

A Study on Intention of Unethical Consulting Behavior by Consultants by Utilizing Theory of Extended Planned Behavior: Based on SMBs Consulting Supported by Government

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Abstract: This study was performed as empirical research by adopting a theory of extended planned behavior theory in order to identify what factors affect unethical behavioral intentions by consultants in the course of consulting for small and medium-sized businesses subsidized by Korean government. The data was collected by face-to-face interviews and questionnaire through Google and e-Mail among consultants who had direct experiences in consulting assistance project for medium-sized and small companies supported by Korean government for 2 months from August 2006. The collected data was analyzed by SPSS21 for factors and reliability analysis and AMOS21 statistics package for structural equation modeling. This study was conducted empirically by applying a theory of extended planned behavior comprising of ethical attitude, subjective ethical norm, perceived behavioral control and commitment of consultants in order to identify factors that affect unethical behaviors while implementation consulting project for small and medium-sized businesses subsidized by Korean government. Results show that, first, the commitment of consultants which is referred to the focus on consulting without considering other matters, gives negative impacts on the implementation intention of unethical consulting. Second, ethical attitude that evaluated positive levels on behaviors in the situation where consultant decide to do unethically gives negative impacts on the implementation intention of unethical consulting. Third, subjective ethical norm which is an interaction of motive to follow other opinions that highlight the belief on what consultants think and behave, reduced the implementation intention of unethical consulting. However, perceived behavioral control of consultants was reported to have positive influence on the unethical consulting intention. This study found that consultants should concentrate on works with pride to prevent unethical behavior and make efforts to construct business environment and education for reminding ethical attitude.

Key words: Ethical attitude, subjective ethical norm, perceived behavioral control, commitment, unethical consulting intention, theory of extended planned behavior

INTRODUCTION

Consulting industry grows as a representative knowledge service industry that elevates added value of customers. Although, businesses generally outsource it from specialized consulting companies or consultants or organize internal professional teams in order to establish its optimized strategy fit to them, the lots of SMBs don't have chance to get consulting service because of the high service cost. Therefore, the Korean government implements a consulting service project by which SMBs can receive consulting service without charge. As unethical matters are likely to occur contrary to the original intention of the consulting assistance project, limits on entitlement and work regulations are implemented. However, unethical situations happen as

expected. This study intends to examine factors that influence unethical consulting implementation intention of consultants by applying a theory of planned behavior used in other fields such as psychology and business administration in order to identify how consultants have unethical consulting intentions with factors in the consulting assistance project sponsored by the Korean government and ultimately propose what government should do to diminish unethical consulting implementation intention.

Literature review

Theory of planned behavior: Although, reasonable behavioral theories started in social psychology that predict behaviors based on attitude, subjective norm and behavioral intention were widely applied according to

cognitive approach, an theory of planned behavior added perceived behavioral control variable is received more attention to predict human behaviors including external influences (Ajzen, 1991). In other words, this theory is excellent by predicting behavioral intentions in specific fields with three factors such as attitude, subjective norm and perceived behavioral control (Casalo *et al.*, 2010). Attitude on specific behaviors is one of well-discussed factors in psychology to predict or change behaviors into positive or negative level (Ajzen, 1991) on actions in a situation where a person decides to do. Subjective norm refers to what neighboring influential groups such as family, friends and teachers think about certain behaviors (Kim *et al.*, 2007). In addition, it means an motive interaction complying with other opinions that considers behavioral implementation by certain groups or person. This norm is measured by considering the faith that is based on the reference group (Park and Lee, 2009). Perceived behavioral control refers to a concept that includes various internal or external factors to the perceivable level when actors behave. In other words, it means a degree of subjective judgment how easy or difficult to behave.

