Corporate Morality: A Systematic Review and Future Research Directions

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Abstract: The purpose of this study is to systematically review previous research on corporate morality, which is still under-researched. This research is to fill the literature gap and become a comprehensive understanding of corporate morality in the business environment. This study searched all publications examining corporate morality published from 1988 - 2023. A total of 13 studies from 23 articles were found from the Scopus database. This study found that corporate morality is the moral and ethical principles adopted by a company to direct its business actions and decisions. In addition, the findings of this study also managed to establish several factors that make up corporate morality as antecedents and impacts of corporate morality. However, this literature review only uses 1 database, namely Scopus, so further research can expand the scope of articles reviewed by using other data sources. This research contributes to helping academics and practitioners create more moral business plans.

Keywords: Corporate Morality, Ethics, Systematic Literature Review

A. Introduction

Corporate morality is a concept that encapsulates the ethical principles and values that guide corporate actions and decisions, which has received substantial attention in recent years (Oliveira et al., 2022). Indeed, this reflects a growing awareness of the important role that moral behavior plays in shaping corporate reputation, stakeholder trust and long-term sustainability (Freeman et al., 1988). In a globalized business environment, where companies are increasingly required to take responsibility for their social and environmental impacts, an organization's moral compass is not only an ethical consideration, but also a strategic imperative (Foo, 2007). Corporate Morality has evolved from business ethics (Wempe, 2008) that emphasizes compliance and adherence to legal standards, to a broader study of how moral values are integrated into corporate governance (Osigweh, 1994), culture (Foo, 2007), and decision-making processes (Bunderson, 2012). There is a lack of in-depth literature on corporate morality in academic research, especially focusing on how corporate morality shapes the trust of various stakeholders, including employees, customers, and investors.

Articles related to corporate morality in Scopus from 1988 to 2023 are still rare. Corporate morality has become interesting again because of its crucial role in shaping a perception or trust from various stakeholders, including employees, customers, and investors, although in-depth research in this area is still limited. Corporate morality is characterized as supporting the practice of greenwashing (Alawattage et al., 2023), which is when companies project an image of being environmentally friendly but without taking real action (Alawattage et al., 2023). Morality in an organization can start from attention to the welfare of fellow members (Bunderson, 2012). Based on the explanation above, a systematic review of the literature on corporate morality is needed to provide a more comprehensive understanding of the situation of the literature from 1988 to 2023.

The novelty presented by this research is the emphasis on the evolution of corporate morality from mere business ethics to a deeper integration of moral values in aspects of governance, culture, and organizational decision-making. Thus, corporate morality is no longer seen as limited to regulatory compliance, but rather as a key factor in building stakeholder trust. In accordance with the research objectives, several steps were taken. First, this study briefly reviews the basic definitions and perspectives on corporate morality. The author also explains the systematic approach used to analyze the existing literature. Second, this study summarizes and evaluates the existing knowledge on each topic. Then, afterwards, the researcher assesses and evaluates the findings in this field of research. Based on this information, the study highlighted important directions for future research and concluded with a conclusion.

This research makes significant contributions. First, it offers a more comprehensive understanding of corporate morality. Second, it provides both academics and practitioners with a deeper understanding of corporate morality research. Third, this research is important for future research and can highlight potential theoretical and empirical developments in the corporate morality literature. In addition, this study also highlights the application of existing theories, and also explains the relationship between corporate morality and relevant variables. This study can guide future research directions as well as suggest how companies can more effectively integrate moral values in their operations.

B. Methods

This research utilizes a systematic literature review methodology as suggested by (Tranfield et al., 2003). Systematic writing helps in recognizing academic contributions to research (Becheikh et al., 2006). The systematic review process involves three main stages: planning, conducting, and documenting the review (Tranfield et al., 2003). Each of these stages consists of several steps, but the steps can be adapted to the specific needs of the research so that they can fit the established research protocol. This method has been applied and evaluated by other studies,

such as that conducted by (Khan et al., 2020).This study aims to systematically synthesize and integrate existing research on corporate morality, starting with two research questions:

RQ1. What does the literature as a whole suggest about current negative gossip concepts and research?

