

GENDER AND ETHICAL DECISION- MAKING IN THE GENERAL INSURANCE INDUSTRY

Presented by:

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INTRODUCTION

- numerous studies, over past 25 years, have been done on whether or not gender plays a role in ethical decision-making
- results have been inconclusive
- my study differs in that it focuses on the general insurance industry in the Greater Edmonton, Alberta geographical area

INTRODUCTION cont'd

- main focus of study is gender differences
- also interested in determining the role age plays in ethical decision-making.
- career streams within the insurance industry: broker/agent, underwriting, claims. Is one career stream more ethical than others?

HYPOTHESES

- 1) female general insurance professionals are more ethical than their male counterparts in decision-making
- 2) age of respondents plays a role in ethical decision making; older respondents are more ethical than younger respondents
- 3) the broker/agent career stream is less ethical in decision-making than claims or underwriting streams

CONTROL VARIABLES

- Annual Income
- Does respondent hold a Chartered Insurance Professional (CIP) designation?
- Does their employer have a Code of Ethics in place?
- Is the respondent in a managerial role?

METHODOLOGY

- self-administered, validated electronic survey questionnaire
- 17 ethical decision-making questions to be rated on a likert scale of 1 = very unethical to 5 = not at all unethical
- sent to 797 males and females within the general insurance sector in greater Edmonton, Alberta, Canada

RESULTS

- 37 surveys undeliverable
- delivered total of 760 questionnaires
- 280 surveys were completed and returned
- 49.27% responses were male and 50.73% female
- response rate of 36.8%

FACTOR ANALYSIS

- completed a factor analysis using a varimax rotation
- questions were placed into three distinct groups (i.e. eigenvalues > 1)
- loadings mostly over .7 and none less than .6
- 16 questions fit into the three groupings and one question that did not seem to fit was disregarded
- tested for reliability – Cronbach's Alpha was .869 and over

THREE GROUPINGS

- 1) Gift giving or receiving in exchange for favours
- 2) Breaking of defined rules (or in some cases even breaking the law)
- 3) Misusing company resources

