Quest Journal of Management and Social Sciences
Volume 5 Issue 2: 331-347
ISSN Print: 2705-4527
ISSN Online: 2705-4535
Web: https://www.quest.edu.np

Does Temptation Associate with Unethical Intention? A Mediating Role of Monetary Intelligence: Evidence from MBA Students in Nepal

Bhanu Dabadi[1] *& Laxman Pokhrel*[2*]

[1]Kathmandu University, Kathmandu, Nepal
[2]SAIM College, Devkota Sadak, Kathmandu
*Corresponding Email: laxman.pokhrel@saim.edu.np

Received: August 31, 2023
Revised: November 9, 2023
Accepted: December 1, 2023
Published: December 30, 2023

How to cite this paper:
Dabadi, B., & Pokhrel, L. (2023). Does Temptation Associate with Unethical Intention? A Mediating Role of Monetary Intelligence: Evidence from MBA Students in Nepal. *Quest Journal of Management and Social Sciences, 5(2).* https://doi.org/10.3126/qjmss.v5i2.60839

Abstract

Purpose: The purpose of this study is to examine the mediating role of Monetary Intelligence (MI) between Temptation (TEM) and Unethical Intention (UI) among MBA students in Nepalese Business Schools.

Design/Methodology/approach: The research applied a cross-sectional survey research design to collect data from 341 MBA students in Nepali Business Schools. The purposive sampling method was used to reach the respondents. The Partial Least Square Structural Equation Modelling (PLS-SEM) was applied to test the stated hypotheses.

Finding: The study revealed that TEM has a significant influence on UI. However, MI and TEM do not significantly influence UI. Likewise, the specific indirect effects and total effects are not significant. Therefore, the results of the mediational analysis illustrated no effect (no mediation) results.

Practical implications: This study focuses on understanding the significance of MI in relation to TEM to trigger UI among MBA students at Nepali Business Schools. This paper paves the path for undertaking complex higher-order constructs in the existing PLS-SEM literature. Likewise, human resource managers could develop their recruitment, training, and performance appraisal mechanism based on understanding the temptation of prospective employees and their possibility of engaging in unethical behaviours.

Originality: This paper has investigated Temptation (reflective-formative), Monetary Intelligence (reflective-formative), and Unethical Intention (reflective-reflective) to explain the mediational mechanism of MI with TEM and UI. The present study is among the earliest studies to examine unethical intention in the Nepali context.

Keywords: Monetary intelligence, formative construct, reflective construct, temptation, unethical intention

JEL: M10

Introduction

Nepal is among the most corrupt countries, ranking 110th among 180 nations in the globe (Transparency International, 2022). The rampant corruption issues and unethical behaviours in corporations, governments, and public lives have been a matter of concern for society. Consequently, the widespread corrupt acts are graver concerns and have generated cynicism in society. Besides, an alarming scale of deviant behaviours of corruption, misappropriations, abuse of authority, and lack of accountability by officials and employees in public offices have been reported in Nepal (Commission for the Investigation of Abuse of Authority [CIAA], Government of Nepal [GON] (GON, CIAA, 2022). The case of Nepal appears grimmer; however, the problem is a universal concern evident by the corruption reports documenting a staggering $ 3.6 trillion of public money going down the drain in scandals, scams, and bribery, including many such deviant acts (Transparency International, 2022). Therefore, the alarming scale of corruption and unethical behaviour is a concern of any civilised society. Thus, this paper aims to unpack the causes of such deviant behaviours and enhance understanding of unethical intentions causing wrongdoings in the context of Nepal.

Unethical behaviour can be defined as violating a widely accepted moral norm (Moore et al., 2019). There are various explanations for the reason why an individual behaves unethically. Intentions are the antecedents to all human behaviours (Ajzen, 2020). These intentions are unethical if they are morally and legally unacceptable to the larger community and have a motive to harm others (Moore et al., 2019). Bandura (1996, 2016), in his Social Cognitive Theory (SCT), espouses that an individual develops moral standards, identified as 'self-sanction' and 'social sanction', as one grows cognitively, and these standards are subject to self-regulation for one to live an ethical and fulfilled life. Any obscuration of this self-regulation system leads to the derailment of ethical standards and unethical behaviour effectively. The subsequent evolution of the SCT to the Moral Disengagement Theory (MDT) (1996) further underpinned the underlying mechanism of how people become unethical. Each individual is subject to Moral Disengagement Propensity (MDP) (Kacmar et al., 2019; Moore et al., 2019), and an individual with high MDP is comfortable with distorting the truth to deceive, cheat, and take unethical routes in life (Fehr et al., 2020).

Any deviant behaviour, scandal, corruption, and deceptive manipulation are 'intentional actions' prompted by a temptation (Tang et al., 2018). The subtlety of human disposition to temptation has been explained by moral disengagement in which an individual with unethical intention obscures 'self-regulation' capability by defying 'self-sanction' and 'social sanction' (Bandura, 2016). Empirical studies of bank scandals, terrorist acts, big corruption, deviant behaviours at the workplace, bullying, and government agencies have unpacked many unethical behaviours (Bandura, 2016; Moore et al., 2012). Monetary intelligence is an observable social intelligence that people demonstrate in making choices, behaving in certain situations, associating with objective reality, and responding to stimuli associated with money. Empirically, it is shown that people with high MI have a low interest in making money but are highly interested in intrinsic values and ethical decisions (Tang, 2016). One with strong self-control can resist temptation, while the other is trapped in wrongdoings.

