

科技部補助專題研究計畫 期末報告

“顧客-業務員關係”與“顧客-業務員勾結”的關連性:以台灣
壽險市場為例

The link between customer-salesperson relationship and
customer-salesperson collusion: the case of Taiwan's life insurance
industry

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Abstract

In Taiwan, it is very common for the insurance salespeople to sell insurance products to friends, relatives and associates. However, permitting (or encouraging) salespeople to sell insurance through personal relationships may result in some ethical problems, and could cause damage to the interests of the insurer. Previous studies have rarely focused on the link between customer-salesperson relationship (e.g. kinship and friendship) and insurance salespeople's acceptance of customer-salesperson collusion (e.g. some insurance salespeople may help relatives or friends with pre-existing medical conditions to buy health insurance). Thus, by using the life insurance salespeople in Taiwan as an example, the present study investigates the effects of customer-salesperson relationship on the salespeople's acceptance of customer-salesperson collusion. Based on the relevant literature, three types of customer-salesperson relationships are discussed in the study, and this will help us to see to what extent the salespeople would rely on the types of personal relationships to form their ethical decision in the insurance fraud. We also focus on how the ethical decision is affected by the asymmetric information between the insurance company and the customer. The main results showed that guanxi was important in forming the salespeople's ethical decision-making.

Keywords: relationship, asymmetric information, ethical decision, collusion, insurance fraud

摘要

在台灣，保險業務員將保險賣給自己的朋友、親戚及同事是一種非常普遍的現象。然而，允許（或鼓勵）業務員透過個人關係來銷售保險可能會導致一些倫理問題，並可能導致保險人的利益受損。過去的研究很少專注於顧客與業務員關係（例如親屬關係或朋友關係）和顧客與業務員勾結（例如，某些保險業務員可能會幫助已經生病的親友購買醫療保險）的關連性。因此，以台灣壽險業務員為例，本研究探索顧客-業務員關係對業務員接受“顧客-業務員勾結”的影響。基於相關的文獻，本研究討論三種類型的顧客-業務員關係，而這將有助於我們觀察業務員會在多大的程度上依靠人際關係的類型來形成自己在保險詐欺中的道德決策。本研究也聚焦於這些道德決策是如何被保險公司和顧客之間的訊息不對稱所影響。主要結果表明關係的確是影響銷售人員的道德決策的重要因素。

關鍵詞：關係，訊息不對稱，道德決策，勾結，保險欺詐

Introduction

Exposure to customer insurance frauds has been shown by researchers to be a widespread problem and have wide-ranging negative consequences for the insurance policyholders and companies. Recent calls from insurance researchers and regulators have also been made for more attention to be paid to the problems of customer insurance frauds (Tennyson, 2008; Dionne, Giuliano and Picard, 2009; Lian and Schlesinger, 2012). However, although the previous work on customer insurance frauds has provided some meaningful discussions (e.g., Brinkmann and Lentz, 2006), a literature gap in the customer insurance fraud research is the lack of an investigation into the problem of customer-salesperson collusions.

The problems of customer-salesperson collusions should not be ignored in the insurance fraud research because researchers have pointed out that some insurance salespeople may collude with customers in order to obtain unlawful benefits (Picard, 1996, 2000). Moreover, it is common for the insurance salespeople to sell insurance products to friends, relatives and associates. Permitting (or encouraging) the salespeople to sell insurance through personal relationships may result in some ethical conflicts because some insurance salespeople may help the relatives or friends with high risk conditions to buy the insurance. Yet, although the problems of customer-salesperson collusions do exist in reality (Picard, 2000), previous studies on insurance frauds have rarely focused on these issues. We believe it is necessary for the researchers and practitioners to further understand the role that customer-salesperson relationships play in the problems of customer insurance frauds. Therefore, the first purpose of this research is to investigate the potential influences of “guanxi” (guanxi refers to the durable social connections and relationships a Chinese person uses to exchange favors for a specific purpose) on the insurance salespeople’s ethical decision-making in customer-salesperson collusions.

On the other hand, researchers have mentioned that factors such as consequence evaluations, peers’ attitudes, perceived harms on others and perceived probability of being caught may also influence ethical decision-making by people (Valentine and Hollingworth, 2012). We believe these factors will also affect the insurance salespeople’s acceptance of customer-salesperson collusions. Thus, the second purpose of this paper is to examine the relationship between those variables and the insurance salespeople’s ethical attitudes toward the customer-salesperson collusions.

