



ORIGINAL CONTRIBUTION

## Effect of Moral Sensitivity on Green Behavior, Green Economy and Function of Moral Identity, Moral Judgment Mechanisms: Rational Moral View

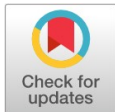
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**Abstract**— Today's world, the pathway of worldwide economic development is ecologically unsustainable. The actual paradigm of production and consumption degrade and drain many of the world's environmental resources. These have been intensified by recent energy, food, and financial crises. Continuous warning, the world economy and human well-being is in danger of transgressing several of planetary boundaries or ecological limits. There is in this way a require modern call upon governments to create national methodologies for economic improvement, consolidating arrangement measures. In spite of the endeavors of numerous governments around the world to actualize such techniques as well as international cooperation to bolster national governments, there are proceeding concerns over worldwide financial and natural improvements in numerous nations' approaches that can advance comprehensive and ecologically economical financial improvement. Working towards a green economy offers such approaches. Countries' policy framework for international development cooperation must take into consideration the environmental policy. Additionally, it promotes broad-based employment and reduction and the decrease of poverty in all of its forms. This brief explains why the green economy is needed, what it is, how it can be done, and what employees' green behavior does, and it can do, based on the rational view of decision-making, considering moral judgment, moral sensitivity, and moral identity. This paper identifies the mechanism influencing green behavior and green economy, started from moral sensitivity as independent variable and green behavior, green economy as dependent variables, moreover the paper clearly describe the functions of moral identity and moral judgment in this conceptual model.

**Index Terms**— Moral sensitivity, Green behavior, Green economy, Moral identity, Moral judgment

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### Introduction

In today's world is experiencing tremendous and exacerbating environmental pressures and risks. The international community must change to more innovative economic system for green technologies and innovations. The shift towards a green economic system needs to shift towards environmental sustainability and increase the efficiency of human resources, as it enhances opportunities for fragile societies in societies through increasing their access to a clean and safe environment and strengthening their rights to access it, also enhances human security through managing conflicts and disputes over access to food, water, and other natural resources, effective ecosystems, and reduces pollution or degradation of air, water, and land.

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Development and economic growth are necessary to reduce poverty and improve the standard of living for individuals, still, they must be socially and environmentally sustainable, as leaders and those in charge of developing development strategies must take into account the environmental risks that can be emitted through this development, as the world lives in a moral dimension that in turn, it affects the relationship between decision-makers and their goals of economic growth, since these studies need to be in-depth in studying the variables presented from the ethical aspect of decision-making. Ethical decision needs to pass through two schools of rationality and irrationality, depending on how cognitive and emotional aspects are considered in the decision-making process.

According to rationalistic theory, ethical decision-making is the process by which decision-makers evaluate the implementation of moral issues and take action while constrained by the moral standards of society (Jones, 1991), (Lehnert et al., 2015). The Rational Decision-Making Model is a technique for making decisions devoid of emotion and using reasoned procedures to achieve a goal.

As stated by (Rest's, 1986) four-component model of moral decision-making, when individuals make decisions about moral or unethical behavior, four psychological components are implied: (1) Ethical Sensitivity refers to individual awareness of the existence of moral problems in decision-making situations), (2) Moral Judgment, according to one's own value system to judge whether the behavior meets the moral requirements, (3) Ethical Intention, forming a kind of moral requirements, behavioral intentions and (4) Ethical Action refers to a person's actions, this component is the individual's action within their circumstances. This step requires bravery, dedication, and the capacity for moral judgment. Moral sensitivity, then, is the first logical, psychological element before the occurrence of moral behavior. Research has demonstrated that people's pro-environmental actions are positively impacted by their sensitivity to the environment. According to (Bergman, 2002), moral identity is a particular type of identity that centers on one's moral qualities. A moral identity serves as a self-control mechanism that establishes boundaries for personal conduct and inspires morally righteous action (Damon & Hart, 1992; Erikson, 1964). The principle of consistency, which holds that an identity generates a need for the person to be true to themselves and, consequently, the requirement to act in a way that is true to who they are, explains the driving force behind a moral identity (Erikson, 1964). Therefore, a person with a solid moral identity is compelled to act morally (Oliner & Oliner, 1988).

