serves as a ethical thrust, that which in turn developed as a structure for ethical decision making. Deontology, utilitarianism and virtue ethics are said to be the most important moral philosophies for many ethical reasoning studies; from marketing to nursing and from military to information technology (IT). Altman (2007) suggested that moral philosophies put forward a fundamental foundation for the practical application of ethical reasoning. This practical application is enabling for an assessment of damage-reduction, self-discipline and virtuous characters in an integration integrative manner that in succession offers a framework for evaluating business people’s principles about the ethical reasoning. This assessment is crucial as because each business professional holds a certain degree of moral principles to guide ethical unethical decisions made (Abdolmohammadi et al., 2009). In reality, the practicality of business as usual business-as-usual cannot be generalized as the degree of to which business professional’s are extensively influenced by altered morality extent of moral principles in making decision making. Arjoon (2000, 2007), Forsyth (1980), Hunt and Vitell, (1986), and Shanahan and Hyman (2003) added all asserted that moral philosophy should be treated as a decision making tool decision making tool. It This principle verifies affirms the individual as a conscientious moral agent (Treviño et al., 2006) in for making ethical decisions. Furthermore, a functioning moral philosophy is essential in for illustrating the manner of in which a person weighs his alternatives as a moral agent (DeConinck & Lewis, 1997). [See CJR’s endnote #1]

In fact, previous models proposed by Ferrell and Gresham (1985), and Hunt and Vitell (2006) have classified moral philosophy into only deontological deontology and utilitarianism, but neglected the dimension of virtue (Arjoon, 2007) in moral reasoning. This notion is supported by Arjoon (2000, 2007), Whetstone (2001), and Shanahan and Hyman (2003) where they who have all argued that the virtue of human character should be included to complement the rules compliance with rules and the social conscience in ethical reasoning. Ashkanasy et al. (2006) argued that moral philosophy applies theories of knowledge into practical reasoning. Nonetheless, business people pay little attention to the knowledge and its nature. Interestingly, Christie et al. (2003) highlighted that business people often fail to acknowledge and understand the influence of an underlying moral philosophy. A recent study by Aggarwal-Gupta et al. (2010) claimed that moral philosophy is always regarded independently, and the any effort to extend its comprehension as as the basis of business ethical business decision practices are neglected and left leaves ethical reasoning incompetently justified.

Since moral philosophy and ethical reasoning are both drawn from a common notion – Deontology is legally bound by duty (Altman, 2007), regardless of the consequences (Jecker, 2007), and less on wisdom (van Staveren, 2007) due to behavior control in ethical reasoning. Utilitarianism defines the right to act for protection on protect for the utmost good for of a maximum number of people (O’Fallon & Butterfield, 2005) with less intention of a moral obligation to the society (Weymark,
Asheim & Mitra, 2010) and but neglects the moral character (Baugher & Weisbord, 2009) for reasoning the ethically ethical acts. [delete period & insert semi-colon]; While whereas, [notice inserted comma] virtue ethics is proposed to guide moral behavior (Arjoon, 2007) in rationalizing and reasoning ethical decisions for principle-centered principle-centered acts (Skracki & Latham, 1996) with visionary ends (Asheim & Mitra, 2010). Overall, all three moral philosophies harmonizing harmonize and rationalizing rationalize a path of ethically ethical actions based on ethical reasoning (Ilies et al., 2009). Arjoon (2007) described observed that an integration of moral philosophy into moral reasoning will evade the tendency in to classifying classify people according to moral beliefs with in the absent absence of justified decisions. The Promotion of the greatest interest is insufficient to permit the a morality moral sense of duty without the self-vigilance [notice inserted hyphen] of sensible wisdom. As a result Therefore, the gap between dutiful-[delete hyphen] harm damage-reduction-[delete this latter hyphen, but notice inserted former one ] and wisdom in ethical reasoning is included examined in the present study. [See endnote #2]

The basis of for business professionals'[notice inserted apostrophe] values is expressed in moral philosophy. The differences in ethics ethical consistency in reasoning among business people based business-based [notice inserted hyphen] persons could entail multiple interpretations among the business professional community. This study is vital as it offers an understanding on grounds of based on the business professional’s decisions of business professionals, the mode of which is consecutively comprehended their mode to derived with business dilemma’s derive solutions to dilemmas. Hence, the present study is an attempt to test an integrative model of a link between moral philosophy-[delete hyphen] and ethical reasoning link, with a focusing on the data from small- and medium-[notice 2 inserted hyphens] scaled sized enterprises (SMEs) data through a structural model. The following section depicts reviews the supporting literature for on the studied variables and fine points for the construction of the a model that to assists assist in the formulation of formulating the hypotheses. Finally, the data analysis and research findings are discussed together with directions for future research.

LITERATURE REVIEW

Moral Philosophy

Endeavour has been made by Some scholars (e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 2006) have endeavoured to insert non-traditional moral philosophy concepts (e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 2006) into the framework of moral philosophy. A different reason upholds upheld by some business professionals maintains that ethical reasoning that can only be judged morally against moral philosophy. [delete period & insert comma], Moral philosophy a term refers referring to a system of ethically ethics that offers guidelines for judging and resolving ethically questionable behavior (Putranta & Kingshot, 2011). Deontology, utilitarianism and virtue ethics are the prominent types of moral philosophies defined in preceding past research (Arjoon, 2007; Hunt & Vitell, 1986).

Kant’s Theory of Ethics claimed maintains that deontology is motivated by a duty principle that is not influenced by experiences (Christie et al., 2008). The ethically Ethical behaviour behavior is examined by determined to be inherently right or wrong based on the basis of essential duty principles of duty that is essential (Hunt & Vasquez-Parraga, 1993) to ensure that the means does do not determine the ends. Mill’s Theory of Liberty argued that consequentialism theory (utilitarianism) is more superior than to deontology (Altman, 2007) because it dictates right or acceptable conduct to
provide the greatest good for the utmost people (van Staveren, 2007). Weymark (2005) argued that utilitarianism focuses on societal interests rather than being principle-centred. The Aristotle’s virtue ethics provides guidelines for moral behavior (Arjoon, 2000). Baugher and Weisbord (2009) agreed that virtuous character guides business people to act behave rightly. Any ethical or unethical actions in business dealings are developed through cognitive moral development (Kohlberg et al., 1990), and they are which is used to develop good characters to create a bundle of good character and habits over time (Christie et al., 2008). Even though Although moral philosophy can be applied independently (Hunt & Vasquez-Parraga, 1993), but it cannot leave without any escape criticism (Altman, 2007). Coalescing several theories will offer a better perspective on moral concerns that influenced ethical reasoning. Karande et al. (2002) argued that ethics offers a formation foundation for individual moral principles that leading to the a position of morality or wrongdoing.

Numerous studies have been carried out implemented to examine the relationship between deontology and utilitarianism (e.g., Cohen, Pant, & Sharp, 2001; Singhapakdi et al., 1999; Yetmar & Eastman, 2000); whereas, few have on examined relationships between deontology and virtue ethics (e.g., Nichols & Mallon, 2006); only some on or utilitarianism and virtue ethics (Diets & Asheim, 2012; Bartels & Pizarro, 2011); and as well as the integration of a tripartite moral philosophy in ethical reasoning (e.g., Furler & Palmer, 2010; Yoon, 2011). Published works in the field of moral philosophy are largely on theoretical models; lacking on empirical research (e.g., Arjoon, 2000; Christie et al., 2008; Schumann, 2001). Valasquez (2002) confirmed that a different set of moral philosophy philosophies provides better insights for moral issues. A finding supported by a recent study by Yoon (2011) that various moral beliefs have dissimilar personalities on individuals’ ethical reasoning. Accordingly, Arjoon (2000) concluded that the existing alternatives of one-dimensional and or a dual-dimensional moral philosophy are inadequate to balance the role of duty and maximization of benefits without the role of a virtuous character in moral reasoning. In this study, we adapt an approach similar to those used in previous research (e.g., Ahmad et al., 2005; Bartlett, 2003; Graham et al., 2008; Putranta & Kingshott, 2011; Rothhaar, 2010; Saee, 2009; Warna-Furu et al., 2010) in rationalizing moral issues in business processes. whereby The three constructs are examined: (1) deontology, (2) utilitarianism and (3) virtue ethics.

