ANALYZING THE RELATIONSHIP OF ETHICS, KNOWLEDGE RESOURCES AND POWER - A SURVEY OF INSURANCE AGENTS' OPINIONS IN BAHRAIN

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Abstract- Ethic and its relation to the resources of knowledge and power has attracted the attention of the insurance researchers globally. However, it has not been given adequate attention at the regional and national levels. This knowledge gap has resulted in testing of this relationship and its model, using a random sample of 30 insurance agents working in the Bahraini insurance market. The results of the test have shown a mixed acceptance of the hypotheses and a partial acceptance of the virtual model. This indicated a limited reliability relationship between the professional ethics of the insurance agent and his knowledge resources and power.

Keywords - Knowledge resources, Ethics, Insurance agent, Power

I. INTRODUCTION

Insurance agent represents an important link between insurance companies and their customers. He is also considered one of the important stakeholders as he has interest in successful and accomplished underwriting of insurance policies and making sure that the customer has enough knowledge about his insurance plan. For the agent to successfully perform his role needs to deal with people of different attitude. The credibility of agent depends on a number of dimensions that constitute his personality, perhaps the most prominent of which is his commitment to the ethics of the profession. Insurance is of an intangible nature and has close and long-term effects on the well-being of the client. Therefore, paying due attention to the ethical aspects of the insurance profession is significant for all those who are working in the insurance industry. This is the reason insurance companies pay great attentions to the ethical aspects when thinking of attracting and recruiting insurance agents. Accordingly, ethics, knowledge, and power have become sources of support for the insurance agent to achieve competitive advantage in terms of quality, price, and good service (Heizer, 2016). The present study attempts to investigate relation between professional ethics of the agent and his knowledge resources and power.

II. PROBLEM STATEMENT

In general, morality has become a realm of thinking by specialists in the philosophy of ethics, logic and science, economics, sociology, and administration. This affiliation has been extended to the work of financial institutions, including insurance companies and their agents in particular. Ethics is a fundamental determinant of the different performance processes of insurance companies. Therefore, ethics has become an indicator to attract and select insurance agents, as they reflect the mission of insurance companies to the customers and to the business environment.

The subject of power was studied and analyzed by scholars and researchers of politics, sociology, economics, and organizational behavior in general, and specialists in finance, including insurance in particular. The power of the insurance agent took many forms to suit the nature of the roles of the financial institutions, including insurance companies and the roles of their agents. However, the process of linking the agent's ethics and power has not received sufficient attention by researchers and experts of the insurance industry in the Arab world in the Kingdom of Bahrain. This led to thinking of the knowledge resources of the insurance agent as stored in his memory that are likely to turn into cognitive, diagnostic, and analytical skill.

III. RATIONALE OF THE STUDY

The study has provided distinctive role of ethics to determine what the insurance agent should do and what he should avoid doing. The distinctive contribution of different knowledge resources enables the insurance agent to perform his duties consciously. The results may provide the impact of power of the insurance agent on the decisions of customers of insurance companies. Therefore, the study has investigated the extent to which insurance agents pay due attention to the ethical aspect of the profession, which govern the rules of the use of knowledge and power resources to achieve the interests of customers and insurance companies in a fair and balanced manner. It tends to verify the type and trends of the relationships in the virtual model to diagnose the degree of acceptance and adoption of these relations to interpret the behavior of the insurance agent. It

significantly contributes towards the development of a measurement tool that helps to explore the level of interest of the insurance agent in the ethics of the profession.

IV. RESEARCH QUESTIONS

1. What is the level of insurance agents' interest about knowledge resources, ethics and power?
2. What is the relationship between knowledge resources of the insurance agent with the ethics and power of the profession, and the power of the insurance agent and the ethics of the profession?

V. HYPOTHESES

First Hypothesis
It is expected that there is a significant positive relationship between the knowledge resources (qualification, specialization, training, development and experience) and the power of the insurance agent (knowledge, customer attraction, legal legitimacy, contract facilities and creativity in dealing).