RQ2. What possibilities are there for future research to develop and extend the existing literature in this context?

These steps are described in the following section. Articles on corporate morality that have been reviewed by several researchers can be found by searching databases such as Scopus. Scopus was chosen because it is mostly comprehensive, and its search function allows for sufficient accuracy (Pascucci et al., 2018); (Vergiansyah et al., 2024). Scopus is a comprehensive electronic database with over 18,000 articles from over 5,000 international publishers, this includes 16,500 journals that have been reviewed by researchers in various fields of science such as scientific, engineering, medical, social and others (Phillips et al., 2015). All studies were conducted from 1988 to 2023. The author searched for articles with the keyword "corporate morality". As a result, a total of 23 articles were found from the Scopus database.

Selecting and assessing the quality of primary studies

The authors selected 18 relevant articles from the initial 23 based on the guidelines of (Tranfield et al., 2003), with reference to inclusion criteria such as publication in the researchers' journals, discussion of corporate morality variables, and written in English. The authors determined the relevance of the research by reading the title, abstract and full text of the articles. The author deleted articles that could not be open access, which were 5 articles. At this stage, the final result is that there are 13 open access and relevant articles selected for review from the initial collection of 18 articles.

Quality assessment

Quality assessment aims to assess the validity of the selected research, provide appropriate justification, and provide the necessary information for readers to determine the relevance of this review strategy to their own research (Cavusgil, 1990). In line with this, the authors refer to (Ahmad et al., 2016; Vergiansyah et al., 2024) in selecting articles from Scopus indexed journals at this stage.

Data extraction

After the quality assessment was conducted, data were extracted from selected studies to minimize errors and biases (Tranfield et al., 2003). The extracted data were then transferred to an excel spreadsheet, which recorded information about the journal, author, title of the study, year of the study, purpose of the study, research design and data, theories used, summary of results, and definitions and antecedents of consequences of corporate morality.

C. Results and Discussion

This section presents the previously analyzed research results by discussing our response to the first research question (RQ1). The findings reflect information on the development of academic publications, definitions of corporate morality, theoretical lenses, methodological applications and antecedents and consequences of corporate morality as identified by previous research. Data was collected from a number of scholarly publications in the research domain covering a span of 35 years. The earliest article in this review was published in 1988. Initially, there were very few publications related to corporate morality, although over time there has begun to be research related to corporate morality (Table 1).

Table 1: Number of Publications Per Year

Year of Publication	Number of Articles
1988	1
1989	2
1994	1
2001	1
2007	1
2008	2
2012	2
2014	1
2022	1
2023	1

Table 2 below shows journals that publish articles related to corporate morality categorized based on the Scopus ranking index.

Table 2. List of Journal Outlets

Scopus Index	Journal Name	Total	
Q1	Critical Perspectives on Accounting	1	10
	Social Responsibility Journal	1	
	Journal of Business Ethics	3	
	Ethical Theory and Moral Practice	1	
	Leadership	1	
	Long Range Planning	1	
	Corporate Governance	1	
	Organization Studies	1	
Q2	European Journal of Marketing	1	1
Q3	Employee Responsibilities and Rights Journal	1	2
	Economic and Political Weekly	1	

Scopus, in assessing journals, classifies journal quality using the term "quartile", with four quartiles, namely Q1, Q2, Q3 and Q4. Q1 is the highest or most important cluster in terms of journal quality with 10 articles, followed by Q2 with 1 article, and Q3 with 2 articles. Table 3 below shows the journal titles with citations from articles related to corporate morality recorded in the Scopus database.

