

Assessing the Relationship between Sales Quotas and Moral Judgement of Insurance Salespersons: The Moderating Effects of Personal Moral Values, Perceived Quota Difficulty, and Corporate Ethical Values

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Key Words

Sales Quota, Moral Judgement, Self-efficacy, Corporate Ethical Values, Idealism, Relativism, Insurance Industry, Nigeria.

Abstract

There is an increasing call for managers in the Nigerian insurance industry to espouse higher level of ethical behaviour to earn the trust of customers, regulatory agencies, and other stakeholders. Arguably, this will enhance market penetration, increase patronage and higher level of profit. Theoretically however, ethical behaviour can be institutionalized in organizations if the top management support ethical behaviour through punishment and reward (high ethical climate). Other than corporate ethical values, managers' beliefs about the rightness and wrongness of an action in a particular situation could also be a function of his/her personal moral philosophy. With respect to financial services, one aspect of marketing which have been empirically shown to have influence ethical judgement and behaviours of managers is sales quotas. When salespersons are assigned higher sales quotas, which are perceived as difficult, the tendency to engage in unethical behaviour to achieve this target becomes higher. In this study, we assess and extend the theoretical relationship between moral judgement of salespersons and perceived quota difficulty in the insurance industry. The study also explores the moderating effects of salesperson's ethical values (idealism and relativism), corporate ethical values, and perceived quota difficulty on the proposed relationship. With a structured questionnaire, data was collected from respondents in the target industry through a multi-stage sampling strategy. Exploratory factor analysis was performed to assess the factorial structure of the measures used in the study, their reliability and validity. Using correlation and regression analysis, the results were presented and discussed with managerial implications for the Nigerian insurance industry.