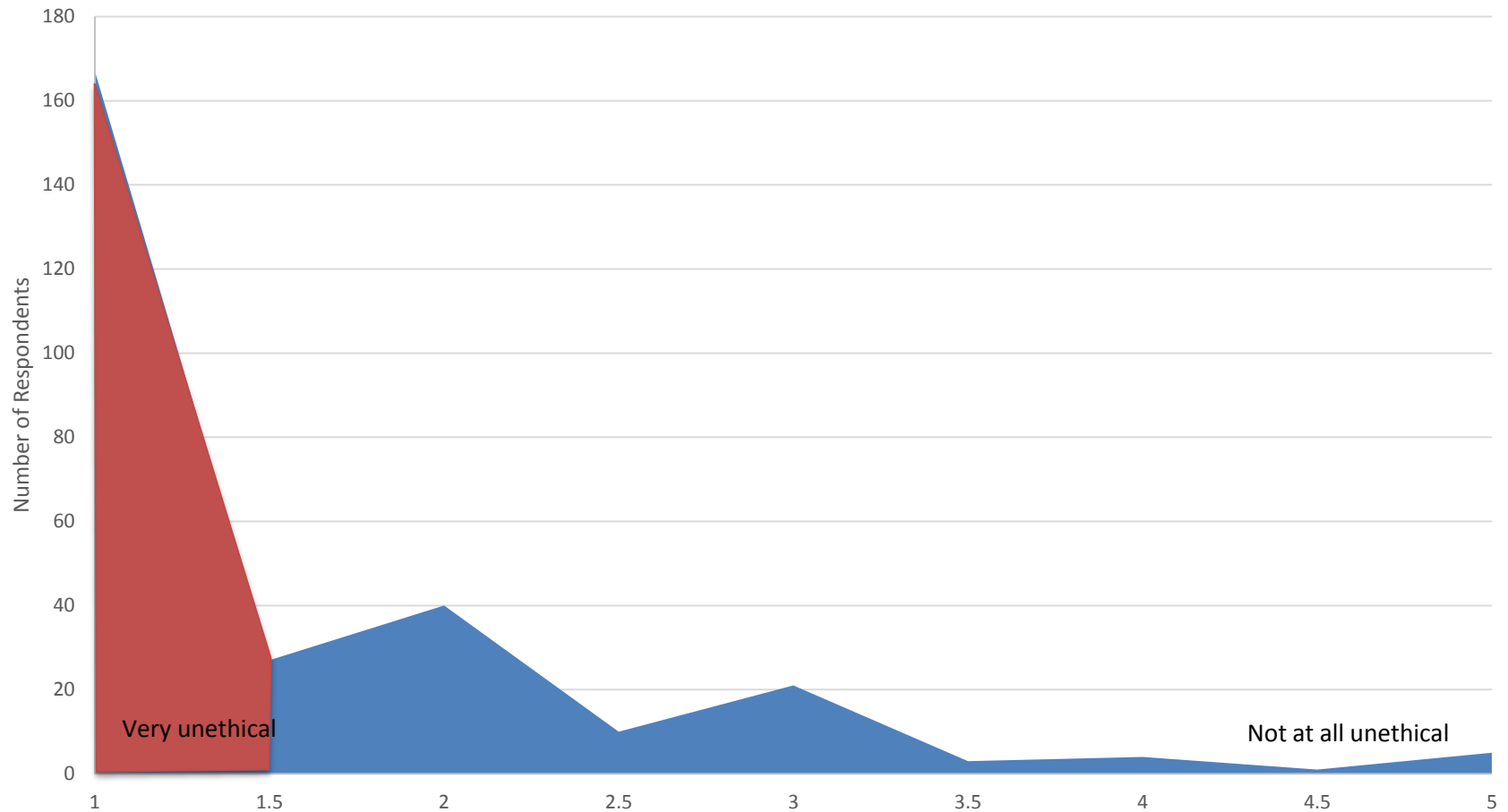
RESULTS: GIFT GIVING OR RECEIVING IN EXCHANGE FOR FAVOURS

- no significant gender difference
- age is a factor; the older you are, the less likely you are to see gifting as acceptable
- brokers/agents are more likely to see gift giving as acceptable than the other career streams

GIFTING AND CONTROL VARIABLES

- individuals with leadership roles AND employees of companies with a code of ethics are less likely to see gifting as acceptable
- the higher the salary, the more likely one is to think gifting is acceptable
- no significant difference between individuals with a CIP designation, or those without a CIP

