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Influences on Sales Practices as Perceived by Individuals in a Sales Position

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**Influences on Sales Practices as Perceived by Individuals in a
Sales Position**

Submitted to the faculty of
Augsburg College in partial fulfillment
of the requirements for the degree of

Masters of Arts in Leadership

by

Kim M. McWilliams

**Augsburg College
Minneapolis, Minnesota
May 7, 1999**

**MASTER OF ARTS IN LEADERSHIP
AUGSBURG COLLEGE
MINNEAPOLIS, MINNESOTA**

CERTIFICATE OF APPROVAL

This is to certify that the Master's Thesis of

Kim M. McWilliams

has been approved by the Review Committee for the Thesis requirement for the Master of Arts in Leadership degree.

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To achieve a high academic standard, such as the completion of a Master's of Arts degree, takes more than diligence on the part of the student. The giving up of one's time and energy for the purpose of education is invaluable. However, when this perseverance extends in to the lives of others, I must then recognize the unconditional support which family and friends provided to me. Therefore I would like to express my appreciation to the many individuals who touched my life during this personal growth process.

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Enlightened Virtue

Nothing is more honorable than enlightenment, nothing is more beautiful than virtue. Those who have enlightened virtue have it even though they be ordinary people, while those who lack enlightened virtue lack it even though they be kings.

There were some people who starved to death in ancient times but have been admired ever since for their virtue; there were others who were kings but have been despised ever since for their lack of virtue.

So learners worry about not being imbued with virtue, they do not worry about not being in positions of power and authority (Mingjiao).

Tanqin Annals
Zen Lessons
The Art of Leadership

Abstract

There is no doubt that in today's business environment, organizations face stiff competition. Survival of the organization turns toward measurement of success by means of quantitative as compared to qualitative approaches. In other words, the raw sales numbers are often used as a measurement of success, not necessarily the quality of the sales transaction. The integral link between the organization's product and service to the customer resides with the sales associate. The purpose of this study was to gain an understanding of what influences personal ethics and attitudes regarding sales practices from the perspective or experience of the sales associate. Using the qualitative research approach insight into this area of study was gained through the perception of the individuals working in the sales environment. A total of five participants were interviewed from car dealerships in the Twin Cities metropolitan area. This type of organization was selected because it sells its product directly to the customer. To gain this understanding the researcher studied what moral integrity meant to the participants, their perspective on ethical sales practices, how sales goals impact sales practices, and what they considered to be the characteristics of a leader. A glimpse into organizational provided training was also obtained. The researcher recognizes that the number of participants is low. However, the insights that were provided are perspectives that should be taken into consideration but are not intended to be generalized to all sales associates. By creating this awareness, it is the researcher's aim that this insight will broaden the role and responsibility of the ethical leader.

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CHAPTER ONE: INTRODUCTION

Organizations are made up of people who interact within the organization itself, between the internal and external environment (Daft, 1998). The organization's sales force is one of the vital links that bridge the gap between the organization and its customer. On a daily basis, sales associates interact with the customer. They deliver product information, present current promotions, offer products, services and provide solutions to the customer.

There is an implied understanding that factual and truthful information will be given to the customers when they interact with the sales associate. The customer may also have the expectation and trust that the organization will deliver a quality product. Further, there is an expectation that fair business practices will be conducted in the sales interaction. Johannesen (1996) states "unless there are reasons to be skeptical, we expect people to mean what they say" (p.14). These are the virtues or characteristics society places upon the sales associate who is acting on behalf of the organization he/she represents. When interacting with a customer, if a sales associate routinely acts in a fair and honest way, then it may be said that the sales associate *is* fair and honest. To say that this sales associate has the virtue of honesty is not to say that one is looking at what underpins the act of honesty, simply that the individual has a character trait of a virtuous action that is beneficial in the business interaction with the customers.

Ethical behavior of the sales associate is paramount to the interaction with the internal and external environment of an organization. According to Harrington (1991), "a

strong corporate culture and ethics are strategic for survival and profitability in a highly competitive era” (p. 21). It is for this reason that organizations need to be concerned with the ethical behavior of all their employees. A key component in linking the customer with the organization as well as to its product, is the sales associate. To illustrate this issue, the following example is offered: Company X, a fictitious organization, survives by retaining existing customers and acquiring new customers to its service. Recently, it was discovered that a few sales associates were selling new service to existing customers and encouraging them to cancel their existing service. This action resulted in the sales associate reaping the commission on a new sale. The sales associate knowingly presented false information to customers by telling them they had to acquire new service if they wanted to obtain the new product introduced by Company X. Further falsification of information occurred when the sales associate encouraged the customers to call the organization’s Customer Care department to cancel their existing line of service. What influences sales practices by individuals in a sales position? Niebuhr (1963) believes that “the symbol of responsibility contains, as it were, hidden references, allusions, and similes which are in the depths of our mind as we grope for understanding of ourselves and toward definition of ourselves in action” and... “the responsible self is driven as it were by the movement of the social process to respond and be accountable in nothing less than a universal community” (p. 48). What, if any, is the responsibility of an organizational leader in preventing unethical sales practices? What, if any, is the responsibility of the sales associate in maintaining ethical sales practices? Are unethical sales practices ever justified?

The purpose of this research is to gain insight into what influences personal ethics and attitudes regarding sales practices from the perspective or experience of the sales associate. Another intended purpose of this research study is to identify what, if any, leadership and sales associate responsibilities there are in preventing unethical sales practices or maintaining ethical sales from the perspective of the sales associate.

Review of the Literature

Past research has investigated ethical decision making with regard to the influence of personal values (Barnett and Karson, 1987) and the implications of organizational responsibility (Laczniak and Inderrieden, 1987) along with the moral reasoning of managers (Weber, 1990). Another area of ethical decision making was studied by interviewing corporate managers regarding the moral issues they encountered on a daily basis (Waters, Bird, and Chant, 1986). Business ethics has come to the forefront of many researchers (Fritzsche and Becker, 1984; Hosmer, 1987; Center for Business Ethics, 1986) interested in examining how organizations institutionalize these phenomena.

Sales associates may rely on their personal values and own moral reasoning when working through the daily confrontations and moral issues of the sales environment within organizations. On a daily basis, sales associates are placed in situations that require them to analyze these situations and make ethical business decisions for the organization they represent. Some of these decisions are clear and do not require deliberation by the individual, such as when a customer asks the sales associate for a discount on the product they are purchasing. For example, a salesperson might be asked

to discount a television from the listed price to a price less than what is advertised. The salesperson knows that this is not possible and explains this to the customer. Other decisions require more thought by the individual and may even place him or her in a situation that requires some ethical analysis before reaching a resolution. An example of this, in the circumstances surrounding a sales associate, may be when an organization changes a product without advising the customer. Should the sales associate inform the customer of product changes or continue to sell the product “as is” to uphold the employee’s loyalty to the organization? To further illustrate this, consider the following fictitious scenario: a well known manufacturer of tennis shoes has a reputation of quality products that is due to the durability of the rubber that is used to make the shoes. Recently, the manufacturer decided to use a lesser quality rubber to make the same shoe. The manufacturer has not publicized this fact (they are not legally required to do so) so the customer is not aware of this change in the product. The sales associate knows this but may have a personal conflict between telling the customer and risk losing the sale or remaining quiet (and not mentioning anything to the customer) in support of the sales associate’s loyalty to the organization. Many factors influence the decisions and sales practices of the sales associate.

An individual’s personal values are one variable that can influence ethical sales decisions. Barnett and Karson (1987) looked at the decision response of participants and compared it to their ethical as compared to economic behavior. It is important to note that this study is based upon selected, not random, sampling. However, they did find that for older participants, his/her subjective values in decision making were more reflective of ethical behavior compared to younger participants who focused their decision making

on economic behavior. This does not imply that the younger participants were unethical; rather, their focus was more economical in their decision making as compared to inclusive of personal ethical/moral values.

Laczniaak and Inderrieden (1987) studied 113 subjects' responses to ethical issues. The subjects consisted of 48% ranging in age between 25 and 29 with 30% over 30 years of age (p. 300). Scenarios were developed with ethical overtones and then presented to the subjects for their response. The study drew from a cross section of Master of Business Administration (MBA) students. Results were representative of individuals aspiring to or actually holding managerial positions in organizations. Responses were measured against that of a control group. The control group received information about the organization but it did not contain any reference to ethical concerns.

In this study the dependent variable was ethical decision making behavior. The independent variable included the subjects' response to the level of ethical treatment, age, gender, citizenship, and type of organization such as public versus private (p. 301). Subjects received one of three informational packets. The information contained in the packets exposed the subjects to various degrees of organizational concern regarding ethical practices. One packet contained a letter from the organization's President stating his absence from the organization to attend a Business Ethics convention. Another packet contained the President's letter along with the organization's Code of Ethics. The last packet contained the information from the other packets plus identification of a sanction as a consequence of violating the Code of Ethics. The sanction outlined immediate termination for unethical behavior. After receiving the packet of information, subjects were asked to respond to organizational situations containing legal or ethical

implications. The results showed that if the organization placed an implied pressure on a specific decision, whether ethical or not, the subject would override personal values for organizational values. Furthermore, the researchers found that “the subjects threatened with possible dismissal for unethical action responded more ethically, on the average, to the moral vignettes” (p. 303). This research also revealed that managers responded in a more ethical manner if the situation had legal significance. However, if the situation was a legal one without ethical aspects, then managers responded in a manner that would provide the most profitability to the organization within legal boundaries. The research indicates the need to provide individuals with the “awareness and agreement on what constitutes the proper standards of ethical conduct,” along with “the need to understand the cognitive value structure of an organization’s employees” (p. 304).

Weber (1993) explored the relationship between personal values and moral reasoning of managers who were enrolled in a graduate business program. In his study of the 111 subjects, 40 were found to demonstrate a personal value orientation when they morally deliberated. This is a significant finding that reveals the influence of personal values upon the decision making process. Limitations of this study were the years of experience held by the subjects (2-7 years) and the composition of the subjects (89% Caucasian). Weber recognized these limitations and recommended further research in the area of age, race and gender relative to moral deliberation and personal values in managers.

Another study found that greater impact upon unethical behavior was demonstrated as a perception of what peers were doing and an individual’s own opportunity for unethical behavior (Ferrell, Weaver, and Zey-Ferrell, 1979). This study

found that more influence toward unethical behavior stemmed from the potential to opportunity and the behavior of others; the influence toward unethical behavior increased when an individual had more opportunity to act with this type of behavior. Influence to act unethically also increased when an individual perceived others as acting in an unethical manner. Another important note is that subjects responded to the variables “what I do” and “what I believe” as having some impact upon their decision making process.

Sparks and Johlke (1996) conducted an experimental investigation surrounding students’ perception of the factors that influence retail salespersons’ unethical behavior. The 160 subjects were exposed to specific stories designed by the researchers. The stories, read by the subjects, contained information that indicated what type of product (“high tech” vs. “low tech”) was being sold, and whether the customer was considered a new account or an existing customer requiring maintenance. This differentiation was reflective of the sales task. Another differentiation was in regard to the gender of the salesperson. The intent here was to determine whether gender influenced ethical/unethical sales behavior. From the student’s perception, gender and sales task did not influence the behavior of the salesperson. The results indicated that subjects did perceive that unethical behavior could occur when a new account was being established as compared to maintaining an existing account. One significance of acquiring a new sale is the contribution it brings, with respect to revenue, to the survival of the organization.

Organizations do have some influence upon the individual’s ethical behavior, whether ethical or otherwise. One survey conducted at the Center for Business Ethics

(1986) at Bentley College found that, out of 46 organizations surveyed, 80% were taking steps to embody ethics into their corporate cultures. A major reason for this shift is because guidelines for employee behavior can be provided. Organizations have implemented codes of ethics, ethics training, and ethics committees in order to help facilitate corporate ethical culture. However, of those companies responding to the survey (N=223), 74 % stated that future efforts to expand upon the areas that can enhance the organization's ethical environment are not planned. In reality, it seems organizations want to help individuals realize the desired ethical behavior but are not continuing to support the effort, such as providing continuous training that would help employees maintain the corporate ethical culture. The impact on the ethics behavior of an organization's employees could be detrimental to the success of the organization. Ethical employee behavior has the potential to bring customer loyalty to the organization's product, thus sustaining its viability in the marketplace. In contrast, unethical employee behavior can damage the organization's viability.

More recent evidence (Flynn, 1995; Berger, 1995; Patterson, 1995) links the importance of ethics training to an organization's reputation. Furthermore, an organization's ethics reputation resides in the actions and decisions of its employees. Ethics training, Codes of Conduct and other such ethics programs are beneficial in assisting the employee through the decision-making process. Berger (1995) suggests that "An effective program can result in improved employee morale and customer goodwill, but only if it is part of a larger effort to integrate ethics into the culture and long-range strategy of the firm" (p. 72). The organization's ethical culture can be detrimental to its success. In the current organizational environment, employees, in most situations, are

left unsupervised during the day-to-day operations and are empowered to make decisions on behalf of the organization. For this reason, Flynn (1995) describes an employee's unethical decision-making as something that "can damage a company's productivity, profits and reputation" and further, if this form of behavior continues, it will "become endemic to the company" (p.31). Patterson (1995) supports this point by stating "Once a good reputation is established for a company's employees, the company itself has a good name. That can be a critical factor in conducting business because, in the long run, a company's success or failure depends on whether or not it has good ethics" (p. 36). There is a direct link between an employee's actions and his/her decisions to a company's reputation.