**Deontology**

Kant’s deontological theory lies is based on the idea that individuals have possess both their own a duty and an obligation to be fulfilled and have as well as the power to determine their moral law (Christie et al., 2008), and thus rejecting the fundamental proposition of utilitarianism (Fraedrich & Ferrell, 1992). Moreover, van Staveren (2007) acknowledged that an ideology of the utility of the individual and the greatest number of in society is unrealistic because economic equation could not quantify happiness. Knights and O’Leary (2006) reported that a decision should be made primarily by considering one’s duties and the rights of others. The elemental obligation and rights of various persons in ethical reasoning is the concerned principal focus of deontological ethics (Hunt & Vitell, 2006). but noticeably less a concern on in utilitarianism, which emphasized emphasizes on overall outcomes (Zhu et
al., 2004) and but lacks an emphasis on virtue, [notice inserted comma] that which is concerned on with personal morality that controls means and ends (van Staveren, 2007). [See editorial endnote #3]

Deontology focuses on the notion of the means justifying the ends, wherein it stresses on the intention of the a behaviour behavior. [delete period & insert colon→]; Thus whereas, relativism emphasizes on what is right and wrong to do as an obligation of an individual (Coughlan, 2005). Idealist marketers demonstrate higher deontology deontological norms and ethical decision making (Singhapakdi et al., 2000) than [complete this comparison appropriately, i.e., “higher than...” whom? or what?]. Thus Moreover, van Staveren (2007) highlighted emphasized that Kant’s categorical imperative is a truism action that accepted by the universal law of nature (van Staveren, 2007).

The thrust of deontology provides incontrovertible conducts behaviors. According to van Staveren (2007), [notice inserted comma] deontology fits the positional objectivity in the economics of a non-ambiguous [notice inserted hyphen] objective. Miner and Petocz (2003) clarified duty as absolute, [notice inserted comma] either positive or negative; [delete semi-colon] and never conflicted between each other conflicting. Beekun et al. (2008) explained that relativism is the deontology of different people persons perceived perceiving different types of happiness. Although the a direct relationship between deontology and ethical reasoning has been elusive, Yoon (2011) established a positive direct relationship between deontology and ethical judgment, [notice inserted comma] which in turn does not directly influences influence ethical reasoning. Studies done conducted by Guoxi (2010), Micewski and Troy (2007), Piller (2009), and Rothhaar (2010) all supported support this result such a relationship, [notice inserted comma] and found finding that morality is hindered by emotions, [delete comma & insert semi-colon→]; therefore, duties and obligations guided guide what ought to be done. These findings concur with those of Friedman and Friedman (1988), who maintained that ethical custom, norms, culture and law are indispensable society societal rules that restricted require the business professional to perform duty duties and obligations as because a profit-driven [notice inserted hyphen] business has to must meet social responsibility responsibilities to be recognized as a good organization.

**Utilitarianism**

Works by Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873) pioneered the conceptual development of utilitarianism utilitarian theory. [delete period & insert comma→]. The theory suggested that organization compelled to produce greater positive benefit and effects for organization’s stakeholders (Weymark, 2005) and strongly believed that moral action should maximizing welfare for greatest number of people (Ferrell & Ferrell, 2005), which proposes that moral action should maximizing maximize the welfare for of the greatest number of people (Ferrell & Ferrell, 2005). This theory also suggested that an organization should be compelled to produce greater positive benefits and effects for organization’s its stakeholders (Weymark, 2005). [notice inserted period] Consequentialists acknowledged that reasoning is considered ethical only when only the a decision satisfying satisfies the greatest good for the maximum number of people (Ferrell & Ferrell, 2005; Hunt & Vasquez-Parraga, 1993), [notice inserted comma] regardless of sound moral character and the fulfilment of obligation. Moreover, [notice inserted comma] de Colle and Werhene (2008) argued that the implications of actions in evaluating the morality or amorality of course of manners are crucial in determining the forthcoming consequences. The deemed consequences of the greater good are need to be defined by the society (Liu, 2011), [notice inserted
which is a separate subjective morality moral separation assessment process in accordance to accordance with individual preferences (van Staveren, 2007). However, Yoon (2011) concluded that the utilitarianism utilitarian approach is less satisfying in a business context because it exclusively lies relies exclusively on the moral worth of behaviour behavior towards aimed at maximizing stakeholders’ benefits in ethical reasoning (Fleischman et al., 2010).

Numerous studies have strongly firmly established the existence of mixed relationships between utilitarianism and ethical reasoning. A recent study by Danon-Leva et al. (2010) reported that business people in Hong Kong practicing practice utilitarianism through nepotism a nepotic approach in to business their respective enterprises to bring achieve a good outcome for the benefit of the each company. [delete period & insert semi-colon]; While whereas, [notice inserted comma] another study found that benevolent benevolence is perceived to be less important for ethical reasoning (Lau and Wong, 2009). However, [notice inserted comma] studies done by de Colle and Werhene (2008); Reynolds and Bowie (2004); [delete 2 preceding semi-colons & replace with commas] and Rothhaar (2010) all argued that employees’ basic rights may be violated to please the interests of the majority in the an organization. Knights and O'Leary (2006) noted that a majority of shareholders might pressure the executives to use exercise bad judgment to maximize their the wealth of the former. Hartman, (1998) also criticized critically observed that the use of market pricing in determining the cost-benefits [notice inserted hyphen] of the actions is impossible when while being involved engaged with in a subjective assessment of value. Therefore, moral obligations to the society are ignored as utilitarianism shaped shapes the an organization’s principles. Moreover, [notice inserted comma] de Colle and Werhene (2008) and as well as van Staveren (2007) have obtained evidenced evidence that ethics is perceived as a symbol for values the congruence of values in an organization’s societal preferences; [insert semi-colon] and because of that therefore, it has dismissed virtuous character is dismissed in from functioning social duties (van Staveren, 2007; de Colle & Werhene, 2008).

**Virtue Ethics**

Aristotle’s system of virtue ethics is an characterized by individual integrity in of character (Knights & O'Leary, 2006). Nevertheless, an act is less accentuates accentuated in business ethical reasoning as the focus of virtue ethics is focuses on the moral agent. Integrity and ethics have different meanings, [notice inserted comma] yet ethics is a subset of integrity (Shanahan & Hyman, 2003). Arjoon (2007) further explained that integrity is a moral conduct; [insert semi-colon] however whereas, [insert comma] professional conduct within organizational context is comprises ethics. Arjoon (2000) suggested that virtue ethics must be integrated with act-oriented and result-based ethics to get obtain a better insight of into moral issues and dilemmas. Christie et al. (2008) proposed that virtue ethics balanced balances the act of harm damage-reduction [notice inserted hyphen] and self-discipline to support an interactive normative leadership tripartite approach to normative leadership, [notice inserted comma] as claimed by Whetstone (2001). They Christie et al. added also observed that moral philosophies will better support managers’ [notice inserted apostrophe] practicing practice of ethical reasoning. Mellema (2010) articulated that managers deals deal with an implication that to conform to moral pressure; [delete semi-colon] in which the an act can be wronged wrong but for the right reasons.

latter two elements are being associated with the particular purposes to which ethical reasoning acknowledges as the law acknowledge. According to Solomon (1992), the ideal combination of the character and idea of a goodness in a person has created the concept of virtue ethics. Character is closely related to virtue by reinforcing the link between the an individual and the values applied in business decision making where the organizational citizen will act based on the basis of the virtuous principles sowed nourished via the organization’s culture and code of conduct. Therefore, to embrace a the good life as mentioned by to which Aristotle refers as practical wisdom (Carroll, 2004), ongoing pressure need to should be managed via a sense of fairness or justice, self-control and courage.

The results from obtained in studies by Christie et al. (2008); de Colle and Werhene (2008); [delete 2 preceding semi-colons & replace with commas→], and van Staveren (2007) all revealed that society societal benefits will be are delivered through honesty, loyalty, trust and others other similar attributes. A recent study by Warna-Furu et al. (2010) reported that when the level of virtue ethics level is high, less fewer sick leaves are encountered taken by the employees in companies. Lau and Wong (2009) revealed discovered that equity is an antecedent for distributive norms. Arjoon (2007) argued that although the concept of virtue ethics has been was introduced before century millennia ago by Aristotle, however only a handful few empirical findings were have been recorded reported on concerning virtue ethics. Since deontology and utilitarianism are absolutely independent, perhaps * virtue ethics could bridge merge these two ideologies into a tripartite bipartite approach, as suggested by Christie et al. (2008). [delete period & insert comma→]. They who suggested that the most important aspect in moral philosophy is to search for the level of each philosophy that realistically contributes to ethical reasoning in a business context rather than examined examining it each one independently that led in producing and possibly obtaining unrealistic findings. * [See Endnote #4]

Ethical Reasoning

Piaget’s Cognitive Development Concept pioneered the practical use of ethics and morality in dealing with behavioral issues (Rest et al., 2000). In the 1950’s [delete apostrophe], Kohlberg (2008) introduced the Theory of Cognitive Moral Development (CMD), [insert comma] that which depicts the evolution of the moral reasoning of an individual in a series of stages. This concept had been became the foundation of the Rest’s Four Component Model of moral behaviour behavior (Rest, 1999). Moreover, Kohlberg’s CMD has been integrated into much of the subsequent ethical reasoning research (Ferrell & Ferrell, 2005; Loviscky et al., 2007; Treviño et al., 2006) to better understands understand the impediment of the an individual’s ethical construction. Ethical reasoning is related to human action that is morally constrained in within reality (Drake, 2009). While Yusoff and Murugiah (2004) acknowledged that integration of moral philosophy integration helps business organizations to consciously comprehend with the process of ethical reasoning.