According to the psychological field, both the individual and the external environment theory, directly and interactively influence employees' decisions on green behavior, which in turn affects the green economy. As an essential feature of the psychological field, sensitivity refers to that; the psychological field is conducive to cultivating people's sensitivity to external things. When a specific situation occurs frequently, the individual will develop higher sensitivity and attention. Moral sensitivity refers to an individual's preferential reaction to the ethical content in the organizational situation and the ability to perceive and explain moral problems (Rest, 1986); that, is ethical sensitivity is essentially the recognition of the moral issues existing in the environment.

In this short paper, I review recent research on moral decision-making, green behavior, and green economy focusing particularly on two questions: (1) How does moral sensitivity affects green behavior and green economy. (2) What is the mechanism by which moral identity and moral judgment affect the green economy? Research on these questions has increased a lot in recent decades. However, we still need a better understanding of demand-side solutions to a green economy. I start the point of departure in a systematic research by conducting a thorough search for empirical research on these topics that has undergone peer review.

### **Theoretical basis and model construction**

The overall goal of this article is based on the theory of moral decision-making, starting from the path of rational moral cognition, to reveal the influence of moral sensitivity on employees' green behavior and green economy in a dynamic organizational environment, in order to stimulate employees' green behavior. Behavior seeks moral motivation to guide organizations' environmental protection practices and help enterprises achieve green and sustainable development. Corresponding to the research objectives, this article mainly explores the following three aspects: first, to explore whether moral sensitivity has an impact on employee's green behavior and green economy; second, to explore the function of moral identity and moral judgment in effecting green economy. Third, pay attention to the interaction between the component model of moral decision-making under the rational view, and provide management strategies and methods for stimulating employees' green behaviors. Based on this theoretical background, we proposed a conceptual model below:

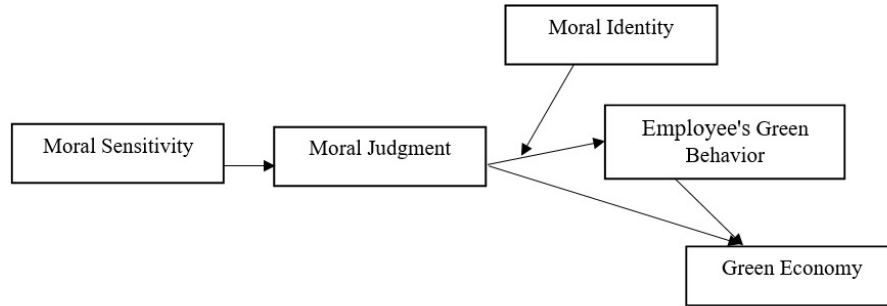


Fig. 1 Conceptual model

### Green economy

Climate, politics, economics, and technology have an essential role and impact on today's world transforming the interconnected practices that work to influence all the factors that can affect the goals of society, companies, and nature. An economic model known as the "green economy" prioritizes social justice and human well-being over ecological scarcity and ecological risks. According to this, a green economy promotes economies to become more sustainable and low-carbon while making sure that natural resources continue to supply the resources and environmental services necessary for human well-being. A green economy depends on resource efficiency to reduce the amount of required resources, emissions, and waste produced per unit of good or service. The green economy offers a macroeconomic strategy for long-term, sustainable economic growth, emphasizing jobs, investments, and skill development that lead to green behavior.

### Employee's green behavior

In recent years, researchers have been faced with the topic of sustainable development, and this phenomenon has triggered the change taking place in today's world, its impact on achieving a green economy which affected by many factors, green behavior is one of the most vital factors which have the important role in reducing pollution waste and achieving the green economy goals. In recent years, scholars have introduced "green behavior" into organizational situations, proposed the concept of "employee's green behavior," and described it conceptually (Xiangqian Feng et al., 2023). Green behaviors are typically described as actions taken by staff members inside a company that support environmental sustainability (Ones & Dilchert, 2012; Jam et al., 2016) or a series of behaviors that employee's voluntarily display to protect the ecological environment, to reduce the negative impact of employee's activities on the natural environment. Employees' green behavior is defined by their pro-environmental behavior, which helps the company's sustainable development. Employee's should strive to be sustainable and not wasteful; In addition, the phrase "employee's green behavior" refers to the environmental projects and activities that employee's of a company engage in as part of their work (De Roeck and Farooq 2018; Jam et al., 2019).