Posner and Schmidt (1987) investigated the correlation between the perception of the ethics of an organization and the compromise of personal principles for the benefit of the organization. A stratified sample of six thousand American Management Association (AMA) members were sent questionnaires. Respondents included 889 executive managers, 423 middle managers, and 149 supervisory managers (47 were nonmanagement professionals and removed from the analysis). Results were taken from the perception of the organization's managers (N=1498). This findings indicated that a statistically significant ($p < 0.0001$) number of managers had experienced a compromising of their personal ethical principles for the organization. It was also found that lower level management (80%) felt that his/her personal values were not compatible with those of the organization. With this perception of what happens in the 'real world', it can be concluded that organizations do have influence on the individual's ethical behavior.

Waters, Bird, and Chant, (1986) conducted qualitative research involving 33 managers holding organizational positions that the researchers described as upper-middle level managers and vice-presidents. Open-ended interview discussion involved moral issues described by these managers with regard to employees, co-workers, customers and suppliers. One suggested outcome of this research is that organizations can influence employees to make unethical decisions with regard to their interactions with the organization's customers and suppliers. In fact, some managers spoke about their past experiences of decisions that supported offering gifts to suppliers to sway their prices, along with using lower standards in their products without conveying this change to their customers. Was the description of unethical behavior by the managers influenced by the organization they worked for? Hosmer (1987) proposes that "unethical behavior is a consequence of an 'excessive loyalty to an employer' and a desire to further the employer's interests" (p.441). In his article, Hosmer looked at the pressures of strategic planning that surround organizations as the nucleus or core cause of unethical behavior in employees. In both of these cases, it is important to note that it is the organization that has a partial influence on the ethics behavior of the individual.

There have been numerous studies surrounding moral development of individuals. These studies attempt to understand what characteristics are held by the individual that influence moral reasoning and further ethical behavior. One such study was conducted by Carl Malinowski and Charles P. Smith (1985). In their study of 53 subjects they hypothesized that the higher the moral maturity of the individual the less likely they would either consider cheating or actually cheat. Demonstrating the action of cheating would indicate unethical behavior. One noteworthy result shows that, of the 12

individuals who did not cheat, 11 were classified as high in moral judgment. The researchers also found that temptation aroused unethical behavior in 77% of the subjects ($p < .001$). One prominent form of temptation was if an individual's need for approval was high, then the individual began to cheat significantly sooner than an individual whose need for approval was low. Their results indicate that the level of moral judgment and temptation are two of many factors considered as determinants of ethical behavior. It is important to note that this study was conducted on a small sample (53 total participants) of male college students who were mainly freshmen and sophomores. However, this study does provide insight into how moral development can influence ethical behavior.

In summary, research has been conducted that indicates plausible variables that can influence an individual's ethics behavior. Tremendous insight has been gained into the ethical decision making process of managers with regard to the influence of personal values. Implications of organizational responsibility have been brought to the forefront from past research, unveiling the moral reasoning of managers. Previous research took the perspective of individuals who held a management position. This limitation gives rise to the need to further understand what influences the decisions of sales associates regarding sales practices. For the sales manager, responsible for being an ethical leader of sales associates, it is important to understand some of the possible variables that may influence the sales manager's ethics behavior. Further impact is placed on the organization's integrity. Ethical behavior of a sales associate is reflective of the organization in every customer/sales associate interaction.

Theoretical Framework

Ethics Overview and Theory

Ethical theories have been developed and taught as a means to guide an individual through moral issues. Many individuals would agree that not one theory is right or correct for every moral situation an individual may encounter. However, many individuals would agree that some sort of guideline is needed or used when an individual encounters a moral issue.

What is presented here is a brief description of the three major ethical theories that are prevalent in Western Society. These theories attempt to explain or provide guidance to individuals' behavior. More specifically these theories try to provide guidance to the individual as he/she morally deliberates. The three theories are Utilitarianism, Deontological, and Virtue Ethics.

Utilitarianism

Utilitarian theories were developed on the foundation that the consequences of the individual's actions are what take precedence in the deliberation process. It asserts that actions are right or wrong in correspondence to the resulting consequences. In order to choose the action that is right one must choose the action that results in the greatest good for the greatest possible number. If the consequence of the action results in the least amount of good for the fewest number of individuals involved and there is an alternative

action that would result in greater good, the individual should choose the latter alternative action. Therefore, an individual morally deliberating under the utilitarian theory, would consider all of the consequences to his/her actions before choosing the action that resulted in the greatest good for the greatest number involved.

Deontology

Unlike the utilitarian approach, deontological theory was developed on the foundation that actions are morally wrong, not because of their consequences, but rather because the action itself is wrong. The individual acting on behalf of the deontological theory does so if the act is right or wrong based upon the moral obligation. It can be said that the individual determines his/her action based upon duty or obligation and not the consequences that are the result of his/her actions.

Virtue Ethics

Virtue ethics was developed on the foundation that individuals possess a character trait that is the basis for their actions. The virtuous individual will act for reasons that are inherent and not because he/she is guided by the consequences or obligations the action presents. The ethics of virtue is an assessment of moral traits that are held by an individual and establishes the individual's moral character. The virtuous individual is acting, not in accordance with his/her obligation or the consequence of his/her actions, but rather he/she acts because of his/her character traits.

Summary

The sales position is one that requires interaction between individuals. It is a unique interaction with respect to one individual (sales associate) holding the knowledge of the product that another individual (customer) is considering purchasing. According to Johannesen (1996), “in most public and private communication, a fundamental implied and unspoken assumption is that words can be trusted and people will be truthful” (p.14). He further explains that, if individuals do not know the absolute truth, society expects that what is spoken is the truth, as it is known, and that false information is not delivered as an implied truth. Underpinning the sales interaction is an implied agreement that the sales associate will be truthful in representing the product and, further, that the product has been tested, passed inspection and is the best value possible by industry standards. As a purchasing society, no one would intend to purchase a product by means of coercion or falsification of information about the product. Therefore, customers come to expect that the sales associate will possess certain qualities inherent in a good character. It is for that reason, the implicit bond of trust between the customer and the sales associate, that morality is internal and the essence of morality lies in virtue ethics. Virtue ethics grounds its morality in the heart of the agent and not in the duty or consequences of the action (Pojman, 1995).

It can be argued that it is the duty of the sales associate to be honest, courteous, gentle, truthful and the like. Further argument can be made that it is the consequences of the action that should guide the sales associate’s behavior. A possible consequence of a sales associate’s misrepresenting a product to the customer could be that customers

would realize this and discontinue their purchasing relationship with the company.

Another consequence is that a customer may not realize that the information given was false; rather, the customer may find that he/she is simply dissatisfied with the product and return it to the place of purchase. In the latter example, the used product cannot be resold. The consequence to the organization is the re-absorption of the cost of the used product into the bottom line or profit of the organization, which affects the organization, not the sales associate.

Although it could be argued that individual ethical behavior is grounded in the individual's duty or response to consequences, because of the personal relationship between the sales associate and the customer, and the focus at the importance of the individual, virtue ethics provides the theoretical framework that directs this research. This is because the individual who possesses the traits of a virtuous character has developed those traits overtime. These traits are inherent to the inner core of the virtuous individual. The virtuous individual acts out of habituation with integrity and moral values as the guiding principle to do the right thing. The virtuous action comes to the forefront of most all of the sales interactions of the sales associate. This is important more so than acting from ones duty or consideration of the consequences because the virtuous traits will remain consistent with every customer interaction.

To help illustrate this, if a sales associate acts ethically because of a consequence he/she may feel that a few unethical sales transactions are acceptable if the consequence is low or not bad. The sales associate may choose to persuade a customer to purchase a product in order for the organization to achieve monthly sales goals. It could also be said that the sales associate is acting out of his/her duty to the organization and a few

unethical sales would be acceptable. Where as the virtuous character would carry the sales associate through to ethical sales practices despite the appearance of a good consequence or ones duty.

Virtue ethics, because of its benefits of habituation, personal knowledge of how to live, and universally praiseworthy features of human character, provides the most effective theoretical framework that directs this research.

Aristotle's theory takes into consideration the functional system at large that is goal directed. In his theory, Aristotle defines a view of nature and social organization whereby things have a natural function toward their proper goal (Beauchamp, 1991)¹. For humans this natural function is to be "well-balanced or fulfilled" (p. 215). Personal knowledge of how to live or to be a good person is how Beauchamp describes Aristotle's theory by stating, "one who flourishes and makes a success of life, in accordance with distinctive human faculties" (p. 215). And further, "human well-being as an active life in accord with virtue" (p. 218). For Aristotle, the virtuous individual is socially valued and the personal integrity of an individual is what binds the individual to the social unit.

There is a social unit that connects the sales associate to the customer and, further, the customer to the organization or at the very least, to its product. According to Beauchamp, it is the social unit that is the nucleus of Aristotle's theory of virtue ethics (1991). The social unit can be considered the sales associate, the customer and the link that is created to the organization. The members who comprise a social unit are essential to the well being of a community. The character of a community or social unit is reflective of the character of the individuals who comprises the social unit. It is the

¹ Aristotle, *Nicomachean Ethics*, Terence Irwin, trans. (Indianapolis, Ind.: Hackett Publishing Co., 1985) bk. 9, chap. 8, 1169a 18-25.

character traits of the individual that are socially valued. Furthermore, it is the moral virtue or moral character traits that are morally valued. Applying this theory to a business environment, it is the honesty, trustworthiness and human virtues such as cheerful, courteous, politeness, etc. of the sales associate that is valued in the social unit created by the customer and the organization that hinges upon the interaction and integrity of the sales associate. Therefore, one can clearly see the sales associate who is virtuous or possesses virtuous qualities is an individual who is highly regarded in the social unit of the sales environment.

Virtue ethics goes beyond the social unit, to the inner core of the individual. Aristotle would view virtue as the good or excellence that is demonstrated in everything the individual does. Moral virtues are instilled out of habit, on the individual's way to excellence. Such virtues are "universally praiseworthy features of human character" (Beauchamp, 1991, p.217). Individuals can possess both moral virtues (honest and truthful, etc.) and human virtues (cheerful, courteous, caring, etc.). It is the individual who possesses the character traits of virtue that is universally praised in the context of the social community.

Virtue ethics goes deep into the heart of the moral agent. A moral agent is an individual who considers what is right or wrong when working toward a resolution of a moral issue. According to Taylor (1975) "A moral agent is any being who is CAPABLE of thinking, deciding, and acting in accordance with moral standards and rules...he need not be morally perfect. But he must have the capacity to judge himself on the basis of a moral standard and to use it as a guide to his choice and conduct"(p.6). The virtuous character is the center or core of the individual's moral integrity.

Moral integrity takes into consideration the entirety of the individual. It starts from deep within an individual and permeates outward to the social unit. The individual who is said to have moral integrity is an individual who is whole or complete. There are no missing parts. That is why virtue ethics, with its habituation of the virtues and excellence of the individual, describes what it takes to be an individual with moral integrity. Without discounting the duty one feels or the consequences one considers toward his/her actions, to be a virtuous individual is an ongoing process that continuously tests the depth of the individual's quality as a human.

All of the ethical theories described contain aspects that are important in guiding individual behavior. Virtue ethics does not negate the deliberation process, it provides the sales associate with personal knowledge of how to live and be a good person. The sales interaction is one aspect of the sales associate's life where a good character thrives and prospers. For this reason and for the purpose of this study, virtue ethics provided the best foundation.

CHAPTER TWO: THE RESEARCH PROBLEM

Introduction

Individuals who work in sales positions interact with the organization's internal and external customer environment. Whether in person or by phone, the sales associate provides the customer with his/her first impression of the organization. The interaction is the first impression the customer has to form a long lasting opinion of the organization. That is why it is paramount for the sales associate to represent the best view of the organization to the customer in every interaction. The sales associate who delivers a negative first impression is placing the organization in jeopardy. An organization that fails to realize the importance of the sales interaction may not survive.

Statement of the Problem

Most organizations today operate in a highly competitive market. The customer has many options from which to choose a product. Customer service and satisfaction can often determine which product a customer will purchase. If a sales associate interacts with a customer and provides false information, or treats the customer discourteously or deceitfully, the customer may take this interaction as a reflection of the organization. No matter how much training the organization provides the sales associate, the negative

impression may continue. Why do some individuals act in this manner? What is the responsibility, if any, of the leader and the sales associate?

The Research Question

The research question is: What influences personal ethics and attitudes regarding sales practices? Before an organization can alter sales behavior, an understanding of what influences that behavior is necessary. A snapshot of the sales associate can provide insight and understanding into what influences sales behavior. This insight can be gained through the sales associate's experiences captured in an interview. The benefit gained from this insight has the potential to reach the customer, the sales associate, peers, the sales manager and, overall, to the entire organization.

The Significance of the Study

Johannesen (1996) wrote about the role an individual fulfills as "communicator within a formal organization, whether that be a large corporation, small business, government agency." He continues, "formal organizations communicate with clients, customers or the public at large" (p. 173). A key component in the interaction is the ethical standard portrayed or held by the organization and its employees. Many researchers have explored the ethical culture within organizations (Hosmer, 1987; Center for Business Ethics, 1986; Posner and Schmidt, 1987). Some researchers have focused more specifically on the manager's role in ethical behavior (Barnett and Karson, 1987;

Fritzsche and Becker, 1984; Weber, 1990; Laczniak and Inderrieden, 1987). Great strides in understanding the link between ethical behavior and the organizational culture have been made; however, there is a missing link. Studies surrounding frontline positions or those positions that are considered entry level at most organizations are limited. Sales associates play an integral role as communicators of the organization and its culture. Therefore, further knowledge of sales behavior should be understood from the perspective of the sales associate.