Consulting commitment: Commitment is used in behavioral studies in psychology, business administration and education and is defined differently depending on field, area of interest and object. Job commitment and relation commitment are also typically involved in consulting and business administration. Job commitment means cognitive and emotional attitude with psychological affection and considers personal work as their major interests in life. Relation commitment refers to a tangible or intangible contract relationship on the relation persistence between companies with a short-term sacrifice for the sake of long-term convenience (Dwyer *et al.*, 1987). For consultants, commitment tends to induce positive or emotional attitude on certain objects such as work or work environment, or general works. Ethical sensitivity varies according to the degree of commitment (Kaplan and Whitecotton, 2001). Some studies noted that, it had positive influence on establishing relationship and exchange between consultants and clients.

Unethical consulting implementation intention: Behavioral intention is very comprehensive and refers to upcoming implementation plan to accomplish an objective with personal will and faith to realize it after taking attitude towards objects (Boulding *et al.*, 1993). It includes positive and negative aspects (Cho, 2014). Unethical behavior means to attempting to benefit from unlawful

behavior for the sake of profit or from actions that are suspected of loss or loss of others in an exchange relationship (Patrick *et al.*, 2003). Unethical behavioral intention in consulting intends not to provide right information at proper time or use it for personal use not by complying with the obligation of confidentiality on customer information for the sake of personal interest while engaging in consulting work (Hung *et al.*, 2006). Allen and Davis (1993) stated that, ethical consulting behaviors are measured by consulting costs, performance, false reports and so on and ethical consulting behaviors are correlated with consultant values and job ethic.

MATERIALS AND METHODS

Research model: The present study proposed the research model based on previous research as shown in Fig. 1 in order to verify the effects of job ethical attitude, subjective ethical norm, perceived behavioral control and commitment on consultant's intention to engage in unethical consulting intention of consulting in consulting for small and medium-sized companies subsidized by the Korean government.

Research hypothesis

Association between ethical attitudes, subjective ethical norm, perceived behavioral control and unethical consulting implementation intention: According to previous studies, attitude has a close association with behavioral intention. It also noted that favorable and positive attitude was confirmed to elevate behavioral intention (Voon *et al.*, 2011) and personal ethical attitude underrates unethical consulting implementation intention (Song *et al.*, 2011). Moreover, subjective norm had positive impacts on behavioral intention (Kim and Jeong, 2012). Ajzen (2002) demonstrated that perceived

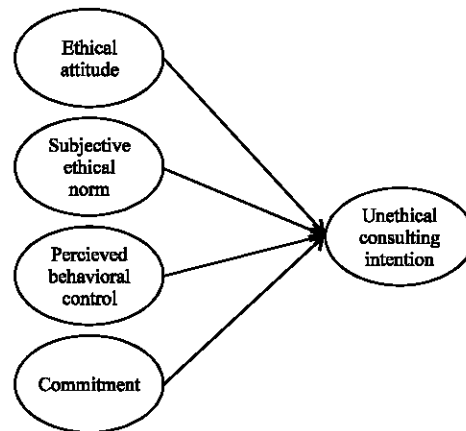


Fig. 1: Research model

behavioral control had a significant influence on predicting behavior with a concept that includes self-efficiency and behavioral control. This study established the following hypotheses to identify whether independent variables in a theory of planned behavior such as unethical attitude, subjective unethical norm and perceived behavioral control based on previous findings:

- H₁: ethical attitude will have negative influence on unethical consulting implementation intention
- H₂: subjective ethical norm will have negative influence on unethical consulting implementation intention
- H₃: perceived behavioral control will have positive influence on unethical consulting implementation intention

Association between commitment and unethical consulting implementation intention: Commitment gives positive impacts on personal behavior (Morgan and Hunt, 1994). In addition, spontaneity to change has positive impacts on commitment (Bauer *et al.*, 2002). As consultants are confident and accomplished in their work, they have ethical attitude. As they have strong confidence on their works, they engage in consulting more ethically (Voon *et al.*, 2011). Moreover, interaction with consultants is significant for solving problems as active practitioners engage in the process of consulting. Job commitment enhances this procedure (Shapiro *et al.*, 1993). Shaub *et al.* (1993) said that, ethical sensitivity by professionals varies according to work commitment. This study established the following hypothesis to examine the effects of commitment on unethical consulting intention based on the above previous studies:

- H₄: commitment will have negative impacts on unethical consulting implementation intention

Method

Population and sample selection: This study conducted survey such as Google survey and visiting among consultants who work for medium and small companies sponsored by the Korean government for nearly two months from August 2015, collected 242 documents and used 233 except for missing value in final analysis in order to identify factors that influence unethical consulting implementation intention in the course of consulting.

