ETHICAL INTENTIONS
AND THE THEORIES OF REASONED ACTION
AND PLANNED BEHAVIOR

by

NANCY B. KURLAND
University of Southern California
Department of Management & Organization
Los Angeles, CA 90089-1421
(213) 740-6647
fax: (213) 749-0541
e-mail: nkurland@kecknet.usc.edu


Do not quote without the author's permission until published.
Ethical intentions and the theories of reasoned action and planned behavior

Abstract

This study compares the explanatory power of Martin Fishbein's and Icek Ajzen's theory of reasoned action, Icek Ajzen's theory of planned behavior, and a modified version of the theory of planned behavior, which includes a measure of moral obligation, to predict insurance agents' ethical intentions towards their clients. Two hundred and forty-five insurance agents in the U.S. were surveyed, with 59% responding. Results suggest that the modified version of the theory of planned behavior best explains agents' ethical intentions. Theoretical considerations and suggestions for future research, highlighting the perceived behavioral control and moral obligation constructs, are provided.
Research applying the theory of reasoned action (TRA) (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1980; Randall, 1989) and the theory of planned behavior (TPB) (Ajzen, 1988, 1985; Ajzen & Madden, 1986) has been used to explain a variety of behaviors from condom use (e.g., Boyd & Wandersman, 1991) to coupon use (e.g., Bagozzi, Baumgarten, & Yi, 1992; for an extensive review see Sheppard, Hartwick, & Warshaw, 1988). However, researchers have debated whether the addition of the perceived behavioral control construct, to create the TPB, significantly adds to the TRA model's explanatory power (e.g., Fishbein & Stasson, 1990; Ajzen, 1988, 1991). Moreover, in a recent article, Randall (1989; Randall & Gibson, 1991) recognized that business ethics researchers have overlooked the TRA and TPB models and that these models could potentially provide valuable insights to understanding why individuals behave unethically within specific situations. This paper further addresses these two challenges. More specifically, the current study explores the explanatory power of the theory of reasoned action, the theory of planned behavior, and a modified version of the theory of planned behavior in predicting insurance agents' ethical intentions towards their clients.

**Explanation of the Models**

*Theory of reasoned action and theory of planned behavior*

One approach to understanding people's behaviors and intentions can be found in the theory of reasoned action (TRA). The TRA is concerned with consciously-intended behaviors (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) and links behavioral intention to the person's actual behavior. The person's attitude toward the behavior, coupled with the subjective norm concerning the behavior (i.e., assessing whether the respondent believes that others who are important to them think they should do X and whether they want to comply with these wishes), determines the behavioral intention.

Despite the widespread application of the TRA model, its ability to predict behavior has been mixed. On the one hand, it has been shown to be a strong predictor of
behavioral intentions but not necessarily of behavior itself (e.g., Bagozzi & Warshaw, 1990; Boyd & Wandersman, 1991; Netemeyer & Bearden, 1992; Vallerand et al., 1992).

On the other hand, researchers have shown that intention to act predicts well an individual's actual behavior (e.g., Ajzen, 1971; Smetana & Adler, 1980; Ajzen & Fishbein, 1980, ch. 11; Ajzen, Timko, & White; 1982; Manstead, Proffitt, & Smart, 1983; and, Sheppard, Hartwick, & Warshaw, 1988). This study relies on a hypothetical scenario and as such is not designed to explicitly measure behavior, focusing instead on behavioral intentions.

The TRA is limited because it assumes that actions are totally under volitional control. This assumption fails to acknowledge that individuals' behaviors may be directed, for example, by systemic constraints. By adding the variable, perceived behavioral control, to create the theory of planned behavior (TPB), Ajzen (1988) attempts to address this latter concern. Specifically, the theory predicts that the stronger the agent's perceived behavioral control, the more likely the agent will intend to perform the behavior.

Researchers testing the construct perceived behavioral control have realized mixed results. In support of behavioral control, Ajzen (1988: 136-139) reviewed research that shows that behavioral control contributes significantly to predicting intention over and above that which attitude and the subjective norm contribute. By contrast, in their study of condom use, Boyd & Wandersman (1991) found behavioral control was not significant. Similarly, Randall & Gibson (1991) found that behavioral control contributed little to the predictive ability of the TPB model after attitude and the subjective norm had been taken into account.