Rest (1999) argued that a moral decision involved involves logical thinking rather than chronologically chronological thinking. Thus, [notice inserted comma] he introduced four major psychological processes to that enable people individuals to behave morally based on the basis of a domain of moral development domain with having different starting initial viewpoints to recognize for recognizing different levels of ethical decisions, namely, [notice inserted comma] (1) awareness, (2) judgment, (3) intention and (4) behaviour behavior. Rest et al. (2000) mentioned asserted that the model of moral decision model is subjective and not amenable to a linear problem-solving [notice inserted hyphen] model as because it involved involves the traditional domains of cognition, affect and behaviour behavior traditional domains (Eisenberger et al., 1986). [notice inserted comma] as
explained in the Theory of Reasoned Action (Fishbein & Azjen, 1975). Furthermore, CMD is has been criticized for being incomplete, focusing on justice rather than the rational aspects of morality (Rest et al., 2000) like such as obligations and consequences obligation-and-consequence \[\text{[notice inserted hyphens]}\] theories (Hunt & Vitell, 1986) and character theory (Arjoon, 2000) that effect the reaction of an individual’s ethical reasoning and behavior (Mustamil & Quaddus, 2009). Gibbs et al. (1992) argued that behavior is the outcome of ethical reasoning. They also recommended identified ethical motivation as part a component of ethical reasoning components that has been neglected by Rest had neglected (1999). The Furthermore, \[\text{[notice inserted comma]}\] ethical motivation is a cognitive process in which an individual ethically decides on ethically or ethically an action based on person's personal values, interests and self-efficacy (Kiellhoffner, 2008). * [See Endnote #5]

O’Fallon and Butterfield (2005) recorded reported that, in 15 studies between 1996 and 2003, \[\text{[notice 2 inserted commas]}\] a cognitive process was positively and significantly affected ethical decisions in 15 studies between 1996 and 2003. DeConinck and Lewis (1997) established argued that rewards and punishment, whether ethical/(deleted) slash or unethical, \[\text{[notice 2 inserted commas]}\] is are justifiable through the cognitive process of a moral philosophy. Studies on MBA students and marketing personnel have proven that cognitive moral development has significantly affects social philanthropy due to ethical reasoning (Hengenrader, 2010; Judeh, 2011). Nevertheless of consistent significant result of cognitive process ethical decision, Agreeing with the significance of a cognitive process in ethical decisions, \[\text{[notice inserted comma]}\] Ford and Richardson (1994) and Loe et al. (2000) agreed also observed that a cognitive process is difficult to study due to the high magnitude of complexity of ethical reasoning. Abdolmohammadi et al. (2009) argued that many studies have identified and examined factors that contributed contribute to ethical reasoning, \[\text{[notice inserted comma]}\] but the respective researchers failed to understand the underlying degree of moral philosophies and ethical reasoning components that influenced ethicality conducts ethical conduct in business. It was Several researchers have also argued that ethical reasoning does not necessarily demonstrate ethical behavior (Brown et al., 2005; Eisenberger et al., 1986; Victor & Cullen, 1988). O’Fallon and Butterfield (2005) also suggested that Rest’s framework need to should be improvised \[\text{[Do you mean “revised” instead of “improved”?]}\]; \[\text{[delete semi-colon & insert period]}\]. Thus, \[\text{[notice inserted comma]}\] an ethical decision not only involved involves rational thinking but is also complicated with by the emotional involvement and values commitment of inherent in ethical reasoning (Etzioni, 1988). Furthermore, the ethical choice of an individual that who wears different hats (e.g., a conscientious moral agent or a moral manager) in an organization may generate build-in built-in conflict as the objective of personal and business objectives clash clash (Trevino & Nelson, 2007).

Arjoon (2007); Etzioni (1988); Hengenrader (2010); and Judeh (2011) have all recommended for conducting further investigation of the associate association between moral philosophy with and ethical reasoning. As suggested by McDevitt et al. (2007), \[\text{[notice inserted comma]}\] even though although the model presents an individual information matrix that embedded in an ethical reasoning process, it is still necessary to define the content variables to sufficiently understand of how individuals landed at reach ethical or unethical decisions. This is due to the significant attention has been given thereto in numerous empirical studies examining the direct effects by of ethical judgment, ethical intent and ethical behavior. However, the importance of ethical awareness and ethical motivation in ethical reasoning is has been overlooked. O’Fallon & Butterfield (2005) recorded those observed that, among 185 empirical studies on ethical judgment, 86 studies on ethical intent and 85 on ethical behavior implemented between 1996 and 2003. \[\text{[delete period & insert comma]}\], only 28 empirical studies recorded for examined ethical awareness between 1996 and 2003. The approach adapted in this our study, \[\text{[delete comma]}\] we adapt an approach is similar to those used in previous research in examining ethical reasoning (e.g., Ahmad et al., 2005; Barnett & Valentine, 2004; Cohen
et al., 2001; Conroy & Emerson, 2004; Desplaces et al., 2007; Gibbs et al., 1992; Liu, 2011; Loviscky et al., 2007). The four ethical constructs examined are ethical (1) awareness, ethical (2) judgment, ethical (3) intention and ethical (4) motivation.

MODEL DEVELOPMENT

An integrated model was used to test the relationships among between moral philosophy and ethical reasoning (See Figure 1). [See Endnote #6]

The Statistical Package for the Social Sciences (SPSS), Analysis of Moment Structures (AMOS) (Arbuckle, 2006) software via for Structural Equation Modelling (SEM) was employed to depict analyze [analyse] the causal relationships between variables. The theoretical bases to support the hypothesis development are henceforth discussed.

(Insert Fig. 1 here)

Relationships between Deontology, Utilitarianism and Virtue Ethics

Moral philosophy is used to weigh various options in justifying resolving ethical problems (Hunt et al., 1990). Hunt and Vasquez-Parraga (1993); [delete semi-colon] and Hunt and Vitell (1986) suggested proposed that business people’s ethical reasoning is pillared by the criteria of deontological deontology and utilitarianism criterion. Many philosophers have been tempted to think that those business people such persons must choose one moral philosophy as an approach in order to justify a particular course of actions (Altman, 2007). One notable feature which concluded by many philosophers conclude is that moral philosophy studies neglect the deeds exercised for the greatest goods good and virtue of characters (Badele & Moore, 2006; d’Anjou, 2011). Trevino et al. (2003) argued that virtue virtuous character practices and effective leadership to support the obligations of the moral agents and the moral organizations.

Buccholtz and Rosenthal (1998); Donaldson and Werhane (1999); Trevino and Nelson (2007); [delete 3 semi-colons & replace with commas], and Weiss (2003) all noted that virtuous human approaches are the common pillars in ethical reasoning and as well as in complementary duty-and-consequences [notice 2 inserted hyphens] approaches. Koch (1995) concluded that moral character is the bedrock for any justification of morality together in conjunction with utilitarianism utilitarian and deontological approaches.

Bellizzi and Hite (1989); Hunt and Vasquez-Parraga (1993); Hunt and Vitell, (1986); [delete 3 semi-colons & replace with commas], and Hunt et al. [notice inserted period] (1984) all believed that utilitarianism and deontology exhaust all possible modes of ethical reasoning, [notice inserted comma] and thereby neglecting the human nature of natural human virtue in examining analyzing [analysing] ethical decisions. De Colle and Werhane (2008) implied suggested that the integration of moral theories considerably affects affects the their practical application in within an organization. The absent absence of virtue of virtuous human character as a full complement to moral reasoning creates an imbalance in supporting a moral obligation to act and a moral deed on the consequences of
a deed. This approach is assumed to minimize unethical decisions made due to limited choices when using a single personal moral philosophy [notice inserted hyphen] approach.

