

Making Marketers Ethical: Background Variables for Sales Training Effectiveness

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Abstract

Though sales is a growing career within the marketing discipline, the effectiveness of sales ethics training is not keeping pace. Relatively scant attention has been paid to ethics training, and the current study seeks to correct this oversight through discussing important background values that impact ethical decision making in sales situations. These background values should be factored into the design of effective sales ethics training courses.

The study reviews the roles that idealism, relativism, personal values, religiosity, money ethics and attitudes toward business play in the determination of sales ethics judgments and choices. Results indicate that sales ethics evaluations are significantly impacted by idealism, relativism, and money ethics. Personal values indirectly influence evaluations. Religiosity and attitudes toward business do not significantly impact evaluations. Recommendations include the development of a sales education ethics model that includes both principle-based (idealism and personal values) and situation-based (relativism and money ethics) perspectives.

Keywords: ethics scale, ethics training, personal selling, sales ethics

1. Introduction

A vital component of any marketing effort, sales departments and selling careers continue to grow at a healthy rate (U.S. Bureau of Labor Statistics, 2012). However, sales ethics training has not kept pace. Salespeople frequently assess their training as ineffective (Salopek, 2009), and the public's ongoing suspicion of sales ethics indicates that sales ethics training is not translating into demonstrable practice (Chonko, Tanner, & Weeks, 1996; Luthy, 2007; Ramsey, Marshall, Johnston, & Deeter-Schmelz, 2007). In short, traditional ethics training is failing and needs help (James Jr., 2000; Mason, 2010; Waples, Antes, Murphy, Connelly, & Mumford, 2009).

The purpose of the current research is to begin building a platform upon which the effectiveness of sales ethics training may be enhanced. In particular, the study seeks to provide a deeper understanding of common salesperson background values that should be considered in the design of effective sales ethics training programs.

The paper begins with a review of past research on sales ethics evaluations. Particular attention is given to the Personal Selling Ethics Scale (PSE-2). Next, the paper reviews past research on personal values, religiosity, money ethics, and attitudes toward business. The PSE-2 is then used to measure the two-level effects of each variable. The paper concludes by suggesting a two-level model that can be used to inform the development of ethics training applications. Specific objectives are as follows:

- 1) Develop an understanding of the relationships between background values (personal values, religiosity, money ethics, and attitudes toward business) and personal selling ethics evaluations.
- 2) Suggest academic and industrial training applications.

2. Literature Review and Hypotheses

To provide a context for the background values of salespeople, the current section begins with an overview of sales ethics evaluation research. It then continues by reviewing ethical frameworks and background values such as personal values, religiosity, money ethics, and attitudes toward business.

2.1 Sales Ethics Evaluations

Varying methodologies have been used to examine sales ethics. A frequent approach involves using scales to review ethical scenarios (Borkowski & Ugras, 1992; Whipple & Swords, 1992). Dabholkar and Kellaris (1992) developed a scale specifically designed for sales situations. Their Personal Selling Ethics scale (PSE) is a set of 20 scenarios designed to measure the ethical judgments of sales professionals and/or students to questionable ethical scenarios in sales. The scale has been used to uncover the following (Dabholkar & Kellaris, 1992; Donoho et al., 1998):

- situational differences affect ethical evaluations in sales
- questionable sales practices involving money are viewed as less ethical than questionable practices that do not involve money
- questionable sales practices affecting customers are viewed as less ethical than questionable practices involving employers or competitors
- women are more sensitive to ethical misconduct in sales than men
- religious practice affects ethical evaluations
- ethical judgments vary widely among individuals.

After twenty years of use, the PSE was updated to reflect the growing interest in sales and sales education. The revised scale, Personal Selling Ethics Scale II (PSE-2), added to the original scale through incorporating input from current sales texts, popular press sales books, sales journal articles, and corporate codes of conduct (Donoho & Heinze, 2011). Findings included the fact that when moral relativism and idealism are factored, gender evaluation differences disappear (Donoho, Heinze, & Kondo, 2012). And although relativism and idealism enjoy a statistically significant relationship with ethical evaluation sensitivity, the two constructs explain less than 9% of evaluation variation (Donoho, Heinze, & Kondo, 2012). The PSE-2's scenarios are presented in Appendix A.

2.2 Ethical Frameworks—Moral Idealism and Moral Relativism

Moral pedagogy has been built on varying approaches ranging from Kohlberg's (1984) tripartite view to the Four Component Model which views morality from a functional psychological process perspective (Bebeau, Rest, & Narvaez, 1999; Rest, 1986). Providing an umbrella framework for studying the ethical evaluation of sales situations, Hunt & Vitell's (1986) general theory of marketing ethics has enjoyed extensive use (see McClaren, 2000). The theory proposes that the perception of ethical issues and associated alternatives is influenced by background factors such as normative moral philosophies. Two foundational moral philosophies are moral idealism and moral relativism, and Forsyth's (1980, 1992) early work on moral philosophies utilized these underlying dimensions as the basis for developing the categorizations found in the Ethical Position Questionnaire (EPQ).

Moral idealism utilizes a set of universal absolutes to judge actions as either moral or immoral. Moral idealism also contends that harming others can be avoided (Forsyth, 1992). On the other hand, less idealistic perspectives are more inclined to accomplish supposed good through pursuing avenues that involve the "lesser of two evils" (Forsyth, 1980).

Compared to moral idealism, relativism suggests that ethical judgments should not be governed by universal absolutes. Rather, moral decisions should be guided by participant variables and situational factors (Forsyth, 1992). Circumstantial factors or individual characteristics trump rules. Relativists are often influenced by broad circumstantial factors such as society and culture (Singhapakdi, 2004).

