ABSTRACT. Sales professionals have been frequent targets of ethical criticism. This paper reports on a survey on ethics of sales professionals in South Africa. The results revealed salespeople’s views on controversial sales practices that involve direct monetary consequences; on practices that adversely affect customers, employers and competitors; and on sales peoples sensitization of ethical issues. Stealing from a competitor at a trade show was viewed as the most unethical of the scenarios, while phone sabotage and lying to a customer were held to be the next most unethical scenarios. Analysis of the results lead to a discussion of the implications for sales management. Ethical perceptions were affected by financial considerations. Marketing and Sales Managers will have to review their approach to training in sales ethics as well as how sales professionals implement the market driven approach.

KEY WORDS: sales ethics, sales management, salespeople’s perceptions

Introduction

The objective of this study was to explore the ethics of sales professionals in a South African environment, and to investigate how these are affected by monetary and stakeholder issues. South Africa is a country with diverse ethnic cultures and thus a single national culture does not exist. A multitude of ethnic values does exist and thus it is difficult to determine the way in which people from different cultures will react to situations. Values, according to Hofstede (1997) and Trompenaars (1993) are intrinsic to differences in cultures. The aim of this study, is to understand the factors affecting South African Salespeople’s perceptions of ethical behavior and compare this with previous studies which are mainly from developed economies.

A popular belief about business and business people is that little regard is given to ethics. (Nantel and Weeks, 1996). Many hold the view that the sales person or entrepreneur focuses only on the money to be made and ignores any responsibilities toward the customer, the employee or the environment. With a few exceptions, the image of business is negative (Bush et al., 1997).

Among the functional areas of business, sales and marketing have been the most frequent targets of ethical criticism. (Dabholkar and Kellaris, 1992; Levy and Dubinsky, 1983; Murphy and Laczniak, 1981). Business executives confirm through survey research that sales and marketing issues are the greatest source of ethical conflict. (Vitell et al., 1983).

The strong criticism of sales practices may be
rooted in the nature of the selling job itself. Salespeople constantly face ethical tension created by the dual requirements of short-term performance and long-term customer satisfaction (Dabholkar and Kellaris, 1992).

Conceptual development

For a good up to date review of the sales and sales management ethics literature see McClaren (2000).

According to McClaren (2000), sales managers should carefully evaluate the manner in which staff are required to compete. Management should recognize the extent to which there may be competitors against whom salespeople are unlikely to ever compete successfully because these competitors act unethically. They should also be cognizant of the consequences both for individual sales personnel and their company, of demanding that salespeople engage on an uneven basis. McClaren (2000) also states that, since one effect of greater competition created within companies and between salespeople was an increase in the likelihood of salespeople committing unethical acts (Bellizzi, 1995), managers should also be weary of the manner in which compensation is used to motivate and reward staff.

While conclusions have not been drawn directly, previous research implies that practices which directly involve money are perceived as less ethical than practices that do not involve money directly (Stevenson and Bodkin, 1997; Kellaris and Dabholkar, 1989; and Chonko and Hunt, 1985). However, these findings were not tested statistically. To examine the influencing effect of money in a South African context, we formulated the following proposition:

P1: Controversial sales practices that involve direct monetary consequences will be judged as significantly less ethical than those not involving money directly.

Ethical conflict occurs when salespeople perceive that their duties towards one group of stakeholders are inconsistent with their duties towards another group (Chonko and Hunt, 1985). This role conflict occurs primarily because of the boundary nature of the salesperson’s job, and the challenge of integrating personal, corporate and external stakeholders role expectations (Aldrich and Herker (1997). In the hierarchy of stakeholder importance, it appears that sales professionals regard ethical transgressions against customers as being less ethical than any controversial actions against competitors or employer. (Chonko and Burnett, 1983; Chonko and Hunt, 1985; Dabholkar and Kellaris, 1992; Kellaris and Dabholkar, 1989). In order to evaluate the concept that sales professionals regard customers as being more deserving of ethical treatment than are competitors or employers, the following proposition is posited:

P2: Controversial sales practices that adversely affect customers will be judged as significantly less ethical than practices that adversely affect either employers or competitors.

According to McClaren (2000) training can perform a role in reducing ethical conflict. Corporate training becomes a suitable vehicle for assisting employees internalize those corporate values that are seen by management as appropriate.

In acknowledgement of the growing interest and importance of business ethics, many corporate and educational institutions have introduced courses and training programs designed to sensitize students and employees to ethical issues (Dabholkar and Kellaris, 1992; Kellaris and Dabholker, 1989; Stevenson and Bodkin, 1997). As Dabholker and Kellaris (1992) point out, certain selling practices are viewed as acceptable because they are common. In order to investigate the concept that discussion or education will sensitize salespeople to ethical issues, the following proposition is developed:

P3: Review and reconsideration of an ethically poor sales practice will result in a more negative evaluation than previously judged.