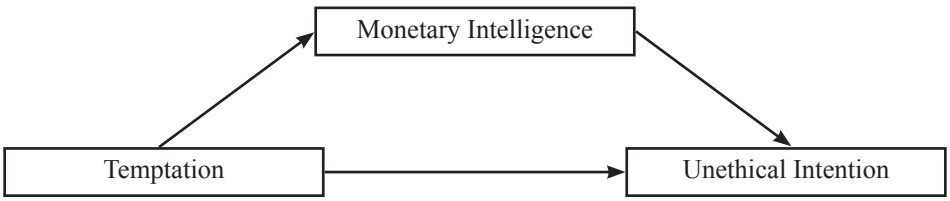
Nepali society, already burdened by severe poverty, faces the additional challenges posed by the misconduct of those in positions of authority within the government and public offices (Panday, 2012). Escalating corruption, scandals, and cases of abuse of authorities in contemporary society have drawn the attention of the author to study their root causes. However, very limited studies are being done to understand the causes and find any possible remedies to these issues. Moreover, Tang et al. (2018) recommended contextual validation of the study. Understanding the causes of such malicious acts will throw some light on the need for appropriate intervention to curb them and help society take a pace in overall well-being. This research has envisaged young business students currently at business schools who are expected to become leaders in their respective spheres of influence and value to add

to their constituents. In their formative mindsets and shaping up competencies, they can become better if they understand their MDP and improve their orientation to ethical paradigms (Black et al., 2021). Therefore, our paper proposes to investigate the mediating role of Monetary Intelligence (MI) with Temptation (TEM) and Unethical Intention (UI) among MBA students at Nepali Business Schools.

Literature Review and Hypotheses Development

Human acts are consequences of various causes and aggregations of various factors and intentions behind them (Baumeister & Alghamdi, 2015). Some behaviours of people demonstrate acts of volition, and some are involuntary. Neither ethical nor unethical decisions in the true sense are acts of accident. An ethical dilemma is a situation that tests the self-control of an individual (Ellemers et al., 2019). Unethical intentions of scandals, scams, derelictions of duties, abuse of authorities, and corruption are carefully planned, cleverly organised, and deceitfully executed with concerted effort (Tang & Sutarso, 2018). Such scandalous behaviours have a bearing on 'self-control' where people with high 'self-control' are less vulnerable to unethical behaviour and less to deviant behaviour (Gino et al., 2011). The propensity to engage in unethical behaviour is affected by the temptation of getting rich and having low self-control and attitude (Owusu et al., 2019).

Figure 1. Conceptual Framework



(Source: Adopted from (Tang et al., 2018)

Unethical Behaviour Intention (UI)

The mechanism of how an individual is tempted into deviant acts has multiple explanations. Human behaviour is influenced by a complex interplay of factors, including both innate and learned elements. These encompass free will, motivation, cognitive abilities, and ingrained societal values within the human psyche, as Bandura (2018) proposed. All human societies, in one form or another, acknowledge the presence of 'agencies' (Bandura, 2018) causing malicious infliction in the ideal image of mankind. Corruption, bribery, and theft are some of the deviant behaviours in workplaces where people are involved consciously and intentionally. The UI involves the misuse of power or position, deception, and sabotage for personal or organisational gain (Veetikazhi et al., 2022). Normally, Managers do not report such acts since they perform them in private with an intent to hide and disguise. The UI is measured in three sub-constructs: theft, corrupt intent, and deception (Chen et al., 2014; Tang & Sutarso, 2013).

Temptation (TEM)

Temptation has its roots in the Greek word Peirasmos, which refers to the tendency of the behaviour of being enticed, allured, or seduced (Tang & Sutarso, 2013). Whether willingly or induced by any interventions, human responses to certain situations result in a deviant behaviour, if it is other than desired by norms. A deviant behaviour could be a result of a mistake or cognitive impairment or a risk taken by an individual willingly and consciously where s/he rationalises his/her dishonesty to disguise or cover up (Bandura, 2016; Knoll et al., 2016). Understanding the mechanism and motivation of deviant behaviours has had reference to many behavioural studies like the theory of free will, the theory of moral disengagement, theory of planned behaviour in explaining the phenomenon (Bandura,

2008). Temptation as a multidimensional individual difference variable is being measured in five sub-constructs: getting rich, impulsive behaviour, cognitive impairment, social, moral value and lack of self-control.

Monetary Intelligence (MI)

Everyone has his/her perspectives on money. This individual difference variable as how people view money and their ability to appraise monetary motive has been defined as MI (Tang, 2016) which encompasses a multidisciplinary scope measured in three sub-constructs: affective motive, behavioural stewardship of money, and cognitive meaning.

Relationship between variables

Temptation and Unethical Intention

This paper applied the Moral Disengagement Theory (MDT) of Bandura (1996) to explain the relationship between TEM and UI. The MDT postulates that unethical behaviours are the mechanisms of obscuring the self-regulatory system of consciousness and community (Bandura et al., 1996). People learn behaviours that are conditioned by their choice of moral frames of 'self-sanction' and 'social sanction' which evolve from interactions with the environment (Bandura, 2008, 2016). These 'sanctions' take shape by nature, nurture, motivation, cognitive competence, social values, norms, and various such factors (Bandura, 2018). Any attractive stimulus with inherent intent, implicit or explicit, of presenting a self-control dilemma to the target is a temptation (Fishback & Shah 2006). The temptation shakes the sanctions and capability of self-regulation of the subject. An individual high on self-control and self-efficacy can withstand higher levels of threats from temptation, whereas people with low self-control and high fall prey to these vices (Bandura, 2016). Any deviant behaviour, scandal, corruption, and deceptive manipulation are the 'intentional actions' prompted by a temptation (Xu et al., 2019). The study is hypothesised based on the theoretical and empirical grounds of Tang et al. (2018).