Manipulated definition of variables and measurement: A Measured items were recorded for ethical attitude based on Lundberg (1997), for subjective ethical norm based on Ajzen (1991) and Hung *et al.* (2006) for perceived

Table 1: Composition of survey

Measurement variables	No. of questions	Preceding studies
Ethical attitude	4	Ko <i>et al.</i> (2014) and Lundberg (1997)
Subjective ethical norm	5	Ajzen (1991) and Hung <i>et al.</i> 2006
Perceived behavioral control	5	Liao <i>et al.</i> (2010) and Hung <i>et al.</i> (2006)
Commitment	4	Kaplan and Whitecotton (2001) and Seo (2002)
Unethical consulting intention	5	Liao <i>et al.</i> (2010)
Total	23	-

behavioral control based on Liao *et al.* (2010) and Hung *et al.* (2006). Five questions on unethical implementation intention were written by referring to measured items presented by Liao *et al.* (2010). Measuring tools on commitment consisted of pride, completed achievement, hope for continuous performance, new technology and skill acquisition based on Kaplan and Whitecotton (2001) and Seo (2002). Questionnaires included 23 questions. Questions in each variable included 5-point Likert scale (1: strongly disagree, 5: strongly agree). Table 1 shows the result of questionnaire.

RESULTS AND DISCUSSION

Empirical analysis

Data collection: Table 2 shows general characteristics of respondents in sample groups. About 5-10 years largely accounted for consulting careers. 80.3% of respondents worked more than 3 years. Therefore, they are highly experienced in consulting. Moreover, 87.9% of projects were <50 million won as they focus on medium-sized companies. Consulting sectors are equally distributed: strategy, personnel, finance, production, marketing and IT. This study conducted survey such as Google survey and visiting among consultants who work.

Analysis of validity and reliability: Before testing the measurement model, analysis of validity and reliability was performed in advance. Exploratory factors were analyzed among independent variables in order to confirm validity. Principal component analysis was used to extract factors. Varimax rotation was applied to simplify accumulated factors. This study defined study standards that eigenvalue is over 1.0 and factor loading is over 0.50. There was no eliminated factor in the course of analyzing factors and total distribution was reported 81.63%. As 5 variables such as ethical attitude, subjective ethical standards, perceived behavioral control were drawn similar to the theoretical structures in previous studies. Reliability on each variable was analyzed. There were no independent variables that undermine reliability and all

Table 2: The characteristics of samples

Categories	Frequencies	Percentage
Company staff level		
<1 year	25	11.2
1 ~ <3 years	19	8.5
3 ~ <5 years	53	23.8
5 ~ <10 years	72	32.3
10 years or more	54	24.2
Total	223	100.0
Average project amount (mil. Korean Won)		
<20	91	40.8
20 ~ 50	105	47.1
51 ~ 100	18	8.1
100	9	4.0
Total	223	100.0
Consulting field		
Strategies	35	15.7
Human resources	24	10.8
Finance	23	10.3
Production	60	26.9
Marketing	63	28.3
IT	9	4.0
etc.	9	4.0
Total	223	100.0

Table 3: Exploratory factor analysis and reliability test

MV	PBC	SEN	CO	EA	UCI	C α
PBC3	0.923					
PBC4	0.920					
PBC1	0.917					
PBC2	0.915					
PBC5	0.889					0.976
SEN4		0.863				
SEN1		0.849				
SEN3		0.847				
SEN2		0.840				
SEN5		0.816				0.919
CO2			0.915			
CO3			0.914			
CO4			0.900			
CO1			0.894			0.968
EA2				0.848		
EA3				0.831		
EA4				0.799		
EA1				0.689		0.873
UCI2					0.916	
UCI3					0.907	
UCI4					0.880	
UCI5					0.873	
UCI1					0.807	0.925
OV	4.587	3.813	3.733	3.377	3.849	
V%	24.140	20.070	19.650	17.770	76.980	
AV%	24.140	44.210	63.860	81.630	76.980	