Additionally, Fishbein & Stasson (1990:196) raised the concern about the meaning and measurement of behavioral control. They questioned whether behavioral control has to do with:
"(a) perceptions that performance of a behavior (or attainment of a goal) is influenced by other people or events, (b) Bandura's (1977, 1982) notions of self-efficacy (i.e., I can do it if I want to), or (c) Triandis' (1977) concept of facilitating factors (i.e., performing this behavior is difficult, complex, time consuming)?"

In response, Ajzen (1991) argued that the behavioral control construct "refers to peoples' perceptions of the ease or difficulty of performing the behavior of interest" and may vary across situations or actions and is most compatible with Bandura's concept of self-efficacy. In his research, Bandura considers how people judge their capabilities, and how, through their self-percepts of efficacy, they affect their motivation and behavior. For example, he (1982: 125) found that people were more influenced by how they read their performance successes than by their successes per se: Increasing levels of perceived self-efficacy increased the individual's level of performance.

In sum, the behavioral control variable is designed to extend the TRA model to enable prediction of nonvolitional and goal-directed behaviors "which are viewed as those which an individual perceives as potentially impeded by factors not under his or her control" (Netemeyer, Burton, & Johnston, 1991: 88; see also, Fishbein & Stasson, 1990:76). In the case of volitional behaviors, perceived behavioral control should add no explanatory power because intention should be explained by the subjective norm and attitude (Netemeyer, Burton, & Johnston, 1991; Gibson, 1992, unpub. diss.).

* Modifications to the theory of planned behavior *

In addition to the theory of planned behavior, several modifications to the original TRA can be found in recent research. One of these will be incorporated in the present study. Specifically, this study includes a measure of moral obligation to further predict behavioral intentions. For the purposes of this study, moral obligation is defined as that duty or obligation to the client (i.e., an identified other) that is sanctioned by one's
Values which engender that which one's conscience sanctions can emerge from law, professional codes, the fiduciary norm, conceptions of trust, and so forth.

Researchers have found that a measure of moral obligation significantly predicted respondents' intent. For example, Randall & Gibson (1991) included a measure of moral obligation and confirmed Gorsuch's & Ortberg's (1983) findings that moral obligation directly predicted intent. Along similar lines, Boyd & Wandersman (1991) found that the additional variable of personal normative beliefs (PNB) significantly contributed to predicting behavioral intentions to use condoms.²

In sum, the models compared here to predict insurance agents' ethical intentions towards clients each incorporate two or more of the following independent variables: (1) agents' attitudes towards the identified behavior (attitude), (2) agents' perceptions that people important to them think they should act in a certain way and their desire to comply with these significant others (subjective norm), (3) agents' perceptions of their control over the identified behavior (perceived behavioral control), and (4) agents' perceptions that performing the behavior is a moral obligation (moral obligations).

**Hypotheses.** In formal terms, the hypotheses for the current study are as follows:

Hypothesis 1a: Agents' attitudes and subjective norm will positively predict agents' ethical intentions towards clients (TRA model).

Hypothesis 1b: Agents' attitudes, subjective norm, and perceived behavioral control will positively predict agents' ethical intentions towards clients (TPB model).

---

¹The term "conscience" is left as a primary term and remains unidentified given the problems of actually defining the sources of "conscience."

²The phrases "moral obligation" and "personal normative beliefs" are used interchangeably throughout the paper.
Hypothesis 1c: Agents' attitudes, subjective norm, perceived behavioral control, and moral obligations will positively predict agents' ethical intentions towards clients (modified TPB model).

Hypothesis 1d: The modified TPB model will have a larger regression coefficient than the TPB model which will have a larger regression coefficient than the TRA model.