Finally, previous studies have shown that people’s ethical attitudes could explain a significant portion of the variance in people’s ethical intention (Loe, Ferrell and Mansfield, 2000). Several recent studies also confirmed that ethical attitudes have significant impacts on ethical intentions (Carrington, Neville and Whitwell, 2014). Hence, the current study also discusses the relationship between ethical attitudes and the insurance salespeople’s ethical intentions to engage in the customer-salesperson collusions.

In summary, this study focuses on the insurance salespeople’s ethical intentions to engage in the customer-salesperson collusions. We investigate how the intention can be affected by “guanxi types” and the salespeople’s ethical attitudes. We then discuss how the attitudes are affected by the salespeople’s guanxi

considerations, consequence evaluations, perception of peers' attitudes, perceived harms on other policyholders and perceived probability of being caught. Very few studies have looked at the role of guanxi in the prediction of salespeople's intention to engage in the customer-salesperson collusions. We think this research may provide some implications to researchers, regulators and practitioners.

Hypotheses

Salespeople's ethical attitude as a predictor of the salespeople's intention to engage in the customer-salesperson collusions

Ethical attitude refers to how a behavior is defined as ethical or unethical. Peace, Galletta and Thong (2003) conducted an empirical study and found that the respondents may be more likely to use pirated software when they had positive attitudes toward the illegal software copying behavior. Other researchers also showed that intention to conduct unethical behaviors was correlated with ethical attitudes (Drover, Franczak and Beltramini, 2012). The rationale of the studies suggests that, in the problems of customer-salesperson collusions, the insurance salespeople could be more likely to engage in the collusions when the salespeople possess a positive attitude toward the misconducts. To check whether or not the salesperson's ethical attitude can affect the salespeople's intention to engage in the collusions, a hypothesis is proposed.

H1. An insurance salesperson is more likely to engage in the customer-salesperson collusion when the insurance salesperson has a positive attitude toward the collusion

Guanxi types as a foundation of the customer-salesperson collusions

Guanxi refers to the durable social connections and networks a Chinese person uses to exchange favors for a specific purpose (Gu, Hung and Tse, 2008). The importance of guanxi has been mentioned in the marketing and conflict management literature (Wong and Tjosvold, 2010; Singh and Koshy, 2011). However, there has been a lack of investigation into the link between guanxi and salespeople's acceptance of customer-salesperson collusions. Guanxi may affect the salespeople's decision-making in the customer-salesperson collusions because researchers agreed that guanxi could provide foundations for ethical decision-making (Ho and Redfern, 2010). Based on this view, we argued that the insurance salespeople may be more likely to help the customer in the collusion when the guanxi is strong. Researchers also agreed that family guanxi is the most important and basic unit for Chinese people to exchange love, support and affection (Giskin and Walsh, 2001). Moreover, family guanxi is blood-based and protected by social norms, and researchers have emphasized the importance of family and argued that family relationship is the most important of all kinds of guanxi (Jacobs, 1979; Fan, 2002). Thus, there may be a relationship between guanxi types and the insurance salespeople's acceptance of customer-salesperson collusions. We hypothesize that:

H2. An insurance salesperson is more likely to engage in the customer-salesperson collusion when the customer is a family member rather than a stranger

The impacts of guanxi considerations on ethical attitudes and intentions

Guanxi needs to be maintained through the process of repaying favors (Luo, Huang and Wang, 2012). Since guanxi cannot always be put to one side, Chinese people are encouraged to give favors and repay favors to each other (Hwang et al., 2009). In the insurance industry, this kind of giving and repaying activity is quite common between insurance salespeople and customers. In fact, many of the insurance salespeople believe it is their responsibility to help the customers who have guanxi with them. In this research, this kind of guanxi consideration refers to the extent to which the salespeople believed the guanxi is important and a reason for helping the customers. We argued that when the guanxi consideration is severe, the salespeople will be more likely to help the customers (who have the guanxi with them) in the collusion. To test this argument, we develop the following hypotheses:

H3-1. An insurance salesperson is more likely to have a positive attitude toward the customer-salesperson collusion when the guanxi considerations are severe

H3-2. An insurance salesperson is more likely to engage in the customer-salesperson collusion when the guanxi considerations are severe

The influence of consequence evaluations on the insurance salespeople's ethical attitudes

Consequence evaluations refer to the expected outcomes of behavior. It was believed that negative consequence could increase people's negative attitude toward the behavior (May and Pauli, 2002). Barnett and Valentine (2004) also reported that consequence evaluations were associated with the salespeople's ethical decision-making. All these findings suggested that consequence evaluations may have some influence on the insurance salespeople's acceptance of customer-salesperson collusions. To test this argument, we propose a hypothesis:

H4. An insurance salesperson is more likely to have a positive attitude toward the customer-salesperson collusion when the salesperson believes that the collusion is not harmful

Association between perception of peers' attitudes and the insurance salespeople's ethical attitudes

Perception of peers' attitudes refers to a person's expectation and belief of peers' attitudes toward a certain action. Leitsch (2006) argued that perception of peers' attitudes provides cues for people to know what kinds of behaviors are acceptable in the community. Therefore, perception of peers' attitudes could have the power to guide people's attitudes toward the behavior (Davis, Johnson and Ohmer, 1998). It has also been agreed

that when most of the others accept certain misconduct, the salespeople will be more likely to form positive attitudes toward the misconduct (Mudrack and Mason, 2012). Based on this, a hypothesis can be proposed.