EA: Ethical Attitude; SEN: Subjective Ethical Norm; PBC: Perceived Behavioral Control; CO: Commitment; UCI: Unethical Consulting Intention; C α : Cronbach' α , OV: Original Value; V%: Variance%; AV%: Accumulation Variance%

items were used in analysis. Cronbach' α of each variable ranged between 0.873-0.976 as shown in Table 3, so that, it was reliable (Cronbach' α >0.7).

Analysis of measurement model: Researchers conducted measurement model analysis to test the fitness, validity and reliability of the measurement model adopted in this study. To identify the fitness, CMIN/DF(<3.0), GFI(>0.9), AGFI(>0.8), RMR(<0.05), RMSEA(<0.08) were used for absolute fit index and CFI•NFI•IFI•TLI(>0.9) was used for incremental fit index. Removal was repeated based on

Table 4: Goodness of fit of measurement model

Measure	FLV	SLFV	SE	t-values	p-values	SMC
EA						
2	0.881	0.792	0.069	12.755	***	0.628
3	1.000	0.910	-	-	-	0.827
4	0.793	0.920	0.069	11.535	***	0.518
SEN						
2	1.015	0.831	0.091	11.205	***	0.691
3	1.000	0.723	-	-	-	0.522
5	1.041	0.850	0.092	11.535	***	0.723
PBC						
1	0.943	0.921	0.033	28.336	***	0.849
3	1.000	0.958	-	-	-	0.917
4	1.021	0.981	0.026	40.013	***	0.963
5	0.980	0.931	0.033	29.674	***	0.866
CO						
2	0.928	0.940	0.031	30.203	***	0.884
3	1.039	0.971	0.030	35.164	***	0.942
4	1.000	0.954	-	-	-	0.910
UCI						
2	1.000	0.950				0.902
3	0.999	0.944	0.039	25.509	***	0.891
4	0.776	0.744	0.052	14.860	***	0.553
5	0.763	0.750	0.051	15.091	***	0.562

Goodness of fit-measurement model; <Initial model>; $\chi^2 = 539.978$, df = 219, p = 0.000, CMIN/DF = 2.466, GFI = 0.815, AGFI = 0.767, CFI = 0.942, NFI = 0.907, IFI = 0.943, TLI = 0.933, RMR = 0.038, RMSEA = 0.081 <Final model> $\chi^2 = 164.238$, df = 108, p = 0.000, CMIN/DF = 1.521, GFI = 0.923, AGFI = 0.891, CFI = 0.985, NFI = 0.958, IFI = 0.985, TLI = 0.981, RMR = 0.029, RMSEA = 0.048

Table 5: Goodness of fit of research model

Variables	Reference values	Measured values
Chi-square	-	164.238
df	-	108.000
p-values	>0.05	0.000
CMIN/DF	<3.00	1.521
GFI	>0.90	0.923
AGFI	>0.80	0.891
CFI	>0.90	0.985
NFI	>0.90	0.958
IFI	>0.90	0.985
TLI	>0.90	0.981
RMR	<0.05	0.029
RMSEA	<0.08	0.048

SMC value by which measuring variables describe potential variables to create the fitness presented in the final question. As shown in Table 4, 1 in ethical attitude, 1 and 4 in subjective ethical norm, 2 in perceived behavioral control, 1 in commitment and 1 in unethical consulting implementation intention were eliminated. Findings suggested that CR value which is a test statistics on relation assumption between potential variables and measuring variables, exceeded ± 1.96 and potential variables account well variables of measuring variables as SMC value is over 0.4. Moreover, the measurement model was confirmed fit as given in CMIN/DF 1.521, GFI 0.923, AGFI 0.891, CFI 0.985, NFI 0.958, IFI 0.985, TLI 0.981, RMR 0.029 and RMSEA 0.048.

