Mediating Effect of Attitude on the Determinants of Financial Misselling of Life Insurance Products in India

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Abstract

This study attempted to empirically validate a comprehensive model that combines individual traits, market competition, and organizational climate affecting the financial misselling by life insurance sales agents from an Indian perspective. The study adopted a cross-sectional design to collect survey data from 825 full-time insurance agents employed in life insurance companies in Karnataka state in South India. We found a positive relationship between misselling and ethical climate, indicating that salespeople's perceptions might be changed by ethical codes, policies, or training but not their ethical behavior. Moreover, high-self monitors acting opportunistically to corner the sales by adopting dishonest sales practices indicated an instrumental ethical dimension. We also showed that competitive intensity positively influenced agents to exhibit financial misselling. Also, financial misselling increased when insurance companies designed varieties of complex products and exerted too much supervisory pressure on agents to amplify sales. Therefore, the working environment should enforce and promote a code of ethics that fosters an ethical attitude and hampers high self-monitors from pursuing individual interests at customers' expense. There is a need to manage ethical and competitive climate and supervisors' actions in reducing ethical conflicts and improving sales performance.

Keywords : **Attitude, agents, financial misselling, insurance services, ethical climate**

JEL Classification Codes : G52, M3, M31

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Today's complex selling environment in the insurance industry necessitates equitable and sincere sales exchange between agents and customers for shared benefit. However, the intangible and convoluted nature of insurance and ample information asymmetry enhances the misconduct by sales agents. Financial misselling (FM) is defined as misleading customers by distorting and exaggerating returns, lying about the features of a product, selling insurance products that are not relevant to the customers, and exerting pressure for making a sales deal (Ameer & Halinen, 2019 ; Ferreira et al., 2016 ; Tiwari & Bhagat, 2021). In the current context, one example of misselling is the promise of obtaining substantial profits on ULIP's unit-linked insurance plans. When investors demand high returns on their investments, insurance agents often try to sell ULIPs as an alternative to mutual funds, which are highly susceptible to market hazards. Conferring to the Insurance Regulatory and Development Authority of India (IRDAI) 's *Annual Report* for FY20 – 21, insurance companies received financial misselling complaints ranging from 10,000 to 12,000 cases, indicating that research on the

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industry's most pressing issue is urgently needed. The lack of empirical evidence around the nature of misselling doings and the impact of situational factors on unethical behavior is a major lacuna in the literature to date (Ameer & Halinen, 2019 ; Bush et al., 2017).

The current opportunities encourage agents to compromise their sales ethics, thwarting insurance companies' efforts to establish mutually beneficial customer relationships. Customers' insurance phobia, or the fear of buying the wrong product, may impede the insurance industry's expansion and prevent wider penetration into the less established Indian market. As a result, unethical insurance agent behavior is a source of concern (Yi et al., 2012). As the policyholders' perceptions of insurance firms' ethical conduct have a positive impact on the loyalty of customers, moral sales practices in customer relationship management are the foundation of insurance businesses' long-term competitive advantage (Kazi et al., 2018 ; Mulki et al., 2006 ; Shetty & Basri, 2017, 2018, 2020). Despite the fact that the sector is heavily regulated, the risk of misselling is higher because insurance agents work in relatively unsupervised environments and generate sales that are evaluated on a short-term basis. As pointed out by Singhapakdi and Vitell (1992), salespeople emphasized self-interest over the interests of others, and sales supervisors allowed unethical behavior by their employees. There is less empirical research on marketing ethics in insurance selling techniques in the sales management literature. Due to the urgent need to assess financial misselling and reduce its negative impact on consumer well-being, this study was conducted to investigate the antecedents of misselling in the insurance industry, with a focus on the mediating role of unethical attitude in predicting financial misselling. The study's findings would provide insurance companies with newer insights to foster agents' ethical sales behavior and promote a long-term rewarding relationship with customers.

Literature Review

Due to the importance of ethical behavior in sales, understanding financial misselling necessitates knowledge of salespeople's personality qualities and the organizational environment, as both affect the cognitive domain and embellishment of that domain during sales encounters (Kumari & Singh, 2018). Organizational factors such as commission, sales pressure, supervisory control targets, ethical climate, and ethical training (Yi et al., 2012) influence behavior, as do market factors such as competitive intensity (Fu et al., 2020) and product characteristics such as complexity and variety (Yi et al., 2012). Supervisors in the behavior-based system put additional efforts to guide salespeople and outlaw unethical behavior by following ethical processes, ultimately influencing positive ethical behavior (Cadogan et al., 2009 ; Chakraborty, 2021). Ethical climate denoting the notion of right behavior and ethical reasoning is based on the organization's policies and procedures that control decisions involving ethical challenges (Yi et al., 2012). Ethical training is the formalization of ethics that raises awareness, communicates standards, and improves one's ability to make ethical decisions. According to the self-monitoring theory, people have distinct traits, and they amend their behavior depending on the situation. Low self-monitors believe in their inherent reflects and do not change their conduct in any circumstances, whilst high self-monitors alter their behavior according to the situations.