Arjoon (2000) argued that an important element of virtue ethics was not included in most researchers *research reports related to ethical reasoning. He added that the good intention of virtue is overshadowed by benevolence as a result of the absence of virtue characters of virtuous human characteristics (d’Anjou, 2011). Baugher and Weisbord (2009) further explained that moral philosophy can only differentiate the moral relevancy of human actions rather than delineating a complete and comprehensive form of moral acts. Morally acceptable acts rely on individual judgment to determine the guidelines to be used as an ethics screen to establish equilibrium in interpersonal relationships of between one’s individual and community for life fulfillment and holds while holding business and society societal motives as important (Ali, 1987). * [See endnote #7]

According to de Colle and Werhane (2008), the differences in between organizational and individual ethics perspectives of the organization and individual are due to the different factors that supports supporting the ethical reasoning process. Sims (1992) supported observed that individual employees’ moral philosophy philosophies is are based on values, beliefs and norms accepted by the society and culture in which they lived in live. An individual ethical philosophy can be set based upon either any of the following:

1. The moral worth of any action (Piller, 2009);
2. Achieving the greatest overall happiness (de Colle and Werhane, 2008) and improve improving the fairness of social outcomes (Kircher et al., 2009) or
3. Emphasizing on the process of personal moral character development through focusing on motivation and the source of action and as well as identifying the contextual importance to improve understanding and complement personal character (Whetstone, 2001).

Business professional’s professionals’ perspectives are more concerned on with their respective business reputations, implications and economic values. Their ethical viewpoints are not solely based on those of society’s society or their rights, their obligations, sense of fairness and benefits to the a society that usually abides the ethical reasoning (Sims & Brinkmann, 2002). Trevino and Nelson (2007) suggested proposed that the ethical choices involved involve thinking patterns that advise for the decisions of a conscientious moral agent decisions. A prescriptive approach also provides grounds, on the basis of rational arguments, for what whether a certain course of action is either morally desirable or reprehensible (Loviscky et al. 2007). Two pivotal questions thus arise: (1) What is right or wrong; [delete semi-colon & insert comma→], and (2) What is good or bad? These questions lead to the development of a framework for ethical reasoning which is consisting of teleology, rights and a virtue virtuous approach.

Akaah’s (1997) research found that ethical reasoning related to marketing ethics focuses on the concepts of deontological deontology and less on utilitarianism. He added that a rewards/punishment system within the a business organization influences the personal moral philosophy adhered to internally. Christie et al. (2008) argued that the employment of moral philosophy to analyze ethical dilemmas will reduce the risk of organizations. Consistently, Piller (2009) believed argued that one’s one should believe in the a value and act accordingly to it. Moreover, the values of a believer helped assist in ethical reasoning. The empirical literature variously emphasized on emphasizes consequences (teleology) and actions (deontology) (Altman, 2007). Hunt
and Vitell’s (1986) General Theory of Marketing Ethics has been directly supported by the empirical analysis of moral philosophy, empirical analysis where, deontology and teleology have significantly impacted ethical reasoning in particular situations in organizations (Ferrell and Gresham, 1985; Fraedrich and Ferrell, 1992; Ferrell et al., 1989; Hunt and Vasquez-Parraga, 1993). However, Arjoon (2000) proposed that formal ethical theories could not be measured independently but are instead directly related to one’s character. Wood et al. (1988); semi-colon & insert comma], and Jones and Gausch (1988) commented observed that business professionals and future business executives are required to align their moral philosophy with a corporate requirement to succeed. Fraedrich and Ferrell (1992); semi-colon & insert comma], and Singhapakdi et al. (2000) argued that moral philosophy is an antecedent of ethical reasoning in business. period & insert comma], a premise supported by Hunt and Vitell’s (1986) Theory of Marketing Ethics, suggested which proposes that different ethical/unethical [notice deleted space after forward-slash] decision outcomes are produced by different types of personal moral philosophy.

The noble characters on human in conducts does not perceived as pivotal in moral philosophy studied by researchers. The noblest characteristics of human conduct are not perceived as pivotal in moral philosophy as studied by many researchers (d’Anjou, 2011). Marketing and management researchers have focused independently on deontologist the deontological and teleology teleological ideologies of underlying the moral motives in the ethical reasoning of sales personnel in America (Hunt and Vitel, 1986; Hunt, Wood, and Chonko, 1989; Hunt and Vasquez-Parraga, 1993), business managers in Thailand (Singhapakdi et al., 2000), 2 highlighted commas & insert 2 semi-colons; managers and non-managers notice inserted hyphen in Hong Kong (Siu & Lam, 2009); semi-colon and marketing personnel in Australia, America and Malaysia (Karande et al., 2002). Arjoon (2000) argued that the important aspects of virtue adhered by to which business professionals adhere are always overlooked by researchers and ethicists. He added also observed that Aristotle’s virtue ethics complemented complement both the deontological and utilitarianism the utilitarian philosophies adhered by business to which professionals within the business organizations adhere.

Bellizzi and Hite (1989); Hunt and Vasquez-Parraga (1993); Hunt and Vitell (1986); 3 highlighted semi-colons & insert 3 commas], and Hunt et al. period 1984 all believed that utilitarianism and deontology exhaust all possible modes of ethical reasoning. However, Buccholtz and Rosenthal (1998); Donaldson and Werhane (1999); semi-colons & insert 2 commas], Trevino and Nelson (2007), comma and Weiss (2003) all noted that some philosophers are reluctant to accept wholesomely the human-nature inserted hyphen approaches wholeheartedly. They argued that personal character perspectives are more fundamental that to act-oriented inserted hyphen theories in moral reasoning. According to Koehn (1995), virtue ethics is a must for morality moral justification, comma together with utilitarianism the utilitarian and deontological approaches. The absent absence of virtue of in human character as a full complement to moral reasoning creates an imbalance in supporting duty of both the obligation to act and the consequences of utilitarianism. De Colle and Werhane (2008) concluded that the integration of individual moral philosophy philosophies will affect the ethical wisdom and the its practical application in organizations. This approach is assumed to minimize unethical decisions made due to limited choices using a single moral philosophy philosophical approach.

Pimentel, Kuntz, and Elenkov (2010) argued emphasized that previous studies have focused on establishing alternatives to current theory, comma & insert semi-colon]; thus, insert
A comprehensive theory is essential to understand and guide an individual reasoning based on psychological and physiological motivational approaches that affect intentions. Arjoon (2007) added noted that the absence of a comprehensive moral theory can affect each of the following (p. 396):

1) To decide Deciding which theory to apply in a given situation?
2) To choose Choosing guidelines in applying these different theories and approaches?
3) To determine Determining the criteria that applies the best theory for the given problem? [insert comma]
4) To make Making a decision if the application of results from different theories provides different courses of actions? [insert question mark & period]

Altman (2007) claimed that researchers always leave behind insufficiently report on a good-quality characterization of individuals. This negligence occurs because moral philosophy theories can not only be categorized not only independently as deontology or teleology but also simultaneously in a combination of both (Beekun et al., 2008). Cornelius and Gagnon (1999) argued that deontology and utilitarianism are inflexible. Practically, a moral managers need space to think before arriving with reaching conclusions in decision making. Thus, a dynamic of solitude will facilitate reflection in an ethical context of ethics in the decision making process (Akrivou et al., 2011). Objectivity prevents deontology from dealing with real problems and the rigidity unable a rigid inability to react to changes in ethical evaluation over time. Utilitarianism does not prohibit harming others if behavior is consistent with maximizing self-interest or utility. It also promotes the ends-justify-the-means approach that establishes distributive injustice in an organization. It has been argued that virtue ethics theory is argued to does not having clear rules and procedures for ethical decision making (Arjoon, 2000). Solomon (1992) claimed that managers should promote the a good/right intentional/characters characterization of oneself rather than recognizing the rights of others. This should be supported by organizational systems through clear roles and responsibilities in each duty. With this respect such an aspect, the roles and responsibilities become repetitive practice and indirectly habitual practice to for managers. Arjoon (2000) supported agreed that virtues requires practice is required as a critical component of in many forms of virtue theory.