Second Hypothesis
It is expected that there is a direct relationship between the resources of knowledge and professional ethics (honesty, integrity, objectivity, merit, justice, confidentiality, professionalism and proficiency).

Third Hypothesis
It is expected that there is a significant positive relationship between the power of the agent and his professional ethics.

VI. LITERATURE REVIEW

The role of leadership and company's management is critical in promoting ethical practices at workplace. The development of standard codes and procedures work as a guideline for the employees. Furthermore, treating the employees in an appropriate manner and establishing an equity-based system enhances the motivation and commitment level of the employees (Demirtas and Akdogan, 2015). Therefore, the organization can benefit from the implementation of ethical practices. Azmi (2006) has explored the growing issues of business ethics specifically for increasing the competitive advantage. In addition, this study has aimed to analyze business ethics as a menace to business competitiveness where the reputation of a company and its products are diminished due to ethical failure. The study has asserted that companies are dedicated to become sustainable organization by developing lasting shareholder value while being a responsible individual. Ethical considerations should be essential with this progression. Thereby, the study has recommended that operating licensure for companies is based on positive or negative ethical conduct in particular markets.

Musa (2008) has examined the views of insurance managers in Nigeria regarding the role of ethics and social responsibility using the PRESOR scale. The study has examined the moderation effects of personal and situational factors. The study has used principal component analysis to determine the samples and to assess its reliability. The findings have shown that insurance business becomes vulnerable to ethical dilemma due to the convoluted nature of insurance and ethical dilemma. Therefore, the study has indicated that high level of socially responsible behavior is shown by managers to deal with existing and prospects customers. Lincoln & Holmes (2010) have explored the process of ethical decision making and the frequency to which the attributes of the moral situation impacting the decision-making process. Roman and Ruiz (2005) have analyzed the role of ethical salesperson behavior as deemed by the customer in creating a better-quality relationship amongst the customer and the salesperson. The findings have indicated that the quality of the buyer-seller relationship is affected by perceived ethical sales behavior. Similarly, the study has indicated that customer commitment is strongly and positively influenced by satisfaction and trust to the salesperson. The study has recommended that customer satisfaction has been strongly affected by perceived ethical sales. Mazumdar (2011) has investigated the need for lasting relationship between clients and brokers in the Indian insurance industry. In this regard, the study has used a focus group and survey method to test reliability and validity through a structural equation model. The findings have revealed that specific values are based on a sample of insurance brokers, indicating that success factors develop long-term relationships in the insurance broking industry with clients.

Jindal (2014) has analyzed and evaluated claims settlement as an ethical dilemma in insurance companies in India. This study has adopted focus groups and survey method to collect data from insurance company employees. The findings have indicated that the challenges encountered by claims of managers in insurance companies in India can be resolved by insuring public and terms and conditions of insurance service. Moreover, findings have indicated that selling and handling of immense financial transactions are involved in insurance companies based on ethical practices. Talha et al (2014) have examined the association between subjective norm, intention and attitude on ethical behavior among insurance agents. The study has used theory of reasoned action to examine the specific relationship.. In addition, the study has shown that ethical behavior is significantly predicted by ethical

intention. Thereby, the study has recommended that stakeholders and monitoring managers should conduct ethical-based training for insurance agents. Reynolds (2006) has examined the influence of individual ethical preferences and predispositions for formalistic and utilitarian ideals on ethical awareness. The study has indicated that the characteristics of a moral issue is influenced predominantly by ethical predispositions of a manager.

Virtual Model

The virtual model responds to the dimensions of the problem studying, ethics, knowledge, and power. It is necessary to think about the reasons and purposes mentioned above. This model has been designed according to the methodology of its structure, the definition of its primary and secondary variables, and the formulation of its expected hypotheses for the type and trends of its relations.

