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## Consideration of Future Consequences among managers in Iran and Malaysia



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#### ABSTRACT

Consideration of Future Consequences (CFC) is an individual differences variable that reflects how individuals view the future. CFC takes into account the intrapersonal struggle between an individual's present behaviour and the immediate and future outcomes. The main aim of this study is to examine how managers consider the consequences of their actions in two developing countries, i.e. Malaysia and Iran. Empirical data were collected via a survey questionnaire distributed to managers working in private companies in both countries. The datasets illustrates that Malaysians have a higher CFC compared to Iranians. In addition, it is also shown that Malaysians tend to view consequences from three perspectives, i.e. immediate, intermediate, and future consequences, while the Iranians look at immediate and future consequences.

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#### 1. Introduction

Individuals are changing procedures, practices and life style to meet sustainability objectives (Melville, 2010), which implies that they are concerned and care for the future. There have been studies that indicated that caring for the future is very important and individuals working in companies need to care for the future in order to remain competitive (Schwarz, 2007). In caring for the future, one has to make sacrifices to ensure that the future is sustainable. In some literature, this area of study is considered to be in the Futures field of study (Masini, 2006) as it deals with the future dimensions. One of the most popular instruments that can be used to measure future dimensions is the consideration of future consequences (consideration of future consequences). Consideration of Future Consequences is an individual differences variable that reflects the importance a person assigns to the consequences of his or her actions (De Groot & Steg, 2007). Consideration of Future Consequences, however, not only focuses on future or specific future events, but also takes into account the intrapersonal struggle between present behaviour and the immediate and future outcomes of individuals. The future time perspective of an individual is related to a person's span of awareness into the future (Schwarz, 2007).

Strathman, Gleicher, Boninger, and Edwards (1994) proposed a 12-item instrument to measure Consideration of Future Consequences. Since then many researchers have used their instrument. Generally, Consideration of Future Consequences has been used in two different applications: one, validation of Consideration of Future Consequences instrument (Petrocelli, 2003; Toepoel, 2010), and, two, to analyze Consideration of Future Consequences in numerous contexts, such as financial decision-making (e.g. Howlett, Kees, & Kemp, 2008) and recycling (e.g. Lindsay & Strathman, 1997).

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A review of the literature illustrates that Joireman conducted several studies relating to Consideration of Future Consequences. These include choice of transportation (Joireman, Lange, Kulman, Vugt, & Shelley, 2003), pro-environmental behaviour (Joireman, Lasane, Bennett, Richards, & Solaimani, 2001), credit card debt (Joireman, Kees, & Sprott, 2009) and sleeping habits (Peters et al., 2005). Joireman, Van Lange, & Vugt (2004) studied the relationship between preference for commuting to work by car or public transportation and consideration for future consequences. They found that individuals high in Consideration of Future Consequences prefer commuting by public transportation and are especially sensitive to the perceived environmental impact of cars. De Groot and Steg (2007) also confirmed that awareness of environmental consequences would increase if important environmental values are threatened, and people may adjust their behaviour in accordance to reduce this threat. Despite the numerous studies conducted, according to Arnocky et al. (2013), the Consideration of Future Consequences measures scale itself has received less empirical attention. Thus, this study will focus on this area.

This study aims to use the Consideration of Future Consequences measures scale to examine how managers consider the consequences of their actions in developing countries (Malaysia and Iran), as almost all the extant studies have been conducted in developed nations, particularly the United States of America (Howlett et al., 2008; Joireman et al., 2001, 2003). Rappange, Brouwer, Job, and Exel (2009) studied Consideration of Future Consequences among young adolescents in the Netherlands, while Toepoel (2010), and Hevey et al. (2010) focused on the Dutch population and Icelandic population, respectively. Malaysia and Iran are chosen, as it is hypothesized that their culture differs from developed countries. For example, a comparison is made between the USA and Malaysia based on Hofstede's model (see Hofstede, 1984 for a detailed discussion of the model), in which it was found that Malaysia is high on the power distance index (PDI) while the US is high on the individualism index. The high PDI ranking for Malaysia indicates that less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. The high individualism (IDV) ranking for the United States indicates a society with a more individualistic attitude and relatively loose bonds with others. The populace is more self-reliant and looks out for themselves and their close family members. Thus, it would be interesting to see the factor structure of the Consideration of Future Consequences measures scale when used on Malaysians and Iranians.

This study focuses on individuals working in private companies, whereas many of the prior studies were conducted in an academic environment (Joireman et al., 2009; Strathman et al., 1994). This paper proceeds by discussing prior studies relating to Consideration of Future Consequences followed by the methods used to collect empirical data. Subsequently, the results are presented and elaborations on the results are highlighted. Finally, the implications of the research, its limitations and suggestions for future studies are presented.

#### 2. Background of the study

Prior studies in social and environmental psychology have discussed the differences among individuals and how these individual differences could impact diverse aspects of their personal and social behaviour. For example, a meta-analysis conducted by Furnham and Fudge (2008) suggested that individual differences (conscientiousness, extraversion, as well as low neuroticism) can affect the performance of sales persons. Mortenson, Liu, Burleson, and Liu (2006) conducted a multilevel analysis of individual differences (self and other orientation) and found that individual differences relating to a valued sense of personal distinction were associated with the motivation to pursue specific support goals. The study of Reizer and Mikulincer (2007) showed that individual differences have a major effect on mental representation of caregiving for prosocial behaviour and helping. Another research revealed that individual differences (social dominance orientation, empathy, and right-wing authoritarianism) have direct effects on generalized prejudice (Bäckström & Björklund, 2007).

Based on the Consideration of Future Consequences measures, individuals can be categorized into two groups when they are choosing their present behaviour in relation to future outcomes. The first group is individuals who believe that certain behaviours are worthwhile because of future benefits, even if the immediate outcomes are relatively undesirable or there are immediate costs. They are willing to sacrifice present well-being for future gains. At the other end of the continuum are individuals who are not interested in future consequences but are more concerned with their present well-being (Strathman et al., 1994). As mentioned earlier, the Consideration of Future Consequences instrument was developed by Strathman et al. (1994). In their study, the Consideration of Future Consequences items showed that the items are reliable with a Cronbach's alpha of 0.86. Subsequently, most of the studies that adopted the instrument showed alpha values between 0.7 and 0.8. For example, the studies of Hevey et al. (2010), and Petrocelli (2003) generated alpha values of 0.82, while Rappange et al. (2009) reported 0.76.

Prior studies indicated that the mean scores or values of the Consideration of Future Consequences scale vary from one study to another. Rappange et al. (2009) studied young adolescents in the Netherlands and found the mean scores to be 3.27, while Petrocelli (2003) found the Consideration of Future Consequences mean values among university students in the south-eastern region of the United States to be 3.51. Toepoel (2010), using Dutch panel data for 11 years, found that the mean score on the Consideration of Future Consequences scale varied between 42.1 and 45.8, while Strathman et al. (1994) found that students Consideration of Future Consequences scores ranged from 1.67 to 5. In terms of the validation of Consideration of Future Consequences measures, Strathman et al. (1994) used principal factor analysis on their data and found a one-factor solution that accounted for 94.6% of the variance.

On the other hand, Petrocelli (2003) used the Confirmatory Factor Analysis (CFA) method and found that the Consideration of Future Consequences measures are divided into two factors, immediate consequences (reversed coded items, i.e. items 3, 4, 5, 9, 10, 11, 12) and future consequences (non-reverse coded items, i.e. items 1, 2, 6, 7, 8). The two factors

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