The sales associate is the vital link that brings the customer to purchase the product from the organization in which he/she represents. By gaining an understanding of what influences personal ethics and attitudes regarding sales practices, the benefits to the leader are twofold. First, the reputation of the organization will flourish, along with the potential to increase revenue. This is because the customer, working with the sales associate, leaves the sales interaction with a positive experience, shares his/her experience with friends and family, thus increasing the potential for referral business to the specific organization and its product. Secondly, and more importantly, the leader can guide all sales associates to achieve the highest ethical standards possible in the sales environment. Organizations have realized the need to provide ethical guidelines to its employees. One link to fulfilling this need is through the leadership of the organization. In order to accomplish this goal, understanding of what influences ethics behavior is essential.

Assumptions and Limitations

The level of maturity and moral reasoning of the individual will not be a focus of this study. The first assumption is if an individual is interacting with the public in a larger organizational environment, it is assumed that they are old enough to be of a mature, working generation. Another assumption is that the individual at this stage of life possesses some ability or some degree of moral reasoning. How they go about moral reasoning and resolving a dilemma is not the focus of this research. Finally, the assumption is made that unethical sales practices do occur and the focus of this research is not to decide the deliberation process; rather, the intent is to understand what influences sales practices.

This research study faces the limitations of the inability to gain the insights and perspective from a diverse population. Those who chose to participate, (N= 5) were males. The potential pool of 63 did include 3 female sales associates but none of them responded to the request to participate. The low response rate inhibits the ability to make large-scale generalizations from the study findings as a result of the size and non-representativeness of the study sample. Most participants stated they volunteered due to their own commitment to continuing education, completion of their own thesis, or the completion of a friend or family member's thesis. One must also wonder why the remaining 58 potential participants did not volunteer. It can be speculated that some plausible reasons for not volunteering include, but are not limited to, the sensitivity of the topic of ethics, the individual's own ethics behavior, time constraints or lack of interest.

Certain limitations of the research are seen in regard to the individuals interviewed. Individuals may have broader, in-depth experiences that they may not be willing to share with the researcher conducting the interview. McCracken (1988) comments “most respondents have difficulty giving a full account of what they believe and what they do” (p.23). McCracken does not claim to generalize the results to the population at large or beyond the representative group of participants. It is the intent of this research to gain as much understanding and insight as possible, even though limitations exist.

CHAPTER THREE: METHODOLOGY

Introduction

The significance of ethics within the organizational culture has surfaced in many aspects including, but not limited to, the interaction with the organization's employees, clients, customers and other organizations (Johanessen, 1996). The sales associate's position within an organization is an integral link to the clients, customers and other organizations. Therefore, a focus of understanding what influences personal ethics and attitudes regarding sales practices is a natural and vital extension of understanding the organizational culture.

Design

This is a qualitative study designed to answer the research question: What influences personal ethics and attitudes regarding sales practices? The study variable is personal ethics and attitudes as demonstrated by the sales practice of the sales associate. Factors that may affect this variable are age, gender, education, and longevity of employment with the organization. In order to isolate these possible variables, the researcher obtained demographic information from the participants (Appendix B). The researcher ascertained additional relevant information from the participants' responses to the interview questions, such as whether they think ethical or unethical sales practices are

a form of human behavior. For the reason of understanding influences that personal ethics and attitudes have upon sales practices, the study of human behavior should be obtained through insight from the individuals who are in the sales environment and surrounded by those situations.

The Setting

The participants were chosen from a pool of individuals who have been employed in a sales position for more than one year. Long term employment in a sales position contributes to an individual's comprehension of what a sales position entails or requires. Longevity in a sales position also provides a foundation and gives depth to the experiences upon which the participant can draw. Another qualifier was employment in a large, decentralized organization. The researcher selected car dealerships from the Twin Cities Metropolitan area because their product or service is sold directly to the customer. Another focus of this research invoking car dealerships was due to the negative image that is held by the public. The researcher contacted the manager of the dealership introducing the research, outlining the measures to assure individual and organization confidentiality and the request to approach the sales department for participants. A letter of solicitation for participation was distributed to all sales associates. Any response to participate was done by the individual directly to the researcher, thus keeping their request to volunteer confidential. There were no direct benefits to the organization or the participant. The indirect benefits were the contributions the participants made to the knowledge of leadership and personal ethics.

Sample

The researcher sought out sales associates within the automobile industry because this industry sells a tangible product to the customer and has the potential for a large number of sales and provides consistency with the same product. The participants for this research were drawn from various automobile dealerships across the Twin Cities metropolitan area. This type of sales interaction is one that a majority of individuals will experience as a customer at some time during their buying years. Permission from the automobile dealership was requested to interview employees in sales positions (Appendix D). The approach of this research was the qualitative method with a focus on the descriptive experiences shared by the participants. A total of 5 participants were interviewed. The purpose of the interviews was to have local sales associates reflect on their own recent behavior and experience.

Human Subjects' Protection

Informed consent was obtained prior to the interview outlining the individual's choice to volunteer in the study (Appendix A). All information gathered in the interview was kept confidential. Data were collected through an audio-tape recorded interview process. Participants were asked to engage in an informal interview with the researcher. Interviews lasted 30-45 minutes and open-ended questions surrounding the research topic were asked (Appendix B). Once the data were collected, the researcher was the only individual transcribing the audio-tape recorded interviews.

Methodology

To pilot the interview questions, the researcher asked two colleagues to review the questions for accuracy as it relates to the research question. These two were chosen because of the credentials they hold in the sales industry. The first individual was selected because of his experience of over five years of selling cars, the second because of her two years experience selling insurance. The intention of this was to remove researcher bias that may surround or attempt to surround the questions. These two individuals are considered to be representative of their respected position in the sales environment. The pilot testing resulted in several changes in the order and arrangement of the interview questions, and confirmed the basic design of the interview questions.

Permission was granted from four major car dealerships in the Twin Cities Metropolitan area (Appendix D). This sample base provided the opportunity to access 63 potential participants. Out of 63 candidates, only five participants volunteered.

Nonetheless, it is felt that the findings of this study will be meaningful to organizations, leaders, and others interested in gaining an understanding about the ethical attitudes of the sales associate. This may be especially true in the sales manager area, where the findings of this study would be more applicable with respect to team building and fostering the link that is present among the sales associate, the customer, and the organization.

Data Analysis Procedures

Content analysis was performed on the data through the review of the transcribed interviews. The researcher looked for common themes and characteristics that were a result of the participant's experiences.

CHAPTER FOUR: PRESENTATION AND INTERPRETATION OF DATA

Introduction

What follows is the results and interpretation of the data collected from the participants. It is the researcher's intent to reveal the wealth of knowledge that was shared and gathered during the interview process.

Demographic Data Information

A review of the demographic information reveals that the participants have some similarities and some differences. All five of the participants are employed in a full time capacity at the dealership in which they work. All of the participants were male.

The average years of sales experience held by the participants were within the range of 12 to 20 years. The participants ranged in age from 26 to 44 years old, with the average age of the participants being thirty-six. Two of the participants completed High School and three hold a Bachelor's degree. The marital status of the participants varied with two married, two divorced and one widowed.

Results and Discussion

Introduction

The sales associate more times than not, is the first introduction a customer has to an organization and its product. There is an implicit bond of trust placed between the customer and sales associate when entering into a sales transaction. The sales associate holds vast product knowledge which the customer may not possess, placing the customer in a vulnerable situation. The implicit bond gives rise to the social unit that is created among the sales associate, customer, and the organization.

The sales associate who possesses the traits of a virtuous character is highly valued, well respected, and the important link the organization has with its customers. These traits go beyond the social unit, down to the inner core of the individual. Because of the integral link that is present, it is important to gain perspective into how individuals in a sales position describe their experiences into this area of study.

The results and discussion that follow support the research question: What influences personal ethics and attitudes regarding sales practices from individuals who are in a sales position. Descriptions of the responsibilities of a sales associate, what moral integrity means to them, ethical and unethical sales practices, and influences upon sales practices, provide insight into the research question. The participants also describe the role of the leader and the organizational training provided to the sales associate. It must be remembered that only five individuals chose to participate. The summary

addresses plausible reasons for a low response rate, considerations surrounding the participant's responses, and areas of speculation.

The Responsibilities of the Sales Associates' Job

In order to gain an understanding of what influences personal attitudes and ethics regarding sales practices, it must first be understood, from the sales associates' perspective, how they view their job and its responsibilities. The sales associate identifies his/her job as greeting the customer, defining his/her needs and fitting those needs into a sale.

My job and its responsibilities are to fairly and professionally represent both the seller and the buyer. In my field, to be the middle man and take care of both ends so that there is a successful completion or coming together in the middle.

This response supports the triangle that is set in motion during the sales process, the triangle created between the customer, the organization and the sales associate. Of course the link that binds them is the product that is being sold. The sales associate is an integral or vital part of the triangle and if missing, nullifies the major reason that the organization remains in business. The first impression the customer has of the organization is through the sales associate. Sales associates feel they have a responsibility to the customer and to the organization in which they are employed.

The sales associate views that all individuals with which they interact in the work environment are a part of his/her job responsibility. There is a bond both internal (organization) and external (customer) that is created in the job of a sales associate. For

one sales associate this means “a broad range of responsibilities...to the company, the customers, the client, and co-workers.” Without the sales associate the organization would not survive.

The impression and the interaction the sales associate has with the customer is paramount to the organization’s success. If the associate is practicing a negative sales interaction, this may produce a negative impact on the organization in the view of the customer and further impact the bottom line or revenue. An example of this is seen in the loss of sales because the customer does not buy the product. If a customer does purchase the product and leaves with a bad purchasing experience, the customer will talk about the experience to his/her friends, relatives and acquaintances. Any potential customer from that small arena will not purchase the product and negative revenue impact is felt.

If the sales associate is practicing a positive sales interaction with the customer, the customer feels good about his/her purchase, views the organization as a ‘good’ organization and will refer his/her friends, relatives and acquaintances to purchase products from the organization as compared to going to a competitor or not buying the product entirely. This results in or positively impacts the organization’s bottom line. Whether a positive or negative sales interaction is perceived, one sales associates realizes the impact this can have on the future:

It’s to take care of them [the customer] before the sale, during the sale where I get a commitment by the customer, but more importantly after the sale is where a salesperson is a salesperson and he earns his stripes; when it comes to recurring business.

Sales associates view their jobs as professional. The customer is the one who says ‘yes’ to a sale. Therefore the sales associate takes care of the customer from start to

finish. There is the hope that with a professional, positive sales experience the customer will refer other potential customers to the specific sales associate, further increasing the sales associate's earning potential and goals. This builds the reputation, credibility and perceived character of the sales associate. If the sales associate is honest, forthright and truthful in the sales interaction (although the sales associate may or may not be virtuous in all aspects of his/her life, this study is looking at just the work environment of sales), it could be said that he/she has or is endowed with the virtuous character.

Responsibility may be perceived as loyalty. Loyalty to the customer, organization and to the sales associates themselves. The sales associate's attitude regarding his/her sales practices reflects a loyalty to the customer and the organization. He/she believes in treating the customer fairly and honestly because of the personal knowledge of how to live the good life. There is a reflection of the sales associate's character to the community both within and outside of the organization. If the reputation of the sales associate and the organization are tarnished there will not be the potential for referral business. This is because the first impression the customer has of the organization is the interaction with the sales associate and a negative interaction could reflect a negative character upon the sales associate and further on to the organization.

The sales associate feels he/she is the first point-of-contact the customer has to the organization. The sales associate's job entails:

Greeting the customers, find out the needs and that can go anywhere from wanting a car to needing direction to service, needing help with service or getting their bill taken care of....It can go in any direction because we [sales associates] are the main greeter of all the people at the dealership because of the fact that we are at the front end.

Therefore being courteous and helpful, as a part of the sales associate's character, is important because not all customer interactions are about sales. Some interactions may be assisting the customer to find another department within the organization but, he/she is first greeted by the sales associate. In any respect, it is the first impression formed that creates a picture to the customer of what the organization may be all about and may create, to the customer, the perception of the organization's reputation. It is the vital link that continues the chain of referral business and organizational survival.

With the understanding of how a sales associates describes his/her job and its responsibilities, it can then be understood that the sales associate is a link between the customer and the organization. The sales associate is the first contact or link the customer has with the product and the organization. The sales associate delivers the impression that is placed upon a customer. Knowing how the sales associates conduct themselves during the sales transaction is paramount to comprehending what influences personal attitudes and ethics regarding sales practices. In order to understand these influences upon sales practices, a background knowledge about to what the sales associate perceives moral integrity signifies to him or her is needed.

Description of Moral Integrity

Moral integrity is the inner and outer essence of an individual. Further, the individual can be defined by his/her moral integrity. On the inside, if an individual guides his/her life in a manner that is good or makes him/her feel good, he/she will view

himself or herself as being or doing good. Thus, building the individual's character. On the outside, individuals may be guided by how others view them and their actions.

Some participants define moral integrity as doing what is right, at the moment, for the situation the individual is involved.

Doing the right thing. You can have moral integrity and still be able to get mad and upset, you can still have moral integrity. But the main thing is that you are not doing something that is wrong for the moment that needs to have moral integrity.

Another participant describes it as "If you do things, whether it is professionally, personally or privately, it is being okay with what you are doing and knowing that what you are doing is right."

Other participants define the outer essence of moral integrity as a reflection of themselves within the community, how they interact with others, proud of who they are and what they do, and how they conduct themselves.