Moral idealism and relativism, foundational ideological perspectives in Forsyth's (1980) categorizations, have provided the theoretical framework for many sales and marketing studies. Training approaches (McClaren, 2000), behavioral patterns (Vitell & Singhapakdi, 1993), and ethical evaluations of sales scenarios (Barnett, Bass, & Brown, 1996) have all been informed by idealism/relativism frameworks. Valentine and Bateman (2011) determined that, along with issue-contingencies and environmental constructs, ethical ideologies influence issue recognition and intentions in sales situations. For example, idealistic individuals were found to be more sensitive to ethical misconduct in sales, and relativistic individuals were found to be less sensitive. Likewise, Donoho, Heinze, and Kondo (2012) found that higher moral idealism scores resulted in critical ethical evaluations of sales ethics abuses, while higher relativism scores resulted in ethical evaluations that were less critical.

Therefore, idealism and relativism can highlight individual philosophical differences that may impact the method and manner of ethical evaluations (Barnett, Bass, & Brown, 1994; Tansey, Brown, Hyman, & Dawson, 1994). To confirm these findings, the following hypothesis is proposed:

H0: Sales ethics evaluations are negatively related to moral idealism and positively related to moral relativism.

2.3 Personal Values

Kahle's (1983) List of Values (LOV) was built upon a theoretical foundation provided by Feather (1975), Maslow (1954), and Rokeach (1973). Veroff, Douvan, and Kulka (1981) and Kahle (1983) developed the LOV to assess the values of individual Americans. Important values include self-respect, security, relational warmth, belonging, self-fulfillment, respect from others, sense of accomplishment, and fun-enjoyment-excitement.

Studies utilizing social values in sales have included Apasu's (1987) examination of the manner in which personal values affect a salesperson's reward system preferences. Additionally, Weeks, Chonko, and Kahle (1989) suggested that personal value congruence between salespeople and managers results in higher annual sales. Swenson and Herche (1994) found that social values help predict a salesperson's performance, and Weeks and Kahle (1990) highlighted the impact of social values on the entrepreneurial and routine selling efforts of salespeople. Donoho, Herche, and Swenson (2003) found that salespeople who favor relational values are less accepting of ethically problematic sales situations, while those who favor individual personal values are more accepting.

In light of these research findings, the following hypotheses are proposed:

H1d (One-level): Personal value importance is negatively related to sales ethics evaluations.

H1i: (Two-level) Personal value importance is positively related to moral idealism.

H1r: (Two-level) Personal value importance is negatively related to moral relativism.

2.4 Religiosity

Religiosity has been defined as a belief in God and an associated commitment to follow God-ordained principles (McDaniel & Burnett, 1990). Though encompassing spirituality, religiosity is distinct from spirituality and is generally thought to include religious beliefs, activities, and affiliations (Bjarnason, 2007). Research indicates that religiosity often has a measurable influence on attitudes and behavior (Weaver & Agle, 2002), and although it has been suggested that religiosity and moral reasoning share few intersections (Kohlberg, 1981), most research indicates that the two ideas are linked (Duriez & Soenens, 2006; Glover, 1997; Sapp & Gladding, 1989).

However, when primarily driven by extrinsic orientations, religiosity has little effect on ethical beliefs and perceptions (Kennedy & Lawton, 1998; Kum-Lung, 2010). In contrast, intrinsic religiosity appears to increase sensitivity to ethical misconduct (Kennedy & Lawton, 1998; Kurpis, Beqiri, & Helgeson, 2008; Kum-Lung & Lau, 2010). The variation between intrinsic and extrinsic religiosity has also been illustrated by Vitell, Singh, and Paolillo (2007) whose modification of the Allport and Ross (1967) scale is used in the current study.

Findings regarding religiosity and philosophical frameworks have been mixed and require further study (Vitell, 2009). For example, Clark and Dawson (1996) found no relationship between religiosity and moral idealism or relativism. However, Vitell and Paolillo (2003) found a link. Barnett, Bass, and Brown (1996) uncovered no correlation between religiosity and idealism (positive two-level) and relativism (negative two-level), while Singhapakdi, Vitell, and Franke (1999) determined religiosity to be a significant driver of idealistic or relativistic orientations.

In light of research on religiosity and ethical evaluations, the following hypotheses are proposed:

H2d (One-level): Religiosity is negatively related to sales ethics evaluations.

H2i: (Two-level): Religiosity is positively related to moral idealism.

H2r: (Two-level): Religiosity is negatively related to moral relativism.

2.5 Money Ethics

The meaning of money and the way in which its meaning differs across individuals has been examined for more than a half-century (Herzberg, Mausner, & Snyderman, 1959; Lawler, 1981). Attitudes toward money have also been examined and have been shown to influence a host of organizational behaviors such as job satisfaction, morale, work orientation, task performance, overall effectiveness (Lawler, 1981; Opsahl & Dunnette, 1966;

Tang & Baumeister, 1984). Likewise, personality and attitudinal variables are related to one's money ethic (Mitchell & Mickel, 1999).

Tang's (1992, 1993, 1995, 2002) Money Ethics Scale (MES) was developed to examine the meaning of money and associated attitudes toward money. The full scale is 17-items and includes four factors: Money importance, money success, money motivator, and money rich. Tang (2002) found that an individual's money ethic impacts the individual's tolerance of unethical behavior. The more important money is to an individual, the more accepting he or she becomes of unethical practices. Likewise, Vitell, Singh, and Paolillo (2007) found that an individual's money ethic influenced his/her sensitivity to ethically questionable activities. The more an individual viewed money as important, the more likely they were to accept unethical consumer activities. In light of these findings, the following hypotheses are proposed:

H3d (One-level): Money ethics is positively related to sales ethics evaluations.

H3i: (Two-level) Money ethics is negatively related to moral idealism.

H3r: (Two-level) Money ethics is positively related to moral relativism.

2.6 Attitude toward Business

An individual's attitude toward business may impact assessments of ethically questionable consumer behaviors (Vitell, Singh, & Paolillo, 2007). Muncy and Vitell (1992) originally used attitude toward business to determine that consumers who are more negative toward business are more accepting of unethical consumer practices. Though attitude toward business did not significantly predict divergent consumer ethics assessments between students and non-students (Vitell & Muncy, 2005), the construct did impact passive ethical assessments in a more recent study (Vitell, Singh, & Paolillo, 2007). In particular, consumers who held positive attitudes toward business judged ethically questionable consumer behaviors more harshly than individuals who held a negative attitude toward business.