Construction of Virtual Model

The approach of building the virtual model is based on a two-dimension philosophy. The first approach is a cognitive view that adopts the idea of knowledge resources acquired and can be determined through educational qualification, specialization, training, development, and experience. These resources take two levels, the first of which is abundant knowledge and the second is limited knowledge. Therefore, the degree of commitment to professional ethics is a function of knowledge resource levels, which means that the abundance of knowledge resources leads to a high commitment to the ethics of the profession. Moreover, limited knowledge resources will lead to limited commitment to the ethics of the profession. The level of power is also a function of knowledge resource levels, which means that the abundance knowledge resources will lead to increase the agent's power. The second approach provides political view that considers the power of the insurance agent derived from knowledge, attracting the client, legal legitimacy, the facilities of the agency contract and creativity in dealing. These factors determine the degree of honesty, integrity, objectivity, merit, justice, secrecy, professionalism, and perfection as dimensions of ethics profession. The higher the influence of the insurance agent's power the higher his commitment towards the ethics of the profession. The weak effect of the insurance agent's power lead to a low commitment to the ethics of the profession.

Design of the Virtual Model

The design is based on three main variables that include; knowledge resources, power of insurance agent, and ethics of profession. The knowledge resources describe knowledge that has been obtained by the insurance agent through specialized study, training, development, and career programs. These resources include; proper qualification, specialization, training, development, and experience. The follow up is conducted by agent himself for ideas and information issued in insurance publications. Maximum experience tends to translate the career of the insurance agent, ranging from the abundance to limited knowledge resources.

The power of the insurance agent expresses the degree of influence of the insurance agent in the decisions of the insured (the customer). Its dimensions consist of the following;

- The power of knowledge that is a reflection of the degree of awareness of the insurance agent about the nature of his provision and the content of the agency contract.
- Power to attract the customer that is the extent to which the agent has a comprehensive perception of the conditions of the agency contract to attract the insured.
- The power of legal legitimacy means that the insurance agent derives his power from the terms of the agency contract along with the insurance company, which determines the course of his professional work.
- The power of the agency contract facilities is a power derived by the agent through flexibly dealing while concluding insurance contract as well as signing the invoices that entail an obligation to the insurance company.
- The power of creativity in dealing relates to the agent's enjoyment of freedom and initiative to attract the geographical scope of the company's responsibility.

The thics of the profession provide logical rules that govern agent's behavior while managing his relationship with the company and with the insured customer. The ethics include; honesty and integrity, objectivity, merit, justice, confidentiality, professionalism, and proficiency. The work of the agent requires adherence to the spirit of professional standards. The agent uses his cognitive, analytical, and professional discretion, while advising the client to achieve continuous improvement in professional performance. Intelligent disclosure of the facts is needed to achieved a balance between the interests of insurance company and the company's customers. Professionalism is associated with collaboration of the insurance agent with the customers and appropriate scheduling of the delivery of services to customers.

VII. METHODOLOGY

Analysis Tools

The measurement tool comprises of five-level response tools that deal with study variables. The tools included the following:

- If the response to scientific qualification, specialization, training, development, and experience take the score 3-5, it indicates the high knowledge of the insurance agent; however, if the

degree is lower, it is an indication of limited knowledge.

- The measure of the power of the insurance agent determine severity under the five-level response. If the response to the power of knowledge, customer attraction, legal legitimacy, agency contract, and the manner of dealing with customers take a score 3-5, it indicates the strength of power of the agent; however, if the score is lower it indicates its weakness.
- The tool of measuring the professional ethics is determined according to the five response levels. If the response to honesty, objectivity, merit, justice, confidentiality, professionalism and
- proficiency is 3-5, it indicates a high commitment to professional ethics; however, if the degree is lower, it indicates low commitment status.

VIII. SAMPLE OF THE STUDY

The study sample consisted of 35 insurance agents working in the insurance industry in Bahrain. The respondents were randomly selected and questionnaire was distributed among them during the summer of 2016. 33 responses were received, with response rate was 85.73%. The data was collected and tabulated using the SPSS program. The arithmetic mean was calculated to determine the level of response of insurance agents on the resources of knowledge, power, and professional ethics. Standard deviation determined the degree of dispersion of response values from their computational values. The spearman (Rs) correlation coefficient determined the strength and type of relationship between the variables of the study. Whereas, the t-test results showed the values of (Rs) at a significant level $P \leq 0.01$ and $P \leq 0.05$.