Moreover, with few exceptions in past research (e.g., DeVries & Ajzen, 1971), attitude has been a stronger predictor of intent than has the subjective norm (e.g., Bentler & Speckart, 1979; Farley, Lehmann, & Ryan, 1981; Davis, Bagozzi, & Warshaw, 1989; Boyd & Wandersman, 1991; Randall & Gibson, 1991; Vallerand et al., 1992). Vallerand et al. suggest that attitudes predict intention better than does the subjective norm because attitude taps one's own attitude toward the act while the subjective norm deals with the more remote concept of one's perceptions of what significant others think. These statements may be relevant only in individualistic cultures. In collectivist cultures, norms may be more important than attitudes.³

As such, an additional hypothesis is the following:

Hypothesis 1e: Agents' attitudes will have a larger regression coefficient than will their subjective norm, perceived behavioral control, or moral obligation in predicting ethical intentions.

METHODS⁴

The subjects

The population studied consists of United States-based financial services agents. These agents are licensed to sell products such as life and health insurance, property and casualty insurance, tax sheltered annuities, stocks, bonds, mutual funds, etc. The agents comprising the sample are located throughout the United States, except New York City,

³I thank the reviewer who made this observation.
⁴The author tested extensively for the potential presence of social desirability response biases. Social desirability response biases did not appear to significantly affect the data. A copy of these analyses is available upon request from the author.
with heaviest concentrations in California, Texas, and Florida. These agents have contracted to sell a particular marketing organization's insurance products.

This marketing organization was founded in the mid-1980's by its current president and several partners. These partners are no longer affiliated with the organization and the current president is both chief executive officer and owner. The company is organized as follows:

1) it supports a small staff headquartered in Texas;
2) it markets products for two separate insurance companies as well as designs products which these insurance companies implement;
3) it designates selected individuals around the country to be regional vice presidents (RVPs);
4) these RVPs recruit agents to sell the company's products; and,
5) the RVPs and the agents they recruit do NOT exclusively sell the company's products but can and do sell the products of competitors as well and therefore are considered either "insurance brokers" or "independent agents."

The study sample consisted of 245 names. The home office staff in Texas chose every third name until they had selected 245 names. The process for mailing the questionnaires was a modified version of that which Dillman (1978) recommends. The surveys were mailed twice, along with a postage-paid return envelope and a cover letter. In the first mailing, the president of the marketing organization wrote a cover letter which explained the study and introduced the researcher. Although confidentiality was assured, each questionnaire had an identification number displayed prominently on the upper right-hand corner of the first page. This method is commonly used in survey research to avoid sending surveys in follow-up mailings to individuals who had already responded. In this study, two agents refused to participate because the identification number indicated to them that the survey was potentially not anonymous. More than these two
agents may have refused to participate for similar reasons, but this was not made known to the researcher. Approximately ten days after the first mailing, those individuals who had not yet responded received the same questionnaire, a postage-paid return envelope, and a modified cover letter from the researcher a second time.

Ninety-eight agents returned completed, usable surveys after the first mailing for a 40% response rate and 47 after the second mailing to total a 59% overall response rate. 116 (80%) men and 28 (19%) women responded, ranging in age from 23 years to 76 years, with a mean age of 48. Eighty-three respondents identified themselves as sales agents (57%), 26 (18%) as either managers or managers and sales agents, and 35 (24%) as "other," usually indicating they owned and operated an agency but which did not preclude their selling.

Measures

This study explores the factors which may influence one ethical decision that financial services agents face--whether to disclose information provided about a product before recommending it to the client. This information includes the agent's commission and the quality of the product. That this issue poses an ethical decision was recognized in a survey of life insurance industry professionals (Cooper & Frank, 1991a, b), as well as in reflections on the sales profession (Ebejer & Morden, 1988), and in recent articles published in the popular business press (e.g., Smith, 1992; Steinmetz, 1993). In Cooper's & Frank's survey, life insurance professionals ranked thirty-two issues according to the degree to which they represented a major problem in the insurance industry. The respondents ranked "false or misleading representation of products or services in marketing, advertising, or sales efforts" as the number one problem in the life insurance industry. In other words, life insurance professionals suggest that an ethical problem can arise if the information provided to them about various products and in turn presented to clients, and/or if the information the agent provides to clients, is misleading, false, or incomplete. Thus, the ethical decision posed in this study was the following: Does the
salesperson disclose all of the available, ethically relevant product information to the client regardless of whether it is favorable or unfavorable to the client's interest?\(^5\)

Table 1 presents sample items from the scales used to measure the agents' ethical intentions for disclosure as well as the agents' attitude, subjective norm, perceived behavioral control, and personal moral obligation about the disclosure.