In light of research findings, we hypothesize the following:

H4d (One-level): Attitude toward business is positively related to sales ethics evaluations.

H4i: (Two-level) Attitude toward business is negatively related to moral idealism.

H4r: (Two-level) Attitude toward business is positively related to moral relativism.

3. Method

The current research is part of an on-going, multi-sample, multi-questionnaire study conducted at a medium-sized university in the United States. Via a sales program housed within its College of Business, the university specifically trains students for selling careers. Over 1,000 students participated in various parts of the study over two years. All participants completed the PSE-2 questionnaire, and various subsets of the sample completed survey instruments related to philosophical frameworks and background values. The survey was administered using an online survey/quiz function of the school's learning management system. The multiple surveys took less than 30 minutes to complete. For the current research, 429 students completed surveys and were given extra credit.

3.1 Sample Characteristics

Table 1 presents the sample characteristics. The gender composition of the sample was 57% male and 43% female. The age range of 18-24 represented 86% of the sample. Most were juniors (43%) or seniors (53%); 37% were marketing majors. Seventy-seven percent of students had 3 or more years of work experience; only 24% had some sort of sales experience such as part-time retail sales or waitressing. The sample appears to represent today's traditional, undergraduate business student enrolled in upper division classes.

Table 1. Sample characteristics (n=429)

		Total	
		Count	Percent
Gender	Male	245	57.1
	Female	184	42.9
Age	20 or younger	82	19.1
	21-22	215	50.1
	23-24	73	17.0
	25-34	47	11.0
	35+	12	2.8
Class Standing	Fresh/Soph	13	3.0
	Junior	185	43.1
	Senior	227	52.9
	Graduate	4	0.9
Major	Accounting	34	7.9
	Info. Systems	21	4.9
	Economics	1	0.2
	Finance	26	6.1
	Management	80	18.6
	Marketing	157	36.6
	Other	110	25.6
Work Experience	0	29	6.8
	1	24	5.6
	2	45	10.5
	3	46	10.7
	4	94	21.9
	5-9	160	37.3
	10+	31	7.2
Sales Experience	0	170	39.6
	1	89	20.7
	2	66	15.4
	3	35	8.2
	4	36	8.4
	5-9	28	6.5
	10+	5	1.2
Total		429	

3.2 Scale Characteristics

The PSE-2 and EPQ (moral idealism and moral relativism) scales are presented in Table 2. Reliability assessment using Cronbach's alpha was .79 for the PSE-2. There was a relatively wide range of mean scores (1 = very unethical, 7 = very ethical) for the twenty PSE-2 items, ranging from "stealing from competitor at trade show" (1.82) to "puffery" (5.16).

Table 2. Personal selling ethics (PSE-2) scale (1=very unethical, 7=very ethical)

PSE-2 Item #	PSE2 Ethical Scenarios	PSE-2	Std. Error
2	Steal from competitor at trade show	1.82	.049
8	False promises used to close sale	2.27	.052
7	Cheating on sales contest	2.36	.055
4	Sneak vacations on company time	2.41	.057
3	Inflate expense report	2.43	.057
1	Offer monetary bribe to buyer	2.66	.058
12	Information leaks about one customer to another	2.97	.061
11	Frequent flyer abuse	3.21	.073
5	Conflict of interest with company (moonlighting)	3.32	.074
15	Tying agreement	3.43	.071
6	Lavish entertaining	3.56	.067
14	Defamation of a competitor	3.57	.058
20	Scarcity (excessively limited choice)	3.57	.067
16	Charging customer different prices	3.70	.073
13	Withholding information to customer about product	3.80	.062
9	Cheating on bidding process	3.90	.070
10	Fear exploitation used to close sale	4.02	.067
18	Reciprocity	4.47	.070
19	Special Treatment	4.48	.068
17	Puffery	5.16	.069
PSE-2	PSE-2 Mean (of all scale items)	3.36	.029

Cronbach alpha = .79

The EPQ's Cronbach alpha was .82 for moral idealism and .71 for moral relativism (see Table 3 and Table 4). These values are consistent with previous scale utilization and are considered adequate (Nunnally, 1978). A large number of studies have used the EPQ Scale (or associated variations) and have experienced similar results. Reported reliabilities for moral idealism and relativism have included the following: Singhapadki (2004) .87 and .79; Kleiser, Sivadas, Kellaris, and Dahlstrom (2003) .81 and .70; Valentine and Bateman (2011) .84 and .81; and Bass, Barnett, and Brown (1998) .86 and .81.

Table 3. Moral idealism (1=strongly disagree, 5=strongly agree)

Moral Idealism Scale Item	Mean	Std. Error
1. A person should make certain that their actions never intentionally harm another even to a small degree.	3.81	.048
2. Risks to another should never be tolerated, irrespective of how small the risks might be.	3.36	.050
3. The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.	3.50	.049
4. One should never psychologically or physically harm another person.	4.01	.050
5. One should not perform an action that might in any way threaten the dignity and welfare of another individual.	3.93	.044
6. If an action could harm an innocent other, then it should not be done.	4.06	.042
7. Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.	2.54	.053
8. The dignity and welfare of people should be the most important concern in any society.	3.66	.045
9. It is never necessary to sacrifice the welfare of others.	3.17	.050
10. Moral actions are those that closely match ideals of the most "perfect" action.	3.25	.047
Idealism Mean for all Scale Items	3.53	.030

Cronbach alpha = .821

Table 4. Moral relativism (1=strongly disagree, 5=strongly agree)

Relativism Scale Item	Mean	Std. Error
1. There are no ethical principles that are so important that they should be a part of any code of ethics.	2.24	.046
2. What is ethical varies from one situation and society to another.	3.83	.047
3. Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.	3.56	.050
4. Different types of moralities cannot be compared as to "rightness."	3.39	.045
5. What is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.	3.30	.050
6. Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.	2.99	.052
7. Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.	3.12	.048
8. Rigidly codifying an ethical position that prevents certain types of actions stand in the way of better human relations and adjustment.	3.16	.043
9. No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.	2.95	.053
10. Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.	3.25	.051
Relativism Mean of all Scale Items	3.18	.025

Cronbach alpha = .71

A factor analysis constraining the EPQ scale items to two factors resulted in appropriate loadings that matched the idealism and relativism constructs. Factor loadings varied from .41 to .78 for moral idealism and .49 to .63 for moral relativism, except for idealism scale item 7 (.268) and relativism scale item 1 (.377). Deletion of these items from the analysis did not significantly improve Cronbach alpha scores. Hence, the scales were used in their complete form to compute the mean for each unidimensional scale.