Hypothesis 1: TEM positively influences UI among MBA students.

Temptation and Monetary Intelligence

As money is associated with materialistic affluence and access to possessions, people have a natural drive to money as it is instrumental in acquiring safety and security. Monetary intelligence has an affective dimension of how people feel about it, a behavioural dimension of how people acquire it, and a cognitive dimension of how people associate meaning with money (Tang, 2016). People have different orientations to money, signified as monetary intelligence, and it is associated with particular behaviour in certain situations (Tang & Liu, 2012). It is empirically proven that people with high MI have a low interest in making money but show a high interest in intrinsic values and ethical decisions (Tang, 2016). It is observed that people make decisions and behave in situations associated with money or related outcomes. Thus, we hypothesised;

Hypothesis 2: TEM positively influences the MI of MBA students.

Monetary Intelligence and Unethical Intention

Money is a multidimensional social construct that has acquired a meaning and corresponding value of exchange that people associate with well-being. While money is associated with achievements, power, status, control, and influence, a person having a higher affective motive for money gets motivation from money (Sardžoska & Tang, 2015). Making money and ethical decisions are considered the opposite. This orientation to money motive predicts unethical intention in people when exposed to temptation (Tang, 2016). The individual featuring so seeks to acquire 'more' and is prone to satisfy greed, likely

driven by the intention to resort to unethical means (Tang et al., 2018). Based on the argument, we hypothesised;

Hypothesis 3: MI positively influences UI among MBA students.

Temptation (TEM) and Unethical Intention (UI): Mediating Role of Monetary Intelligence (MI)

Multiple explanations are given for why people become unethical (De Cremer & Moore, 2020). Drawing from the MDT, this study postulated that the TEM of MBA students leads to unethical intentions for financial wrongdoings, and the relationship is mediated by the MI of respondents (Tang & Liu, 2012; Tang, 2016). We argue that people learn behaviours that are conditioned by their choice of moral frames of 'self-sanction' and 'social sanction', which evolve from interactions with the environment (Bandura, 2016). Temptations shake the sanctions and capability of self-regulation of the subject (Fishbach & Shah, 2006). An individual high on self-control and self-efficacy can withstand higher levels of threats from temptation, whereas people with low self-control and high fall prey to these vices (Bandura, 2016). Based on the argument, we hypothesised;

Hypothesis 4: MI mediates the relationship between TEM and UI among MBA students.

Methods

Population and sample

The study population was Master of Business Administration (MBA) students affiliated with Tribhuvan University, Kathmandu University, Pokhara University, and a Foreign University. Chen, Tang, and Tang (2014) documented that MBA students could engage in unethical intentions when they graduate from the university. Therefore, it is logical to consider MBA students as a population. We employed the purposive sampling technique to reach the population because respondents have basic ideas of variables of interest and represent the population. Moreover, this paper followed the sample size rule recommended by Hair et al. (2016), who suggested that the sample size be ten times (at least five times) of research items. Since this paper had 60 items to capture the three variables of Unethical Intention (UI), Temptation (TEM), and Monetary Intelligence (MI), this paper assumed that the sample size of 341 could represent the population of the study.

Measures

Demographic variables were profiled with age category, gender, experience, and university affiliation. Likewise, this paper adopted the UI, TEM, and MI scales from the seminal paper of Chen, Tang and Tang (2014). With the 60 items in the scale, The UI, TEM, and MI scales were anchored with the Likert Scale. The details of the instrument are attached to the appendix.

Unethical Intention Scale: This construct was measured with three items of Theft, three Corrupt Intention, and three deception items. The respondents were asked to a response from 1 to 5 (1= "very low probability", 5= "very high probability").

Temptation Scale: This construct was measured with three Impulsive Behaviour, three Cognitive Impairment, three Lack of Self -Control, three Moral Values, and five Getting Rich items. The respondents were asked to a response from 1 to 5 (1= "strongly disagree", 5= "strongly agree").

Monetary Intelligence Scale: This construct was measured with nine Affective Motive, 12 Behavioural Stewardship, and nine Cognitive Meaning items. The respondents were asked to a response from 1 to 5 (1= "strongly disagree", 5= "strongly agree").

Data Collection Procedure

To collect data, the researcher requested the program directors of affiliated colleges to fill out questionnaires from the MBA pursuing students. They were requested to inform potential respondents of the purpose, confidentiality, and nature of the study. The data were collected from October 2022 to December 2022. The researcher distributed 600 questionnaires to five universities. The Purbanchal University affiliated college questionnaires were not returned to the researcher. Out of 345 returned questionnaires, the final data of 341 respondents were finalised after eliminating the missing data and inappropriate coding.

Results

Demographic profile of the respondents

Three hundred forty-one respondents studying in different colleges in Kathmandu Valley participated in the study. The respondents' demographic profile is illustrated in Table 1.