**Ethical intentions (INTENT) (dependent variable).** Respondents were asked to respond to eight statements to measure INTENT which included items based on insights from Warshaw & Davis (1985) and Fishbein & Stasson (1990) and those the researcher created. **Attitude.** Respondents indicated their attitude toward the focal action. The design of this scale conformed with past research testing the theory of reasoned action and the theory of planned behavior (e.g., Ajzen & Fishbein, 1980; Gorsuch & Ortberg, 1983; Dubinsky & Loken, 1989; Randall & Gibson, 1991; Fishbein et al., 1993).

**Subjective norm.** Respondents indicated their perceptions of significant others' behavior and the degree to which they were influenced by that. These items have been commonly used in past research to assess the subjective norm (e.g., Schifter & Ajzen, 1985; Boyd & Wandersman, 1991; Randall & Gibson, 1991; Bagozzi, Baumgarten, & Yi, 1992).

**Perceived behavioral control.** Respondents indicated the degree to which they perceived they had control over making the decision to disclose the information. Items were developed to reflect the three interpretations of the perceived behavioral control construct as delineated by Fishbein & Stasson (1990) discussed earlier. Items were reverse-scored to show that if the respondents agreed with these statements then they recognized that the decision to disclose the information was somehow out of their control. In order to achieve the highest alpha possible, four items were deleted. Because half of the scale was thus eliminated, two of these deleted items were analyzed separately. First, because agents expressed concerns about reputation as a constraint on their behavior during the

---

\(^5\)Items subjects responded to referred to an industry-specific scenario. A copy of this scenario and the entire survey is available upon request from the author.
exploratory phase of this study, the item measuring reputation was incorporated as a separate variable in the remaining statistical analyses. Second, because the remaining three items excluded from the final scale are modified versions of items frequently relied upon in past tests of the behavioral control construct, the item that was least revised and that is among those items Icek Ajzen, himself, has incorporated in many studies (e.g., Ajzen & Madden, 1986; Fishbein & Stasson, 1990; Netemeyer, Burton, & Johnston, 1991; Randall & Gibson, 1991; Madden, Ellen, & Ajzen, 1992) was also retained as a separate variable.

**Personal moral obligation.** Respondents indicated the degree to which they perceived they had a moral obligation to disclose the information to their client(s). The items in this scale were based on past research (e.g., Gorsuch & Ortberg, 1986; Randall & Gibson, 1991) and on those the researcher created.

---

Insert Table 1 about here

---

**Results**

To test H1a, INTENT was regressed onto attitude and the subjective norm. The results support H1a and suggest that together agents' attitudes and the subjective norm explain approximately 42% of the variance in their ethical intentions (Table 2).

To test H1b, INTENT was regressed onto attitude, the subjective norm, and perceived behavioral control. The results support H3b and suggest that, together, agents' attitudes, the subjective norm, and perceived behavioral control explain approximately 46% of the variance (Table 2). Note that the addition of the perceived behavioral control variable increased the equation's explanatory power only modestly (from 42% to 46%). The act of disclosing information could be viewed as volitional behavior and so the fact that perceived behavioral control does not contribute more may not be surprising.
To test H1c, INTENT was regressed onto attitude, the subjective norm, behavioral control, and moral obligation. The results support H1c and suggest that the revised equation explains approximately 58% of the variance in INTENT (Table 2).

Additionally, H1d was supported as noted from the results just reported above (Table 2).

Finally, the results do not support H1e. In the equation consisting of attitude, the subjective norm, and perceived behavioral control, moral obligation (beta: .4786; p < .001) is the most powerful contributor, followed by behavioral control (beta: .2271; p < .001), attitude (beta: .1853; p < .05), and the subjective norm (beta: .1119; n.s.) (Table 2).