IX. RESULTS AND DISCUSSION

The main objective of this study is to determine the level of response of the insurance agents in relation to their knowledge, power and professional ethics, which govern their behavior and direction to deal with the customers of the Bahraini insurance companies.

Level of Response to the Insurance Agent's Knowledge, Power and Ethics

The values of the arithmetical mean and the standard deviation are concerned with descriptive data of the insurance agents' opinions, which have been used to indicate the level of their response to the power, intensity, and knowledge resources. The results of the statistical treatment have been shown in Table 1.

Knowledge Resources of the Insurance Agent

The knowledge resources through training, education, and professional experience has made a distinctive contribution that has been ranked first in the attention of the insurance agent. However, the knowledge resources have made a contribution and has become the second place of interest of the insurance agent through educational qualification and specialization.

Power of the insurance agent

The values of the arithmetic mean appear relatively high, somewhat close to the types of power enjoyed by the insurance agent, but they have been ranked on basis of their severity as follows;

- Legal force and power of the handling method have been ranked first in the interests of the agent.
- The power of knowledge and the power of attracting the customer have been ranked second of the agent's interest.
- The power of the agency's contract took the third place of interest of the insurance agent.

Professional ethics

Values of the arithmetic mean emphasize a distinct rise and different degree of agent's interest to the components of professional ethics as follows;

- Equal attention to the ethics of objectivity, merit, and professionalism.
- The general direction of the insurance agent's work is based on deep understanding of the professional ethics that govern his behavior and make him a useful factor within the insurance industry.

Study variables and measurements	Arithmetic mean	Standard deviation
Knowledge resources for	2.87	1.81
insurance agent	2.80	1.22
Academic	4.43	2.56
qualification	1.40	0.81
Specialty	5.3	3.19
Training and Learning		
Self-development		
Professional Experience		
Power of the Insurance Agent	3.35	1.13
Power of	3.27	1.00
Knowledge	3.92	0.95
Customer	3.03	1.06
Attraction	3.42	1.21
Legal Force		
Power of Agency		
Contract		
Power Handling		
Professional		
Ethics for	4.10	0.97
Insurance Agent	3.99	0.98
Honesty and	3.98	1.05
Integrity	4.15	0.98
Objectivity	4.02	1.25
Meritocracy	3.85	0.95
Justice	4.37	0.96
DL		
Career		
Mastering		

Table 1: The level of knowledge of the insurance agent, and his power and professional ethics (n = 30)

A relationship between knowledge resources and power intend to verify the relationship type and the trends, described by the first hypothesis. It can be guided by the values of correlation coefficient Spearman (Rs) as shown in table 2.

	Qualifier Science project	Specialty	Training and Learning	Self-development	Experience
Power of knowledge	0.54 *	0.87 *	(0.14)	(0.18)	(0.38 *)
Customer attraction	0.37 *	0.46 *	(0.15)	(0.11)	(0.11)
Legal validity	0.41 *	0.39 *	0.06	0.01	(0.05)
Agency contract	0.12 .	0.36	0.06	(0.28)	0.05
How to deal	0.51 *	0.32	(0.25)	(0.32)	(0.46 *)

Under the trust levels (P ≤ 0.01) and (P ≤ 0.05)
* Acceptable confidence level P ≤ 0.01
* Acceptable confidence level P ≤ 0.05

Table 2: Correlation coefficient values Spearman (Rs) between knowledge and power of an insurance agent (n = 30)

The correlation values Spearman (Rs) infers to verify the type of relationship and trends, described by second hypothesis (Table 3). The limited moral ties knowledge resources and professional ethics; while, personal development showed opposite trend with moral relationship. These results indicated that the second hypothesis has been rejected.