### Effect of moral sensitivity on moral judgment

According to academics, moral sensitivity is the capacity to recognize a moral dilemma as it exists and comprehend the moral ramifications of decision made by managers, leaders, and humans in general (Rest; 1982). Prosocial behavior is positively correlated with moral sensitivity (Eisenberg; 2000, Hoffman; 1981). Moral sensitivity is one of the key elements that direct behavior (Oliveira and Moll; 2019; Kanval et al., 2024). As previously, mentioned, morally sensitive people can better recognize morally challenging circumstances and make prosocial choices that advance sustainable development and the green economy.

According to the rational moral decision-making process model, moral identification is a necessary step in developing moral decision-making and ethical action (Hunt & Vitell, 1986). It is impossible to expect employee's to adopt ethical behavior in the work process if they cannot recognize the moral difficulties latent in the work scenario, which is only the initial psychological component of rational moral decision-making. Numerous studies in the field of moral decision-making have established the link between moral sensitivity, the cornerstone of the quartet model of rational moral decision-making, and the later moral decision-making processes of moral judgment and moral behavior. We anticipated arguing a similar association between moral sensitivity and moral judgments and employee's green behavior based on prior research's.

### **The moderating effect of moral identity between moral judgment and employee's green behavior**

In addition, Moral Identity, a cognitive schema that converts moral intentions into moral behaviors, reveals how much a person identifies internally with moral principles and how much morality there is in their psychological level of significance. People who have a strong sense of moral identity will adhere to the group's moral standards; moral standards are utilized as a guide to creating moral self-cognition to conform behaviors to the group's standards (Reynolds & Ceranic, 2007). Employee's who have strong moral convictions will adhere to the organization's core values. They are therefore more likely to take the initiative to adopt moral behavior that is in line with the organization's expectations. Numerous research have supported the claim by (Aquino and Reed, 2002) that "moral identity is an important regulatory mechanism for the transition of moral judgments into moral behaviors, and an important motive to inspire moral acts". For instance, (Aquino and Reed, 2002) discovered that people with solid moral identity engaged in charitable activities more frequently, which was more closely associated with altruistic actions like giving. In other words, people with strong moral identities reported engaging in more acts of volunteering than people with a low moral identity. Moral identity modifies the relationship between publicity, education, and willingness to sort waste. According to studies in the marketing sector, moral identity will boost people's environmental protection needs, foster green identity, and improve environmental protection. Affinity for the environment and encouraging green consumption, I think that moral identity is a significant factor in motivating employees' green conduct since it is a particular type of ethical behavior in the workplace.

### **The mediating effect of moral judgment between moral sensitivity and employee's green behavior**

A cognitive approach has been the most popular framework for studying moral behavior (Kohlberg, 1984). In the four-stage model of the moral decision-making process proposed by (Rest, 1986), awareness the moral issue is the first step in making moral decisions, employee's make a moral judgment, and engages in moral behavior after establishing an intention to act morally. (Last decades Kohlberg 1981) claimed that while numerous factors influence moral behavior, moral judgment is the most important factor. Numerous studies in this research area has measured moral judgment as stages of moral development (Goolsby & Hunt, 1992; Kohlberg, 1984). Ethical predisposition is the most fundamental approach for conceptualizing and quantifying moral judgments, the term ethical predisposition refers to the cognitive frameworks employee's or individuals rely on when facing moral decisions (Brady & Wheeler, 1996). Consequentialism and formalism are the most foundational moral frameworks in this area. One ethical theory called consequentialism determines the morality of an action based on its effects, consequentialism focuses on the purposes of action and maintains that the moral act maximizes or produces the best or benefit. (Brady, 1985). Formalism, on the other hand, stands for deontological or obligation-based approaches to morality. To assess moral behavior, this framework emphasizes the significance of patterns, rules of behavior, and other formal standards (Brady & Wheeler, 1996). This research has also shown that moral judgment does not explain all variation in moral behavior (Kohlberg 1981, 1984), even though research has conclusively shown that moral judgment shapes moral behavior (Treviño et al., 2006;). Therefore, we propose that moral identity is also a crucial factor in determining moral action by drawing on existing theory and research.