The mean score for the PSE-2 (3.36) fell between "neither unethical nor ethical" and "somewhat unethical," using a 7-point Likert Scale. Mean scores for moral idealism (3.53) and moral relativism (3.18) fell between "neither disagree nor agree" and "agree," using a 5-point Likert Scale.

Kahle's (1983) List of Values scale includes eight items that measure the importance of American personal values in daily life. A nine-point scale was used (1=very unimportant in my personal life, 9=very important in my personal life). Table 5 presents the mean scores for the eight scale items. The Cronbach alpha was .92. An exploratory factor analysis of the scale items revealed a one factor unidimensional scale. Although previous factor analyses have been used to segment a sample (Donoho, Herche, & Swenson, 2003), no such factors were found for our sample. Contrary to previous utilization of the LOV, a mean LOV score is used to represent the unidimensional scale. Our interpretation of this mean score is that it represents the overall relative importance of personal values in students' lives.

Table 5. List of Values (LOV) (1=extremely unimportant, 9=extremely important)

List of Values Scale Items	Mean	Std. Error
8. Self-respect	7.88	.074
4. Self-fulfillment	7.71	.076
2. Fun, enjoyment, excitement in life	7.68	.078
6. Accomplishment	7.60	.075
3. Warm relationships with others	7.55	.077
5. Well-respected	7.50	.076
7. Security	7.36	.076
1. Sense of belonging	6.93	.075
LOV Mean	7.53	.061

Cronbach alpha = .920

Note. Factor analysis revealed a unidimensional (1 factor scale). We interpret the LOV mean to be the importance of personal values in daily life.

The religiosity scale is an 8-item scale measuring intrinsic religiosity. The Cronbach alpha for the complete 8-item scale was .783 (see Table 6). Item analysis revealed that removing items 3, 6, and 8 improved reliability. The Cronbach alpha for the remaining 5 items was improved to .874. Factor analysis revealed this to be a one factor unidimensional solution. The mean of the five remaining items were used for the study.

Table 6. Intrinsic religiosity (1=strongly disagree, 5=strongly agree)

Religiosity Scale Item	Mean	Std. Error	Corrected Item – Total Correlation	Alpha if deleted
1. I enjoy reading about religion.	3.00	.055	.547	.749
2. It is important for me to spend time in private thought and prayer.	3.09	.059	.622	.736
3. It doesn't much matter what I believe so long as I am good. (Reverse)	2.65	.047	.426	.769
4. I have often had a strong sense of God's presence.	3.02	.062	.621	.735
5. I try hard to live all my life according to my religious beliefs.	2.82	.059	.736	.715
6. Although I am religious, I don't let it affect my daily life. (Reverse)	3.20	.050	.091	.813
7. My whole approach to life is based on my religion.	2.32	.056	.600	.723
8. Although I believe in my religion, many other things are more important in my life. (Reverse)	2.81	.053	.166	.806
Religiosity Mean (items 1,2,4,5, and 7)	2.85	.048		

Cronbach alpha (complete scale) = .783; Cronbach alpha (1,2,4,5, and 7)=.874

Similar to prior research, the 17-item, 5-point Money Ethics Scale (MES) factored into four dimensions: importance, success, motivation, and rich. The overall mean and the means of individual factors are presented in Table 7. The Cronbach alpha for all 17 items was .909. Individual factor alphas were: Money Importance (.778), Money Success (.811), Money Motivation (.870) and Money Rich (.831). The Cronbach alpha for the four means of the individual money factors was .815. Respondents, on average, agreed that money was important (mean = 3.88), contributes to their motivation (mean = 3.92), and that being rich is good (mean = 3.77). However, on average, students were rather neutral on money being a measure of success (mean = 3.03). The Money Ethics Mean (mean = 3.65) for all scale items is used to simplify the presentation of the results.

Table 7. Money Ethic Scale (MES) by gender (1= strongly disagree, 5= strongly agree)

Money Ethic Scale Item	Mean	Std. Error
Importance Mean	3.88	.034
1. Money is important.	3.97	.044
2. Money is valuable.	4.02	.044
3. Money is good.	3.67	.048
4. Money is an important factor in the lives of all of us.	4.06	.044
5. Money is attractive.	3.70	.050
Success Mean	3.03	.044
1. Money represents my achievement.	3.01	.055
2. Money is a symbol of my success.	3.10	.056
3. Money reflects my accomplishments.	2.88	.054
4. Money is how we compare each other.	3.14	.053
Motivation Mean	3.92	.039
1. I am motivated to work hard for money.	4.06	.044
2. Money reinforces me to work harder.	3.92	.048
3. I am highly motivated by money.	3.68	.051
4. Money is a motivator.	4.04	.041
Rich Mean	3.77	.037
1. Having a lot of money (being rich) is good.	3.42	.047
2. It would be nice to be rich.	4.22	.038
3. I want to be rich.	4.03	.045
4. My life will be more enjoyable if I am rich and have more money.	3.39	.052
Money Ethics Means for all Scale Items	3.65	.031

Cronbach alpha All scale items = .909, Money importance = .778, Money Success = .811, Money Motivation = .870, Money Rich = .831, All Mean items = .815

Attitude toward business was measured using a 6-item scale. Reliability for this scale was low and removal of individual scale items did not significantly increase a low Cronbach alpha score of .505 (see Table 8). Respondents were relatively positive about the business community improving the country’s standard of living (3.64), satisfaction with most products they buy (3.79), and corporate concerns for customers (3.57). However, they also believe, on average, that many businesses try to take advantage of customers (3.38), and that products are not as durable as they should be (3.70). Overall, respondent attitudes toward business were relatively neutral (3.14).

