Improving Sales Performance
Through Ethics: The Relationship
Between Salesperson Moral
Judgment and Job Performance

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ABSTRACT. This study examines the relationship between salespeople's moral judgment and their job performance. Results indicate a positive relationship between moral judgment and job performance when certain characteristics are present. Implications for sales managers and sales researchers are provided. Additionally, directions for future research are given.

Introduction

In today's competitive environment, the pressure to perform is becoming increasingly intense. Consequently, many in today's work force are turning to unethical practices in an attempt to simply keep their jobs, or derive some benefit for their companies (Labich, 1992).

Concern about business ethics has resulted in the development of several positive and normative frameworks for analyzing ethical decision making in marketing (e.g., Bartels, 1967; Dubinsky and Loken, 1989; Ferrell and Gresham, 1985; Ferrell et al., 1989; Fritzsche, 1985; Hunt and Vitell, 1986; Laczniak, 1983; Skinner et al., 1988; Wotruba, 1990; Zey-Ferrell and Ferrell, 1982). Similar frameworks have been developed in management (Bommer et al., 1987; Jones, 1991; Trevino, 1986).

Businesses are likewise responding to the concern about ethics. According to a survey of Fortune 1,000 companies, over 40% of the respondents are conducting ethics seminars and workshops, and approximately one-third have set up an ethics committee (Labich, 1992).

Despite the attention given to understanding and promoting ethical decision making, and subsequently more ethical behavior, little consideration has been given to understanding the relationship between ethical decision making and job performance. Only Wotruba's (1990) theoretical framework for ethical decision making in sales organizations incorporates job performance as an outcome variable. The framework suggests that an individual's moral decision structure, which involves recognizing an ethical situation, making a moral judgment, and acting on that judgment, affects job performance. However, according to Wotruba (1990, p. 37), "the link between ethical decision making and job performance clearly needs further study".

Personal selling is an area of marketing that is
particularSusceptibilityToEthicalDilemmas. Salespeople are under constant pressure to perform critical tasks, such as revenue production, that are highly measurable. Moreover, negotiation between buyers and sellers puts salespeople in a distinct position to encounter ethical dilemmas (Wotruba, 1990). As salespeople continue to play a crucial role in determining the overall success for many companies (Ingram, 1990), sales managers must strive to understand factors affecting salesperson performance. Hence, understanding the relationship between ethics and performance may prove useful.

Salespeople are subjected to frequent ethical dilemmas, and therefore often face making moral judgments. We are interested in understanding the relationship between these judgments and job performance. In other words, do salespeople who make more ethical decisions perform at a higher level? Given the lack of empirical research on the relationship between ethical decision making and job performance, the purpose of this research is to empirically examine this relationship amongst salespeople.

We begin by reviewing the literature on moral judgment and job performance, and proposing a hypothesis for empirical testing. We then discuss the method and provide the results. The results are then discussed and implications provided. Finally, we provide directions for future research before closing with the study’s limitations.

Theoretical background

Moral judgment

Moral judgment, an individual’s decision as to whether something is considered ethical or unethical, is at the heart of ethical decision making models. Individuals’ moral values guide their standards of ethical behavior with regards to their relationships with others (Hosmer, 1985; Rokeach, 1968; Vinson and Munson, 1976). These values are typically based upon moral philosophies that explain how individuals create ethical standards. When making ethical decisions, individuals may operate under several different moral philosophies, including justice, ethical relativism, deontological, teleological, or egoism (Reidenbach et al., 1991). Research suggests that individuals do not use clearly delineated concepts of moral philosophy when making ethical evaluations of marketing activities (Jensen et al., 1981; Reidenbach and Robin, 1988).

Each philosophy takes a different approach to explaining what is right or wrong, ethical or unethical. Justice theory holds that equals should be treated equally, and unequals should be treated unequally. Relativism assumes that there are no universal ethical rules that apply to everyone since normative beliefs are a function of a culture or individual. A third theory, deontology, suggests that individuals have a duty to satisfy the legitimate claims or needs of others. The basic premise is that an individual should act in a manner in which she or he would want all others to act. An important teleological theory is utilitarianism. It states that individuals should act so as to produce the greatest possible ratio of good to evil for all of society. Finally, egoism suggest that acts which promote the long-term interests of the individual are ethical, and should therefore be performed (cf. Reidenbach et al., 1991).

The relationship between moral judgment and job performance

There are at least three studies in marketing that have empirically attempted to relate ethical decision making to performance. An experiment by Hegarty and Sims (1978) showed that when unethical decisions (giving kickbacks) led to greater profits, decisions were less ethical than in the nonreward condition. Evidence also suggests that while marketing managers do not believe that generally unethical behavior relates to success in their company, they are more likely to believe that successful managers perform specific unethical behaviors (Chonko and Hunt, 1985). The only study to examine salespeople found that those who worked for an organization in which they understood their company policy regarding conducting ethical business were moderately successful in their jobs (Weeks and Nantel, 1992). This study, however, examined salespeople from only one firm. A field study conducted outside the marketing discipline