H5. An insurance salesperson is more likely to have a positive attitude toward the customer-salesperson collusion when the salesperson believes other salespeople have the same attitude

The relationship between perceived harm to other policyholders and the insurance salespeople's ethical attitudes

Perception of harm to other policyholders can refer to the insurance salespeople's perception of the number of honest policyholders that could be negatively affected by the customer-salesperson collusion. It has been argued by researchers that people are more likely to possess a negative attitude toward an unethical behavior if too many innocent people are hurt by the behavior (Christensen, 2008). In reality, customer-salesperson collusions can be very harmful to other policyholders because the frauds may raise the insurance premium significantly. Yet, the impact of perceived harm to other policyholders has seldom been examined in the insurance fraud literature. We posit that the insurance salespeople's perception of harm to other policyholders may be another element that affects the salespeople's ethical attitudes toward the customer-salesperson collusion. Thus, a hypothesis is proposed:

H6. An insurance salesperson is more likely to have a positive attitude toward the customer-salesperson collusion when the salesperson believes the harm to other policyholders is small

Does perceived probability of being caught affect the insurance salespeople's ethical attitudes?

Another factor that may influence salespeople's ethical attitude toward the customer-salesperson collusion is the perceived probability of being caught. There may be a negative relationship between perceived probability of being caught and people's attitudes toward dishonest behaviors (Mazar, Amir and Ariely, 2008). We propose that the perceived probability of being caught could affect salespeople's ethical attitude toward customer-salesperson collusions as well. Hence, a hypothesis is proposed.

H7. An insurance salesperson is more likely to have a positive attitude toward the customer-salesperson collusion when the salesperson believes that there is no possibility of the collusion being detected

Methodology

Questionnaires with scenarios have often been used as an instrument in the sales ethics studies. The use of

anonymous questionnaires with scenarios could promise the anonymity and confidentiality of the respondents when investigating sensitive issues (such as respondents' acceptance of collusions). Using questionnaires with scenarios also helps to standardize the questions and wordings received by the respondents. In addition, using questionnaires with scenarios allows for greater control over the variables of interest, and saves time by summarizing customer-salesperson collusive behaviors that may be difficult to observe in reality. Thus, to gather the data about the salespeople's acceptance of customer-salesperson collusions, using questionnaires with scenarios could be appropriate.

Measurement

After reading the scenarios, the respondents were asked to answer the structured questions. Except for the guanxi types, all questions used a Likert-type seven-point response scale, ranging from totally disagree (value = 1) to totally agree (value = 7). The questions were averaged for an overall score in the correlation and independent t tests. The internal consistency was estimated using Cronbach's α .

Sample

To invite the insurance salespeople to attend this empirical survey, we contacted the sales managers of the selected insurance companies, and then arranged the formal investigations. Five well-known life insurance companies in Taiwan attended the research. Before the formal investigations, we obtained informed consent from the research respondents. The cover letter with the questionnaires also described the purpose of the study, and we promised the respondents' anonymity and confidentiality. In summary, a total of 325 questionnaires were issued by the researchers and 268 questionnaires were returned. Due to incomplete responses on several questionnaires, 237 valid questionnaires were used in the analyses. This generated a valid return rate of 72.92%.

The main results

To test the impacts of guanxi types on the salespeople's acceptance of customer-salesperson collusions, the independent t tests were conducted to check whether there is a significant difference between the means of the two groups.