FREQUENCY DISTRIBUTION: GIFT GIVING OR RECEIVING IN EXCHANGE FOR FAVOURS



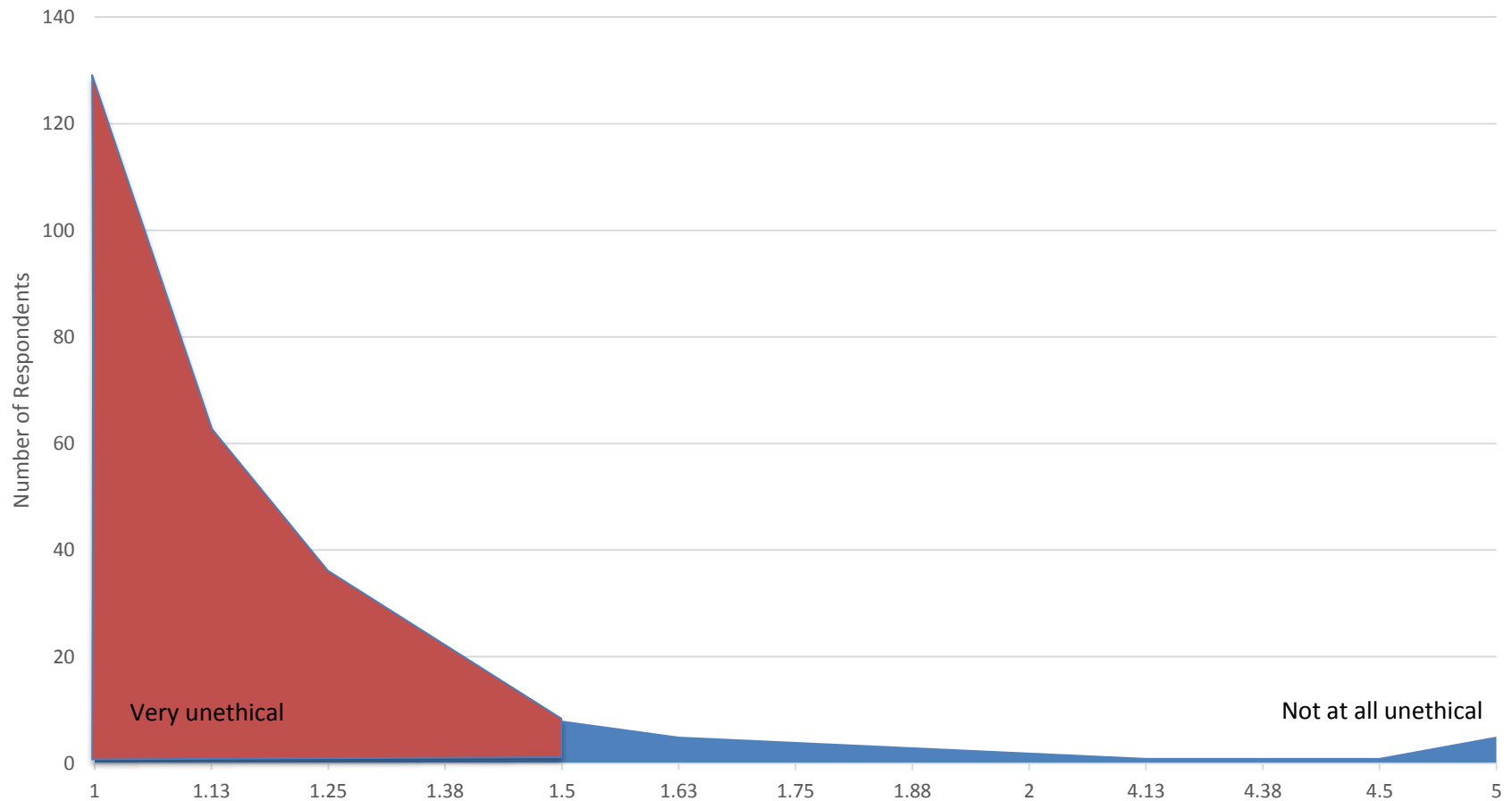
RESULTS: BREAKING OF DEFINED RULES

- no significant gender difference
- regardless of age, when rules were clearly defined and seemed to be “obviously wrong or even illegal”, there was no significant difference between the age groups
- no significant difference between the career streams of broker/agent, underwriting and claims

BREAKING OF DEFINED RULES AND CONTROL VARIABLES

- individuals NOT in leadership roles are more likely to think breaking rules is acceptable
- individuals who do not have a CIP or those working for companies that do not have a code of ethics are more likely to be OK with rule breaking
- annual income does not seem to be a factor in one's attitude towards rule breaking

