The Commitment of South African Actuaries to Their Profession

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Defining Commitment

Commitment is the psychological bond between an individual and the target of their commitment (Meyer & Allen, 1993).

Affective Commitment
Emotional attachment

Normative Commitment
A perceived moral obligation towards the target

Continuance Commitment
An awareness of the costs associated with not maintaining the commitment
The Nature and Outcomes of Commitment

Commitment

Involvement

Retention
How has the commitment of South African actuaries changed?

Commitment

Involvement

Retention

Localisation

Past Growth
Why is involvement important?

- Commitment
- Involvement
- Retention
- Transformation
- Volunteers
Why is retention important?

- Commitment
- Involvement
- Retention
- Transformation
- Future Growth
- Competition
The Elusive Female Actuary

- Students Members: 30%
- Fellows: 25%
- Committee members: 20%
- Operational Board members: 15%
- Committee Chairs: 10%
- Board chairs: 5%
- Council: 0%
Methodology

Initial interviews
- Ten one-on-one unstructured interviews
- Selected to be broadly representative in areas other than race

Survey
- Only Fellow actuaries
- Response rate of 22%
- Broadly representative (but there is obviously a response bias)
- Multiple-part questionnaire largely based on (adapted) standard scales
From the interviews

Affective Commitment
• “remain a life-time member of the professional association even if not in any traditional actuarial roles”
• “portray through your entire image and life that you are an actuary”
• “I won’t do anything else. I love it!”

Continuance Commitment
• “my profession also contributes to the health of my family life, from the pure basics of earning an income from what I do.”
• “job and financial security.”
Conceptual framework for involvement

- **Citizenship**
  - "lead the way and create the avenue where other people can also contribute" (3)
  - reflection of the profession; volunteer (6)

- **Championing**
  - "I would rather find something else to do with my free time." (1)

- **Compliance**
Survey Design

- Commitment scale (Meyer et al., 1993), adjusted for actuaries
- Turnover intention scale (Meyer et al., 1993)
- Professional involvement scale self created
  - Binary questions for activities over the last year
  - Five-point Likert scale for activities in the last three months
Preparatory data analysis

PCA
- Reduce the number of variables
- Choose combinations that explain as much of the variance as possible

Scale reliability
- Cronbach’s alpha

Average scale values
- Unweighted averages
Preparatory data analysis

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Scale reliability
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Average scale values
- Unweighted averages

Commitment and turnover scales worked as expected. Involvement scales more problematic.

All scales had high reliability scores except professional involvement in the last year

Sample size too small for all ASABA related questions
<table>
<thead>
<tr>
<th></th>
<th>Statement (Responses on a Likert scale (strongly disagree (1) to strongly agree (5)))</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Commitment to the actuarial profession</td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>Being an actuary is important to my self-image.</td>
<td>3.61</td>
</tr>
<tr>
<td>b</td>
<td>There are pressures to keep me from changing professions.</td>
<td>3.07</td>
</tr>
<tr>
<td>c</td>
<td>Changing professions now would be difficult for me to do.</td>
<td>3.69</td>
</tr>
<tr>
<td>d</td>
<td>I like being an actuary.</td>
<td>4.3</td>
</tr>
<tr>
<td>e</td>
<td>Too much of my life would be disrupted if I were to change my profession.</td>
<td>3.52</td>
</tr>
<tr>
<td>f</td>
<td>I am enthusiastic about being an actuary.</td>
<td>4.05</td>
</tr>
<tr>
<td>g</td>
<td>I have put too much into the actuarial profession to consider changing now.</td>
<td>3.64</td>
</tr>
<tr>
<td>h</td>
<td>I am proud to be in the actuarial profession.</td>
<td>4.33</td>
</tr>
<tr>
<td>i</td>
<td>I am glad that I entered the actuarial profession.</td>
<td>4.34</td>
</tr>
<tr>
<td>j</td>
<td>It would be costly for me to change my profession now.</td>
<td>3.67</td>
</tr>
<tr>
<td>k</td>
<td>I identify with the actuarial profession.</td>
<td>3.91</td>
</tr>
<tr>
<td>l</td>
<td>Changing professions now would require considerable personal sacrifice.</td>
<td>3.88</td>
</tr>
</tbody>
</table>
South African actuaries have high levels of affective and continuance commitment to the profession.

No real change since Bagraim (2003)
Involvement Scales

Last year

Active Compliance
- Min CPD
- Activities beyond CPD
- Convention

Institutional Citizenship
- Committee member

Cognitive Championing
- Convention paper
- SAAJ paper

Three months

Reading
- Journals
- Newsletters
- Magazines

Championing
- Transformation
- Mentoring
- Encouraging people to join the profession
Refinement of involvement questions?

- The survey data indicated a blurring of lines between compliance, citizenship and championing behaviours.
  - Due to the way in which questions were framed?
  - Due to the time frames over which respondents were asked to reflect?
- Area of the survey where pre-existing scales were not utilised
  - Refinement of these questions required?
Professional Involvement

• As expected there is a greater level of involvement in compliance behaviours than with citizenship behaviours.
• According to survey results, no gender difference
• Both active compliance and institutional citizenship increase with age (although active compliance decreases after age 50)
  • Given the recent improvements in the diversity of the profession, there may be a concern that it will be some time before the representation of women and black members of the profession increases on committee structures.
Dhawan and Mulla (2011): continuance commitment was related to organisational and professional tenure because the cost of leaving a profession increases as an individual gains work experience. However, this effect might be offset by increasing accumulated wealth over time, and hence reduced costs associated with leaving the profession.
There was no statistically significant difference between the commitment levels of male and female members of the profession. However, given that female members of the profession are younger on average than their male counterparts, it is likely that female commitment levels are higher than male commitment levels on an age-adjusted basis.
Women in the profession: commitment and involvement

The high levels of affective commitment of female actuaries to the profession are a positive indication for efforts to improve the gender diversity of the profession.

Bellis (1996) concluded that young women may be more career-conscious than young men in making the decision to commence actuarial studies. Women seem to have actively chosen actuarial science and come with high expectations (and leave university with high ambitions) while men seem to fall into it with less thought.
The profession vs. ASSA

- Affective commitment
- Intention to leave

High cost of reinstatement?
There is scope for ASSA to strengthen its relationship with members of the profession.

• Ensure that South African actuaries choose to maintain their primary affiliation locally.

• Given the reliance of the ASSA on volunteers, particularly to support its education activities, it is important that the leadership engage with ways in which to enhance the current levels of commitment.

• Engaging with the professional association’s goals and values; congruence between the individual, professional association and employing organisation’s goals; and the internalisation of the values and mission of the professional association.