To determine whether or not agents' reputation (reputation) and control in their present job circumstances (control-in-job) explained additional variance, each was entered into the equation. The results suggest that with the addition of these variables the equation explains approximately 61% of the variance in INTENT. However, in this final equation, only moral obligation, attitude, perceived behavioral control, and reputation are significant variables in the equation (Table 2). Since control-in-job is an item often used in past research to measure perceived behavioral control, the fact that it was not significant, but that the perceived behavioral control scale here was, again raises concern about what past research has measured with this construct.

Discussion and Limitations

The results suggest that the modified version of the theory of planned behavior best explains agents' ethical intentions to disclose all the available information to their clients. However, the variable "perceived behavioral control" appears to contribute the least to this explanation. This result points to a major limitation of this and other studies employing the perceived behavioral control construct: the reliability of the behavioral
control scale. Often in past research the perceived behavioral control scale has not been very reliable. This raises concern about what the scale in this study, and in others' research, is really measuring. Noticeably, in the present study, perceived behavioral control was the only scale to have an alpha below an acceptable .70 level. Similarly, in many other studies, the perceived behavioral control construct's measure of internal consistency has been low (e.g., Beck & Ajzen, 1991: alphas = .66 and .67; Randall & Gibson, 1991: alpha = .64; Decourville & Manske, 1992: alpha = .69). This stems, in part, from the lack of consensus regarding what constitutes perceived behavioral control.

Despite Ajzen's (1991) clarification that the perceived behavioral control construct most resembles Bandura's (1977, 1982) self-efficacy construct and not other constructs such as Rotter's locus of control, confusion still surrounds this construct. Given that the construct continues to be interpreted in at least three ways (Fishbein & Stasson, 1990), future research can examine whether different situations evoke different interpretations. This research has made an initial effort in this direction by testing items which seemed to reflect each of these interpretations. Unfortunately, as evidenced by low alphas, respondents did not differentiate among these three interpretations (i.e., the items did not form three distinct scales) nor did they seem to view them as conceptually similar (i.e., the items did not form a reliable scale all together).6

Moreover, further scale development is necessary to examine why and how individuals distinguish behaviors as volitional or nonvolitional. Central to Ajzen's (1988) theory of planned behavior is this distinction between volitional and nonvolitional behavior. Indeed, he writes that the original theory of reasoned action predicts intention and behavior for volitional behavior but not for nonvolitional ones. He further clarifies that he is concerned with perceived control not actual control (Ajzen, 1991: 183):

The importance of actual behavioral control is self evident: The resources and opportunities available to a person must to some extent dictate the

---

6A copy of these analyses is available upon request from the author.
likelihood of behavioral achievement. Of greater psychological interest than actual control, however, is the perception of behavioral control and is [sic] impact on intention and actions. However, because perceived control may not be actual control (i.e., the individual perceives she or he has control but actually no control exists), it may add little to directly predict behavior. Only when actual and perceived control coalesce will perceived control directly predict behavior (Beck & Ajzen, 1991). As such, Ajzen argues that the addition of the variable "perceived behavioral control" adds explanatory power to the theory of reasoned action model (to create the theory of planned behavior model) only when the intentions and actions involved are nonvolitional. That is, if an action is nonvolitional, the perceived behavioral control variable offers another reason why individuals may prefer to intend to perform an action even though they may be unable to actually do so.

Throughout these explanations and clarifications, however, Ajzen offers little insight into what constitutes perceived nonvolitional behavior or whether the individual's perceptions match his or her actual control. For example, in a recent review of past research, Ajzen (1991) suggested that the studies which show perceived behavioral control to be the weakest predictor of behavior were those "most problematic in terms of volitional control" (p. 187). However, he offered no criteria for determining what made a behavior so "problematic."

Moreover, Warshaw & Davis (1985) and Fishbein & Stasson (1990) debated how to define "intention." Warshaw & Davis concluded that "I will try" or "I want" predict a person's behavioral expectations or self-prediction while "I intend" measures a person's behavioral intentions. In response to this, Fishbein & Stasson argued that Warshaw's & Davis's distinction is only meaningful for nonvolitional behaviors and that all are valid indicators of volitional behaviors. When dealing with nonvolitional behaviors, goals, or outcomes, the meaning of the term intention becomes ambiguous. For example, in the context of the present study it is easy to imagine a situation in which an agent has little or no desire or motivation to disclose certain information, yet is told by the firm that he or
she must do so and so "intends" to do so. Similarly, the agent may have a strong desire or motivation to disclose certain information but, because the client would not understand this information, does not intend to do so. Such distinctions would not exist if the behavior was totally volitional. Because the perceived behavioral control construct and the notion of volition remains ephemeral, future researchers need to agree on the meaning of these terms.