FREQUENCY DISTRIBUTION: BREAKING OF DEFINED RULES



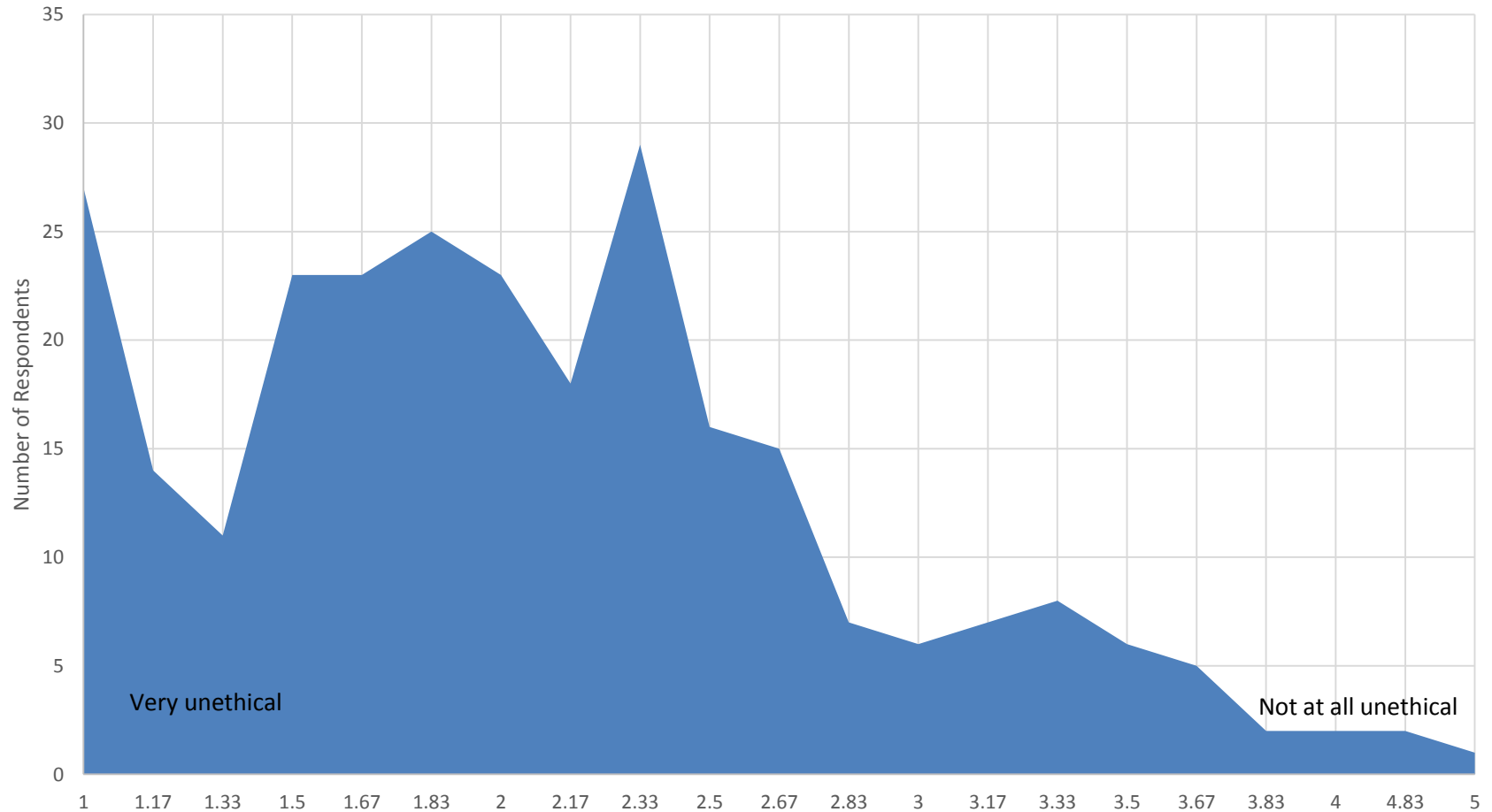
RESULTS: MISUSING COMPANY RESOURCES

- no significant gender difference
- age is a factor; younger people are more likely to think it is OK to misuse company resources than older people
- no significant difference between the career streams of broker/agent, underwriting and claims

MISUSING COMPANY RESOURCES AND CONTROL VARIABLES

- individuals in leadership roles AND employees of companies with a code of ethics are less likely to think misusing company resources is acceptable
- the higher the salary, the more likely one is to think misusing company resources is acceptable
- no significant difference between individuals with a CIP designation, or those without a CIP

FREQUENCY DISTRIBUTION: MISUSING COMPANY RESOURCES



CONCLUSION

- **Hypothesis #1** – I hypothesized that females would be found to be more ethical decision-makers than males. This study proves there is no significant difference in gender in all three groupings.
- **Hypothesis #2** – I hypothesized that older respondents would be more ethical decision-makers than younger respondents. This proved to be true in two of the groupings: gifting and misusing company resources.
- **Hypothesis #3** – I hypothesized that the broker/agent career stream would be less ethical decision-makers than claims and underwriting streams. The proved to be true only in one grouping: gifting.

KEY REFERENCES

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