Moral integrity is what I can sleep with at night.
Comfortably go to bed, go to church on Sunday and represent myself in the community as proud and happy with what I do and not embarrassed to say what I do.

Continuously, habitually and over time this same pattern builds the character of the individual. Character can also be perceived as the reputation the individual has within his/her community—large or small. It is a reflection of the individual---a representation of the individual and the organization to the customer.

I think I can sum up moral integrity basically as the Golden Rule. *Do unto others as you would have done unto you.* That really sums up how I believe in doing business and treating people.

Another sales associate views the reflection of his position within the community as:

Generally looked upon by the public as a conniving, Snidely Whiplash type profession. I have found it to be far from that and it is simply because of the way that I handle people in my own sales background. It is that I see them [the customer] to be very important and without them I have nothing. So morals and ethics opens up a whole can of worms as to how you sell or how you don't sell.

The outer community has the strength and power to keep individuals ethical.

Reputation is everything; a good product and good sales associates results in referral business. This lends to the triangle that is present; the sales associate (good sales person), good product (organization) and referral business (the customer). The link that solidifies this triangle is the sales associate. Therefore, the moral integrity of the sales associate is vital to the success of the organization.

Moral integrity is the deep inner being of the individual. It is the ability of the individual to reason through a situation and respond or act in an ethical manner. It can also be said that the inner core of the individual is what comes to the forefront through conscious or unconscious behavior. The value that is displayed by the individual may be kept deep inside or at the unconscious level of the individual, but quickly comes to the conscious action stage when needed by the individual. Doing what is right---not for any other end but that which the individual believes to be right or just.

How the sales associate defines moral integrity, views his/her job responsibilities and the reflection that is given to the community is an important foundation to build in order to bring understanding of what is to follow. Describing personal attitudes and ethics regarding sales practices goes to the core of the sales associate's daily job and its

capacities; i.e. the sales transaction. What type of sales practice would be considered ethical?

Ethical Sales Practices

Most individuals in the Western culture might agree that ‘ethical’ means doing the right and just action. Some individuals may believe that to be ethical may mean to be law-abiding citizens. For others it may mean to live a life that reflects a character of honesty and treating others with the respect that all humans deserve. Yet most of us would agree that this is a very personal, inner choice and a decision that varies as much as an individual varies from another individual.

When ethics is reflected upon sales practices, most individuals can come to a consensus of what ethical practices are or should be. The main practice surrounding ethical sales that comes to the forefront would be not lying to a customer. Individuals who hold sales positions have described ethical sales practices as those practices that are “fair to the customer, whether that customer is a man, woman or child.” Treating everyone in the same manner, no matter what the sales situation, is important. For one car sales associate this means:

Being fair to the customer, being non-judgmental, meaning, also being able to help a customer 100% and not judging them, then doing whatever you think is proper for that particular person.

Practicing ethical sales is a reflection of the individual’s character. It is a trait that is habitual and goes to the inner core of the individual. This type of sales practice is a way of life for the ethical sales person.

Ethical sales practices encompass being honest and truthful when representing the product that is being sold. Honesty is a key component to ethical sales practices and to the character or inner core of the sales associate. Two of the five participants concur that honesty is the key component to the ethical sales practice by stating:

Tell people what you can do; what you can't do. Let them make a decision as to whether or not that is what they want to do.

And further:

Complete honesty. That is the number one thing. If you are completely honest through the full sales process you never have anything to fear.

Being honest reflects upon the virtue of the sales associate in the environment of the sales transaction. However, practicing ethical sales goes deeper than the sales transaction. Some sales associates described ethical sales and integrity as being comfortable with who you are among the organization and the community in which they interact. This community is both within and outside of the organization. Doing what is right and in doing so having the ability to share your 'work' life with family and friends.

One sales associate describes:

Ethical sales practices would be things that are normal and acceptable business practices. Things that you would not be afraid or embarrassed to explain to your mother, your brother or a court of law.

If someone were not honest in his/her sales transactions it could be more difficult for him/her to share work experiences with others outside of the work environment or the community in which they interact.

Being honest in the sales transaction can also mean upholding the 'laws' that surround the sales practice. Laws in this sense are the legally defined rules that society

has put in place. Laws do not factor into the virtuous character since the virtuous individual would do the honest thing inasmuch as it was a part of his/her character and not because it was a law.

The sales associate who exemplifies the character traits that involve ethical sales may be respected by others within and outside of the organization. The sales associate may, without knowing, lead others by example. This would not be the sales associate's driving force behind his/her actions, but it would be an unintended benefit that comes from this type of behavior or trait.

Although most participants agreed that ethical sales practices included honesty, they also felt that it was easier to define unethical sales practices. "It is easier to describe what is not ethical sales practices versus what are ethical sales practices."

Unethical Sales Practices

The driving force behind unethical sales practices can be for personal reasons, along with organizational reasons. The organization may want quotas to be met in order for full sales commissions to be paid. Memos or reports may be distributed to deliver the organization's philosophies, goals and the like, stating what goals need to be attained. The memos may have statements that reflect the organization's desire to be number one in sales and revenue and be the leader in the industry. This may lead the sales associate to react or take an unethical sales approach whereby the means justifies the ends. The sales associate may not associate his/her actions as being reflective of unethical sales

practices because it is ‘what the organization wants me to do in order to be a successful company.’

When unethical sales practices are done for personal reasons there are other factors that can drive this type of behavior. Sometimes it might be greed. Greed for higher recognition for the sales associate within the organization and from immediate managers and co-workers. “Doing anything it takes just to make the sale,” is one sales associate’s perspective.

The recognition could stem from outside the organization. That being acceptance or acknowledgement from family, friends and others within the sales associate’s social community, or the community in which they interact outside of the organization. For example, one sales associate considers unethical sales practices to be the exact opposite of ethical sales practices or “Anything that you would not be proud to tell your mother, brother or a court of law.”

Four of the five participants revealed that unethical sales practices, for them, meant lying to or cheating the customer. They felt it was wrong to mislead a customer or to sway him/her into purchasing a car or added feature package. One participant supported this by stating, “Cheating is a big thing because if you feel that you are, you have hidden something from the customer, that is immoral, that is not right.” Why is lying or misleading such an integral piece of what some sales associates would consider unethical sales practices? This could be because the customer is not knowledgeable about the product they are buying. Since the sales associate holds the key, they control the exchange of information and this could mean the withholding of information from the customer.

The reflection upon the sales associate's character is poor if he/she lies or misleads the customer. This is a poor character trait because it can damage the reputation of the organization and the sales associate. Having a good reputation supports the link between the sales associate, the organization and the customer. In the situation of unethical sales practices, it can be a bad reflection or link between the sales associate, the customer, and the organization. Further it can break or tarnish the vital link in the triangle that exists.

Influences Upon Sales Practices

Understanding what participants described ethical/unethical sales practices to be, one can now take into consideration what they described as influences upon sales practices. Many variables can influence ethical sales practices. Factors external to the sales associate are, but are not limited to, peer pressure, pressure from family and friends, and management. Leaders who are ethical and lead with the highest standards will directly affect the ethical sales practices of the sales associates. If management does what is right or ethical, those actions will trickle down to the sales associates and further to the customer in which sales associates interact. Two out of the five participants contributed a possible influence upon sales practices as a reflection of management, with one participant stating, "The major thing is going to be management and how they like to deal." The sales associate who practices ethical sales interactions will solidify the bond and impression the customer will make about the organization.

At the level of the sales associate, influences run deep. One influence could be the desire to live the good life through the pursuit of personal knowledge and excellence. Another influence that stems from the inner core of the self may be the character of the individual. Character is a natural reaction to any situation this type of individual, the virtuous individual, will act from and is the basis to his/her actions.

For some participants influences upon an individual's character may be a form of his/her integrity. One sales associate describes the influence as:

Coming from a person with a high standard of integrity. Somebody who truly puts his/her customer's needs in front of their own. If you do everything right and take care of the customers properly, it will always come back to you ten-fold.

For others it may be a natural selection (choice) or action. With regard to another sales associate this meant a form of 'self-confidence'. "Being comfortable with yourself and with the customer. But more than anything, having the self-confidence in your ability to represent yourself professionally and not as a non-professional." Another sales associate agrees with that a form of integrity is an influence upon sales practices by stating, "Knowing your customers, knowing your employees, things that can always enter into, not only a sales practice but also everyday life". Knowing yourself and your customer contributes to the natural sales interaction and to ethical sales practices.

Ethical sales carry the customer and sales associate interaction to a long-term commitment. It is no longer considered just closing the sale in the short term. The five sales associates that participated view their job as satisfying the customer at the time of the sale, but more importantly, the long-term interaction that will occur over the years.

Insight provided by one car sales associate reveals his perspective on what influences ethical sales as:

Everything does, everything from the media to one-on-one private conversation. You know trends change, people's opinions change. Where ethical used to be knowing the price, you were being ethical and nowadays it is everything; how you treat the customer, it is the follow up, it is the after-the-fact...the sale is just the beginning, you know the sales practice can be 4 to 5 years long.

Customers may return with repeat business needs that may involve service, repair or even additional purchases. For the car sales associate, sales can be a short prelude to a long-term commitment.

The manner in which a sales associate conducts him/herself initially in the sales transaction defines the basis or foundation for the entire transaction. Conducting oneself in an ethical manner reflects to the customer the individual's character and further, the type of organization in which the sales associate works. Influences upon the sales practice starts before the customer enters the transaction with the sales associate. Influences upon the sales practice begin at the time of employment, are supported by management, and are defined by family, friends and co-workers.

Some areas were described that support the influences upon ethical sales. If management, friends and family can impact a positive sales practice, then what impacts the opposite?

The customer expects to be treated fairly and honestly by the sales associate. The customer may not be as knowledgeable about the product he/she is purchasing and will rely heavily upon the recommendations, insights and knowledge of the sales associate. This interaction is unequal or out-of-balance. The imbalance is caused by one side not

being as knowledgeable and the other side more knowledgeable. Thus the not-so-knowledgeable individual is left vulnerable. The direction the sale will take or the 'control' of the sale is in the hands of the sales associate. The style or approach the sales associate presents to the customer can or is a reflection of the organization and the sales associate's 'being'. It is for the reason of vulnerability that some sales practices may be influenced by the sales associate's product knowledge and take the turn toward being considered unethical.

Another way in which the customer can impact the sales transaction is by buying or purchasing with a predetermined or preconceived attitude. What is meant here is that a customer purchasing with a 'positive' or 'negative' sales outlook may do so as a reflection of past or previous sales experience. For example, a customer may have experienced an unethical sales interaction whereby the sales associate or some other sales associate lied or misled him/her. The sales associate may have lied about a feature of a product just to close the sale. The next time this particular customer purchases a product, he/she may be hesitant during the interaction, whether the interaction is conducted in an unethical manner or not. When this occurs, it may place the sales associate on guard or nervous due to the fact that the sales interaction might be a struggle to procure or close the sale.

When this type of past experience happens to the customer, he/she retains this sales attitude, that most sales associates are unethical. This attitude results in a stereotype given to all sales associates. In this field of study most of us would agree that within society, car sales associates tend to be given a negative stereotype. Some adjectives to describe them are liars, cheaters or simply out to 'get' the customer. Two participants

resonate with this and understand it as a part of their sales 'identity' simply due to the nature of their chosen career.

I think that the consumer with his/her guard up all the time...we use the comment of the city dealers as compared to the country dealers as being different. In my eyes, they are so used to being cheated, lied to or their integrity not kept up to in the city.

Further support from a counterpart states, "In certain instances you can actually have the buyer influence the sales person because of his/her ability to control the situation through intimidation."

There are other external forces that can influence the sales interaction and practices. "Hard financial times" can influence the sales associate's sales practices. Obligations the sales associate may have, such as the need to support a family, or financial burdens, may play a role in the actions of a sales associate to behave in an unethical manner. Internally, organizational domination may drive the sales associate to respond unethically to capture sales. For some this may be a conflict or a struggle between one's duty to his/her obligations both personal and family and doing what is right professionally. This type of external influence would be a temporary situation and not habitual for the sales associate's behavior or become his/her character.

The individual who participates in unethical sales practices and does not do so because of organizational direction or implications, may do so for a variety of reasons. If a sales associate, month-over-month, has been consistently low in his/her sales, he/she may turn to unethical sales practices to increase sales and thereby increasing his/her self-esteem and self-confidence. Being successful might be the driving force, or the self-esteem fulfillment the sales associate needs to feel he/she is a worthy individual. It is

human nature to want one's life to have value and meaning and for some this may mean personal gain rather than ethical standards.

Two out of five participants describe another influence upon unethical sales practices as that of greed. An excessive desire or greed for sales recognition may drive a sales associate to practice unethical means to obtain or increase sales. An unethical influence can be greed for money that may drive the sales associate's sales practices.

There are many variables that have potential to impact or influence unethical sales practices. These variables include, but are not limited to, management, customers, and financial and economic times, to personal greed. Sales goals are a part of a sales associate's job and place an influence upon sales practices. When selling is the key job focus, a goal will be attached to the product in order to define the desired results. Sales goals can be considered influences from the organization.

Most organizations, in order to survive, need to bring in more money or revenue than its expenditures. This starts at the top of the organization and trickles all the way down to the entry-level positions. Each department that comprises the whole of the organization is responsible for its share of the success. In order for the employees to understand the entire amount of revenue needed for the organization to survive, the organization will break up or divide the large, lump sum dollar amount or goal into smaller, more manageable or understandable numbers across the departments. What this means is each department within the organization will be assigned a departmental goal that they will be responsible to achieve. Further, the independent departments may break up its goal into smaller, more manageable numbers that can be assigned to individuals as their goal to attain. The premise of this design is if the individuals attain their goal, the

department will attain its goal, resulting in the organization remaining successful and profitable.