Table 8. Attitude toward business (1=strongly disagree, 5=strongly agree)

Attitude Toward Business Scale Item	Mean	Std.Error
1. Many businesses try to take advantage of customers.	3.38	.049
2. Many products are not as durable as they should be.	3.70	.045
3. Most companies are concerned about their customers.	3.57	.044
4. In general, I am satisfied with most of the products I buy.	3.79	.035
5. What most products claim to do and what they actually do are two different things.	3.07	.044
6. The business community has helped raise our country's standard of living.	3.64	.043
Overall Mean	3.14	.023

Cronbach alpha (all scale items) = .505

Note. Means are “reversed” for items 1,2,and 5 for the reliability analysis and computing the overall mean (the higher the mean score, the more positive the student attitude toward business).

4. Results

The current section presents a two-level model in which idealism, relativism, and money ethics directly affect PSE-2 sales ethics evaluations. The three remaining variables (personal values, religiosity, and attitude toward business) indirectly affect evaluations.

4.1 Two-Level Model with Money Ethics on the First Level

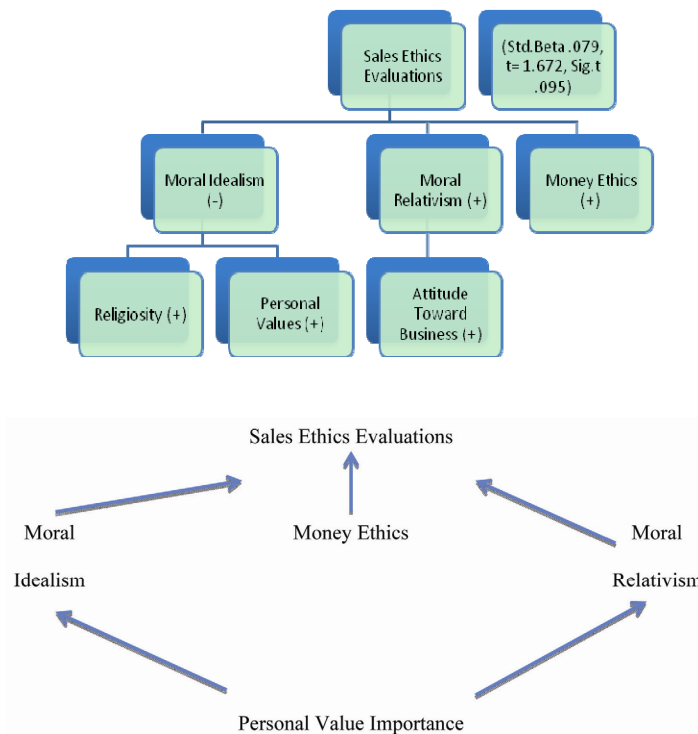


Figure 1. Two-level modified relationships of background influence variables

Figure 1 highlights the proposed two-level model. Idealism, relativism, and money ethics directly affect PSE-2 sales ethics evaluations, and the three remaining variables (personal values, religiosity, attitude toward business) indirectly affect the evaluation. Personal values and religiosity positively affect idealism, and attitude toward business positively affects relativism, which in turn is positively related to PSE-2 sales ethics evaluations. Finally, money ethics directly and positively affects PSE-2 evaluations.

As seen in Table 9, idealism is negatively related to sales ethics evaluations (Std. Beta $-.191$, $t = -4.009$, Sig. $t = .000$), and both relativism (Std. Beta $+.197$, $t = +4.009$, Sig. $t = .000$) and money ethics (Std. Beta $+.126$, $t = 2.667$, Sig. $t = .008$) positively affect sales ethics evaluation. The model's adjusted R square is $.089$.

Table 9. Regression: PSE-2 by idealism, relativism, money ethics, religiosity, personal values and attitude toward business

	Std. Beta Coefficient	t	Sig t
Idealism Mean	$-.191$	-4.009	$.000$
Relativism Mean	$.197$	4.179	$.000$
Money Ethics Mean	$.126$	2.667	$.008$
Religiosity Mean	$.004$	0.087	$.931$
Personal Values Mean	$.005$	0.104	$.917$
Attitude Toward Business Mean	$.051$	1.096	$.274$

Regression: Mean square 2.560, $F=7.954$, Sig. $F=.000$, Adjusted R Square $=.089$

Table 10 presents results for the relationship between idealism and the three remaining independent variables, personal value importance (Std. Beta $.191$, $t = 1.672$, Sig. $t = .095$), religiosity (Std. Beta $.079$, $t = 1.672$, Sig. $t = .095$), and attitude toward business (Std. Beta $.032$, $t = 0.668$, Sig. $t = .504$). Results are mixed since personal value importance is positively significant while religiosity does not reach the $.05$ level of significance. Attitude toward business was not significant.

Table 10. Regression: idealism by personal value importance, religiosity, and attitude toward business

	Std. Beta Coefficient	t	Sig t
Religiosity Mean	$.079$	1.672	$.095$
Personal Values Mean	$.191$	4.024	$.000$
Attitude Toward Business Mean	$.032$	0.668	$.504$

Regression: Mean square 2.330, $F=6.452$, Sig. $F=.000$, Adjusted R Square $=.037$

Table 11 presents the results for the relationship between relativism and the three remaining independent variables. Religiosity (Std. Beta $-.072$, $t = -1.510$, Sig. $t = .132$) was not significant, and attitude toward business (Std. Beta $.087$, $t = 1.808$, Sig. $t = .071$) did not reach the $.05$ level of significance. Personal value importance (Std. Beta $.095$, $t = 1.971$, Sig. $t = .049$) was positively related to relativism. This represents a mixed result for the modified two-level model.