A personal moral philosophy is used to evaluate various alternatives to resolve the ethical problem (Hunt et al., 1990). However, business professionals may behave unethically (due to unethical decision making) if the duty (deontology) permits the initiation of positive consequences (utilitarianism) for an organization (Hunt & Vasquez-Parraga, 1993). For example, marketers place utilitarianism in the fundamental level of the moral philosophy pyramid to be rewarded for contributions to organizations; the profit-sharing of organizations because utility maximizes the overall good consequences of meeting the target. In order to be rewarded, basic rules should be deontologically fulfilled (deontological) but not obligated as an obligation to demonstrate the good virtue of individual characters to meet the sales target. As a result With regard to this concept, Philips and Margolis (2000) commented that a personal moral philosophy and ethical reasoning must be mutually exclusive in the business environment. Beekun et al. (2008) implied proposed that a moral philosophy is not an independent deontology or teleology but rather integration...
a component integrated with the good-quality [notice inserted hyphen] character of an individual (Altman, 2007). Therefore, we posit the following hypothesis: hypotheses are posited for our study:

\[ \begin{align*}
H1: & \quad \text{Utilitarianism is correlated with deontology} \\
H2: & \quad \text{Deontology is correlated with virtue ethics} \\
H3: & \quad \text{Virtue ethics is correlated with utilitarianism}
\end{align*} \]

Relationships between Moral Philosophy and Ethical Reasoning

Business practices can only be judged morally with reference to the reasoning held by particular business people [persons] (Altman, 2007). The actions of the business people in the context of business organizations are judged against moral principles. As a result, business decisions are types of human action, and all moral actions are morally constrained in reality. Consistency or absence of contradictions from within the organization as a legal entity guides business professionals to be rational (Velasques et al., 1998).

Ethical reasoning in ethical decision making is important for business professionals because these groups they have discretion and are likely to deal with ambiguous and ethically charged issues (Loviscky et al., 2007). The ethical reasoning of business people ethical reasoning can seriously affect stakeholders. Additionally, the decision made by business people could can be establish a precedent for success and influence others in pursuit of the objectives of the respective organizations. It is important to be able to assess business people persons’ moral-philosophy [notice inserted hyphen] reasoning capability since it is relevant to roles and responsibilities within [one compound word] the organizations (Watley & May, 2004).

Researchers agreed that ethics is concerned with the effects of individual actions on others (Zhu et al, 2004) that are guided by a principle of right-or-wrong or good-or-bad [notice 4 inserted hyphens] of in human conducts conduct or behaviors (Abdolmohammadi et al, 2009). Absence of contradictory contradiction is the hallmark of ethical reasoning. Employees are required to modifying modify their individual moral standards, values and actions before entering the door of an organization on the first day of reporting to work (Trevino and Nelson, 2007). Previous research studies have shown the effects of the moral philosophies of egoism, utilitarianism, deontological deontology and virtue ethics on ethical reasoning (Ahmad et al., 2005; Arjoon, 2007; Bartlett, 2003; Christie et al., 2008; Guoxi, 2010; Sae, 2009; Micewski and Troy, 2007; Piller, 2009; Rothhaar, 2010; van Staveren, 2007; Warna-Furu et al., 2010). Particularly, the ethical decision making processes of marketing personnel, business executives and managers; [delete semi-colon & insert comma], and as well as business students have provided empirical evidence for distinction distinctive moral-philosophy [notice inserted hyphen] comprehension (Asheim and Mitra, 2010; Lau & Wong, 2009; MacKewn & VanVuren, 2007; Siu & Lam, 2009). However, the findings are mixed (O'Fallon & Butterfield, 2005).

Despite the strong empirical support for differences in moral philosophy in ethical reasoning processes, administered a survey on of 191 American university students also confirmed that Forsyth’s (1980) model of relativism and relativism itself were strongly correlated with ethical reasoning process. The findings disclosed that idealism is driven by moral absolutes;
wheras, relativism is dependent upon the situational context (MacKewn & Van Vuren, 2007). A comparative study of American, Australian and Malaysian marketers found idealism and relativism to be positively and negatively related to ethical values, respectively (Karande et al., 2000). Consistent responses from 189 marketing executives and managers in a corporate organization in the United States revealed that both utilitarianism and deontological deontology affected ethical reasoning in a corporate organization in the United States (Fraedrich & Ferrell, 1992). [See endnote #8]

Justification is important rather than explaining the when actions are not explained (Whetstone, 2001). Business professionals in organizations have more than one reason for doing something motivated by their self-interest (Gupta & Sulaiman, 1996). But However, many philosophers have been tempted to think that those who such professionals must choose one ethics theory as an approach in order to justify a particular course of actions (Altman, 2007). Hunt and Vitell (1986) explained how an individual in an organization might make a decision when confronted with an ethical problem: They further explained that a person must first perceive that an ethical situation exists before examining possible solutions to resolve the ethical dilemma.

Arjoon (2007) explained that the duty to act due to a high-calibre character may create desirable consequences in ethical reasoning. An individual business professional might refrain from cheating in business dealings for at least three reasons: (1) because this is the right way to act, and because the acting (2) such behavior will create a better business reputation and relationships, and (3) one is an honest person. In reality, the ethical reasoning of business people persons in business organizations is has very much bearing considerable clout and is defined by classical moral philosophies and as well as influenced by the particular organizational setting to support their decision reasoning. Deontology and utilitarianism are tools used in organizational settings that provides to provide consistency in the sense that moral standards, values and actions that should not be contradictory between business people and the their organization. This dimension helps to clarify the different moral assumptions of business professionals who are involved in ethical reasoning in decision making for ethical appropriate conduct (Trevino & Nelson, 2007).

According to Bastons (2006), and Crockett (2005), the business sentiments toward social and moral issues have drawn significant interest toward the gap between theory and practice. The Reconciliation via a practical integrated model, combining the moral-philosophy approaches namely of utilitarianism, deontological deontology and virtue ethics have represented characterized the organizational structure and culture. Thus, this reconciliation has been instituted for a reciprocal affiliation between business professionals and community communities for within organizational and social contexts. Hartman (1998) concluded that business ethics accounts for the external and organizational factors to that shape the internal structure according to the remedy and its justification thereof for accountability through ethical reasoning.

Whetstone (2001) concluded that justification is crucial than when explaining the actions in business ethics. This is due to the tendency of business people to be motivated to fulfill their self-interest (Gupta & Sulaiman, 1996). Thus, prevention through the ethical decision processes is better than curing ameliorating the an unethical act. For example, a business professional might refrain from cheating in business dealing because this is the right way to act, and because the acting will create a better business reputation and relationships and because one is an
honest person. Shanahan and Hyman (2003) suggested asserted that virtue ethics is critical in cataloguing business persons based on the basis of their beliefs with reference to virtuous qualities. According to Koehn (1995), the justification of morality must be associated with virtue ethics together with the support of utilitarianism and deontology. Arjoon (2007) added that virtuous characters guide the act of duty and the anticipated consequences expected. Therefore, it supports virtuous practice is supported as a critical component of many forms of virtue theory (Arjoon, 2000).

\[H4: \text{The higher the level of moral philosophy, the higher the level of ethical reasoning}\]

**RESEARCH METHODOLOGY**

**Sampling Procedures**

The This study targeted managers and executives from SMEs from listed in the 2010 SMEs Corporation (SME Corp) Directory, regardless of whether the companies were listed under the agriculture, manufacturing or services segments sectors. The level of analysis was focused on the managers and executives who had the authority and involved involvement with companies the business practices and dealings of their respective companies. Mail Surveys were sent randomly to 2,500 managers and executives. A response rate of 13.76% (344 respondents with complete answers) was generated, based on the 2,500 questionnaires originally distributed.

**Research Instrument**

*Independent Variables: Deontology and Utilitarianism*

The study adapted the idealism and relativism dimension components of Forsyth’s Ethics Position Questionnaires (EPQ) (1980) of idealism and relativism. Each construct was measured by a total of 9 and 6 statements, respectively, using a 6-point Likert scale ranging from 1 = strongly disagree to 6 = strongly agree. Sample of Representative statements were included the following: “If an action could harm an innocent other, then it should not be done” (Idealism); and “What is ethical varies from one situation and society to another” (Relativism).

Singhapakdi et al. (2000) explained that the EPQ provides general simple statements that are easy to understand and examine. EPQ is a valid instrument (MacKewn & VanVuren, 2007); empirical research has demonstrated that the EPQ supports a significant relationship between moral philosophy and ethical reasoning in different nations and across cultures (Forsyth, 1980; Redfern & Crawford, 2004) with a high degree of accuracy of empirical findings. This validity exists because the statements items are contextually appropriate to measure subjective moral philosophy in a given situation (MacKewn & VanVuren, 2007).