The sales department within an organization is no exception to this design; it also has sales goals or quotas in place. The sales goals are designed for the organization to meet its financial success. The sales associate is not immune from individually set sales goals. One car sales associate recognizes this organizational need as “very important in order to establish or ascertain a certain level of productivity.”

When a sales department is required to focus on a specific product, it may be introduced to the sales associate in the form of a sales goal. Along with this focus a ‘payout’ or ‘spiff’, either monetary or in the form of a material prize, may be given or put in place as an incentive. At times when the ‘stakes’ of the payout are high, or the potential to have a high reward is given, a sales associate may be driven to succeed in this specific area or goal. In fact, one car sales associate explains sales goals as:

Really having an impact because they [the organization] will push, push, push for a certain thing, they all of a sudden set a goal for some particular unit. If a customer is not looking for it, they [the sales associates] are going to push it on him.

In this situation, sales goals can influence sales practices resulting in a negative interaction toward or with the customer.

There are also sales goals that help to provide or harbor a positive sales interaction, or result in a positive sales experience for the customer and the organization. For the customer, sales goals that drive numbers without an incentive dollar amount attached to it will result in more information being exchanged during the sales interaction. For example,

If goals are volume based, as in our industry, in our company, it has led to more ethical practices in the sense that you are there to sell as much as you can and how you do it and what the customer knows at the end of the whole purchase is going to be a lot more thorough than it would be if it is strictly dollar based.

Sales goals can motivate a team in a positive fashion. If one sales associate starts a month out with initially good sales, another sales associate on the team may become competitive and try to increase his/her sales to try and catch up or surpass the temporary leader of the sales goal. Sales associates may try hard to sell the products and in doing so they learn more about the product. This learning experience benefits the sales associate in many ways; one is in the knowledge of selling the product and sharing this insight with the customer, but it also helps the organization to further its success with increased sales. This exchange of information can reflect positively on the organization and to the customer. Thus, solidifying the vital link the sales associate has between himself or herself, the customer and the organization.

Sales goals influence sales practices by defining what it means to be successful or not, in a sales position. This definition also provides the guidelines for a sales associate to perform his/her job. "Positive. Typically positive" states one participant, "sales goals give you an outline. If they [sales goals] are determined by the sales management team, they [sales goals] give you the outline of what is wanted or perceived as being successful." Although sales goals may define, in organizational standards, what it takes to be successful, another sales associate views goals as "important, but the only person who can set a goal is, not a manager, it is the sales associate."

Responsibilities of the Sales Associate to the Customer

The sales associate is oftentimes the first contact or interaction the customer has with an organization. There is an impression, whether positive or negative, that a customer is left with after the interaction is complete. The customer/sales associate interaction may not be the focal point of the organization. Instead the organizational focus may be to the 'bottom line' as its most important tool to measure organizational success. Meeting or surpassing sales goals, whether measuring by volume or dollar based, may be the organization's tool to understanding or assessing the success or failure of the sales associate. The sales associate may feel or believe that he/she owes more to the organization; more loyalty to the organization than to him/herself or the customer.

What an organization or sales associate may not understand is the impression the customer has when interacting with the sales associate may give rise to or affect repeat or referral business. For example, if a customer has a positive sales interaction, there is the likelihood that he/she will return another time to purchase a product. If the sales interaction is perceived as negative to the customer, there is the likelihood that repeat or referral business will not be realized. One car sales associate realized this by stating his responsibility to the customer as delivering:

100% all the time when you are selling because if you don't, you won't get the results, you might get the sale but you are not going to get the results and in this business, repeat and referral business is what I mean by getting 100%.

Another consideration surrounding a positive sales interaction is the customer is more likely to express this experience to friends and relatives furthering the possibility of

repeat or referral business. The opposite would be true if a negative sales interaction occurred. Repeat or referral business will benefit the organization and the sales associate, especially if the referral is the specific sales associate.

Having a 'good' name or reputation among the customer base is a benefit that most organizations and sales associates would want. Viability in the market place can be tough, especially in today's highly competitive market. A good product is a must, but good, ethical sales associates are also a vital link between the organization and the customer. An ethical sale is a responsibility the sales associate has to the customer. "As a consumer, you expect to receive everything ethically and fairly. It is our responsibility as sales people to give them that and if there is a misconception, come to an understanding."

The sales associate has knowledge about the organization that the customer does not. Even if the customer has some background knowledge or information about the organization or its product, he/she may not know enough to make an informed purchasing decision. In this situation the customer may be swayed or led by the sales associate.

The sales associate is responsible for handling the transaction from start to finish in a responsible, legal, ethical and moral way. People [the customers] sometimes don't know what that is because they have not been through enough transactions and it is the sales person's duty to lead them. If the customer is not knowledgeable in the situation then it is the sales person that should be able to step them through that.

Therefore the sales associate has some responsibility to the customer in the respect that he/she is in control of the sales interaction and is responsible to guide the sales transaction in an ethical, legal and professional manner.

When a customer is treated, throughout the sales interaction, in an ethical, fair, honest or like manner, long-term effects are developed. Long-term effects are customers who return, even if they have a problem with the product, for assistance with the product or want to purchase other products. They are more kind and understanding than a customer who may have had a sales interaction in which he/she may have felt misled or treated unethically by a sales associate.

A customer expects to be told the truth; this is a part of human nature that extends to the purchasing environment. Individuals presume others will be truthful in any form of interaction. When customers or individuals spend their money, they attach a value to the product that is being purchased. This value in turn becomes a binding or implied contract between the customer, the organization and the sales associate to the product. This responsibility, simply stated is, "What he [the sales associate] promises, live up to his word, he delivers." It is this implied contract that links the sales associate to the customer and the organization. Further, this implied contract brings into play the responsibility the sales associate has toward or with the customer.

The Role of the Ethical Leader

In any organization, there are many leaders. Some leaders are designated with a title, such as manager, supervisor, or director, others are considered leaders because of their actions. The actions of an individual that may lead another individual to consider him/her a leader, are actions such as honesty, integrity, and respect for others. These

actions can be considered intrinsic to the individual or leader. In order to be a leader, the individuals who surround the leader must hold these perceptions.

The insights provided by a few car sales associates indicate to be a leader an individual must possess organizational skills. These skills include the organization of the leader's thoughts, visions, and the direction he/she provides to the group. A leader is someone who also establishes most of the decisions for the group in which he/she leads. At times the leader is also a listener.

By listening to the group that they lead, leaders can find that the best resolution can be to allow the group to reach the decision. One sales associate recognized it is important for the leader to support the decision once it is established. The decisions that are brought into existence, by the group, can be good or bad and the leader will recognize this and create the changes that are necessary to guide the group in the desired direction. The desired direction does not necessarily mean it is the best direction, rather, the direction is simply the desired direction.

A leader is given a great deal of power either by the organization, by peers or both. What is important is how the leader uses this power. Power can be used to motivate and stimulate the group toward the desired behavior or it can be abused when motivating or guiding a group of individuals. One car sales associate would define the power of leadership as "simply somebody whose reactions speak so loud he doesn't have to say anything. He leads by example, by his performance, and by the way he handles and cares about people." It is the leader's actions that provide the basis or foundation of the desired behavior in which the group will follow. Leadership is a powerful form of control and responsibility given to an individual.

It is the responsibility of the leader to guide the group toward accomplishing the desired behavior including organizational visions and goals. A leader must truly believe in the vision and results that are desired from the group; in a sense, a leader cares about the group they are leading. This is because without the group, the leader would not have the power or status that is given to him/her. The desired behavior, visions and goals have to be important enough that achievement is desired by the group.

One sales associate described independence as the role of the leader. The sales associate goes on further to say this independence is by means of the “ability to lead others and the ability to be self sufficient. Somebody who is fair and ethical.” And further, the leader must be endowed with “openness-you have to be able to accept input from others.”

A leader is intuitive. The intuitive leader possesses the capacity of knowing an entire situation immediately and sometimes without an in-depth understanding of its intricacies. The depth and knowledge a leader maintains is imperative to the success of the group he/she is leading. A portion of the leader’s knowledge is described by a sales associate as “Somebody who is understanding of the changes in the environment and its economic conditions.” This knowledge or understanding can have a tremendous impact upon the success of the group and the organization. There is a great need for the leader to balance decisions and direction with intuition.

Listening to the group, taking their input and conveying it into action displays to the group their importance to the end results. This creates the importance that each individual’s input is valued and this display of leadership impacts the sales associate tremendously. A characteristic of a leader as described by a car sales associate is

“Somebody who understands the depth involved in the [sales] transaction process and he/she is able to let people make decisions both good and bad, that affect the transaction in a positive or negative way.” Another sales associate stresses the importance for the leader to “give credit where credit is due” whether the credit is toward someone within or outside of the group. Giving credit to others can provide empowerment to the individuals in a group and it is important for the leader to harbor this belief. A good leader will recognize the energy of empowerment and use it to motivate the group in the desired direction in order to achieve the intended outcome or results.

In the car sales industry, leadership is a key to success. Therefore, understanding the leadership role a sales manager has upon the sales associate and his/her sales practices is imperative. Four out of five participants agreed the sales manager’s position is to provide guidance to the sales associates. According to one participant, “the manager’s job is to guide the sales person; not make the deal [for the sales associate].”

Consequently, a sales manager, as a leader, carries the title but the title does not mandate they conduct the actual work from start to finish, rather they are visible to provide the team with direction. When it comes to performing the job or task, many individuals achieve results by understanding what it is that is expected of them. Another participant describes the role of the sales manager as:

there to help people follow in the policies. To succeed in their job, to help the client succeed in his/her desires. In many other companies and industries the sales manager is there for a completely different reason. I think the sales manager is there to manage, in the sense of guidance, not accountability.

Guidance in the sales process is sometimes accomplished through organizational policies and procedures. Larger organizations have many policies defining its visions

and goals. Some of the instruments used to define policies and procedures are the organization's Code of Conduct or employee handbooks. When it comes to specific areas, such as sales, there are procedures on 'how to' write up a sales transaction and operate specific systems or programs, that are provided to the sales associate to help guide the individual in his/her job responsibilities. Although these types of policies may be vague while procedures may be specific for the task at hand, they are put in place as a guideline for the sales associate's benefit. The policies and procedures also serve the purpose of assisting or providing a tool for the sales manager to use when overseeing or guiding the sales team.

From the systems or programs used by the sales associate, reports may be generated providing a view of how the individual sales associates are doing with respect to their monthly sales and ranking them with others on the team. The reports also provide departmental totals displaying the standings to the entire group. Anyone viewing the reports will see who is top in sales and who is not. If everyone is very close in sales as compared to others of equal status (i.e.; full or part time), then a manager may feel comfortable with the results. If a sales associate is very high or very low in total sales, a sales manager may try to 'get inside' of what the issues are affecting the individual's sales.

There could be many reasons for high or low sales. For example, a sales associate with low sales may not have enough product knowledge and require more training to help his/her sales increase. A sales associate with very high sales may be using a sales technique that is very helpful and conducive to selling the product. If the sales associate shares his/her insight with the entire team, others may benefit from the use of the

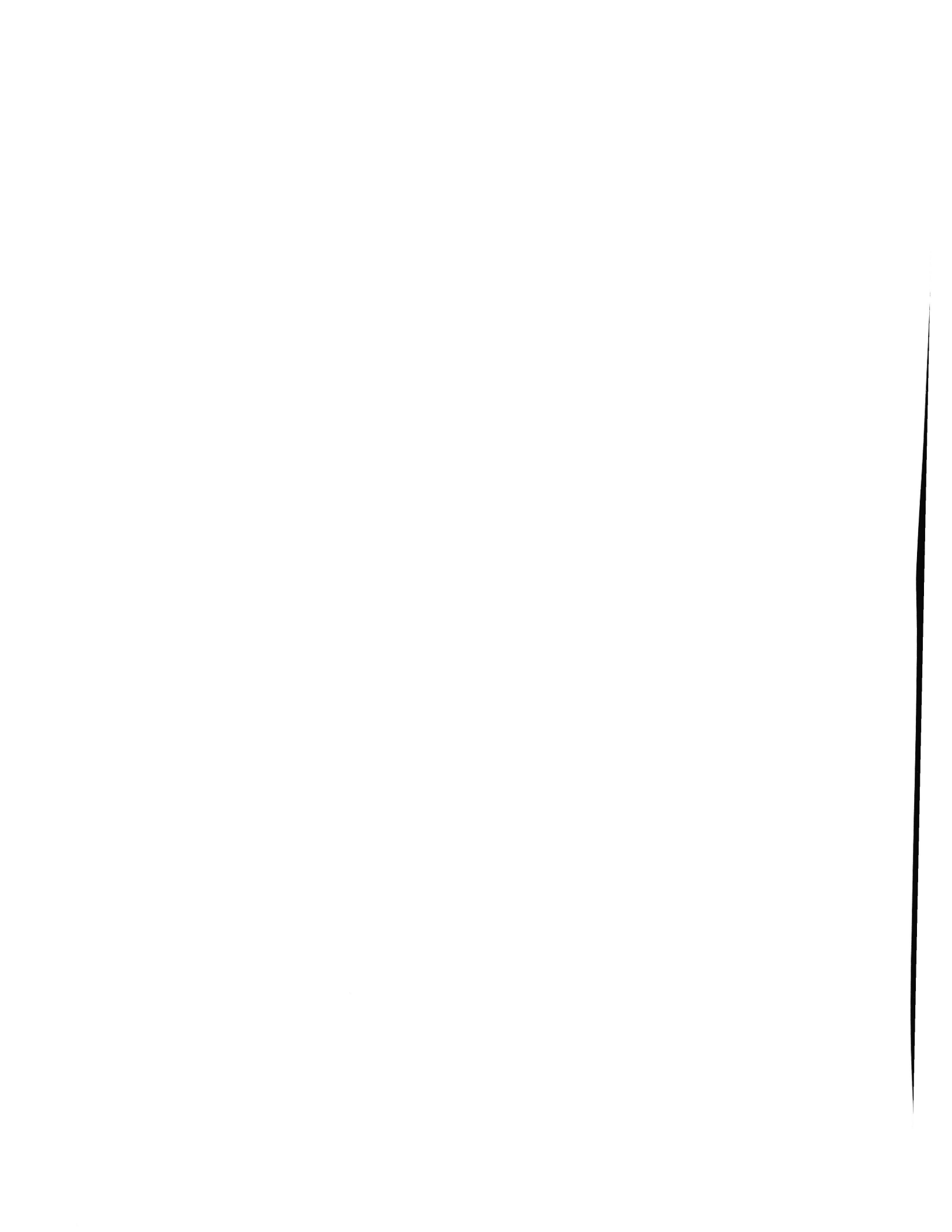
technique. High sales could be reflective of working longer hours without reporting it on the sales associate's time card, or it could be reflective of a sales associate who is practicing unethical means to capture sales. It is the report that may help a sales manager to gain an insight into what is happening in sales trends month-over-month.