Table 11. Regression: relativism by personal values importance, religiosity, and attitude toward business

	Std. Beta Coefficient	t	Sig t
Religiosity Mean	$-.072$	-1.510	$.132$
Personal Values Mean	$.095$	1.971	$.049$
Attitude Toward Business Mean	$.087$	1.808	$.071$

Regression: Mean square 0.920, $F=3.379$, Sig. $F=.018$, Adjusted R Square $=.016$

Personal values are positively related to both idealism and relativism; however, the Std. Beta is twice as large for idealism as for relativism.

Table 12 presents the results of the test of the relationship between money ethics and the three independent variables. None were significant.

Table 12. Regression: money ethics by personal values importance, religiosity, and attitude toward business

	Std. Beta Coefficient	t	Sig t
Religiosity Mean	-.066	-1.363	.174
Personal Values Mean	.056	1.164	.245
Attitude Toward Business Mean	.079	1.634	.103

Regression: Mean square 0.858, F=2.104, Sig. F=.099, Adjusted R Square=.008

R2 suggests variables does not explain any variation in money ethics.

Personal Value Importance, therefore positively affects both idealism and relativism. The standardized beta suggests that personal value importance has a larger effect for idealism (Std. Beta = .191) than for relativism (Std. Beta = .095).

4.2 Money Ethics Effect on Sales Ethics Evaluations

Though the mean of money ethics was used in the previous analyses for simplicity, the relationship between PSE-2 sales ethics evaluations and the components of money ethics was investigated. Table 13 presents the results of a regression of PSE-2 by the four money ethics component means (importance, success, motivation, and being rich). Only money success was significant (Std. Beta = .140, t = 2.471, sig. t = .014, Adjusted R Square = .027). The more successful one wants to be, the more one tolerates ethically problematic sales situations.

Table 13. Regression: PSE-2 by money importance, success, motivation, rich

	Std. Beta Coefficient	t	Sig t
Money Importance	.028	0.434	.664
Money Success	.140	2.471	.014
Money Motivation	.001	0.017	.986
Money Rich	.055	0.812	.417

Regression: Mean square 1.363, F=3.966, Sig. F=.004, Adjusted R Square=.027

5. Discussion

The purpose of the current research is to begin building a background value platform upon which the effectiveness of sales ethics training may be enhanced. To that end, the current section discusses the study's results in order to properly couch the subsequent section's specific training recommendations.

5.1 Two-Level Model

The study's findings generally accord with the structure of existing marketing ethics models. Building on Forsyth's (1980) moral philosophy work, models such as Hunt & Vitell's (1986) theory of marketing ethics strengthened support for two-level models in which personal characteristics indirectly influence ethical decision making via direct influences on moral idealism and relativism. The current study's two-level model largely mirrors this structure, while also adding money ethics as a top-level influencer for sales-specific ethics evaluations.

5.2 Religiosity

Prior research indicates that intrinsic religiosity directly impacts moral identity and personal moral philosophy (Singhapakdi et al., 1999; Vitell et al., 2009). In particular, intrinsic religiosity significantly affects moral idealism in a positive direction (Vitell & Paolillo, 2003). Hence, the current study's insignificant finding regarding intrinsic religiosity may arise from the possibility that, in certain situations, moral idealism is a statistical substitute for intrinsic religiosity. Further research is encouraged.

5.3 Money Ethics

Though the significance of money ethics' impact on sales ethics evaluations is not surprising, it does warrant specific mention. Since the 1950s, researchers have suggested that monetary compensation is a primary motivator for professional sales people (Farley, 1964; Haring & Myers, 1953). Statistically, money ethics (Std. Beta = .126) is about half as important as idealism (-.191) and relativism (+.197). Nevertheless, it has a direct effect on sales ethics evaluations.

The key component of money ethics is money success (see Table 13). Scale items include the following:

- Money represents my achievement
- Money is a symbol of my success
- Money reflects my accomplishments
- Money is how we compare each other

Respondents who valued money success evaluated ethically problematic situations less harshly than respondents who did not value money success. Since successful salespeople are also prone to score particularly high on the money success dimension of the MES (Tang, 2002), the current study's top-level money ethics effects are important and should be factored into the design of effective sales training courses.

5.4 Attitude toward Business

In line with prior research, the current study did not find a significant relationship between attitude toward business and sales ethics evaluations. Attitudes toward business exert a weak or non-existent influence on ethical evaluations of general business ethics situations (Vitell, Singh, & Paolillo, 2007). Likewise, the current study illustrates that attitudes toward business fail to significantly influence sales ethics evaluations. Attempts to explain prior findings on attitudes toward business have suggested that an individual's general attitude toward business is less likely to affect ethical evaluations than an individual's specific attitudes to a particular company (Vitell, Singh, & Paolillo, 2007). The same explanation may apply for the current study since PSE-2 scenarios are generic.

5.5 Personal Value Importance

Personal value importance positively affected both idealism (lowered PSE-2 scores) and relativism (raised PSE-2 scores). However, since personal value importance has a more positive effect on idealism (larger Std. Beta) than on relativism, the overall effect is to lower PSE-2 scores. The significance of personal value importance accords with prior studies (Donoho et al., 2003) and illustrates the importance of considering principle-based (personal values and idealism) background values.

6. Sales Ethics Education Recommendations

6.1 Implications for Sales Ethics Education

Mirroring prior studies (Donoho, Heinze, & Kondo, 2012), the current study illustrates the strong need for sales ethics training. The overall mean PSE-2 score was 3.36, indicating an average student response between "somewhat unethical" and "neither unethical nor ethical." Given the fact that all PSE-2 scenarios involve unethical behaviors such as lying or misrepresentation, improved sales ethics training is required. In the interest of improving sales ethics education, the current section suggests several areas that should be considered when developing sales ethics training opportunities.