	Qualifier Science project	Specialty	Training and Learning	Self-Development	Experience
Honesty and integrity	0.25	0.24	0.28	(0.07)	(0.22)
Objectivity	0.32	0.34	(0.8)	(0.20)	(0.28)
Meritocracy	0.33	0.43 *	(0.07)	0.22	(0.22)
Justice	0.09	0.19	0.05	0.11	(0.18)
DL?	(0.34)	(0.6)	0.25	(0.39 *)	0.27
Career	0.20	0.35	(0.14)	0.11	(0.29)
Mastering	0.23	0.29	0.08	(0.28)	(0.8)

Under the trust level (P ≤ 0.01) and (P ≤ 0.05)
* Acceptable confidence level P ≤ 0.01
* Acceptable confidence level P ≤ 0.05

Table 3: Correlation coefficient values spearman (Rs) between knowledge resources and professional ethics (n = 30)

Table 4 is concerned with the detection and orientation of the relationship between the type of insurance agents' power and professional ethics. The findings have shown association between power (way attract customer) and dimensions of professional ethics. Moreover, there is an association between most of the dimensions of professional ethics

	Power of knowledge	Customer attraction	Legal validity	Contract The Agency	Style Deal
Honesty and integrity	0.44 *	0.07	0.6 *	0.05	0.06
Objectivity	0.56 *	0.09	0.47 *	0.16.	0, 21
Meritocracy	0.60 *	0.30	0.43 *	0.39 *	0.18
Justice	0.46 *	(0.41 *)	0.50 **	0.70 *	0:02
DL	(0.28)	0.18.	0.05	0.16.	(0.31)
Career	0.53 *	(0.05)	0.26	0.05	0.08
Mastering	0, 41 *	(0:13)	0.50 **	0, 3	0.40

Under the trust levels (P ≤ 0.01) and (P ≤ 0.05)
* Acceptable confidence level P ≤ 0.01
* Acceptable confidence level P ≤ 0.05

Table 4: Correlation coefficient values spearman (Rs) between knowledge and power of an insurance agent (n = 30)

The study sample has shown emergence of a variable within the components of the knowledge resources, the power of the agent, and the professional ethics. The results have been deduced from the interpretation of the type of relations and their trends between the main and secondary study variables. The results proved the rejection of the hypothesis of the relationship between resources of knowledge and professional ethics. The results of the three hypotheses can be embodied in the default study model, where the ethical relationships were included and the non-ethical relationships were excluded. This association is consistent with the results of the verification of the hypotheses of the study along with its interpretation.

X. CONCLUSION

The evaluation of professional ethics among the insurance agents in the Bahraini insurance industry has created an urgent need to spread a culture of knowledge that focuses on the development of specialized knowledge in depth and a political perspective that makes the insurance agent derive his power from a variety of sources. The study has diagnosed the dimensions of the problem to predict the type and direction of those relationships assuming a

significant positive effect. The rationale for the study and its theoretical and practical purposes resulted in designing of a specific virtual model.

The Binary (cognitive-political) outlook provides a fertile intellectual climate for the interpretation of the professional ethics of insurance agents, especially with regard to the mechanisms of bilateral and positive interaction. This means that the state of commitment to professional ethics will be increased in harmony with the richness of knowledge resources and the strength of the agent's power along with the profusion of agent knowledge. The emergence of evident differences showed a remarkable convergence in the strength of the power of agents from all sources, and a notable interest in the dimensions of ethics profession. This may be an indication of the agent's concern for status and reputation of insurance profession. There is a general trend of association between the resources of knowledge, power of the agent, and ethics of the profession, which indicates limited acceptance of the first hypothesis, rejection of the second hypothesis, and limited acceptance of the third hypothesis.

The analysis showed the possibility of taking advantage of the virtual model in terms of the variables of academic qualification, experience, and specialization as knowledge resources. The state of rejection of hypotheses indicates the difficulty of generalizing the results. This may be due to the limited sample and because of study being first of its kind. It is difficult to objectively judge an intellectual approach through one study. The future studies need to carry out more exploratory, descriptive, and analytical studies in the Bahraini and Arab insurance industry to establish, compare, and develop a dual philosophical approach in the interpretation of the insurance agent's professional ethics.

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