Attitude

A sales-oriented person engages in hard selling when he or she does not regard the demands of the customers and instead pushes the product for personal financial benefit, according to the notion of selling orientation and customer orientation. Such conduct demonstrates an unfavorable attitude and, as a result, unethical purpose. Agents' positive attitude toward the company's ethical standards, on the other hand, is expressed in customer-oriented behavior, in which they take time and show interest in explaining and offering a suitable product that fulfills the customer's demands. According to previous studies, insurance agents who act ethically are

more likely to be customer-focused. As a result, an individual's mindset mirrors his/her behavior, and a sales-oriented employee is more likely to missell insurance coverage. Since individuals with low moral values would make unethical decisions, we hypothesize that attitude positively influences financial misselling (H1).

Individual Factors

Individuals who are strong self-monitors have a lot of flexibility when it comes to adapting their behavior to external and situational conditions and vice versa. In general, high self-monitors take an unscrupulous approach to selling insurance to unwitting customers (Shetty & Basri, 2019). Self-monitoring could be a critical component that enables agents to adjust the content of their presentations and the manner of their sales interactions to suit the customers (Rogoza et al., 2021). On the other hand, individuals with low self-monitors are less attentive to social cues and tend to show themselves in the same way in every circumstance (Browne & Kaldenberg, 1997). In general, people with high self-monitors have an unethical attitude toward selling insurance to unwitting customers. On this basis, we hypothesize that :

- **H2 :** Self-monitoring has a positive influence on financial misselling.
- **H3 :** Attitude positively mediates the relationship between the self-monitoring trait and financial misselling.

Organizational Climate

Ethical climate refers to the insights of the moral values and actions reinforced and practiced by the organization (Fu et al., 2020; Sharma & Yadav, 2018). The ethical climate is likely to work as a control mechanism that directs employee conduct when it comes to sales activities. The unique feature of the insurance sector, in which agents sell insurance plans outside of the company's designated physical environment, creates numerous potentials for ethical conflict. Consequently, an unsupervised and ambiguous ethical environment leads to an ethical dilemma that directly contributes to unethical attitudes and subsequent unethical behavior (Fu et al., 2020; Kar & Tripathy, 2021; Rashid & Rokhade, 2021). Accordingly, the subsequent hypotheses are posited :

- **H4 :** The more positive the perception of ethical climate, the lower will be the financial misselling.
- **H5 :** Attitude mediates the relationship between ethical climate and financial misselling.

Sales Target

When insurance businesses create unrealistic sales targets and incentives as pay to motivate sales employees, according to Rahayu (2021), the selling pressure is frequently felt by agents. According to Kloos (2021), if managers establish a greater sales target and favorably reward for meeting it regardless of ethical principles, the resulting failure of the enforcement mechanism will propagate misselling and erode the foundation of the company's ethical climate. A high level of unreasonable sales targets, in particular, directly creates unethical attitudes and, as a result, increases financial misselling. Thus, the following hypotheses are proposed :

- **H6 :** Sales targets positively influence financial misselling.
- **H7:** Attitude mediates the relationship between sales targets and financial misselling.

Ethics Training

Insurance agents receive an overview of the organization, its ethical principles, and an outline of the significant ethical difficulties they will face in the sales environment during ethics training (Rashid & Rokhade, 2021). Ethical training that improves knowledge of ethical mechanisms, codes of ethics, and enforcement systems can help to reduce unethical behavior (Dominic & Reshmi, 2021 ; Zhuang et al., 2012). In the insurance industry, it is seen that the higher the ethical training provided, the more favorable is the ethical attitude, and the lower will be the intention to engage in unethical behavior by the agents (Yi et al., 2012). Thus, as per the foregoing discussion, the ensuing hypotheses are proffered :

- **H8 :** Ethical training negatively influences financial misselling.
- **H9 :** Attitude significantly mediates the relationship between ethical training and financial misselling.