Historically, business pedagogy has emphasized principle-based approaches to teaching ethics (Furman, 1990). However, divergent viewpoints have suggested that ethics is far more ambiguous and cannot be reviewed or operationalized by admittedly incomplete corporate codes of conduct (Des Jardins, 1984). Reacting to the constraints associated with principle-based systems, many researchers argued for new directions in which character-based or narrative approaches took precedence and principal-based approaches were largely dismissed (de Vries, 1986; Mathison, 1988). Situational approaches were felt to better engage the person as an individual moral agent and thereby reduce the impersonal nature of many principle-based systems (Furman, 1990; Hauerwas & Wadell, 1982).

The current study proposes that both camps are correct. As Strong and Hoffman (1990) argued, principle-based approaches are needed, and as Schaupp & Lane (1992) posited, case-based situational approaches grounded on character and narrative context are likewise beneficial.

6.2 Sales Ethics Education - Recommendations

Rather than exclusively considering internal (content) or external (delivery) factors, a comprehensive sales ethics training model should also understand the background values of sales trainees. The model should recognize the unique value perspectives that characterize individuals and that inform ethical decision making. A comprehensive model should include principle-based (idealistic) and situational (relativistic & money ethics) components.

Idealistic frameworks encourage ethical decision making in ethically questionable sales situations (Donoho, Heinze, & Kondo, 2011). Additionally, Singhapakdi (2004) concludes that idealistic perspectives should be

strongly emphasized in business ethics courses in order to discourage relativistic perspectives that often lead to ethically problematic decisions. Likewise, Mason (2010) encourages the use of idealistic principles rather than pluralistic post-modern perspectives when providing ethics instruction.

Situational perspectives should also be considered. The current study indicates that relativistic orientations and the pressure of monetary success are very real situational variables that cannot be solely addressed via impersonal ethical codes. Relevant, practical examples that logically flow from idealistic principles must be presented and examined.

Steps associated with a circumspect sales ethics education approach might include the following:

- 1) Presentation of an idealistic *principle*.
- 2) Discussion, using practical examples, of the *importance* of the principle.
- 3) In-depth review of a current *situation* in which the principle applies.

6.2.1 Principle Presentation

Corporate and business association ethics codes offer broad-based coverage of important ethical ideals. In marketing, the American Marketing Association's *General Code of Ethics* is recommended. A large number of sales-specific codes also exist, such as Sales & Marketing & Executives International's *Sales and Marketing Creed*.

6.2.2 Principle Importance

Short examples illustrating the significance and *importance* of previously reviewed idealistic principles should be presented to trainees. Furman (1990) suggests a brief review of an important historical or cultural situation that illustrates the principle. The brief review could be coupled with a homework assignment in which trainees read a culturally significant work centered on the situation. Furman (1990) highlights the assigning of Robert Bolt's play, *A Man for All Seasons*, as a means by which to illustrate the importance of principled behavior.

6.2.3 Situational Review

To heighten practical relevance and discuss the impact of unique situational variables, in-depth situational reviews should accompany the presentation of idealistic principles. Instructors could begin by reviewing a specific sales ethics scenario found within the PSE-2. The PSE-2 offers a comprehensive array of scenarios designed to categorically illustrate most ethical quandaries found in today's personal selling process. The PSE-2 scenario could then be associated with the review of a current article that deals with a real-life example of the PSE-2 scenario. The article could be reviewed and selected in accordance with Schupp and Lane's (1992) 5-step suggestions for incorporating ethics articles into training situations.

- 1) Select a news article (preferably local) based on relevance to the topic at hand.
- 2) Gather background information that is required to fully understand all relevant situational factors.
- 3) Read and discuss the article with trainees, identifying significant ethical issues and reviewing relevant background information.
- 4) Invite local participants (highlighted in the article) to provide their perspectives on the matter.
- 5) Conduct a trainee debriefing in which all relevant issues are discussed and final ethics recommendations are made.

Additional opportunities for situational reviews involve the use of experiential learning approaches. Inks and Avila (2008) illustrated the effectiveness of experiential learning exercises in the development of sales-specific skills. Role plays, case studies, simulations, and projects could all provide forums for this approach.

Along with situational reviews in the form of articles, cases, or role plays, trainers should also highlight the money ethics components of sales scenarios. The potential for success and achievement can increase a person's acceptance of unethical choices (Donoho et al., 2003). Since many sales people closely identify success with money, trainers should *idealistically* and *situationally* highlight a more holistic view of success that is not exclusively built on monetary foundations.

7. Limitations and Future Research

The use of a student sample from a single university limits the study's generalizability. Though the sample was representative of business majors who are preparing for sales careers, the sample is not representative of actual salespeople. As a result, findings may have limited applicability in business training settings. Study replication utilizing actual salespeople is recommended.

The use of multiple questionnaires (PSE-2, LOV, Intrinsic Religiosity, Attitude toward Business, MES) introduced the possibility of respondent fatigue. Future development of a shortened version of the PSE-2 might partially resolve this concern and would increase the PSE-2's utility within time-sensitive business environments.

With an adjusted R square of .089, the modified two-level model's explanatory power is admittedly low. The current study does not offer a comprehensive review of all variables affecting sales ethics decision making. Singhapakdi (2004) suggested that effective ethics training will be developed piecemeal, and the current study simply adds another small piece to the overall understanding of the variables that affect sales ethics training. Further research on additional variables is encouraged.

8. Conclusion

Though sales is a growing career within today's economy, the effectiveness of sales ethics training is not keeping pace. Relatively scant attention has been paid to sales ethics training, and the current study sought to correct this oversight through beginning to discuss important background values that impact ethical decision making in sales situations. These background values should be factored into the design of effective sales ethics training courses.

The study specifically reviewed the roles that idealism, relativism, personal values, religiosity, money ethics and attitudes toward business play in the determination of sales ethics judgments and choices. Results indicated that sales ethics evaluations are significantly impacted by idealism, relativism, and money ethics. Personal values indirectly influence evaluations. Religiosity and attitudes toward business did not significantly impact evaluations. Suggestions included the development of a sales education ethics model that includes both principle-based (idealism and personal values) and situation-based (relativism and money ethics) perspectives.