Table 1. Demographic Profile of the Respondents

Variables	Frequency	Percentage
Age Category		
Below 30 years	319	93.5
30-40 years	21	6.2
41-50 years	1	0.3
Gender		
Male	146	42.8
Female	195	57.2
Experience		
No Experience	92	27.0
Less than 1 year	98	28.7
1 to 2 years	55	16.1
More than 2 years	96	28.2
Affiliated University		
Tribhuwan University	71	20.8
Kathmandu University	76	22.3
Pokhara University	149	43.7
Foreign University	45	13.2

Source: Based on the author's calculation

It is illustrated in Table 1 that among the total population of respondents, the age group below 30 is the most frequent (n=319, 93.5%). It was revealed that among the total respondents, females are slightly higher than male respondents (n=195, 57.2%). Likewise, the maximum number of respondents have experience from less than 1 year (n=98, 28.7%). Finally, most respondents were from Pokhara University (n=149, 43.7%).

Common Method Biases

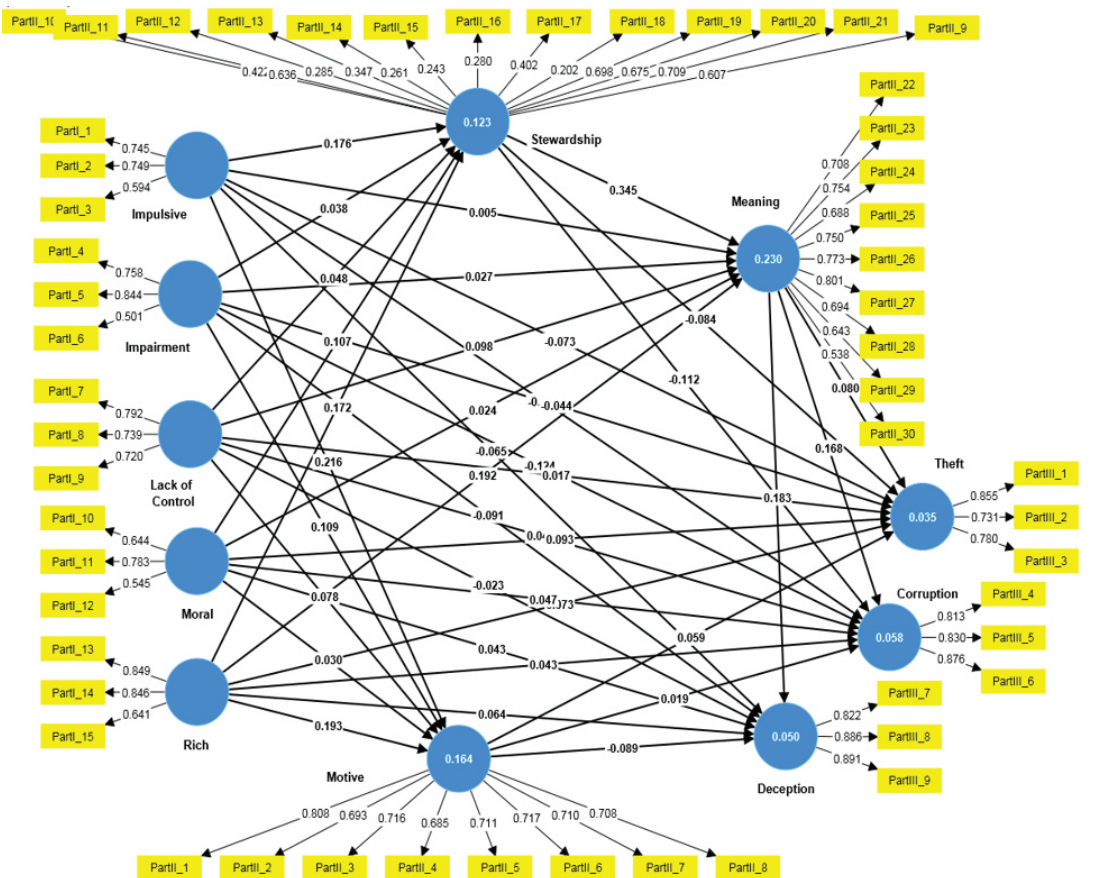
Common method biases assume an outcome is influenced by a bias in a dataset that may be unrelated to the measure and commonly associated with the questionnaires (Podsakoff et al., 2003). The value of

Herman's single factor test was 15.25%, indicating no presence of significant common method biases (Podsakoff et al., 2003)

Structural Equation Model

It is commonly used to examine the cause-and-effect connection between latent components(Hair Jr et al., 2016). Covariance-Based Structural Equation Modeling (CB-SEM) and Variance-Based Structural Equation Modeling (PLS-SEM) are the two forms of SEM. This study used PLS-SEM to estimate the mediating role of MI between TEMP and UI among MBA students at business schools in Nepal. The researchers argue that PLS-SEM would be the better option when formative constructs are included in a model (Hair et al., 2014). Similar to a regression model, a formative construct assumes that the indicators (or items) will lead to a latent construct (Hair et al., 2011). Moreover, complex cause-effect structural models can be handled by PLS-SEM (Richter et al., 2016; Rigdon, 2012, 2014). PLS-SEM is a suitable analytical technique for models with numerous constructs and indicators (Hair et al., 2011). Since the proposed model is reflective-formative (temptation), reflective-formative (monetary intelligence), and reflective-reflective (unethical intentions) at a lower level and a higher level, respectively, PLS-SEM is deemed appropriate for the study. To estimate the mediated structural model, we estimated the first calculated measurement model of lower order construct (See Figure 5) and higher order construct (See Figure 6). Finally, the structural model is estimated following the criteria of Sarstedt et al. (2019).