Supervisory Pressure

Due to their authority to reward or penalize subordinates, supervisors significantly impact the normative processes that operate within organizations (Yi et al., 2012). Misselling is more likely when the supervisor engages in unethical behavior to meet performance goals and promotes unwritten norms that encourage such behavior (Ferran, 2012). As a result, excessive supervisory control over agents' sales performance leads to financial misselling, especially if the supervisor is immoral (Martysz & Rakowski, 2021). Aggressive supervision opens the door to potentially dangerous sales scenarios, resulting in a lack of moral bravery and unethical behavior (Dominic & Reshmi, 2021). Thus,

- **H10 :** Supervisory pressure positively influences financial misselling.
- **H11 :** Attitude mediates the relationship between supervisory pressure and financial misselling.

Sales Commission

Incentive-based remuneration, rather than a fixed salary, increases selling pressure, especially when the agents' income is based in part or entirely on incentive pay. Insurance agents have a strong urge to sell as many products as possible because their sales success directly influences their compensation (Ameer & Halinen, 2019). It has been suggested that if insurance companies offer significant incentives, the perceived value of financial products is inflated by agents even if their purchase is not suited for the customer's needs and preferences (Dominic & Reshmi, 2021; Ferreira et al., 2016). Hence, we hypothesize the following :

- **H12 :** Sales commission positively influences financial misselling.
- **H13 :** Attitude mediates the relationship between sales commission and financial misselling.

Product Characteristics

(1) Product Complexity : The inseparability and intangibility of insurance products, as well as their complexity and ambiguity, provide several potentials for financial misselling (Friend et al., 2020). Customers are more vulnerable to dishonest sales techniques as a result of the emphasis on personal selling, which constrains rationality and increases information asymmetry (Kloos, 2021). In such a sales situation, customers undergo a

multipart decision-making process and heavily rely on agents' expertise and advice. Under such sales interactions, agents' proclivity to engage will be higher. Based on the prior analysis, we propose that :

↳ **H14 :** Product complexity positively influences financial misselling.

(2) Product Variety : Product variety refers to the diverse versions of insurance products offered by insurance companies at one point (Bush et al., 2017). Customers still lack awareness of financial products despite the requirement for financial expertise (Friend et al., 2020). As a result, when agents have a wider range of policies to sell, there is a greater chance of misselling (Bush et al., 2017). The preceding discussion leads to the resulting hypothesis :

↳ **H15 :** The greater the product variety, the higher will be the financial misselling.

Market Factors : Competitive Intensity

The degree of competitive intensity in the insurance sector is critical and may influence agents' unethical behavior (Ferreira et al., 2016; Kloos,2021). Ferreira et al. (2016) asserted that competitive intensity is negatively related to agents' behavioral intention to act unethically. If unethical behavior is repeated over a while, the tendency to interiorize misselling will support the instrument ethical dimension in the organization. According to Yi et al. (2012), competitive intensity and attitude have a favorable association. Because agents use opportunistic behavior to meet their sales targets under intense competitive situations, the following hypothesis is proposed :

↳ **H16 :** Intense competition positively influences financial misselling.

Methodology

The study is a cross-sectional design carried out to evaluate the hypothesized relationships empirically. Before collecting quantitative data using the questionnaire, a pilot test was performed with a pretest procedure. For the pretest, 28 questionnaires were collected amongst the agents from banks and life insurance companies. The questionnaire was revised to ensure that the respondents comprehended the questions.

Survey Instrument

The items for each construct namely attitude (seven items; Haron et al., 2011), self-monitoring (three items; Noor & Muhamad, 2005), supervisory control (eight items; Challagalla & Shervani,1996), sales target (eight items; Challagalla & Shervani, 1996), commission (four items) and product complexity (three items), product variety (three items), competitive intensity (three items) (Yi et al., 2012), and financial misselling (eight items; Haron et al., 2011) were taken from published research articles. The survey instrument items were measured on a Likert 5 - point scale, ranging from 1 – *strongly disagree* to 5 – *strongly agree* in line with the measurements used in previous studies. The data are analyzed using Smart PLS 3.2.8.

Sampling Design

The study follows a random selection procedure for multi-stage cluster sampling. The geographical unit selected for the study is Karnataka, which has 30 districts with reference to human development index criteria, and we randomly selected three districts, namely Dakshina Kannada, Davangere, and Chitradurga, based on the

HDI ranks. An average of three taluks per district was considered for the study (a total of 15 taluks). The list of agents and their contact details were retrieved from the respective insurance companies of the district. Further, the agents were chosen from the list randomly to avoid any bias. We personally administered the survey as well as a web-based survey. The agents were personally contacted first and asked to share mobile numbers and other details of other agents they knew. Thus, snowball sampling was also used to share the survey instrument through the electronic medium. A total of 954 surveys were disseminated, of which 825 surveys were returned (86.13% response rate). After data inspection, we decided to drop a total of 129 incomplete answers. The data were collected from December 2019 – June 2020.