*Independent Variables: Virtue Ethics*
Adapting procedures similar to those in a previous study by Ahmad et al. (2005), we used the Virtue Ethics Scale developed by Shanahan & Hyman (2003) to examine the virtuous characters character of business professionals. This instrument was developed to complement complement [?] the dutiful and consequences consequential outcomes of ethical reasoning. [insert comma] which might otherwise is be incomplete and may could harm the organization business reputation of an organization (Ariail, 2005).* [See Endnote #9]

The Virtue Ethics Scale measures three constructs of virtuous characters character, namely empathy, integrity and reliability. [insert comma] by the use of a six-point Likert scale (1 = strongly disagree to 6 = strongly agree) with having a total of 16 statements: with empathy of seven statements on empathy; six on integrity of six statements; and three on reliability of three statements. Sample Representative statements are include the following: “I should listen and understand (Empathy); “I am always willing to reciprocate” (Integrity); and “I will fulfil one’s my responsibility” (Reliability). * [See Endnote #10]

**Dependent Variables: Ethical Reasoning**

Ethical reasoning was measured with an adaptation of the scales used by Cacioppo et al. (1984); Clark (1966); Epstein et al. (1996); Fritzche and Becker (1982); Harris (1990); Jones and Ryan (1997); [delete 6 semi-colons & insert 6 commas], and Longnecker et al. (1989). Both Those scales were selected based on the basis of criterion criteria established to measure for measuring the ethical reasoning ability of the responding SMEs SME managers and executives. A six-point Likert scale was employed to measure four constructs of ethical reasoning, namely consisting of eight aspects of ethical awareness, six aspects of ethical judgment, seven aspects of ethical intention and four aspects of ethical motivation. All constructs were ranging from 1 = strongly disagree to 6 = strongly agree, except for the ethical awareness variable, which is ranging between 1 = strongly unethical and 6 = strongly ethical. Sample statements are included: “In order to increase the profits of the firms, a general manager used a production process that exceeded the legal limits for environmental pollution” (Ethical Awareness); “I don’t have a very good sense of intuition” (Ethical Judgment); “I believe in trusting my hunches” (Ethical Intention); and “I enjoy intellectual challenges” [delete single quotation mark & insert double quote mark]” (Ethical motivation).

**Data Analysis**

In this study the Statistical Package for Social Sciences (SPSS for Windows) and AMOS 18.0 (Arbuckle, 2006) were used in this study to estimate the structural equation models and path analyses of the collected data. According to Anderson and Gerbing (1998), a Confirmatory Factor Analysis (CFA) in of the measurement model is crucial to assess the unidimensionality of each factor before the structural model can be measured. The Construct validity was used to determine the goodness of fit indexes (GFI) and the Root Mean Square Error of Approximation (RMSEA). Sivo et al. (2006) agreed proposed that values of 0.90 and closer to 1.00 indicate a better fit for GFI's. According to Bentler (1990), the RMSEA requires lower values than 0.08 to demonstrate an adequate fit of the measurement model. The empirical results revealed that the GFI's of all these factors are greater than 0.90; [delete semi-colon & insert comma], thus indicating that the model is accepted (Bagozzi & Yi, 1988; McQuitty, 2004). RMSEA The recorded RMSEA value of less than 0.08 and give indicates the indication of adequate fit of the model. Therefore, the this result implying implies that it is
reasonable to also accept the unidimensionality of the model (Anderson, 1987; Churchill, 1979; Germain et al. 1994; Sivo et al. 2006).

The p-values and the factor loadings ($\lambda$) were tested for convergent validity. Following the recommendations by Lei and Wu (2007); the measurement model of convergent validity was based on three conditions: (1) The normal rules of all indicators of $\lambda$-values should be significant and exceed 0.50 for acceptability; (2) The average variance extracted (AVE) of each factor should be at least 0.5 or higher for a high convergent validity indication (Fornell & Larcker, 1981); (3) the composite reliability (CR) should be greater than 0.70 (Hair et al., 2006; Sivo et al. 2006). Literature: Several researchers also have also proposed theorized that factor loadings and AVEs are heavily relying on psychological factors of the respondents (Bollen & Long, 1993; Byrne, 2010; Joreskog, 1993; Schumacker & Lomax, 2004). In this study, the use of AVE and CR is based on the two-step procedure proposed by Anderson and Gerbing (1998). The $\lambda$-values for all items were between 0.44 and 0.91, and the AVE ranges from 0.38 to 0.55, in which deontology and utilitarianism have lower AVEs than the cut-off value of 0.50 suggested by Fornell and Larcker (1981). Lorenzo-Romero et al. (2010) argued that previous studies have provided examples of acceptable scales with lower AVEs and that the a minimum value of 0.50 is usually very conservative (e.g.; Byrne, 1998; Diamantopoulos & Siguaw, 2000; Sharma, 1996; Tellis et al., 2009a; Trellis et al., 2009b). This model represented an acceptable convergent validity. As a result, the obtained measurement was accepted. The $\lambda$-values for all items and the results of the AVE for the constructs are listed in Table 1.

(Insert Table 1)

RESULTS

Profiles of Responding Firms

For our purpose, the SMECorp Directory (SME Corp Malaysia, 2010) was used to obtain a more representative sample of respondents in this study. The demographic breakdown of respondents and profile of the respondents and firms are presented in Table 2.

(Insert Table 2 here)

This study included SMEs from all industry segments because all business activities require the authority of business professionals in decision making. As displayed in Table 3, the independent t-test results indicated no significant differences were found on in the variables between the responses from male and female business professionals, thereby confirming that combining data from both positions yielded no significant differences.

(Insert Table 3 here)
Measurement Model: Relationships between Variables

Discriminant validity needs to be examined for each construct in three ways (White & Snyder, 2000). Fornell and Larcker (1981) insisted that AVEs must be compared with the correlation to the second power ($r^2$) between two variables. Discriminant validity is supported when the square root of the AVE exceeds this correlation (AVEs $> r^2$). Our findings recorded indicated that the $r^2$ of all constructs were between 0.013 and 0.211. The constructs meet these requirements with AVEs $> r^2$; thus exhibiting satisfactory discriminant validity.

* The Moral philosophy and ethical reasoning are also presumed to be measured by the these constructs because the $\lambda$-values ranging from 0.44 to 0.84 [$\chi^2 = 103.228$, $df = 53$, $\chi^2/df = 1.948$, NFI = 0.945, CFI = 0.972, TLI = 0.952, RMSEA = 0.053], and 0.51 to 0.91 [$\chi^2 = 338.556$, $df = 139$, $\chi^2/df = 2.436$, NFI = 0.919, CFI = 0.950, TLI = 0.924, RMSEA = 0.065], respectively. The high $\lambda$-values presented an indication for sufficient indication for convergent validity. Thus, these values are acceptable measurement properties. * [See endnote #11]

The correlation matrix and $r^2$ values between the independent and dependent variables are presented in Table 4. Since all of the $r$-values were less than 0.90, we conclude that there was no evidence of multicollinearity (Hair et al., 2006).

(Insert Table 4 here)

Structural Model

The path coefficients of the manifested constructs were calculated by using SEM to examine the relationships between the moral philosophy of deontology, utilitarianism and virtue ethics, and ethical reasoning levels expressed in terms of ethical awareness, judgment, motivation, and intention. To test the structural model, the following multiple fit indices were used: (1) Chi-Square ($\chi^2$) statistics to the degree of freedom ($df$); (2) * the absolute fit index indices (GFI and RMSEA); (3) the comparative fit index (CFI); and (4) the normed-fit index (NFI) to evaluate the goodness of fit of the measurement model. Statisticians have suggested that 0.90 is the threshold value for both the CFI and the TLI and provides to provide a satisfactory model of fit (Hair et al., 2006; McQuitty, 2004). As shown in Fig. 2, the structural model analysis had a reasonably good fit for the data collected [$\chi^2 = 16.808$, $df = 7$, NFI = 0.957, CFI = 0.974, TLI = 0.921, RMSEA = 0.064]. The ratios of chi-square to degree of freedom were 2.401, which is less than the conventionally accepted standard of 3.0 (Sivo et al., 2006). * [See endnote #12]

(Insert Figure 2 here)
The empirical validation of the model has provided support for the conceptual framework proposed for moral philosophy and ethical reasoning. Therefore, these findings are constructive for future research and practical applications in practice.

In this study, the results of the bivariate correlations revealed that deontology, utilitarianism and virtue ethics were moderately correlated to each other in this study. This suggests that the results suggest that the predictor variables: consisting of deontology, utilitarianism and virtue ethics are inter-related within the scope of moral philosophy. Moreover, the results of the bivariate correlations results of ethical reasoning between awareness, judgment, motivation, and intention found indicated that there was a relatively moderate relationship between the variables examined in this study.

The results obtained from the structural model supported the tested hypotheses. Deontology, utilitarianism, and virtue ethics are positively and significantly correlated. In this study, moral philosophy has had a significant positive relationship to ethical reasoning. With a path coefficient of 0.52, (p<0.05) The components of ethical reasoning, such as awareness, judgment, motivation, and intention, has have a direct impact on the ability of managers and executives' ability to support their respective moral philosophy philosophies.