Figure 2. Measurement model of lower-order construct



Measurement Model of Lower Order Construct

To establish reliability and validity, we used three measurement model criteria: reliability, convergent validity, and discriminant validity (Ringle et al., 2015). Cronbach Alpha (CA) and Composite Reliability (CR) are the techniques most frequently used to measure reliability. Since the CA and CR values are more than 0.72 except in Impulsive, Lack of Control, and Impairment (See Table 2), this indicates the measurement model is reliable (Hair et al., 2011). Moreover, all the Average Variance Explained (AVE) values are higher than 0.50, except for Impulsive, Stewardship, and Moral (Fornell & Larcker, 1981). The result necessitates performing a measurement model of a higher-order construct.

Table 2. Reliability and Validity of Lower Order Construct

Constructs	Outer Loadings	Outer weights	VIF	Alpha	CR (rho_a)	CR (rho_c)	AVE
Theft							
THEFT 1	0.855	0.584	1.311				
THEFT 2	0.731	0.228	1.591	0.723	0.784	0.832	0.624
THEFT 3	0.780	0.428	1.479				
Corruption							
CORR1	0.813	0.376	1.568				
CORR2	0.830	0.345	1.759	0.793	0.812	0.878	0.706
CORR3	0.876	0.465	1.748				
Deception							
DECEP1	0.822	0.31	1.843				
DECEP2	0.886	0.381	2.198	0.836	0.865	0.900	0.751
DECEP3	0.891	0.457	1.927				
Stewardship							
STEW1	0.607	0.149	2.084				
STEW2	0.422	0.236	1.312				
STEW3	0.636	0.017	1.514				
STEW4	0.285	0.083	2.706				
STEW5	0.347	0.025	2.746				
STEW6	0.261	0.031	3.067				
STEW7	0.243	0.062	2.863	0.785	0.765	0.769	0.231
STEW8	0.280	0.066	1.566				
STEW9	0.402	0.012	1.419				
STEW10	0.202	0.196	1.363				
STEW11	0.698	0.267	1.708				
STEW12	0.675	0.282	1.737				
STEW13	0.709	0.289	1.874				
Motive							
MOT1	0.808	0.249	1.710				
MOT2	0.693	0.151	1.965				

MOT3	0.716	0.178	2.295				
MOT4	0.685	0.178	1.757	0.867	0.883	0.895	0.518
MOT5	0.711	0.178	2.632				
MOT6	0.717	0.178	2.587				
MOT7	0.710	0.178	2.763				
MOT8	0.708	0.157	1.979				
Meaning							
MEAN1	0.708	0.162	1.804				
MEAN2	0.754	0.155	1.718				
MEAN3	0.688	0.142	1.285				
MEAN4	0.750	0.152	1.856				
MEAN4	0.773	0.158	1.965	0.874	0.878	0.900	0.503
MEAN5	0.801	0.170	1.779				
MEAN6	0.694	0.182	2.383				
MEAN7	0.643	0.157	2.408				
MEAN8	0.538	0.131	1.328				
Moral							
Moral 1	0.644	0.493	1.085				
Moral 2	0.783	0.622	1.039	0.376	0.398	0.699	0.442
Moral 3	0.545	0.357	1.071				
Rich							
RI1	0.849	0.460	1.053				
RI2	0.846	0.486	1.555	0.686	0.725	0.825	0.616
RI3	0.641	0.311	1.497				
Impulsive							
IMP1	0.745	0.570	1.190				
IMP2	0.749	0.470	1.194	0.486	0.497	0.740	0.490
IMP3	0.594	0.375	1.117				
Lack of Control							
LOC1	0.792	0.522	1.152				
LOC2	0.739	0.447	1.201	0.619	0.629	0.795	0.564
LOC3	0.720	0.357	1.122				
Impairment							
IMP1	0.758	0.505	1.209				
IMP2	0.844	0.612	1.206	0.549	0.612	0.751	0.512
IMP3	0.501	0.202	1.274				

Source: Based on the authors' calculation

Discriminant Validity

Fornell and Larcker (1981) and the Heterotrait-Monotrait Ratio (HTMT) criteria were applied to test

the discriminant validity. Discriminant validity has been shown when a construct's square root of AVE is higher than its correlation with all other constructs. In CL and CR, the square roots of AVEs were shown to have higher values than their correlation with other constructs (See Tables 3 and 4). In the literature that is currently available, there is disagreement about the HTMT threshold level; Kline (2011) proposed a threshold of 0.85 or less, while Teo et al. (2008) advocate a liberal threshold of 0.90 or less. According to the HTMT data, the ratio was below the necessary cutoff point of 0.90 throughout the entire study. This is further deemed necessary for running the measurement model of higher-order constructs.

Table 3. Fornell and Larcker's Criteria and HTMT Ratio

Constructs	1	2	3	4	5	6	7	8	9	10	11
1. COR	**0.84**										
2. DEC	0.77	**0.87**									
3. IMPT	-0.11	-0.10	**0.72**								
4. IMP	-0.13	-0.09	0.36	**0.70**							
5. LOC	-0.02	-0.06	0.52	0.26	**0.75**						
6. MEA	0.12	0.13	0.18	0.14	0.19	**0.71**					
7. MOR	0.03	0.05	0.20	0.26	0.16	0.21	**0.67**				
8. MOT	0.01	-0.02	0.27	0.30	0.22	0.53	0.20	**0.72**			
9. RI	0.07	0.09	0.17	0.07	0.10	0.30	0.42	0.25	**0.79**		
10. STE	-0.05	-0.02	0.18	0.24	0.15	0.42	0.24	0.57	0.24	**0.48**	
11. THE	0.63	0.57	-0.02	-0.05	0.01	0.10	0.11	0.06	0.12	0.00	**0.79**