Analysis and Results

Evaluation of the Measurement Model

To empirically and statistically examine the reflective measurement items, various methods are used to measure the internal consistency of scales through validity and reliability adopted in the study. The items proven to have sufficient reliability have Cronbach's alpha value above 0.7 (Table 1). Also, the outer loadings between dependent and independent variables are considerably above 0.70 (Table 1). The average variance extracted (AVE) is greater than the minimum of 0.5 for all constructs, which confirms adequate convergent validity (Table 1). The discriminant validity is measured to check whether the constructs measure diverse concepts using the

Table 1. ***Reliability and Validity Statistics***

Items	Outer Loadings	Alpha	AVE	Indicator Reliability	Composite Reliability
Self-Monitoring					
I attempt to influence or entertain others.	0.936	0.928	0.824	0.876	0.949
In a group of people, I am usually the center of attraction.	0.926			0.857	
I am able to adapt myself to different situations and with different people.	0.866			0.749	
I am able to behave differently in different situations.	0.901			0.811	
Competitive Intensity					
Competition is more intense than before in the insurance market.	0.894	0.884	0.810	0.799	0.927
Each company is aggressively fighting to hold on to the market share against new entrants in our industry.	0.867			0.751	
My company focuses on marketing due to increased competition.	0.938			0.879	
Ethical Climate					
Ethical standards are too rigid in my company.	0.893	0.904	0.777	0.797	0.933
My company strictly enforces a code of ethics.	0.895			0.801	
My company has policies concerning ethical behavior.	0.857			0.734	
The enforcement of ethics depends on the position that one holds in this organization.	0.880			0.774	

Ethical Training					
In this organization, team leaders/ branch managers stress the need to sell policies honestly.	0.924	0.889	0.896	0.853	0.945
I need to get ethical training to enhance my sales performance.	0.969			0.938	
Sales Target					
I am aware of the sales volume that I am expected to achieve.	0.755	0.875	0.557	0.570	0.898
The sales target set for me is achievable.	0.771			0.594	
The sales target set is in coherence with my skills, knowledge, and abilities (competency).	0.821			0.674	
The sales targets set are inflexible.	0.722			0.521	
The extent to which I attain sales targets decides my future in the company.	0.705			0.501	
My performance as an agent is measured against stringent sales targets.	0.712			0.507	
My promotion opportunities depend on the extent to which I meet the sales targets.	0.730			0.500	
Supervisory Pressure					
My supervisor (manager/officer) regularly monitors my progress in achieving the sales volume.	0.701	0.894	0.705	0.500	0.922
My supervisor (manager/officer) periodically monitors my sales-related activities.	0.888			0.788	
My supervisor (manager/officer) commits time and effort to assess my capabilities as a salesperson.	0.873			0.762	
I receive feedback on whether I am meeting expectations on sales volume.	0.849			0.720	
I will receive a formal warning if the sales volume is not achieved (deleted).	0.880			0.774	
If my supervisor (manager/officer) feels I need to adjust my sales-related activity to meet the sales targets, he/she tells me about it (deleted).	0.569			0.323	
If I perform the sales activities well, my supervisor (manager/officer) would commend me (deleted).	0.684			0.467	
My supervisor (manager/officer) assists by suggesting why using a particular sales approach may be useful (deleted).	0.632			0.399	
Commission					
I get a timely payment of commission/rewards for the policies that I successfully sell.	0.911	0.902	0.754	0.829	0.925
The commission/rewards percentage is commensurate with the industry standards.	0.897			0.804	
I am motivated to sell those policies that yield high commission/rewards.	0.793			0.628	
I have kept my own commission/rewards targets to be met every month.	0.868			0.753	