The empirical findings have revealed that deontology contributes to the greatest extent of moral philosophy to the greatest extent, with having the highest value of 0.67 in comparison to utilitarianism and virtue ethics, with values of 0.55 and 0.59 respectively. On the contrary, ethical intention contributed to ethical reasoning when compared to other subscales. The study shows results indicate that the different moral philosophy philosophies influenced the ethical reasoning components in a different ways. All three moral philosophies complemented the needs of the moral reasoning components in business practices, but deontology seemed to have a stronger impact on ethical reasoning as when compared to deontology and utilitarianism.

**CONCLUSIONS**

Thus far, some critical components of ethical reasoning have been neglected in measuring moral philosophy orientations (Ross & Robertson, 2003). Researchers’ attention has been concentrated on ethical judgment rather than on awareness, motivation, and intention (O'Fallon & Butterfield, 2005). Efforts directed toward the traditional moral philosophies of deontology and utilitarianism have been extended to the entire business practices, and such patterns have focused more on economic and psychological assumptions (Etzioni, 1988). Trevino, Weaver, & Reynolds (2006) suggested proposed that the emotional involvement of virtue ethics influenced the non-monogamy of ethical reasoning. Supported by Holian (2006) supported the aforementioned position that argued by arguing that deontology and utilitarianism have become routine in a thinking process that can be easily overridden.
by deliberate and emotional thought. To rectify this situation, individual competence is important (Carroll, 2004) in describing their thoughts, feelings, actions, reactions and reflections to function facilitate the notion of bounded rationality in reasoning ethical issues (Zutshi & Creed, 2011).

The purpose of this paper our research was to provide a theoretical framework that ties to connect interrelated bodies of knowledge in for examining the ethical reasoning. Business entities have been scrutinized and penalized for unethical practices. The but the underlying hidden factors that have hidden beneath of the motivating business practitioners have been left unexplained and unexamined. Through empirical evidence we have demonstrated that, though the empirical evidence, how these important the importance of strategies: The integration of virtue ethics with deontology and utilitarianism exhibits its role of balancing duty and consequences in ethical reasoning components individually, which is being less rational and less complete in nature. The four dimensions of ethical reasoning, consisting of ethical awareness, judgment, motivation, and intention, are heightened for emotional healing, that which can lead to clearer thinking towards action that successfully copes with emotional demands (Holian, 2006).

Consistent with the findings in previous study findings studies, deontology was found sharpening to sharpen ethical awareness (e.g: Altman, 2007; d’Anjou, 2011; Singhapakdi & Vitell, 1991); utilitarianism, is found to move towards comfort with conscious choices (e.g: Loviscky et al., 2007; Meara et al., 1996; Yoon, 2011); and virtue ethics, is emphasized to emphasize on moral agent agency in capturing ethical moral actions (e.g: Palanski & Yammarino, 2009; van Staveren, 2007; Valentine & Bateman, 2011). An Individual or collective practical reasoning requires the managers and executives to have different degrees of moral philosophies to interact for interacting with the components of moral reasoning. The inter-components inter-component interaction of within ethical reasoning, which is non-linear in nature, will encourages good moral choices for ethical decision making, and subsequently, ethical behaviours behavior. This is occurs because each business practitioners have practitioner has a different degree of emotions, imagination and cognition that, on the basis of the respective job descriptions and specifications, proposes specific relationships between an individual moral philosophy and ethical reasoning based on their job descriptions and job specification.

In Malaysia The various ethical reasoning surveys in Malaysia (e.g: Ahmad & Seet, 2009; Karande et al., 2000; Mustamil & Quaddus, 2009) were carried out have been implemented to gain an understanding of how business professionals rationalize varying levels of emotions, imagination and cognition in thinking based on their moral philosophy philosophies (deontology, utilitarianism and virtue ethics) when faced with ethical dilemmas in business settings. Similar to findings in a study by Mustamil and Quaddus (2009), it was found that conflicts may arise between ways of thinking of moral philosophy as a conscientious moral agent and how to maximize a business outcome without the virtuous role of moral character. This is occurs because; managers and executives are the believer of believe their own respective moral philosophy philosophies (Valentine & Bateman, 2011). Even though Although O’Fallon and Butterfield (2005) found that previous studies on ethical decision making were only emphasized focused on only ethical judgment, but through the findings of in a study by Arnaud (2010), it was found revealed that the synergy between each components component of ethical reasoning is important to foster the collaboration of various individual’s individuals in values-focused
thinking. Synchronization of moral philosophy philosophies in rationalizing the dexterity of the components of ethical reasoning components will help the business organizations to consciously focus on the composition of the ethical values composition that crucially affects the comprehension of the business reputation that adheres to which a societal value system.

In spite of In addition to its several methodological strengths, the current study has provided opportunities for future studies research. First, we recommend that future researchers is recommended to broaden the demographic profile of the sample to test the robustness of the our results through similar endeavours in this area. Secondly, the generalizability of our results is restricted as because the nature of study is focusing was focused on ethical attitudes;—not ethical behaviours—generated within a single industry sector (SMEs) in a single only one country (Malaysia). Thus, future researchers could attain study obtain a sample from other multiple industries and nations to expand the stratum to support for testing the argument by Leitao and Faustino (2009) that employees within the parameter of the same industry or sub-industry parameter have homogenous characteristics and culture in their business practices. Therefore, an attempt for at sample generation from different industries and countries sample generation are is needed to establish and extend the generalization of the findings for future studies. Singhapakdi et al. (2000) have proposed that the degree of to which moral-philosophy factors contributed contribute to ethical reasoning in each countries country are is different and varies varied; may be perhaps due to the culture, and the societal context, and the nature of the jobs. Finally, it is also recognized that the implications for ethical leadership, an ethical climate, and organizational supports support implications stemming from this research must be considered in this light. It has been suggested that employees are more likely to be motivated by the a sense of reciprocation in the workplace (Parboteeah, et al., 2010). As such, these moderating factors would should provide an enhanced understanding of how best is ethical reasoning is being most efficiently practiced in different situational contexts.

REFERENCES


Schumacker, R. E., & Lomax, R. G. (2004). *A beginner’s guide to structural equation modeling* (2nd ed.). Mahwah: Lawrence Erlbaum Associates. [Revise “model” to “models” or “modeling”—whichever is the correct word in this title.]


[See endnote #14]
Utilitarianism

Deontology

Virtue Ethics

Moral philosophy

H1

H2

H3

H4

Ethical reasoning
- Awareness
- Judgment
- Motivation
- Intention

Fig. 1: Research Model
Fig. 2: Path Analysis Results [USA spelling: “Judgment”]

Model Statistics
\[
\chi^2 = 16.808 \\
df = 7 \\
p\text{-value} = 0.019 \\
\chi^2 / df = 2.401 \\
NFI = 0.957 \\
CFI = 0.974 \\
TLI = 0.921 \\
RMSEA = 0.064 \\
N = 344 \\
\]

Note:
Values showed shown are significant at \( p < 0.05 \)
Table 1: Results of Reliability and Validity Tests (n=344)

<table>
<thead>
<tr>
<th>Variables and Items</th>
<th>Indicators</th>
<th>Convergent Validity Test</th>
<th>Total Items</th>
<th>Reliability Test</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability*</th>
</tr>
</thead>
<tbody>
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<td>Deontology</td>
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<td>0.700</td>
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<th>0.770</th>
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</table>

Notes: *Composite Reliability (CR) = (Σλᵢ^2)/(Σλᵢ^2 + Σδᵢ^2), (λᵢ = standardized factor loadings, i = observed variables, δᵢ = error variance); **AVE = Σλᵢ^2/n (i = 1 ..n, λ = standardized factor loadings, i = observed variables)
Table 2: Profile of Respondents and Firms