Sources: Based on the authors' calculation; COR: Corruption; DEC: Deception; IMPT: Impairment; IMP: Impulsive; LOC: Lack of Control: MEA: Meaning: MOR: Moral: MOT: Motive; RI: Rich; STE: Stewardship: THE: Theft

Table 4. Hetero-Trait Monotrait Ratio (HTMT Ratio)

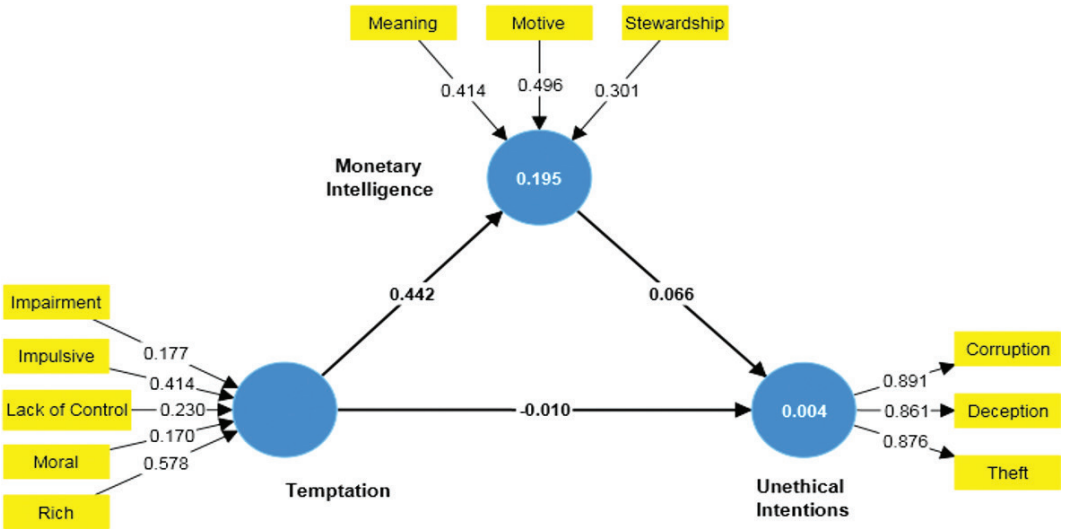
Constructs	1	2	3	4	5	6	7	8	9	10	11
1. COR	**1**										
2. DEC	0.95	**1**									
3. IMPT	0.23	0.15	**1**								
4. IMP	0.21	0.14	0.61	**1**							
5. LOC	0.06	0.10	0.96	0.45	**1**						
6. MEA	0.16	0.16	0.26	0.24	0.26	**1**					
7. MOR	0.09	0.12	0.39	0.63	0.32	0.36	**1**				
8. MOT	0.09	0.08	0.36	0.43	0.28	0.61	0.33	**1**			
9. RI	0.11	0.12	0.24	0.23	0.17	0.38	0.81	0.31	**1**		
10. STE	0.19	0.14	0.25	0.34	0.26	0.38	0.40	0.51	0.29	**1**	
11. THE	0.86	0.74	0.21	0.14	0.12	0.16	0.29	0.13	0.16	0.19	**1**

Sources: Based on the authors' calculation; COR: Corruption; DEC: Deception; IMPT: Impairment; IMP: Impulsive; LOC: Lack of Control: MEA: Meaning: MOR: Moral: MOT: Motive; RI: Rich; STE: Stewardship: THE: Theft

Validating Formative- Reflective Higher Order Constructs

To justify theoretically, we considered Temptation as a formative construct of Impairment, Impulsiveness, Lack of Control, Moral, and Rich, Monetary Intelligence as a formative construct of Meaning, Motive, and Stewardship, and finally, Unethical Intentions as the reflective construct of Corruption, Deception, and Theft (see Tang & Sutarso, 2013). Moreover, Sarstedt et al. (2019) recommended that poor factor loadings, violation of discriminant validity (See Table 4) (and violation of convergent validity (See Table 2) assumptions pave the path for running higher-order constructs. Therefore, Temptation (reflective-formative), Monetary Intelligence (reflective-formative), and Unethical Intention (reflective-reflective) at a lower level and a higher level, respectively (See Figure 3); therefore, this paper reported monetary intelligence and temptation following the formative constructs reporting standard and unethical intention following reflective constructs' reporting standard (See Sarstedt et al., 2019).

Figure 3. Measurement Model of Higher Order Construct



We performed the collinearity test with variance inflation factor (VIF) to estimate the higher-order construct. Since all VIF values are less than 5, the data set does not have the issue of multicollinearity (Hair et al., 2011). Likewise, the outer loading values were not greater than 0.50 (See Table 6). Then, the values of outer loadings were higher than 0.50 and were significant for each of the indicators of the higher-order formative Temptation and Monetary Intelligence construct (Sarstedt et al., 2019). Moreover, Unethical Intention was a reflective construct with factor loadings higher than 0.80, Cronbach's alpha (0.852), Composite Reliability (0.885), and Average Variance Explained (0.767). Since all criteria are satisfied for Temptation Monetary Intelligence and Unethical Intention, the Higher Order Constructs (HOC) validity was established.