Table 1: Means, standard deviations and independent t tests

	Guanxi types		<i>t</i>	<i>p</i>
	Version A (Family member)	Version B (Stranger)		
1. Guanxi considerations	5.547 (1.363)	4.403 (1.711)	5.690	0.000**
2. Consequence evaluations	3.551 (1.688)	3.483 (1.744)	0.303	0.762
3. Perception of peers'	4.017 (1.707)	3.773 (1.879)	1.046	0.297

attitudes

4. Perceived harm to other policyholders	3.331 (1.686)	3.202 (1.687)	0.588	0.557
5. Perceived probability of being caught	3.212 (1.803)	3.374 (1.648)	0.772	0.471
6. Ethical attitudes	3.712 (2.006)	3.101 (1.618)	2.550	0.011*
7. Ethical intentions	4.208 (2.009)	3.479 (2.021)	2.783	0.006**

1. *p<0.05; **p<0.01

2. Standard deviations are given in parentheses

The respondents' average responses were presented in Table 1. As shown in the table, the mean value for the guanxi considerations in questionnaire version A was 5.547 (standard deviation = 1.363). The respondents scored this item higher than the guanxi considerations in questionnaire version B (means = 4.403, standard deviation = 1.711). Table 1 also showed that the respondents' intention to help the customer buy the health insurance has the mean value of 4.208 in questionnaire version A, while the mean value was 3.479 in questionnaire version B. T values and p values for the independent t tests were shown in the table as well. The results of the independent t tests suggested that the mean values of guanxi considerations, ethical attitudes and ethical intentions may be affected by the guanxi types (p values = 0.000**, 0.011* and 0.006** respectively). In other words, the findings of the independent t tests supported Hypothesis 2.

Structural model analyses

The present study investigated the effects of the salespeople's ethical attitudes on their intention to engage in the customer-salesperson collusion. This study also investigated the effects of guanxi considerations, consequence evaluations, perception of peers' attitudes, perceived harms on other policyholders and perceived probability of being caught on the salespeople's ethical attitudes. The path coefficients of the structural model were used to examine the hypotheses.

The Partial Least Squares (PLS) results for version A indicated that the salespeople's ethical attitudes were positively related to the salespeople's ethical intentions (coefficient = 0.748**). Thus, Hypothesis 1 was supported. The results further indicated that guanxi considerations predicted the salespeople's intention to engage in the customer-salesperson collusion (coefficient = 0.229**). This shows that the salespeople who have higher guanxi considerations may also possess higher intentions to help the unhealthy customer to buy health insurance. The perception of peers' attitudes and perceived harms on other policyholders were positively related to the salespeople's positive ethical attitudes toward the customer-salesperson collusion (coefficients = 0.263* and 0.404**), suggesting that when the respondents believed most of their peers would accept the collusion and when the respondents believed the collusion would cause little harm to other policyholders, those respondents would also have positive attitudes toward the customer-salesperson collusion. Hypotheses 1, 3-2, 5, and 6 were supported in the Partial Least Squares (PLS) analyses.

The PLS results for version B showed that ethical attitudes and guanxi considerations were the significant predictors of the respondents' intention to engage in the customer-salesperson collusion (coefficient = 0.683** and 0.224**). The positive relationship between consequence evaluations and the salespeople's ethical attitudes toward the customer-salesperson collusion were also verified (coefficient = 0.282**). Finally, the relationship between the perception of peers' attitudes and the salespeople's ethical attitudes toward the customer-salesperson collusion was found to be significant (coefficient = 0.359**). In summary, the results of the PLS analyses supported Hypotheses 1, 3-2, 4, and 5.

Conclusions

The present study takes a closer look at the influences of guanxi on the salespeople's decision-making in the customer-salesperson collusions. Results of this study may have some implications for researchers, regulators and financial companies. For instance, researchers and insurance practitioners should notice that guanxi could be an important aspect for understanding customer insurance frauds, and it would be necessary for the insurance regulators and companies to highlight the importance of sales ethics in the marketing process. In addition, encouraging insurance salespeople to sell insurance through personal relationships may result in some ethical conflicts. Thus, the insurance companies should be aware that overemphasizing relational selling may also cause damage to the interests of the insurance companies.

The results also suggested that the salespeople's acceptance of customer-salesperson collusion was increased when the salespeople had strong concerns about quanxi, weak evaluations of the negative consequences of the collusion, and weak perceived harm to other policyholders. Based on these findings, we suggest that the insurance companies should often emphasize the negative consequences of the customer-salesperson collusion on the policyholders and society, and communicate with the salespeople about the companies' zero tolerance policy on any form of collusion. Through showing the zero tolerance policy on customer-salesperson collusion, the insurance companies actually set the tone for what is not acceptable in the relational selling process.

The results further showed that the salespeople were more likely to have positive attitudes toward customer-salesperson collusions when they perceived that their peers also had the positive attitudes toward the misconducts. Based on this finding, we suggest that the insurance companies should focus on developing an ethical climate in the organizations, and create an environment to encourage the salespeople engaged in ethical selling. The ethical climate could be enhanced by ethical leadership because it was pointed out that employees desire more assistance from the ethical leadership in terms of being able to solve the ethical dilemmas they face in the workplace.

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