Attitude					
I sometimes fear losing a potential customer if I choose to disclose all the information about the policy.	0.902	0.908	0.735	0.813	0.932
I will be unhappy if I mislead a customer into purchasing a policy just to meet my targets.	0.827			0.684	
I am contented with meeting my sales targets, even if it sometimes sacrifices customer interest.	0.903			0.815	
I sometimes feel it is not wrong to push slow-moving policies to customers when my job is at risk.	0.714			0.509	
I feel anxious about possible lapsation of policy by my customer when the policy does not adequately meet his/ her needs.	0.924			0.853	
I am excited about the high commission/rewards I can earn on the sale of some policies, and hence, I aggressively sell them to customers (deleted).	0.629			0.395	
Financial Misselling					
I may use unfair tactics in the future to sell more policies to customers.	0.875	0.938	0.699	0.765	0.949
I may not ask for a medical report as it slows down the buying process.	0.829			0.687	
If a client approaches me to buy a policy that safeguards family and children on his/her untimely death, I would suggest a ULIP policy.	0.853			0.727	
I will try to sell to a customer all I can convince him/her to buy, even if I think it is more than what a wise customer would buy.	0.844			0.712	
If I am not sure a product is suitable for the customer, I pressurize him/her to buy.	0.818			0.669	
I intend to spend more time persuading a customer to buy than I do trying to discover his/her needs.	0.810			0.656	
I plan to begin the sales talk for a product before exploring a customer's needs.	0.822			0.675	
I will sell as much as I can rather than satisfy customers.	0.838			0.702	
Product Complexity					
I need to know a lot to sell life insurance products.	0.916	0.885	0.811	0.839	0.928
Our financial products are complicated in nature.	0.866			0.749	
I would have to learn a lot to take full advantage of the options/programs offered by the company.	0.919			0.844	
Product Variety					
I sell a variety of insurance products based on price.	0.944	0.917	0.858	0.891	0.948
I sell a wide choice of insurance products to customers.	0.909			0.826	
There are similar insurance products sold through various channels in our domestic insurance market.	0.926			0.857	

heterotrait - monotrait ratio (HTMT), wherein the off-diagonal values lie below 0.85, which shows that there is discriminant validity between all the constructs.

Evaluation of Structural Model

Since multicollinearity provides biased path coefficients by increasing the standard errors (measured by variance inflation factors - VIF), it should be analyzed before estimating the path coefficients. In our study, VIF is found to be within acceptable limits (below 2.00). Hence, multicollinearity of constructs is ruled out. The path coefficients of the relationship between independent and dependent variables, including the mediator 'unethical attitude,' are displayed in Table 2. The value of R^2, the coefficient of determination for intention to behave unethically, stands reasonably high to moderate at 0.589 (t = 22.255, p = 0.00) and moderates for ethical attitude (R^2= 0.224, t = 7.213, p = 0.00).

The standardized path coefficient of 0.17 indicates that attitude has a positive and statistically significant effect on FM, suggesting that unethical attitude positively shapes the agents' misselling of insurance policies (t - value = 5.969, $p < 0.00$) (H1). When the direct effect is analyzed (Table 2), a significant positive relationship between self-monitoring (β = 0.215, p<0.00), competitive intensity (β = 0.111, p<0.00), ethical climate (β = 0.086, $p < 0.05$), supervisory control (β = 0.046, $p < 0.05$), product variety (β = 0.473, $p < 0.00$), and FM is observed. Thus, H1, H2, H4, H10, H15, and H16 are supported.

When we assess the indirect effect of attitude in mediating the relationship between antecedents and predicted variable (FM), a significant positive association between self-monitoring and attitude is seen (β = 0.09, p<0.00), indicating a complementary partial mediation. Besides, a significant but negative relationship between

Table 2. ***Evaluation of Structural Model and Hypothesis Testing***

Path	Path Coefficient	*t* - value[a]	Hypothesis Testing
	Direct Effect		
Attitude => *FM*	0.170	5.969*	H1: Supported
Self-Monitoring=> *FM*	0.215	5.51*	H2: Supported
Ethical Climate=>*FM*	0.086	2.657**	H4: Supported
Sales Target=> *FM*	0.032	1.42	H6: Not Supported
Ethical Training=> *FM*	0.001	1.373	H8: Not Supported
Supervisory Pressure=> *FM*	0.046	1.966**	H10: Supported
Commission=> *FM*	–0.04	0.74	H12: Not Supported
Product Complexity=> *FM*	–0.04	0.158	H14: Not Supported
Product Variety=> *FM*	0.473	13.816*	H15: Supported
Competitive Intensity=> *FM*	0.111	5.23*	H16: Supported
	Mediating Effect		
Self-Monitoring=> *ATT*=>*FM*	0.090	5.036*	H3: Supported
Ethical Climate=> *ATT*=>*FM*	–0.015	2.301**	H5: Supported
Sales Target=> *ATT*=>*FM*	–0.007	1.088	H7: Not Supported
Ethical Training=> *ATT*=>*FM*	0.008	1.332	H9: Not Supported
Supervisory Pressure=> *ATT*=>*FM*	0.005	0.760	H11: Not Supported
Commission=> *ATT*=>*FM*	0.005	0.730	H13: Not Supported
Competitive Intensity=> *ATT*=>*FM*	0.007	1.168	H17: Not Supported