Table 5. Test of Multicollinearity

Constructs	VIF
Corruption	2.825
Deception	2.517
Impairment	1.499
Impulsive	1.216
Lack of Control	1.377
Meaning	1.427

Moral	1.302
Motive	1.749
Rich	1.231
Stewardship	1.525
Theft	1.720

Source: Based on the authors' calculation

Table 6. Measurement Model of Higher Order Construct

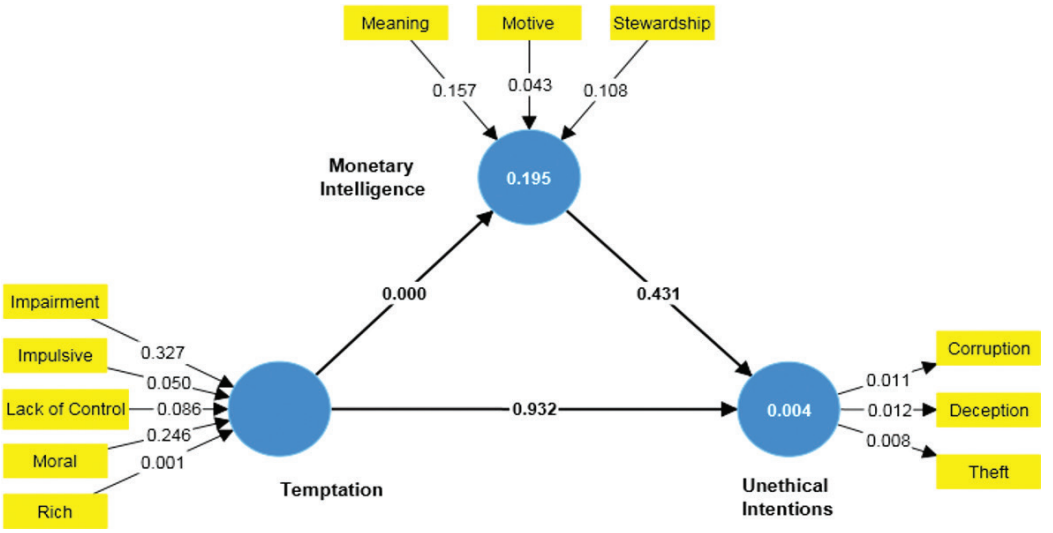
Constructs	Outer weight	P values	Outer loadings	P values
Corruption <- Unethical Intentions	0.336	0.259	0.891	0.011
Deception <- Unethical Intentions	0.332	0.187	0.861	0.012
Impairment -> Temptation	0.177	0.327	0.578	0.001
Impulsive -> Temptation	0.414	0.050	0.621	0.003
Lack of Control -> Temptation	0.230	0.086	0.514	0.000
Meaning -> Monetary Intelligence	0.414	0.157	0.802	0.000
Moral -> Temptation	0.170	0.246	0.591	0.000
Motive -> Monetary Intelligence	0.496	0.043	0.887	0.000
Rich -> Temptation	0.578	0.001	0.729	0.000
Stewardship -> Monetary Intelligence	0.301	0.108	0.757	0.000
Theft <- Unethical Intentions	0.473	0.198	0.876	0.008

Source: Based on the authors' calculation

Structural Model

The structural model has been applied to test four hypotheses. The bootstrapping of 5000 was applied to test the structural model. Before testing the hypotheses, this paper has tested assumptions of multicollinearity. All the Variance Inflation Factor (VIF) values are less than 5. Therefore, the structural model was estimated with Higher Order Construct (See Figure 4).

Figure 4. Structural Model of Formative-Reflective Construct



The relationships between the constructs on the suggested models are illustrated in the structural model (See Table 8). H1 to see if they have a beneficial impact on UI. The findings demonstrated that MI does not significantly influence UI ($\beta = 0.066$, $t = 0.788$, $p > 0.431$). H1 is, therefore, not supported. H2 investigates whether the TEM has a significant influence on MI. The findings demonstrated that TEM significantly influences MI ($\beta = 0.442$, $t = 7.832$, $p<0.05$). H2 is, therefore, supported. H3 to see if TEM has a favourable impact on UI. The findings demonstrated that TEM does not significantly affect UI ($\beta = - 0.010$, $t = 0.085$, $p>0.932$). Hence, H3 is not supported.

Mediation Analysis

The mediation study used the bootstrapping method, which included bias-corrected confidence estimates (Preacher & Hayes, 2008). A 95 per cent confidence range for the estimated indirect, direct, and total effect was calculated using 5000 resamples (Preacher & Hayes, 2008). Whether MI mediates the impact of TEM on UI is an issue of hypothesis (H4). Insignificant indirect effects of TEM on UI through MI were found, as shown in Table 8 ($\beta = 0.029$, $t=0.781$, $p>0.435$), and the total effect of TEM on UI was not found significant 8 ($\beta = 0.019$, $t=0.158$, $p>0.875$) (See Table 8). H4 was, therefore, not supported. Therefore, the result of the mediational test illustrated no effect (no mediation) according to the criteria of Hair et al. (2021).

Table 7. Path and Mediation Analysis Results

Constructs	Standardised Beta (β)	T statistics	P values	Decisions
Direct Effects				
TEM -> MI	0.442	7.832	0.000	Supported
TEM -> UI	- 0.010	0.085	0.932	Not Supported
MI -> UI	0.066	0.788	0.431	Not Supported
Specific Indirect Effects				
TEM -> MI -> UI	0.029	0.781	0.435	Not Supported
Total Effects				
TEM -> UI	0.019	0.158	0.875	Note Supported

(Note. Based on authors' calculation; MI: Monetary Intelligence; TEM: Temptation; UI: Unethical Intelligence)

Discussion

We applied the higher-order construct of PLS-SEM to examine the mediational mechanism of MI between TEM and UI among MBA students. The results of direct and mediational hypotheses are discussed with relevant literature.

