Measuring the perceived importance of ethics and social responsibility in financial services: A narrative-inductive approach

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Abstract

Purpose
– This paper aims to reflect the argument that the impetus to engage in socially responsible actions is ultimately reinforced by the perceived belief that doing so will be beneficial to the corporation in the long run.

Design/methodology/approach
– The paper uses a narrative-inductive approach to make important contributions to the corporate social responsibility-organizational effectiveness literature. Data were collected through a semi-structured interview, and analyzed using qualitative analysis strategies.

Findings
– The study reports a profound perceived usefulness of ethics and social responsibility for business in the insurance industry in Nigeria. Furthermore, the study presents evidence that indicates that consciousness about the role of ethics and social responsibility in organizational effectiveness in this context is low, but, nevertheless suggests a positive posture towards the constructs. This positive posture seems to have been driven by the negative image of the industry and the need to remedy the situation. It suggests that this can be achieved through a show of genuine concern for the needs of the consumers, and the need to reinforce their trust and confidence in insurance as a loss mitigating mechanism.

Practical implications
– While shareholders' value maximization was shown as one of the considerations for ethical and social responsible behavior compromise, findings from the study also suggest that stakeholders' value maximization would be an effective consideration for the industry to improve the present low market penetration. The paper draws out the need to amend short-term goals for long-term goals by sacrificing short-term profits for long-term profits and survival.

Originality/value
– Although the strategic importance of ethics and social responsibility has been investigated using the deductive approach in other industries, this work provides an alternative to this existing bulk of positivist investigations by using an inductive approach with subjects drawn from the insurance industry. The study also seems to the authors' knowledge, the first to investigate the strategic importance of this construct in a developing and apathetic market such as Nigeria.