Finally, the fact that, after moral obligation was entered, attitude was not the strongest predictor of ethical intentions and the subjective norm fell out of the equation completely was unexpected. However, since the focus in this study centered on ethical intentions, that moral obligation proved to be the strongest predictor may not be surprising. One reason may be that moral obligation taps an individual's perceived *interdependence* with another person, while attitude, the subjective norm, and perceived behavioral control do not.

More specifically, moral obligations, defined as that which is sanctioned by one's conscience as what is one's perceived duty with respect to a specified other, reflects agents' perceptions of themselves as connected and interdependent with others.7 By contrast, attitudes per se measure one's evaluation about an object, person, institution, or event (Ajzen, 1988), perceived behavioral control per se measures one's perceived sense of control over a decision, and the subjective norm measures the degree to which individuals are driven solely by what others think they should do. Both attitude and behavioral control are measures of one's perceptions of something as an individual.

---

7Reputation would also fall in this category since agents' intentions are directed in part by what they think others think is right and because they want to act this way to maintain their reputations, which itself is a potential means to lucrative business. Where moral obligation connotes that an agent's duty to the client precedes the agent's self-interest to act on this duty ("how one plays is more important than winning"), reputation connotes that agents act ethically as a way to satisfy their self-interest which is first ("how one plays is important because it determines if one wins").
independent of others, while the subjective norm captures the degree to which an individual is dependent on others. Only moral obligation potentially reflects interdependency.

Do these results accord with past research? Unlike the approach of this study, in which the agents' self-interest to make a sale may conflict with the agents' duty to disclose all the information to the client, past research has rarely created situations in which respondents' self-interest directly conflicted with their other-interest. Rather, the intentions measured have tended to be seemingly non-threatening and presented as isolated events. Warshaw's & Davis's (1985) study is typical. They measured undergraduate's intentions and behaviors to, for example, "eat only nonfattening foods," "take a walk," "make yourself a sandwich," and so on.

Moreover, those studies which have focused on ethical and/or moral intentions have either not studied all four variables (attitude, subjective norm, perceived behavioral control, and moral obligations) (e.g., Gorsuch & Ortberg, 1983) or have not presented the beta weightings after all four variables had been entered in the equation, making comparison here impossible (e.g., Randall & Gibson, 1991). One exception is Beck & Ajzen (1991). They asked undergraduate students to indicate the degree to which they intend to cheat, shoplift, and/or lie. Hierarchical regression of the results in their study showed that attitude and behavioral control contributed the most to explaining the variance. Moral obligation contributed only modestly to the formation of intention, while the subjective norm contributed significantly only in the intention to lie and only before moral obligation was factored in. However, while the intentions to cheat, shoplift, and lie do create situations of potential internal conflict, the situations in the Beck & Ajzen study do not appear to be designed to clearly pit self-interest against other-interest since the other who may be harmed by the respondents' cheating, stealing, or lying was not specified.
In short, future researchers relying on the TRA, TPB, or a modified version of either, need to (1) more consistently define and measure the perceived behavioral control construct and (2) design situations in which individuals face moral conflicts between their own self-interest and that of others' to further understand the role moral obligation plays in predicting ethical intentions.

**Summary**

This study compared the explanatory power of Martin Fishbein's and Icek Ajzen's theory of reasoned action, Icek Ajzen's theory of planned behavior (TPB), and a modified version of the TPB which included a measure of moral obligation to predict insurance agents' ethical intentions. The results supported the hypothesis that the modified version of the TPB contributes the most to explaining agents' ethical intentions about disclosing information to their clients. Agents' desire to maintain their reputation also significantly predicted their ethical intentions. Agents' perceived control in their present job circumstances did not significantly predict their ethical intentions. Limitations, a critique of the perceived behavioral control construct, and recommendations for future research were also provided.