Total Effect			
Attitude => *FM*	0.170	5.969*	H1: Supported
Self-Monitoring=> *FM*	0.304	8.289*	H2: Supported
Ethical Climate=> *FM*	0.070	2.065**	H4: Supported
Sales Target=> *FM*	0.025	1.108	H6: Not Supported
Ethical Training=> *FM*	0.008	0.347	H8: Not Supported
Supervisory Pressure=> *FM*	0.051	2.160**	H10: Supported
Commission=> *FM*	–0.035	1.280	H12: Not Supported
Product Complexity=> *FM*	–0.004	0.158	H14: Not Supported
Product Variety=> *FM*	0.473	13.816*	H15: Supported
Competitive Intensity=> *FM*	0.118	5.510*	H16: Supported
SRMR = 0.046, Upper quartile 97.5% = 0.036 , NFI = 0.968, rms_theta = 0.101.			

Notes. [a] *t*-values for two-tailed test, **p*<0.00, ***p*<0.05.

FM: Financial misselling ; ATT: Attitude.

Table 3. ***Results of f^2***

	Attitude	Financial Misselling
Attitude		0.152
Commission	0.111	0.420
Ethical Training	0.325	0.219
Ethical Climate	0.146	0.109
Product Complexity		0.100
Product Variety		0.411
Self-Monitoring	0.180	0.144
Supervisory Pressure	0.333	0.462
Competitive Intensity	0.253	0.228
Sales Target	0.262	0.282

Note. Assessing f^2 ; 0.02 = small, 0.15 = medium, 0.35 = large.

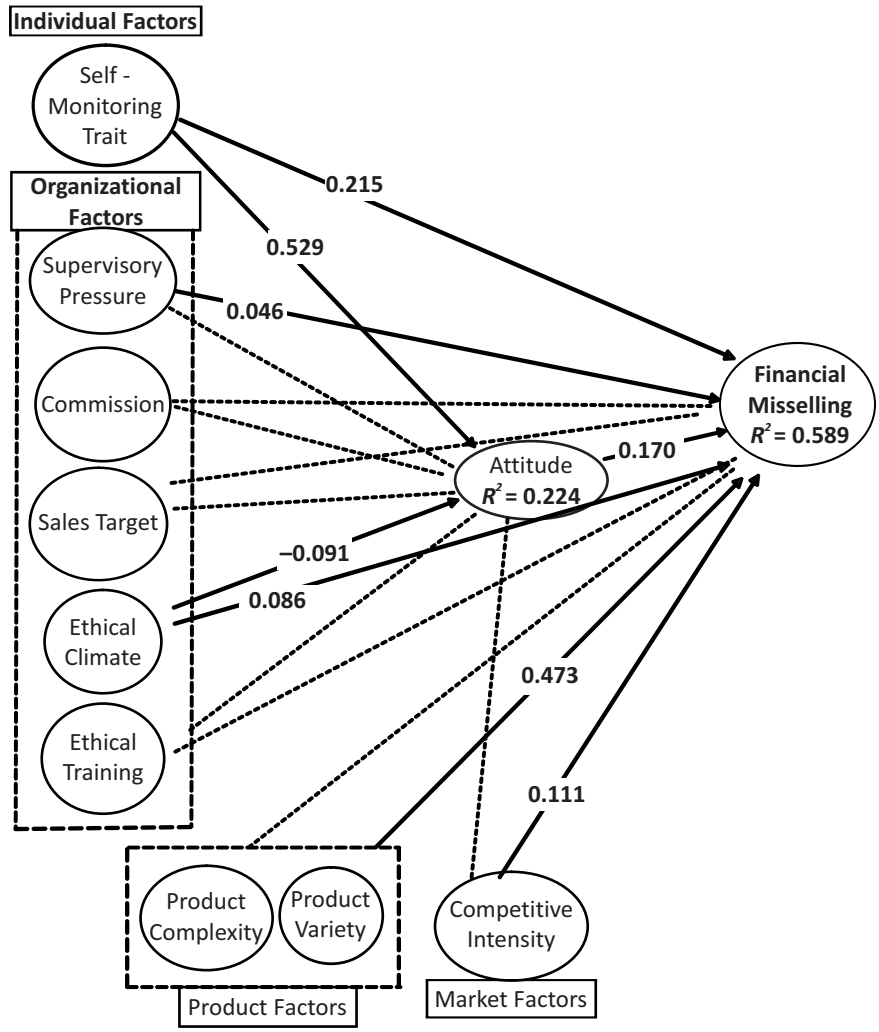
ethical climate and unethical attitude (β = –0.015, p<0.05) shows inconsistent (competitive) partial mediation (Table 2).VAF (variance accounted for) shows the extent to which the mediation process explains FM's variance, and the rule of thumb is if VAF is lower than 20%, there is zero mediation. VAF is 5.032% for self-monitoring and – 3.64% for the ethical climate.