There may also be reports that are available to the sales manager which the sales associate is unaware. Monitoring the sales of the sales associates by the sales manager is an important aspect to the sales practice. Support for this comes from one sales associate as:

Percentage-wise they [sales manager] should be able to see 60-70 percent. But there's at least a good 30-40 percent, because it's done on the lot, done that there's no way they're going to see—in the back room, done in the office, it's done and out of their [sales managers'] sight.

Another example that supports the use of sales reports to monitor the sales activity of the sales associate would be to track if a sales associate is applying credits to a customer's sales transaction. The capability of applying credits also brings with it the opportunity to abuse the system. A sales associate may start by applying low-end credits on a few customers' sales. If the sales associate is having a slow selling month, he/she may start applying large credits to all customers' sales transactions in which he/she is involved, just to capture a sale. A report to track, by sales associate, how many credits and the dollar amount, may be viewed monthly by a sales manager just to assure employee abuse is not occurring.

Most individuals would agree that monitoring of employees' activities, in certain areas, is a necessary step for organizations. One sales associate agrees "It is their [sales managers'] responsibility to make sure everything is done ethically, above board. And

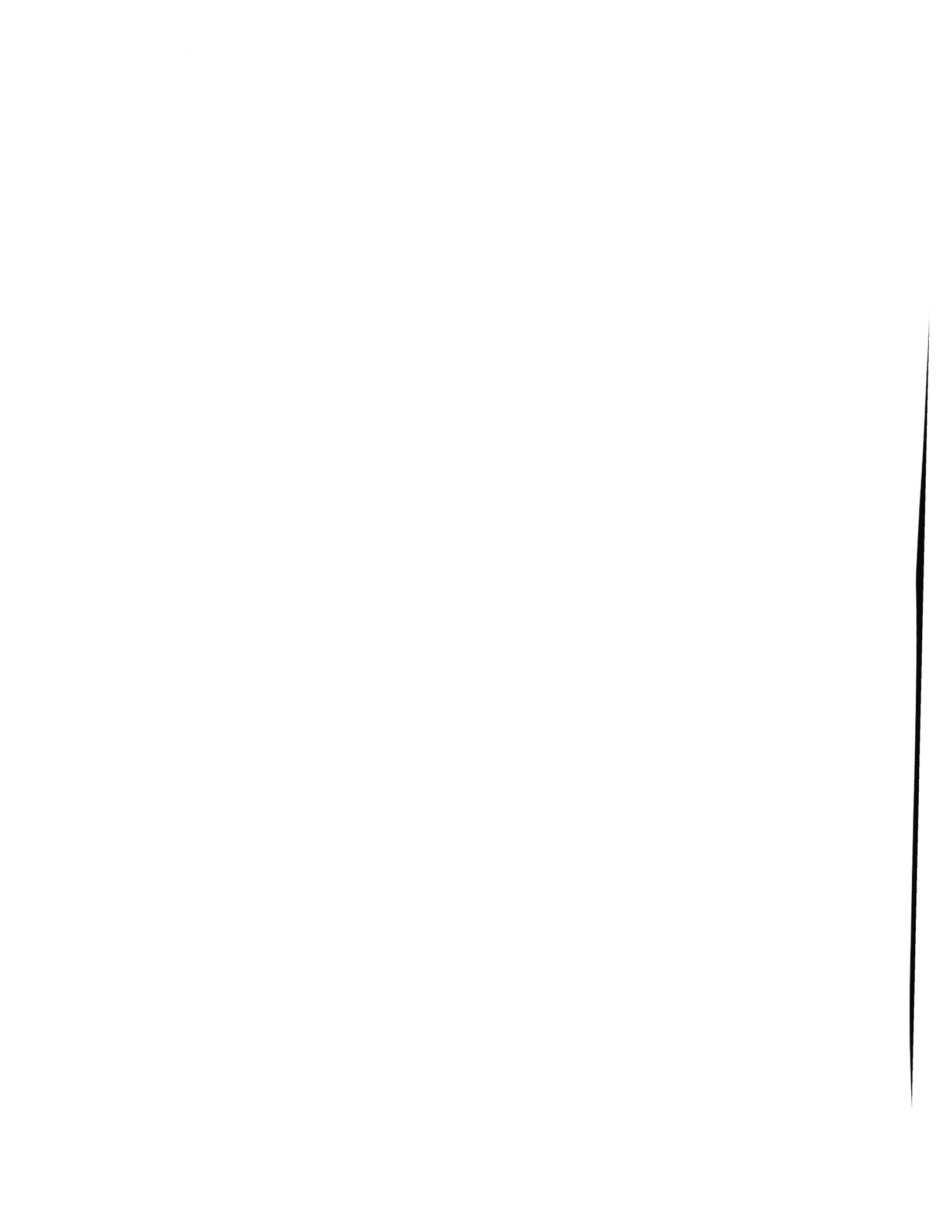


do something, some type of action should there not be, should things not go that way.” The sales manager must be ethical, as well, in his/her ability to lead by example and if he/she is not, chances are good that the sales associates may not be ethical in their practices. This is not to imply that this is always the rule, rather, it is a possibility. Especially if the sales associate is trained by the sales manager to practice unethical sales. An unethical sales practice may not be viewed as unethical to the sales manager, but in reality to the customer or the organization it truly is unethical.

A sales manager, as the leader of the sales associates, can not oversee every sales transaction. However, the sales manager can create the foundation that will guide the sales associate in the direction and vision of the organization. One car sales associate recognizes the importance of guidance; “You can only give them [sales associates] the boundaries, the categories, and the outline to work in and then make sure that they stick to that or at least stay within the boundaries.” The sales manager’s leadership brings value to the triangle that is created between the sales associate, the customer, and the organization. It can be said that leadership in the sales position is vital to the success of the team and the organization.

The Importance of Organizational Training

Training provides an employee with the organization’s information that would not be known by individuals outside of the organization. During training, the culture or environment of the organization is conveyed to the employees through this medium. Product specific information is provided to employees so they can knowledgeably sell the

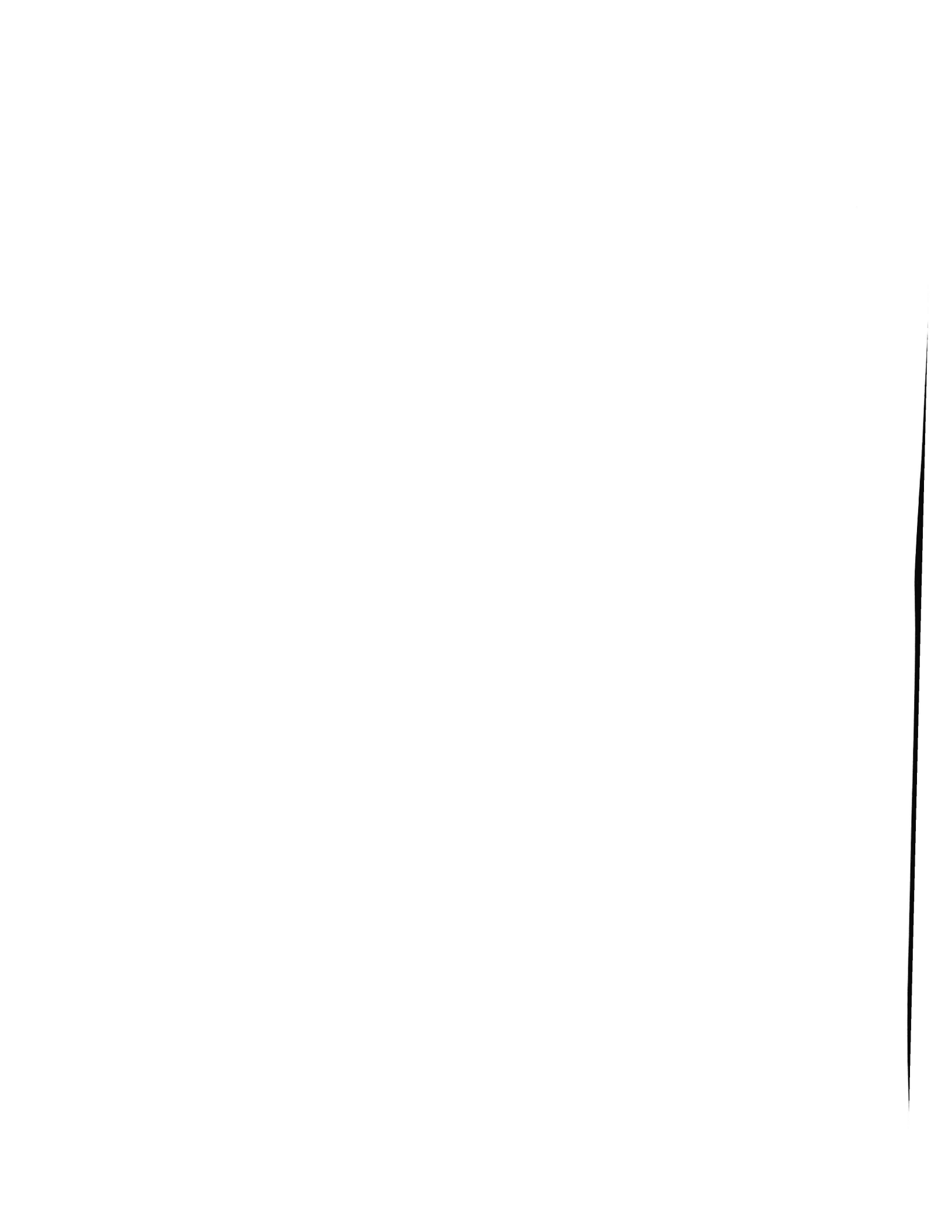


product and, in turn, increase the organization's profits and revenue. Some organizations may provide further sales training outside of or away from the direct product. This training can include learning how to interact with customers and other employees, or how to present information so the customer will purchase the product.

Insight into training in the car sales industry was gained through this research study. All five participants responded with a resounding support for training within their respective organizations. However, the majority of training provided is in the form of product knowledge. One organization (dealership) carries "five different lines, of those five lines we go to schooling with all of them." This study revealed that there is extensive emphasis placed on direct product training.

Interestingly, when asked if sales training included training in ethical sales, the respondents did not answer favorably. "There is as of lately, a little more internal ethics, you know, with the internal customer as opposed to the external customer...most of it is internal; policies, fair treatment, and harassment." As discussed earlier an internal customer is someone who works inside of the organization. In contrast, an external customer is someone who does not work inside of the organization. Rather, he/she can be considered the end user of the organization's product. Another associate provided this insight into ethics training. "I believe there is [ethics training], generally all the organizational training I have attended has been strong and big on ethics."