Table 3. List of Article Citation Counts

Author	Article Title	Number Citations
(Schlegelmilch & Houston, 1989)	Corporate Codes of Ethics in Large UK Companies: An Empirical Investigation of Use, Content and Attitudes	55
(Freeman et al., 1988)	Values and the foundations of strategic management	51
(Foo, 2007)	Stakeholder engagement in emerging economies: Considering the strategic benefits of stakeholder management in a cross-cultural and geopolitical context	48
(Nayak, 2008)	Experiencing Creativity in Organisations: A Practice Approach	17
(Wempe, 2008)	Contractarian business ethics: Credentials and design criteria	16
(Ruth, 2014)	Leader as priest: Plucking the fruit of a flawed metaphor	14
(Oliveira et al., 2022)	Do corporate volunteering programs and perceptions of corporate morality impact perceived employer attractiveness?	10
(Bunderson, 2012)	Normal injustices and morality in complex organizations	10
(Schreyögg & Steinmann, 1989)	Corporate morality called in question: The case of Cabora Bassa	3
(Alawattage et al., 2023)	Moral economy, performative materialism, and political rhetorics of sustainability accounting	2
(Dubbink & Ven, 2012)	On the Duties of Commission in Commercial Life. A Kantian Criticism of Moral Institutionalism	2
(Poruthiyil, 2012)	Using religious epics for enhancing morality a case for reflective judgments	2
(Osigweh, 1994)	A stakeholder perspective of employee responsibilities and rights	2

The article by (Schlegelmilch & Houston, 1989) is the most cited article with a total of 55 citations recorded in the Scopus database. Then the second place is an article by (Freeman et al., 1988) with a total of 51 citations. The third place is an article by Foo, (2007) with a total of 48 citations. The fourth order is an article by (Nayak, 2008) with a total citation of 17 citations. And other articles in the table.

Definition of Corporate Morality

Several studies define corporate morality (Schlegelmilch & Houston, 1989; Bunderson, 2012); Alawattage et al., 2023). Table 4 below shows the definitions of corporate morality from the reviewed articles.

Table 4. Definition of Corporate Morality

Author	Definition of Corporate Morality
(Schlegelmilch & Houston, 1989)	Corporate morality refers to the ethical principles and values that guide a company's business behavior
(Freeman et al., 1988)	Corporate morality can be understood as an organization's commitment to ethical and moral principles that guide the company's actions and decisions, particularly in relationships with stakeholders.
(Ruth, 2014)	Corporate morality is a complex issue that involves understanding the decision-making processes within companies and the broader frameworks that influence those processes
(Oliveira et al., 2022)	Corporate morality is defined as the extent to which a firm adopts an instrumental orientation versus a normative and strategic orientation
(Bunderson, 2012)	Corporate morality is a multifaceted concept that emphasizes the need for individual accountability, awareness of interconnected actions, and the development of organizational structures that promote ethical behavior
(Alawattage et al., 2023)	Corporate morality is defined as a set of moral principles and values that are redefined and adapted by companies to align them with business objectives and profit motives
(Dubbink & Ven, 2012)	Corporate morality encompasses a company's ethical duties and responsibilities, with significant debate surrounding the extent to which these duties, especially regarding actions that benefit others, are ethical

Theoretical Lens

In order to better understand the theoretical applications used in existing corporate morality research, several theories have been synthesized. These can be seen in the table below.

Table 5. Theories used

Theory
Moral Economiv Theory
Heedful Interrelating Theory
Practice Theory
Stakeholder Theory
Business Ethics Theory
Institutional Theory
Integrative Social Contracts Theory (ISCT)

Not all corporate morality articles use theory, of the 13 articles that have been reviewed, 61.54% (8) articles use theory, there is also 1 article that uses more than one theory. And 38.46 (5) articles did not explain or mention the use of theory. Some studies did not use theory because the research aimed to be more practical or descriptive, so there was no need to use theory. In addition, there were also studies that focused on experiments without explicitly relying on theory.

Stakeholder Theory

This theory was first systematically introduced by R. Edward Freeman in his book "Strategic Management: A Stakeholder Approach" (1984). According to Freeman, company managers must understand and consider the needs and interests of all stakeholders in the existing decision-making process, because each of these groups can affect or be affected by the achievement of organizational goals. Some corporate morality research using this theory are (Freeman et al., 1988; Osigweh, 1994); Foo, 2007).