The R^2 values substantiate the model's predictive validity (Figure 1). This finding is also supported by the Q^2 value of predictive relevance. After running the blindfolding procedure, the Q^2 value of behavioral intention (0.384) and attitude (0.154) is well above zero, indicating the predictive relevance of the PLS path model. The f^2 effect size for behavioral intention is 0.409, and for attitude, it is 0.403 (Table 3), which is considerably large. The model fit indices denote a reasonably good fit since SRMR is 0.046, which is lower than 0.10 or 0.08. Also, NFI (normed fit index) is closer to 1, and the RMS_theta value is 0.101, which shows a good fit model.

Discussion

Our results show that the data support a few hypotheses, and the explanatory power of the research model is

Figure 1. ***Results of Structural Model***



Note. Dashed lines show insignificant path coefficients.

comparatively greater, with an R^2 of 58.9% for FM. The factors that are significant in explaining FM are self-monitoring traits, competitive intensity, ethical climate, supervisory pressure, and product variety. Apart from directly affecting the unethical intention, ethical attitude partially mediates (inconsistent) the relationship between ethical climate and FM. Thus, H1, H2, H3, H4, H5, H10, H15, and H17 are supported. The path coefficients of antecedents of financial misselling and product variety appear to be the most potent predictors ($\beta = 0.473, p < 0.00$) relative to the other factors.

Product variety, denoted by the availability of numerous insurance policies in the Indian insurance market, positively affects FM. An understanding of complex and abstract insurance policies by consumers necessitates the dissemination of correct information and proper guidance by the agents. When there are a variety of policies to be sold to the same target market, the agents manipulate the naivety of the consumers by hiding overt and covert information about the insurance products. Since agents are the primary contact for customers, insurance companies should provide a simple handout or an electronic tablet consisting of a human life value assessment and

need analysis built in the application, which may help the agents instantly provide pertinent information to the customers.

Self-monitoring is an individual trait that has a positive impact on FM (p<0.05). It is seen that agents tend to influence others in a selling context by behaving differently in different situations. Because of their superior ability to convince the consumers and influence their buying decisions, high self-monitors intend to sell policies unethically by using unfair sales tactics. Although unethical attitude mediates the relationship between self-monitoring trait and FM, VAF is less than 20%, suggesting zero mediation. Even though the indirect effect is positive and significant, implying that high self-monitors have an unethical attitude, the size of the effect is small (VAF is 5.032%). Hence, unethical attitude does not mediate much of the total effect on FM. So, while monitoring agents' sales performance and progress, supervisors should underline behavior-based control systems and thereby affect agents to interiorize ethical behavior.

Attitude has a significant and positive effect on FM (p < 0.01). If the agents lack ethical reasoning and judgment and have a low ethical attitude, their propensity to behave unethically would be higher. A direct relationship, as evidenced in our study, implies that a negative ethical attitude towards the profession and disrespect for ethical standards of the company invariably shapes unethical behavior. These negative behavioral beliefs and outcome evaluations would have a direct effect on FM. Yi et al. (2012) also reported a positive effect of ethical attitude on ethical selling behavior. Another finding of the study is that competitive intensity positively influences FM (p<0.05). In India, increased competition is driving companies to move too swiftly and produce immediate results. Each company aggressively sells its products to grab a bigger piece of the pie while protecting its turf against new entrants. As such, the agents would be less inclined to foster a long-term relationship with customers and more likely to missell policies in their zeal to accomplish short-term targets of the company as well as individual pecuniary goals.

The ethical climate has a positive effect on FM and a negative relationship with attitude. The total effect of ethical climate on FM is smaller than the direct effect because of negative mediating effects, which means that unethical attitude negatively mediates the relationship between ethical climate and FM. If the agents respect the code of ethics and abide by ethical norms, they form a positive attitude towards ethical selling. When insurance companies do not enforce punitive actions against any violation of the code of ethics, the chances of misselling increase. In the absence of an ethical attitude, the ethical climate fosters FM; specifically, insurance agents sell policies in an unsupervised physical environment that limits the company's exposure to the ethical climate, and devious sales behavior would seldom be noticed and reported to the higher management.

As expected, higher supervisory pressure positively influences FM. Unethical attitude does not mediate the influence of supervisors on misselling, which suggests that regardless of salespeople's inclination to behave positively or negatively in a sales situation (utilitarian or deontological perspective or egoism), supervisors exert greater control over unethical engagement.