First, this paper found that TEM does have a significant influence on UI among MBA students. It is inconsistent with previous studies (Tang & Liu, 2012; Tang, 2016). The result implies that TM does not lead to UI among Nepali MBA students. This result could stem from the fact that our respondents' are preparing for the job market and are culturally trained to avoid such unethical behaviours. Therefore, we argue that temptation has no important role in shaping unethical intentions.

Second, this paper revealed that TEM significantly influences MI among MBA students. It is consistent with previous studies (Tang & Liu, 2012; Tang, 2016). The result implies that TEM could lead to MI among Nepali MBA students. When we are tempted to become rich, we are likely to develop monetary intelligence. Since our respondents are in the preparatory stage, they could represent learning the importance of becoming rich to develop monetary intelligence.

Third, this paper found that TEM does have a significant influence on UI among MBA students. It is inconsistent with previous studies (Tang & Liu, 2012; Tang, 2016). The result implies that TM does not lead to UI among Nepali MBA students. This paper argues that UI could be fueled by group influence and social pressure rather than the temptation of MBA students. The respondents are likely to act on unethical behaviours influenced by factors other than their factor, such as temptation.

Finally, this paper unveiled that MI does not mediate the relationship between TEM and UI. The result revealed that TEM has neither a direct influence on UI nor an indirect influence through MI. We argue that the UI of our respondents is not influenced either by MI or TEM because UI, similar to behaviour intention, is the outcome of social influence (subjective norms) and attitude towards the behaviours (Ajzen, 2020). Therefore, other major predictive variables such as social influence and attitude towards UI could be reasons for engaging in UI among MBA students in our study.

Implications of the study

Methodological implications

Since the proposed model is Temptation (reflective-formative), Monetary Intelligence (reflective-formative), and Unethical Intention (reflective-reflective) at a lower level and a higher level, respectively, PLS-SEM is used to estimate the mediated structural model. As per the call of Tang et al. (2018), this paper tested MI, TEM, and UI as higher-order constructs. The use of the higher-order construct in the Nepali context is another important contribution of this study, which may work as a precursor for any future research in the domain.

Managerial implications

There are some managerial implications of the research that the business schools in Nepal and the businesses where graduates are expected to work subsequently should note. As the findings reveal, there is a significant association between TEM and MI among MBA students; these would have a bearing on many managerial decisions, and the implications are worthy of careful consideration by the stakeholders.

First, business schools in Nepal must take their MBA courses to include ethical education to help young minds understand the underlying ethical dilemmas (Newman et al., 2020) and temptations that may derail their career progression. They must learn to hone skills to safeguard from such traps. The evaluation process in academic programs must embed ethics as a critical assessment dimension. Emphasis should be given to the academic activities that let them simulate ethical dilemmas to induce ethical behaviour and promote ethical leadership in their character. The ethical frameworks developed in the course should demonstrate how TEM appears in various forms and influence MI. TEM and MI are associated with an individual's cognitive ability and self-control; hence, the education environment these business schools provide should play a role in social learning and laying a foundation for shaping their ethical values and temperaments (Bandura, 2008).

Second, human resource practices in the business world must embed ethical behaviour as a criterion of decision-making for selection, placements, evaluation, and promotion. The propensity to have unethical intentions (Owusu et al., 2019) could predict vulnerabilities to unethical intentions. Thus, some competent psychometric tests could be introduced in these processes to measure the moral competency index (Martin & Austin, 2010). An employee who has a track record of breaching disciplines and is found to be agnostic to sensitive matters may not be a suitable candidate for sensitive positions in the organisation. The human resource system in an organisation should develop a mechanism to profile these sensitive inputs for management to avoid risks arising from wrong choices of 'bad apples' (Kish-Gephart et al., 2010).

Third, designing interventions for organisational change and development depends on the organisation's ethical profile, which is manifested in the behavioural history of its people. What kind of programs to be introduced, what training to conduct, and what behavioural transformation to be expected must consider the attributes of the people involved. Behavioural training, role plays, and simulation sessions must include content that lets people reflect, realise, and realign their values to the ethical standards of the organisation. Meditations and motivational sessions that allow people to reflect on their propensity to greed, monetary affluence, and higher-order self-actualisation aspirations will help people reassess their monetary intelligence and gauge their vulnerabilities in life (Tang, 2016).

Fourth, designing incentive and reward mechanisms directly impacts motivation and temptation. Therefore, organisations must review their incentives and benefits so that they are considered adequate and reasonable for a decent life. A code of conduct about financial disciplines, policy on rewards and punishments, accepting gifts, and standards about financial disclosures are some environmental conditions that encourage financial integrity (Gino et al., 2011).

Limitations and direction for future research

Although this study provided invaluable contributions to the existing literature, this paper should be interpreted with caution. First, this study applied a cross-sectional design to test the mediational mechanism. Future studies could apply experimental design to establish the causality. Second, despite the enriching findings, this study is limited to students at the business school in Kathmandu, Nepal, which can be expanded further to be representative of a context. Therefore, future studies could be undertaken in a cross-cultural context to increase the generalizability of this result. Finally, this paper investigated the MBA students in Kathmandu Valley. In the future, researchers could research government employees to understand unethical intentions better.

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