Other Theories

Other theories that are explicitly mentioned include Business Ethics Theory and Institutional Theory (Schlegelmilch & Houston, 1989), Human Linkage Theory (Bunderson, 2012), Practice Theory (Nayak, 2008), Integrative Social Contracts Theory (ISCT) (Wempe, 2008), Integrative Social Contracts Theory (ISCT) (Wempe, 2008). Integrative Social Contracts Theory (ISCT) (Wempe, 2008), Moral Economy Theory (Alawattage et al., 2023).

Methodological Application

The empirical studies reviewed have been conducted using qualitative and quantitative approaches, representing 84.62% and 15.38% of the articles reviewed for a total of 13 articles, respectively. The qualitative studies reviewed used existing literature reviews. While in quantitative research using surveys. Mixed method

research has not received much attention from researchers and may be good for future research. Regarding the level of analysis, there are 4 articles that use the individual level, 4 articles that use the organizational level, 4 articles at the organizational and individual levels, and 1 article does not explain what level to research. At the individual level using research samples in the form of employees, students, and some studies do not explain who the samples are. Likewise, at the organizational and individual levels, it does not explain who the samples are. Based on the research context, among the reviewed studies, some studies were conducted in for-profit organizations and others did not explain in which organization they conducted the research. Based on the research context, most of the research settings were conducted in developed countries such as Portugal, US, EU, UK (38.46%), in developing countries namely Sri Lanka, Africa, India, China (30.77%). A total of 30.77% did not explain in which country context the research was conducted.

Mediating, Moderating Variables in The Context of Corporate Morality

In the context of corporate morality, here are some variables that can be used as mediators, namely Corporate Morality (Oliveira et al., 2022; Alawattage et al., 2023), Corporate Volunteering (Oliveira et al., 2022), Corporate Social Responsibility (CSR) Practices (Dubbink & Ven, 2012), Stakeholder Engagement Levels Practices (Dubbink & Ven, 2012), Employee Satisfaction Metrics (Dubbink & Ven, 2012), Public Perception of Corporate Ethics Environmental Impact Assessments (Dubbink & Ven, 2012). Then some variables that can be used as moderation are Performative Materialism (Alawattage et al., 2023), Inter-individual Interactions (Bunderson, 2012), External Market Pressures (Bunderson, 2012), Regulatory Compliance Measures (Dubbink & Ven, 2012), Communication Practices (Bunderson, 2012), Job Structure and Position Redundancy (Bunderson, 2012). By understanding how these variables play a role in the broader relationship, it can build a more complex and informative research model in examining corporate morality. And also other variables such as Moral Economy (Alawattage et al., 2023), Greenwashing (Alawattage et al., 2023), Organizational Culture (Bunderson, 2012), Leadership Metaphor (Ruth, 2014), Spirituality (Ruth, 2014), Morality in the Workplace (Ruth, 2014).

Antecedents and Consequences of Corporate Morality

Having discussed the conceptual definition, theoretical research framework and methodological applications, this study now synthesizes the empirical evidence reviewed with respect to the factors that influence corporate morality and the impact of corporate morality in this context. These findings were obtained from 13 articles identified in a systematic literature review. Antecedents of corporate morality include ethical and moral values espoused by leaders and organizations, corporate volunteering (CV) programs, normative CSR orientation, alignment of individual and corporate ethical values, decision-making structures that integrate moral reasoning, organizational culture that emphasizes ethics and social responsibility,

and institutional and historical influences that shape society's perception of corporate moral responsibility. Meanwhile, the consequences of corporate morality include increasing the attractiveness of the company as an employer, increasing reputation and trust from various stakeholders, strengthening relationships with stakeholders, improving long-term performance and employee morale, as well as potential risks such as greenwashing practices that can undermine trust and create dissonance between the ethical values stated by the company and actual practices.