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Appendix A

PSE-2 Ethical Scenarios (1=very unethical, 7=very ethical)

1. Bribes & Gifts - Monetary Bribe to buyer

A wine wholesale distributor was running a special contest for its salespeople. Salesperson X was only ten cases away from selling enough to win a \$500 bonus. The customer was pressed to place a ten case order. When the buyer voiced reluctance, X told the buyer about the sales contest and offered to "split" the bonus to "help make the quota."

2. Sabotage & Spying - Steal from competitor

While attending a trade show, Salesperson Y passed by a competitor's exhibit that was temporarily unattended. Y took all of the free product samples from the competitor's booth. Y felt that this not exactly "stealing" because the samples were there to be taken for free anyway. "Besides," Y thought, "if they're stupid enough to leave their exhibit unattended..." When the competitor returned it was discovered that the product samples were missing and no more were available for prospective buyers attending the trade show.

3. Expense Accounts - Inflate expense report

W is basically an honest hard-working salesperson. However, W occasionally "inflates" the expense report, rationalizing that this would cover any expense W had overlooked. This is common practice in W's company and is ignored by the sales manager.

4. Misusing Company Time - Sneak vacations on company time

When salesperson V gets a hotel room and rents a car to make out-of-town calls, V sometimes keeps the room and the car an extra day or two for personal use. This allows V to sneak in "mini-vacations" without taking time off. This is common practice in the company and V feels that the relaxation makes for a more effective employee for the company. V has always been a top 10% performer in his company's sales force.

5. Conflicts of Interest – Moonlighting

Salesperson M is a former computer programmer who now sells computer hardware for XYZ Company. In M's spare time, M developed some software that M sells "on the side." Most of the buyers of M's software are Company's customers that M contacted through the job. The Company also sells software to run on its equipment. M sees no problem with this situation because M feels it's up to the customer to decide which product is best for them.

6. Entertainment - Lavish entertaining

Salespeople at manufacturer ABC often spend large amounts of money on entertaining clients and prospective clients. It is not unusual for a salesperson at A to invite a client and their spouse to an expensive (\$500) dinner. The client's company has a policy against accepting gifts, but, as the salesperson at ABC likes to say, "everybody's got to eat..."

7. Taking Advantage - Cheating on sales contest

The D Company sometimes holds sales contests for its sales force. The salesperson with the most sales during the contest period (usually one month) would win a cash bonus. Salesperson V found an easy way to "boost sales" during the contest. V simply held the orders from previous weeks and did not turn them in until after the contest period began. To this V added regular orders taken during the contest period.

8. Overpromising & Passing Blame - False promises used to close sale

Salesperson R was young, inexperienced, and eager to make a sale. In order to close a sale, R promised a customer a delivery time that R knew the company probably could not meet. R thought, "if the customer complains about the order arriving late, I'll just blame it on the shipping department."

9. Misusing Confidential Information - Cheating on the bidding process

Salesperson S would sometimes ask customers for information about the competitors' prices. This frequently enabled S to under price the competition when bidding for the job.

10. Manipulation - Fear appeal to close sale

Psychological research has revealed that irrational social anxiety and a fear of growing old are primary motives underlying consumer's use of a certain group of products. A door-to-door salesperson for a company that markets such products has used this information to increase sales dramatically. "It's easy to sell [our products] if you just work on [the prospect's] natural fears."

11. Misusing Company Assets - Frequent flyer abuse

A company that has many out-of-town clients has negotiated a special rate with airline E -- a 35% discount between designated cities -- and encourages its employees to use that airline whenever possible. Salesperson T prefers to use airline D because of their "frequent flier" program (which allows him to earn free personal trips). In some cases T has booked flights on airline D even though the tickets cost up to \$200 more than similar flights on airline E, just so T could "rack up those frequent flier points." T doesn't use the points for business travel.

12. Trust - Indiscreet use of information – Information leaks about one customer to another

Salesperson B had several customers who were in competition with each other. Sometimes a customer would ask for information about one of the other customers (e.g., "did they have any special sales coming up?"). To gain favor with one customer, B would sometimes "let something slip" about another customer. B felt that this was acceptable as long as that customer had not explicitly asked him to hold a piece of information in confidence.

13. Withholding Information to customer about product

Salesperson J works for a consumer electronics store. Although Salesperson J always makes the customer aware of all of the features and benefits of a product, the drawbacks and limitations of the product are rarely, if ever, mentioned.

14. Defamation - Misrepresentation/down selling of a competitor

Salesperson U works for a firm that has been in business for 50 years. Most businesses do not make it to year 5. When a buyer asks about a competitor who has been in business for 2 years, Salesperson U replies that they will probably be going out of business soon.

15. Coercion - Tying agreement

Salesperson A sells Company C's products to retailers. Product A is a good product with high demand, but Product B is old and has low demand. When meeting with a retailer, Salesperson A says that the retailer can only have Product A if the retailer also agrees to stock Product B.

16. Price Discrimination - Charging customers different prices based upon their negotiation ability

Salesperson N sells a product that has a negotiable price. Salesperson N charges a lower price to buyers that have several sources to buy similar product, and charges a higher price to buyers who use Salesperson N's company as a sole source for the product.

17. Puffery

When customers ask for product specifications, Salesperson U always presents accurate information. To conclude the presentation, Salesperson U usually asserts that the product "can't be beat."

18. Reciprocity

Salesperson Y sells advertising space for a local paper. While visiting a local copier distributor, Salesperson Y assures the copier distributor that the paper will renew its copier contract with the distributor if the distributor agrees to a one-year advertising contract.

19. Special Treatment

Salesperson E enjoys sports and frequently visits Business R since the buyer at Business R is an avid sports fan. Business R represents 10% of Salesperson E's revenue, and

20. Dishonesty - Scarcity (excessively limited choice)

Salesperson G works for a retail camera store. When a customer was uncertain about whether to buy a camera, G would say, "Let me go to the stock room and see if we have one." Upon returning, Salesperson G would say, "That's the last one in stock – you should buy it while we still have it."

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