### **Employee's green behavior to green economy**

The issues brought on by human-made climate change, namely natural disasters like floods and bushfires and ecosystem degradation, have been more visible lately. The long-term survival of biological life is becoming increasingly threatened by the rapid and accelerating depletion of natural resources, pollution, and loss of biodiversity brought on by human activities, particularly economic ones like industrial production, electricity generation, transportation, and agriculture. Recent events have inspired governments and nations worldwide to set lofty objectives, as drastically cutting carbon emissions. Organizations have to preserve the environment by creating sustainable goods and services, reusing and recycling materials, cutting back on waste and pollution, and conserving natural resources for corporate operations. A growing number of non-governmental programs that certify sustainable goods and services, environmentally conscious consumers and job seekers, employee's who are motivated, inspired, or given instructions to act sustainably at work, and leaders and entrepreneurs who want to "go green" for moral reasons, legal compliance, or competitive advantage all support these efforts.

An increasing number of employee's are interested in the green economy, and encouraged, or given instructions to act in ecologically sustainable ways at work, and environmental sustainability has emerged as an ethical and strategic necessity for the organization.

Based on the study of (Hannes Zacher et al., 2022) concerning environmental psychology, pro-environmental behavior has been defined as "behavior that harms the environment as little as possible or even benefits the environment" (Steg & Vlek 2009). Organizations that support the green economy work to increase income and create jobs through the rational use of financial and natural resources as well as energy efficiency, which lowers pollution and carbon emissions while preserving biodiversity and environmental services.

In order to select appropriate policy tools and to foresee and explain the behavior of economic agents, a rationality criterion must be assumed when building an acceptable model of sustainable development. This study shows that the criterion of rationality must be adopted by mainstream economics with a sound theory of sustainable development. Based on the rational view the green economy,

started by the psychological part of the individual, leaders, decision-makers, and politicians. According to our conceptual framework, the decision of rationality is started by moral sensitivity and moral judgments, which impact the employee's green behavior and, as a result, green economy and sustainable development.

### **Conclusion**

A little study has examined the elements affecting the green economy from the perspective of rationality, behavior and green economy issues are closely tied to moral factors. Based on a perspective of ethical decision-making, this study investigated the impacts of moral sensitivity on moral judgments and moderating role of moral identity. In addition, moral judgment as mediating factor between moral sensitivity and green economy through the mediating role of employee's green behavior. The findings showed that green intention was considerably increased by moral judgment and moral intensity. Moral sensitivity and moral judgments both affect employee's green behavior and, green economy. Moral identity moderate the relationship between moral judgments and employee's green behavior.

This study contributes to the advancement of research on rational decision-making and, but also to the growing comprehension of moral decision-making under diverse conditions. Additionally, it adds to the body of recent literature. The paper might serve as a guide for decision-makers (leaders, politicians, government...etc.) To prioritize the psychological level of the individual who makes a decision the affect their followers to engage in green behavior.

Anticipate that the coming decades of study on employees' green behavior as the foundation of organizational environmental sustainability will benefit greatly from the use of our integrated conceptual model as a beneficial guide.

In the context of sustainable development and the eradication of poverty, we view the green economy as one of the key instruments at our disposal for accomplishing sustainable development. It may offer possibilities for policymakers, but it should not be a strict set of regulations. We stress that it should support long-term economic growth, the elimination of poverty, more social inclusion, better human well-being, and the creation of chances for fair employment and decent labor for all, all the while preserving the ecological balance of the planet. Moreover, recognize that a green economy will improve our capacity to manage natural resources responsibly and with fewer adverse environmental effects, as well as boost resource efficiency and decrease waste, all within the framework of sustainable development and the eradication of poverty. In addition understand that addressing environmental sustainability, promoting the conservation and sustainable use of biodiversity and ecosystems, regenerating natural resources, and fostering sustained, inclusive, and equitable global growth all depend on taking immediate action against unsustainable patterns of production and consumption where they exist, based on rational view theory, and decision-making of leaders and politician

### **Limitations**

This study confirms that there is a relationship between moral sensitivity, green behavior and, green economy, more over the study confirms the role of moral judgment and moral identity functions in this conceptual model based on the rational view theory.

The irrational view of decision-making and its effect on green behavior and green economy that may be the focus of future studies. Moreover, we need more analyses and more research in the rational view, in order to do the empirical study to improve this systematic review.

Thus, there is a need for a longitudinal study to determine whether the decision makers behavior, particularly in public policies. Where leaders should play a role in achieving a mechanism by cultivating peoples and employee's to achieve green behavior and green economy based on rational view. In this respect, a similar future study in a behavioral laboratory would manage the factors that may relate to green behavior and green economy.

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