Future Research

This section, in response to the second question (RQ2), highlights the research gaps in the relevant corporate morality literature and offers a diverse roadmap for future research. This study anticipates that many researchers will be interested in conducting the suggested future research on corporate morality. First, future research is expected to use. The authors suggest that further research could explore how morality (Bunderson, 2012; Alawattage et al., 2023) in complex organizations (Bunderson, 2012) as well as in various other industrial and geographical contexts (Alawattage et al., 2023). Osigweh, (1994) also suggested that more empirical research (Nayak, 2008; Wempe, 2008) or a multifaceted approach (Bunderson, 2012) is needed to test and extend existing theories (Osigweh, 1994), particularly regarding how the stakeholder perspective can be applied in various organizational contexts (Bunderson, 2012; Wempe, 2008), industry contexts (Wempe, 2008; Alawattage et al., 2023), as well as various contexts, as well as various business contexts (Schlegelmilch & Houston, 1989; Wempe, 2008; Oliveira et al., 2022) and cultures (Schlegelmilch & Houston, 1989z; Wempe, 2008; Dubbink & Ven, 2012). Oliveira et al., (2022) suggest for future research to expand more in terms of samples so as not to limit the analysis related to corporate morality. Thus, a comprehensive analysis may lead to different conclusions (Oliveira et al., 2022).

Furthermore, it would be interesting to analyze the relationship between CV and employer attractiveness as attractiveness attributes are believed to vary over time based on longitudinal research (Oliveira et al., 2022), and also the need for longitudinal studies to assess the long-term impact of CSR practices on firm performance and societal outcomes (Dubbink & Ven, 2012). As well as the need for longitudinal studies to look at changes in the use and perception of codes of conduct over time (Schlegelmilch & Houston, 1989). This will help understand whether codes of ethics become more or less important in practice over time (Schlegelmilch & Houston, 1989).

In addition, there is an opportunity to examine more deeply how various stakeholders, including society, and government influence and engage in it (Alawattage et al., 2023). Also, creativity research has not paid enough attention to issues of morality, thus the need for future research to better understand the basis of personal morality, how it impacts managerial life and its relationship with creativity (Nayak, 2008). Likewise, researchers can seek insights into creativity to build the

power of contestation domains and identify existing tensions (Nayak, 2008). (Schlegelmilch & Houston, 1989) also suggested that future research could examine the effectiveness of codes of conduct in influencing ethical behavior in the workplace. And also suggestions for further research can explore the relationship between the code of ethics and existing performance (Schlegelmilch & Houston, 1989).

Future research can also conduct comparative studies between countries to see how codes of ethics are applied in different contexts and different regulations, this can certainly provide insight into how environmental factors affect the adoption and effectiveness of codes of ethics (Schlegelmilch & Houston, 1989). Wempe, (2008) suggests further research to compare contractual ethics with other theories. Further research can explore how contractual ethics can be applied in different contexts (Wempe, 2008), and also future research can help identify necessary adaptations or modifications to existing theories (Wempe, 2008). Wempe, (2008) also suggests that further research is needed to develop practical guidance for managers and organizations on how to apply the principles of contractual ethics in day-to-day decision-making.

D. Conclusions

This study is a systematic and comprehensive literature review that addresses the concept of corporate morality and its place in research to provide recommendations for future studies. The study also examines the possibilities available to future scholars to develop and expand the existing literature in this area. The study concludes that corporate morality is the moral and ethical principles adopted by a company to direct its business actions and decisions. This concept includes dimensions such as instrumental versus normative orientation, ethical responsibility of the company towards stakeholders, as well as awareness of the impact of corporate actions in a broader context. Corporate morality is not just an adaptation of values to achieve business goals and profits, but also reflects the company's commitment to ethical behavior and social responsibility within a broader strategic framework. Although this concept is still in its infancy with various definitions, several studies have analyzed the variables that influence corporate morality at the individual and organizational levels. Furthermore, further research needs to be done related to empirical studies, methods, theoretical foundations and others that are needed.

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