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>Category</th>
<th>Respondents</th>
<th>Percentages</th>
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<tr>
<td>Position in the company</td>
<td>Manager</td>
<td>105</td>
<td>30.5</td>
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<tr>
<td></td>
<td>Executives</td>
<td>239</td>
<td>69.5</td>
</tr>
<tr>
<td>No. of years in the current company</td>
<td>1 - 5 years</td>
<td>200</td>
<td>58.1</td>
</tr>
<tr>
<td></td>
<td>6 - 10 years</td>
<td>88</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>11 - 15 years</td>
<td>44</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>16 years and more</td>
<td>12</td>
<td>3.5</td>
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<tr>
<td>Age group</td>
<td>21 - 25</td>
<td>145</td>
<td>42.2</td>
</tr>
<tr>
<td></td>
<td>26 - 30</td>
<td>110</td>
<td>32.0</td>
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<tr>
<td></td>
<td>31 - 35</td>
<td>73</td>
<td>21.2</td>
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<tr>
<td></td>
<td>36 - 40</td>
<td>3</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>41 - 45</td>
<td>8</td>
<td>2.3</td>
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<tr>
<td></td>
<td>46 - 50</td>
<td>3</td>
<td>0.9</td>
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<td></td>
<td>51 - 55</td>
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<td></td>
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<td>66.9</td>
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<td>Educational background</td>
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<td>6</td>
<td>1.7</td>
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<td>Certificate level</td>
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<td>5.2</td>
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<td>Diploma</td>
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</tr>
<tr>
<td></td>
<td>Bachelor’s degree</td>
<td>225</td>
<td>65.4</td>
</tr>
<tr>
<td>Firm’s Profile of Firms</td>
<td>Category</td>
<td>Respondents</td>
<td>Percentage</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>No. of employees</td>
<td>Less than 50</td>
<td>175</td>
<td>50.9</td>
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<tr>
<td></td>
<td>51 - 100</td>
<td>67</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>101 - 150</td>
<td>11</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>More than 150</td>
<td>91</td>
<td>26.5</td>
</tr>
<tr>
<td>Business area sector</td>
<td>Manufacturing</td>
<td>95</td>
<td>27.6</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>229</td>
<td>66.6</td>
</tr>
<tr>
<td></td>
<td>Agriculture</td>
<td>20</td>
<td>5.8</td>
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<tr>
<td>Postgraduate degree</td>
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<td>13</td>
<td>3.8</td>
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</table>
Table 3: Independent T-Tests T-Test Statistics for Estimating Differences in Responses between Manufacturing and Service Companies

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deontology</td>
<td>Male</td>
<td>114</td>
<td>4.400</td>
<td>0.512</td>
<td>0.048</td>
<td>n.s.</td>
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<tr>
<td></td>
<td>Female</td>
<td>230</td>
<td>4.454</td>
<td>0.465</td>
<td>0.031</td>
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</tr>
<tr>
<td>Utilitarianism</td>
<td>Male</td>
<td>114</td>
<td>4.643</td>
<td>0.682</td>
<td>0.064</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>230</td>
<td>4.721</td>
<td>0.594</td>
<td>0.039</td>
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</tr>
<tr>
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<td>114</td>
<td>4.561</td>
<td>0.659</td>
<td>0.062</td>
<td>n.s.</td>
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<td></td>
<td>Female</td>
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<td>4.694</td>
<td>0.663</td>
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<tr>
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<tr>
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<td>3.907</td>
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<tr>
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<td>114</td>
<td>3.664</td>
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<td>0.066</td>
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<tr>
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<td>Female</td>
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<tr>
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<td>4.364</td>
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</tr>
<tr>
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</table>

Note: n.s. = non-significant
Table 4: Bivariate Correlations for Dimensions of the Studied Variables

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<th>6</th>
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<tbody>
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<td>1 Deontology</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>2 Utilitarianism</td>
<td>.361**</td>
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<tr>
<td></td>
<td>(.130)</td>
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<tr>
<td>3 Virtue Ethics</td>
<td>.414**</td>
<td>.317**</td>
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<tr>
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<td>(.171)</td>
<td>(.100)</td>
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<tr>
<td>4 Ethical Awareness</td>
<td>.129*</td>
<td>.168**</td>
<td>.157**</td>
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<td>(.017)</td>
<td>(.028)</td>
<td>(.025)</td>
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<td>5 Ethical Judgment</td>
<td>.136*</td>
<td>.265**</td>
<td>.459**</td>
<td>.119*</td>
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<tr>
<td></td>
<td>(.018)</td>
<td>(.070)</td>
<td>(.211)</td>
<td>(.014)</td>
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<tr>
<td>6 Ethical Motivation</td>
<td>.115*</td>
<td>.205**</td>
<td>.267**</td>
<td>.211**</td>
<td>.155**</td>
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<tr>
<td></td>
<td>(.013)</td>
<td>(.042)</td>
<td>(.071)</td>
<td>(.045)</td>
<td>(.024)</td>
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<tr>
<td>7 Ethical Intention</td>
<td>.160**</td>
<td>.288**</td>
<td>.135*</td>
<td>.113*</td>
<td>.310**</td>
<td>.424**</td>
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<td>(.026)</td>
<td>(.083)</td>
<td>(.018)</td>
<td>(.013)</td>
<td>(.096)</td>
<td>(.180)</td>
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</table>

**Correlation is significant at 0.01 level (2-tailed)
* Correlation is significant at 0.05 level (2-tailed)
Note: $r^2$ values are presented in parentheses.

Your editor CJR's endnotes:

1: The 2nd paragraph of your Introduction was very difficult to revise because of its extreme verbosity. Here, your verbosity obscures what you are trying to express. My revision might be so extensive that it changes your intended meaning. I am a better-than-average reader—but not a mind-reader!

2: Clarification of sentence with regard to punctuation and spacing:
Therefore, the gap between dutiful damage-reduction and wisdom in ethical reasoning is examined in the present study.

3: I notice that you are inconsistent with regard to the spelling of words which vary between British and American usage. E.g., early in this report you use “behaviour,” which is correct in British English (whereas, “behavior” is the correct American spelling). However, you have used American spelling for several words, e.g.: “generalized, harmonizing, rationalizing, emphasized, emphasizes, recognized, maximize.” It is not good to use both British and American spellings in the same report—unless the differences occur in direct quotations or unless the report pertains to a linguistic study of spellings. Since the editorial offices of your target journal are located in the USA, I have revised to American spellings throughout this manuscript. Your target journal permits either American or British English but not a mixture of both.

4: Something that is “tripartite” has three parts; whereas, “bipartite” designates two parts.

5: Go to http://www.merriam-webster.com/dictionary/effect, scroll down, and read “Usage Discussion of EFFECT.” I am uncertain as to whether you mean “accomplish” or “influence.” If you mean “accomplish,” then your usage of “effect” is correct. However, if you mean “influence,” then you must revise to “affect” in the following context: “rational aspects of morality … like such as obligations and consequences obligation-and-consequence [i.e. notice inserted hyphens] theories … and character theory … that *effect the reaction of an individual’s ethical reasoning and behavior.”
Go to http://www.merriam-webster.com/dictionary/between, scroll down, and read “Usage Discussion of BETWEEN.”

“Research” is a non-count noun; therefore, it should not be pluralized.

"...found idealism and relativism are to be positively and negatively related to ethical values, respectively. . . ." The adverb "respectively" is needed to make this sentence logical. You surely mean that idealism was [found to be] positively related, but relativism was [found to be] negatively related.

You wrote: “It was developed to compliment the dutiful and consequences outcome of ethical reasoning which is incomplete and may harm the organization business reputation (Ariail, 2005).” However, in addition to errors in grammar and diction, this sentence does not make good sense. Therefore, I substantially rewrote it, but it still might be inaccurate.

If you have accurately quoted verbatim from Shanahan & Hyman (2003), then you should not make the corrections that I have made in the quoted statements; instead, you should insert “[sic]” to indicate that you are accurately quoting the cited authors’ errors.

This clause does not make good sense, and I’m unsure of what you’re really trying to say: “The moral philosophy and ethical reasoning are also presumed to measure the construct because....” Neither moral philosophy nor ethical reasoning can actively measure anything, but both of these entities can be measured by something which does have the ability to quantify. Accordingly, my revision is a guess—at best.

Notice the following hierarchy from http://en.wikipedia.org/wiki/Confirmatory_factor_analysis (Scroll down to “Contents”):

3 Evaluating model fit
   3.1 Absolute fit indices
      3.1.1 Chi-squared test
      3.1.2 Root mean square error of approximation
      3.1.3 Root mean square residual and standardized root mean square residual
      3.1.4 Goodness of fit index and adjusted goodness of fit index
   3.2 Relative fit indices
      3.2.1 Normed fit index and non-normed fit index
      3.2.2 Comparative fit index

Thus, I question your separation of the chi-square test from the other absolute fit indices, which you accomplished by numbering separately, thereby equating in importance.

Throughout this manuscript, please notice that the indefinite article “a,” when crossed/struck-through, is difficult to see as being an error. The rule is that the indefinite article [a/an] can be used only with a singular noun—never with a plural. In some cases I struck through “a” because the noun that followed needed to be revised to the plural form. Please be attentive to this detail as you revise your manuscript for submission to your target journal.
14: There were many typographical errors in the Reference list; therefore, I conclude that more than one typist prepared this manuscript.

15: In Fig. 2, be sure to revise “Judgement” to American spelling: “Judgment,” as in Fig. 1. The rectangle containing this word did not allow me to type the revision there; therefore, due to insufficient space elsewhere, I typed in the caption line.