Managerial Implications

The insurance development officers should provide continuous feedback on the agents' sales performance, such as meeting sales targets/quotas, deficiency in sales capabilities, and effectiveness of sales activities. The pressure to gratify the managers and secure promotion lead to unethical behavior by the agents. The organization should build ethical culture rituals to communicate symbolically what the company wants its agents to perform and how they should do it. This could involve using award ceremonies, meetings, tales, and the language used in the organization to emphasize the importance of being an ethical employee. Sales expectations are communicated through the 'local' influence of supervisors and company policies and practices, and hence, symbolic verbal and nonverbal exchanges provide clues on inappropriate behavior. Based on their understanding of the 'instrumental

ethical climate,' managers can detect the dangers of financial misselling and recognize their responsibility in reducing those risks by closely following the organization's policies and code of conduct. Senior management should recognize and confront supervisors' inconsistent behavior, which prioritizes sales accomplishment over ethical norms and sanctions unethical behavior. The company should provide profound ethical mission statements in the company's handouts, pamphlets, and electronic tablets to foster an ethical attitude among the agents. These statements should constantly remind the agents of ethical standards and the implications of unethical behavior on the company's pleasant relationship with customers. Integrity, moral values, and concern for others should be emphasized as fundamental employment requirements for agents.

Theoretical Implications

This study provides an important contribution by extending the model of Yi et al. (2012) by including self-monitoring as an individual factor in defining agents' unethical behavioral intentions. If managers want to increase ethical attitudes and minimize FM, they should hire and promote low self-monitors who do not engage in opportunistic conduct and keep to the company's ethical standards. To be effective, salespersons must be able to determine the proper role based on relevant clues from the customer's expectations of appropriate behavior and adjust accordingly. Our findings are in line with the results obtained by Schwepker Jr. and Good (2007) that the possibilities of financial misselling can be reduced if the salespeople have a more positive attitude regarding ethics. Agents are more likely to adopt an unethical attitude when there is a lack of ethical business conduct, ambiguity in dealing with ethical dilemmas, and a lack of respect for ethical issues. The results of our study do confirm the findings of Wotruba (1990) that under intense competition, agents would act opportunistically to improve their sales performance. The negative impact of such activities on long-term gains and the company's reputation, on the other hand, must be communicated.

Conclusion

This study looks at the elements that drive financial misselling and the role of attitude as a mediator. FM would be high in the presence of a high level of competitive intensity, a wide variety of products, and constant supervision by supervisors. Surprisingly, even when a corporation imposes a code of ethics, it is found that a stronger ethical climate leads to financial misselling. FM will be lower only if the ethical climate succeeds in creating a favorable ethical mindset. Furthermore, high-self monitors have a proclivity to act opportunistically and corner the market through deceptive sales methods. If agents have the ability to influence people and use various sales strategies in different sales scenarios, they develop an unethical mentality and have a high proclivity to missell. In India's insurance market, fierce competition forces insurers to be aggressive in order to win new business and maintain the market share. As a result, agents are more likely to engage in unethical behavior when selling policies to unsuspecting customers. When a range of products is available, agents aim to offer as many policies to a single customer as feasible by concealing crucial information. Since ethical attitude predicts ethical selling, emphasis should be given to shaping appropriate attitudes among the insurance agents.

Limitations of the Study and Scope for Further Research

Although we determine stimulating acumens into antecedents of financial misselling in this study, the study has few limitations, which offer stimulating avenues for advanced research. Firstly, data were collected from Karnataka, India, and the organizational and cultural influences were not controlled for in our investigation. Secondly, we did not consider the external organizational context (role of regulators and government) and the

difference in misselling behavior of private and public sector firms. The type of organization can be considered as a control variable to check its impact on misselling. Thirdly, future studies can focus on the boundary conditions of the relationships between self-monitoring and adaptive selling behavior. Few variables such as sales presentations and selling skills might augment or decline the strength of the relationships presented in our model. Future studies can also focus on differing ethical perceptions and the consequent varied ethical dimensions in different workgroups at several levels of an organization.

Authors' Contribution

Dr. Ankitha Shetty contributed to extracting research papers from high quartile journals, conducted an extensive literature review, collected the data, did an analysis of data in SMART PLS 3, and was involved in drafting the manuscript. Dr. Savitha Basri made significant contributions to the conception and design of the research idea, analysis and interpretation of data, implications of the study, and critically revising the manuscript. The authors take accountability related to the accuracy and integrity of the research work.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

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