The organizational training pendulum swings heavy to the side of sales skills and customer satisfaction. In this aspect, the organization recognizes the link the sales associate has between the organization and the customer. To put this into perspective, one sales associate states:

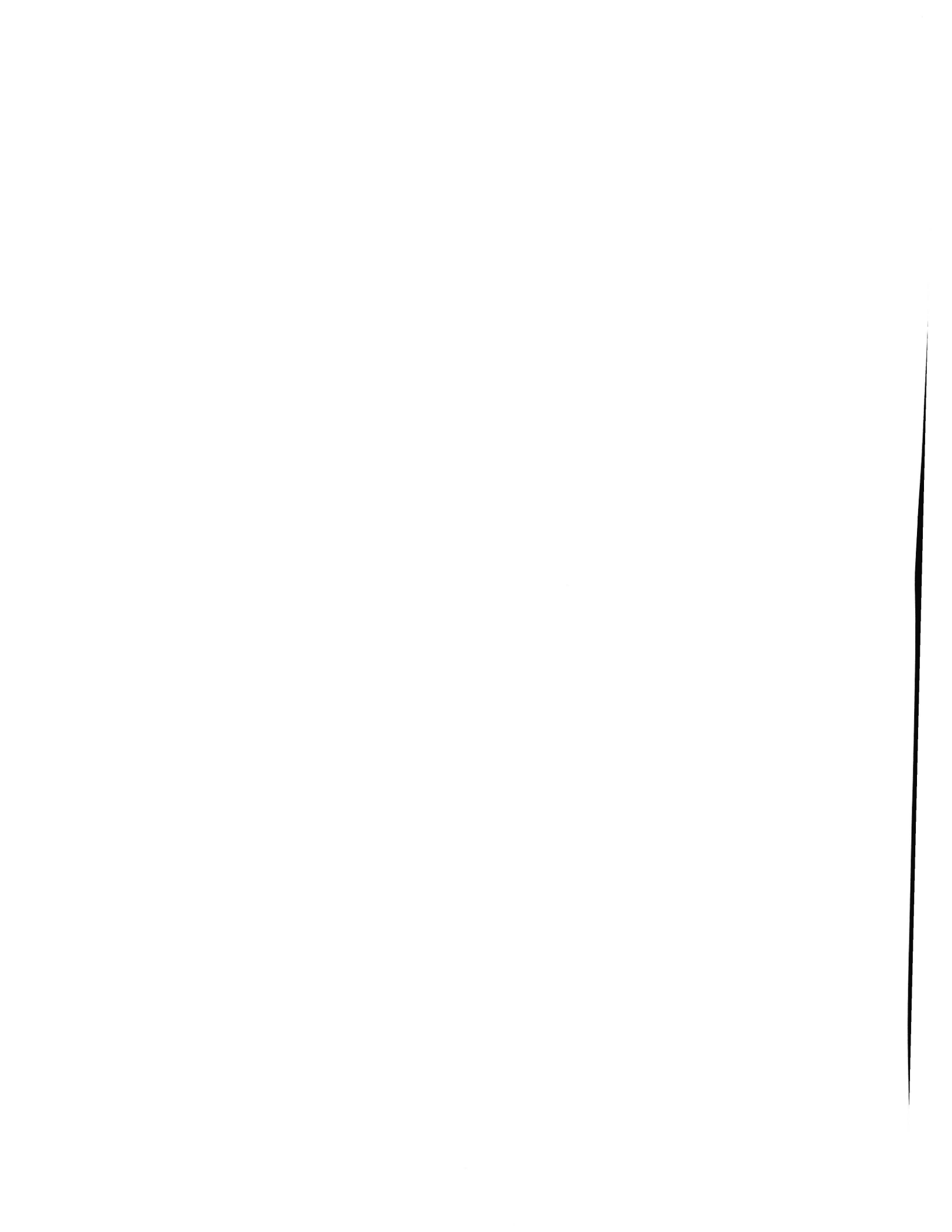


Product training is a big thing but the biggest thing that they are pushing at now is customer satisfaction. And they really do push the customer satisfaction. It is making sure that all the questions and all the things the customer needs to arm themselves to buy a car, they get it. That is what they are really pushing themselves at, customer satisfaction and the product.

A description of one sales associate's training is through a philosophy. "A sales philosophy of the dealership is how to identify a customer and how to bring that customer to a sales opinion." Further concurrence points toward: "The sales philosophy of the dealership is basically integrity first. And without the customer we have nothing."

Most of the training provided is short in duration, lasting a week or two and delivered at the time the individual is hired. On going training is provided, unfortunately most organizations will not compensate the sales associate. By not compensating the sales associate when he/she is sent to training courses results in lost commission base. One sales associate reveals that even though there is "Ongoing training, there is not enough of it. Training is difficult to do because we are not compensated for training." Another participant resonates "You do get (training), if you want to take advantage of it you can, but there are people, at the sales dealership, who could care less about taking the sales training unless they absolutely have to."

Training can provide employees with information a customer may not know or have the ability to access. The organization's Code of Conduct, its policies and procedures are commonly taught or delivered during new employee training or orientation classes. This type of training provides the employee with guidelines in which the organization deems acceptable employee behavior. After all the training is done and the sales associate goes forth to represent the organization and its product, it is the sales



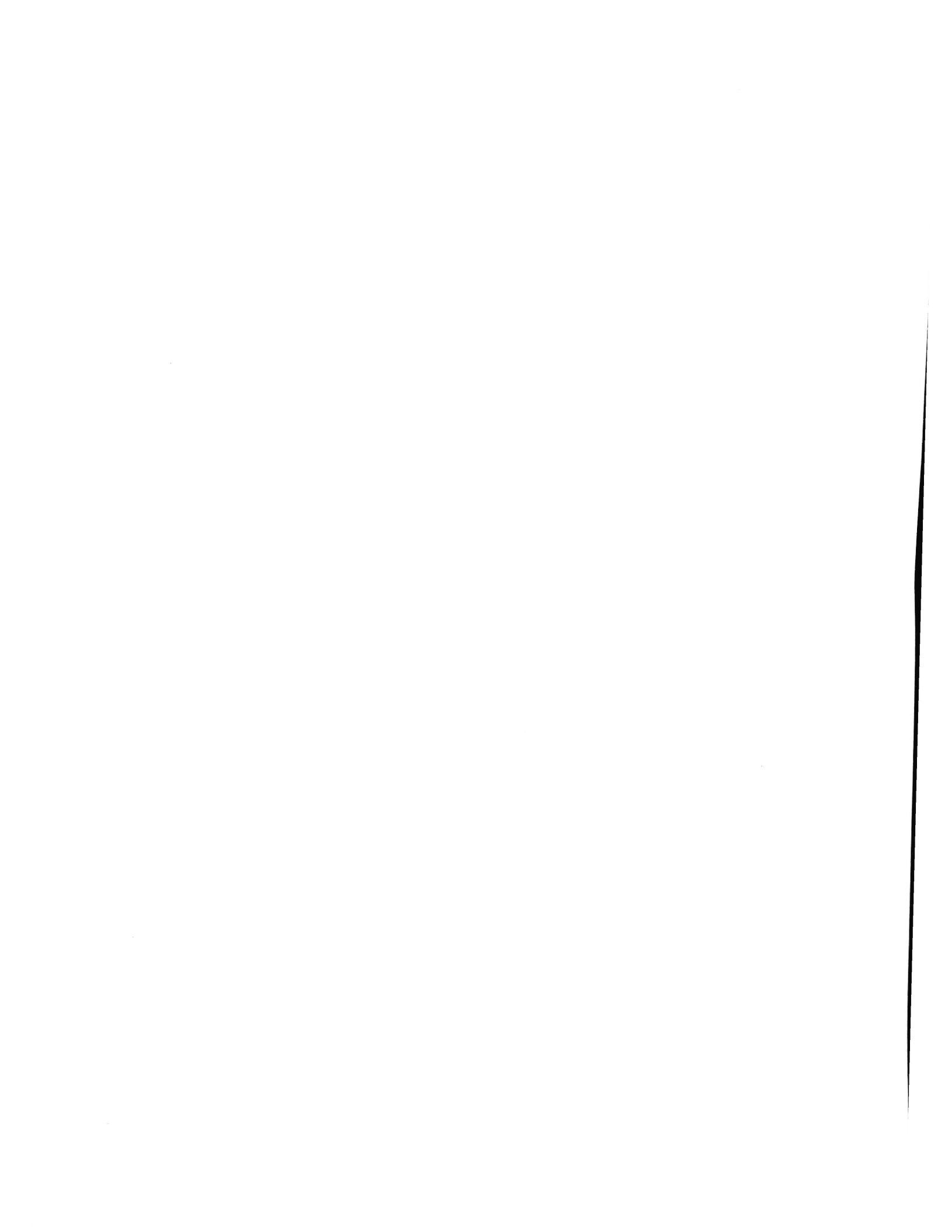
associate's own sales ability, performance or character that takes precedence during the sales transaction. Therefore, it would be in the organization's best interest to provide on going or continuing sales training surrounding ethics.

Summary

In summary, the responses provided by the five participants gives insight into the research question. However, a few important areas that need to be addressed are considerations surrounding the participants' responses, plausible reasons for the low response rate and areas of speculation.

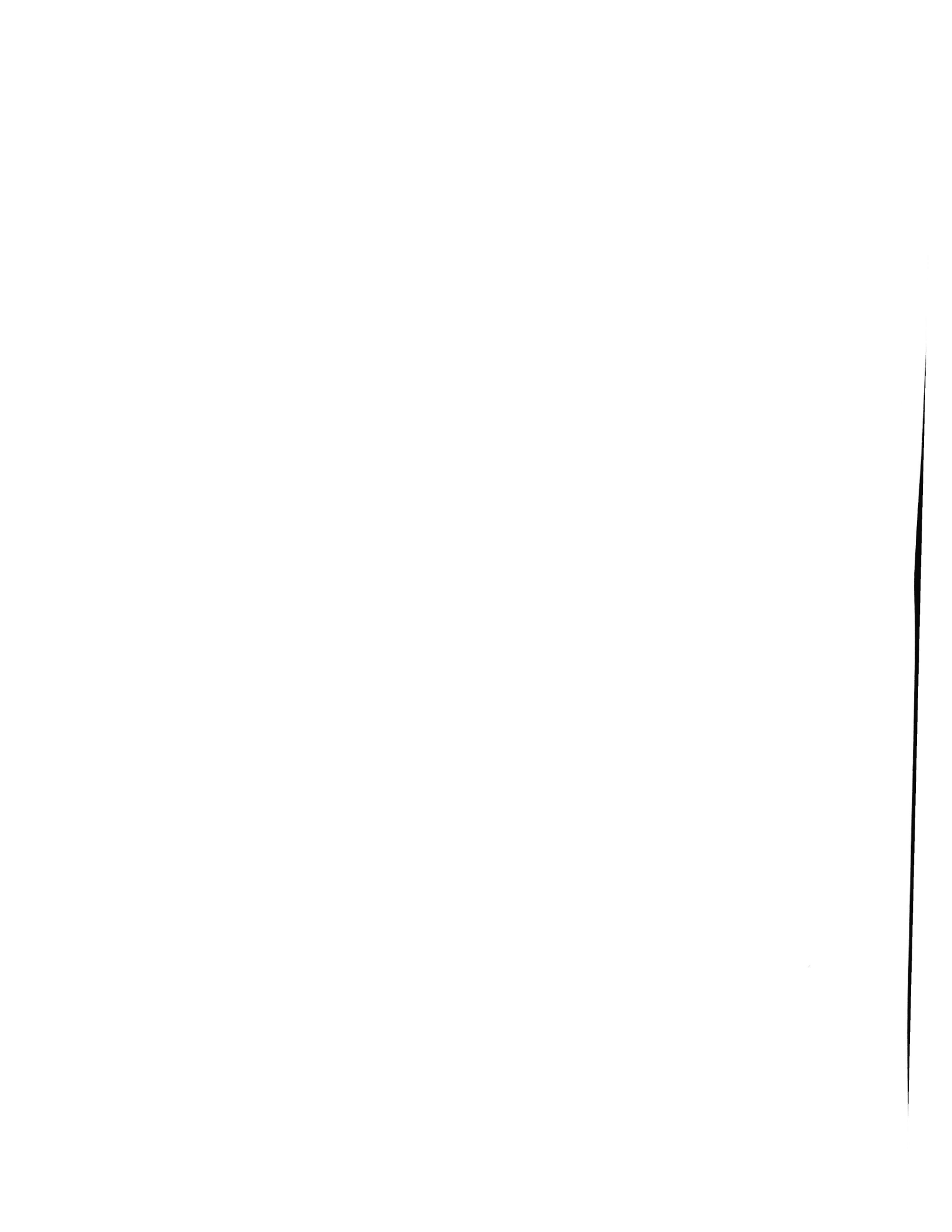
First, of the five individuals who chose to participate, it must be realized that their insights could have been platitudes. In other words, they may have responded to survey questions with the thought of giving the 'right answer'. One can also wonder about the answers that were not mentioned. Participants may have withheld insight into the survey questions because of the sensitivity of the topic of ethics. Because there is the negative stereotype prevalent in the Western culture that car salespeople are unethical, participants may have had a hidden agenda to 'dispel' this belief through their responses.

Secondly, the low response rate must be addressed. Out of 63 potential participants only five chose to volunteer. A few individuals participated because of their own interests in furthering their education or they knew a family member or friend currently in the process of furthering his/her education. Some plausible reasons why the remaining 58 potential participants did not volunteer to participate are, but not limited to, the sensitivity of the topic of ethics, time constraints or the lack of interest in the research



subject. Another reason for not participating could have been the negative stereotype of car salespeople or the individuals own ethical sales behavior.

Lastly, there are other areas to speculate about. If the research study had taken another area of sales, for example the selling of cellular phones and service, would the response rate have been low? Or would the answers shared to the research questions have been similar? The research study was conducted in the fashion that the participants were self-selected. Does that form of selection give rise to the responses given by the participants? Although answers to these questions cannot be provided, they are valid areas of consideration and warrant mentioning.