Analysis of study model: The fitness of structural equation model was confirmed appropriate in the test as the final measurement model item for study model test. Figure 2 presents a statistical study model and Table 5 shows the final fitness result.

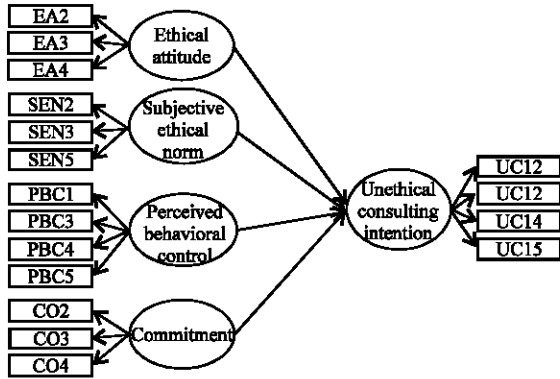


Fig. 2: Statistical research model

Table 6: The structural path coefficients of research model

Structure path	β	t-values	p-values
EA-UCI	-0.235	-3.065	**
SEN-UCI	-0.529	-6.053	***
PBC-UCI	0.097	2.539	*
CO-UCI	-0.112	-3.223	***

*p<0.05, **p<0.01, ***p<0.001

Table 7: The results of hypothesis testing

Hypothesis	Hypothesis to be tested	Results
H ₁	Ethical attitude will have negative influence on unethical consulting implementation intention.	Accept
H ₂	Subjective ethical norm will have negative influence on unethical consulting implementation intention.	Accept
H ₃	Perceived behavioral control will have positive influence on unethical consulting implementation intention.	Accept
H ₄	Commitment will have negative impacts on unethical consulting implementation intention	Accept

Results from hypothesis test: Table 6 shows results from path efficient for hypothesis test of each factor as fitness indexes in the research model were fit. As ethical attitude multiplies, unethical consulting implementation intention diminished (standardized coefficients $\beta = -0.212$, $p = 0.002$). Moreover, subjective ethical norm underrated unethical consulting intention (standardized coefficients $\beta = -0.479$, $p = 0.000$). However, as perceived behavioral control is higher, unethical consulting implementation intention gets higher as well (Standardized coefficients $\beta = 0.181$, $p = 0.011$). As commitment elevates, unethical consulting implementation intention gets lower (Standardized coefficients $\beta = -0.224$, $p = 0.001$).

Table 7 shows tested results on the hypothesis that the effect of ethical attitude, subjective ethical norm, perceived behavioral control and commitment on unethical consulting implementation intention.

CONCLUSION

This study was conducted to identify the influence of commitment, ethical attitude, subjective ethical norm

and perceived behavioral control over the consulting implementation intention by applying a theory of extended planned behavior among consultants who provide consulting service to medium-sized companies supported by the Korean government. Results from this study that examined research hypotheses are as follows. First, the commitment of consultants which is referred to the concentration on consulting process without paying special attention to other affairs, influenced negatively over the unethical consulting implementation intention. Second, ethical attitude influenced negatively on the unethical implementation intention. Third, subjective ethical norm an interaction motive that follows other people who emphasizes thoughts and behavioral implementation by consultants was also reported to influence negatively on the unethical implementation intention. However, perceived behavioral control which is referred to subjective judgment on how easy and difficult to behave had positive impacts on unethical consulting implementation intention.

LIMITATIONS

This study applied with the theory of extended planned behavior has the following limitations and presents the direction for new research associated with the current study. First, this study introduced the theory of planned behavior and verified its effects on unethical consulting intention. However, it is important to draw more fundamental improvements by studying what factors affect each element in this theory. In addition, it is necessary to reflect various factors in addition to this research by applying relevant theories as there are a variety of factors that influence over unethical consulting just as the theory of planned behavior introduced in this study expands.

SUGGESTIONS

Findings from this study suggest that, consultant should concentrate on their research with pride to prevent any unethical behavior from occurring in this government-sponsored consulting project and focus on construct business environment and instruction for learning ethical attitude and thoughts. These outcomes will practically contribute to the policy establishment by government officers.

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