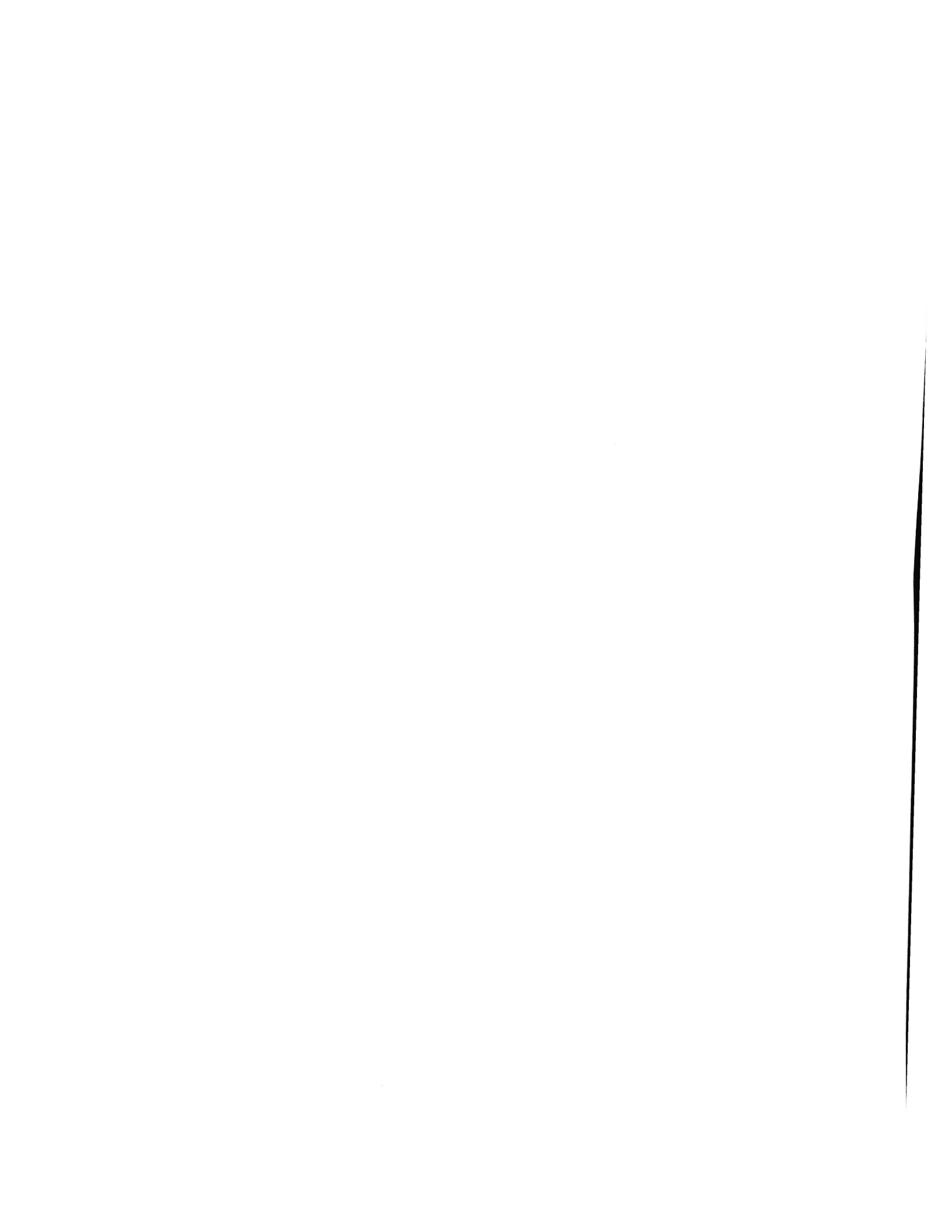


CHAPTER FIVE: CONCLUSIONS, RECOMMENDATIONS, and IMPLICATIONS

Conclusions

This research study was initiated to gain a deeper understanding of the roles personal ethics and attitudes play in influencing sales practices. It is impossible to quantitatively test the research question due to the innumerable variables that would have to be addressed in the analysis. The study into ethics, because it is such a broad topic, presents challenges that quantitative testing and analysis would take an enormous amount of time to overcome. The purpose of this study was to describe the personal ethics and attitudes that are present and influence sales practices. To gain this understanding the researcher studied what moral integrity means to the participants, their perspective on ethical sales practices, how sales goals impact sales practices, and what they considered to be characteristics of a leader. A perspective on organizational provided training was also obtained.

To gather this information, an interview questionnaire was developed to solicit the insight held by the participants. The interview questionnaire was test piloted with two individuals to remove researcher bias and to further its design to assist in drawing out the response from the participant to be in tune with answering the research question. It was designed in such a way that sales associates could reflect upon their own personal



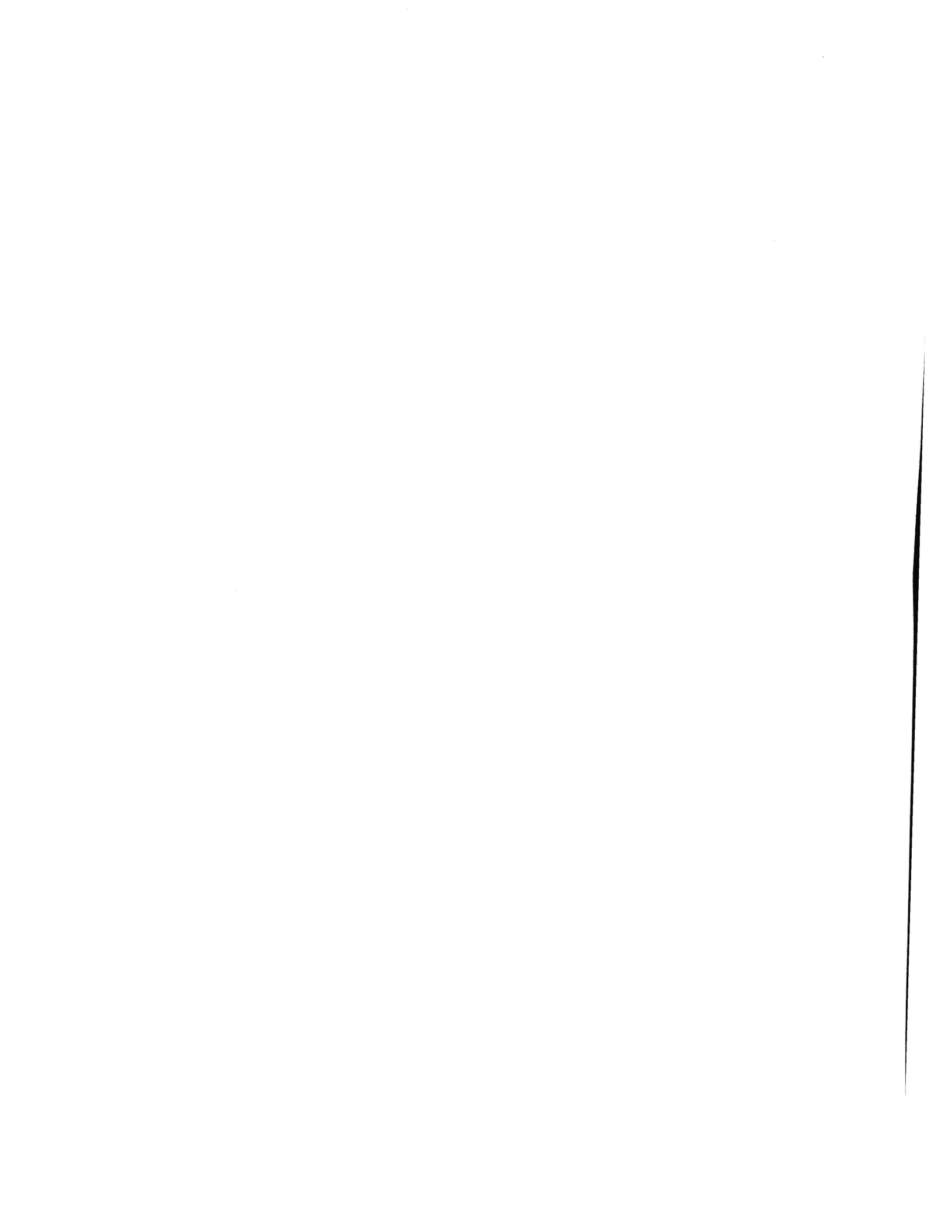
experiences and beliefs. Demographic information was gathered and compared to see if the participants held characteristics or ethical beliefs that made them different from each other.

Although the size of the study was small, it was designed to be easily replicable on a larger scale and to serve as a foundation for more extensive, quantitative research in the future. In addition to the results gained, information to suggest further areas to explore and research were provided.

Response to the interview questionnaire can be considered low; however, the participants provided depth and breadth from their experiences, when sharing their answers to the questions. The researcher then transcribed the collected data in order to analyze it and provide common themes and the connections as they relate to the research question. Descriptive analysis of the responses provided the insights and comparisons into the thoughts and beliefs of the sales associates who could be viewed as a whole with each other.

Now that the interviews have been completed, analyzed, and compared, the researcher must define what it all means in relationship to the research question. What influences personal attitudes and ethics regarding sales practices?

First, all five participants described honesty as the virtue that underpins the sales transaction. There was overwhelming support from the participants that ethical sales practices include honesty. In contrast, unethical sales practices included lying to and misleading the customer. Along with honesty, there was also an underlying theme described by the participants. Many of the participants described a connection between

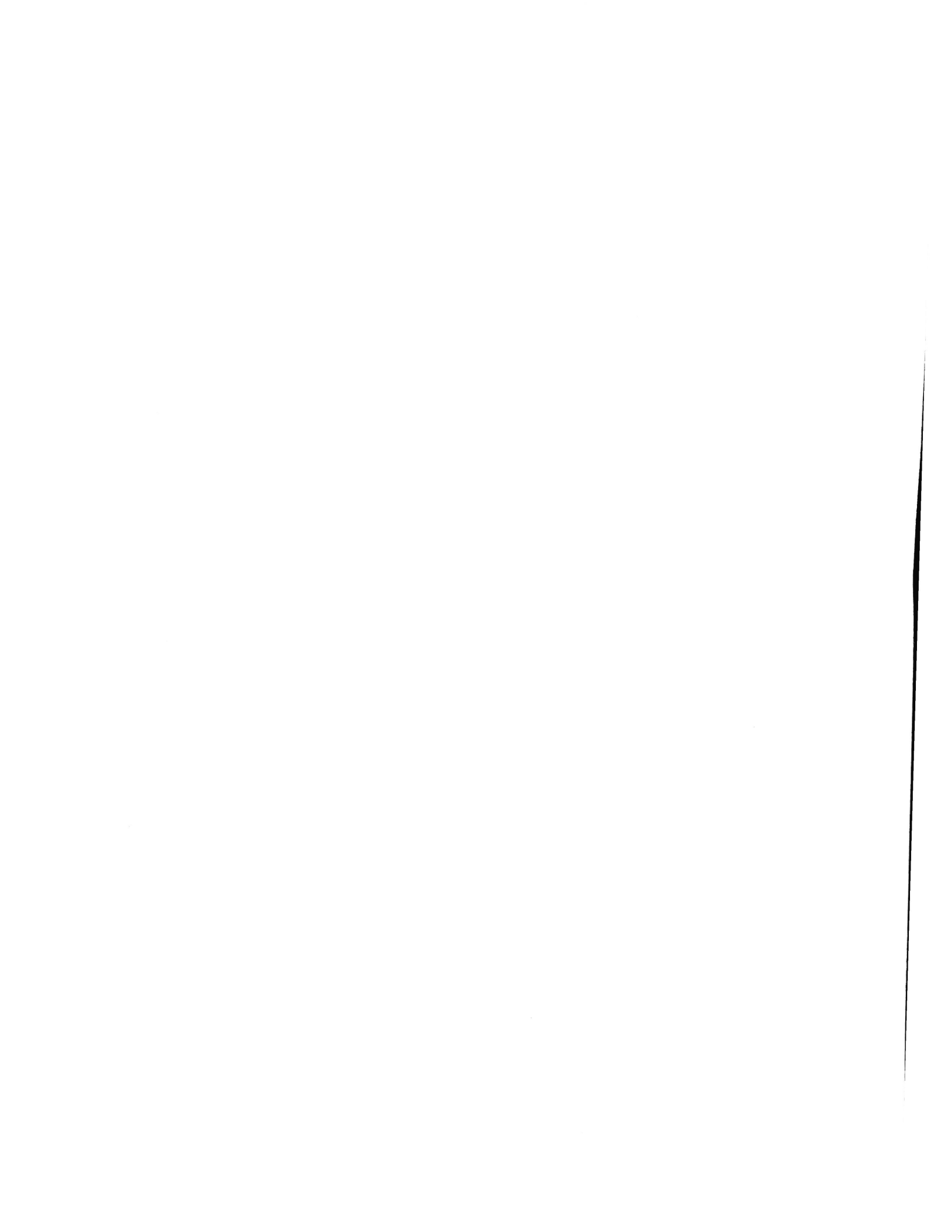


the sales associates' behavior to their family, friends, and the larger community in which they interact, as influencing sales practices.

The customer has the expectation that honest business practices will be conducted in a sales interaction. When interacting with a customer, if the sales associate routinely acts in a fair and honest way, then it may be said that the sales associate *is* fair and honest. The sales associate possessing the traits of a virtuous character brings benefit to the sales interaction with the customer. Ethical behavior on behalf of the sales associate is paramount to the link between the customer and the organization.

Secondly, leadership is a critical underlying aspect of the sales transaction. The leader lays the foundation for the interaction between the sales associate and the customer. This study defined characteristics of a leader as those of being intuitive, holding a vision, providing guidance and empowering other individuals. But more importantly, the leader must lead by example. Leaders possessing the characteristics described by the participants allows for ethical sales transactions to occur. It is also important to note that the leader may or may not retain a formal title within the organization. Ethical leadership, by the sales manager and the sales associates, is vital to the success of the team and the organization.

Although it was argued (p.22-26) that the sales associate who possessed the traits of a virtuous character could provide the most benefit to the vital link that is created between the customer and the organization, the researcher cannot claim that this was the result of the research conducted. The reasons for not making this claim are twofold. First, the small sample size is not conclusive to all sales associates and cannot be generalized to support such a claim. Secondly, the insights provided by the participants

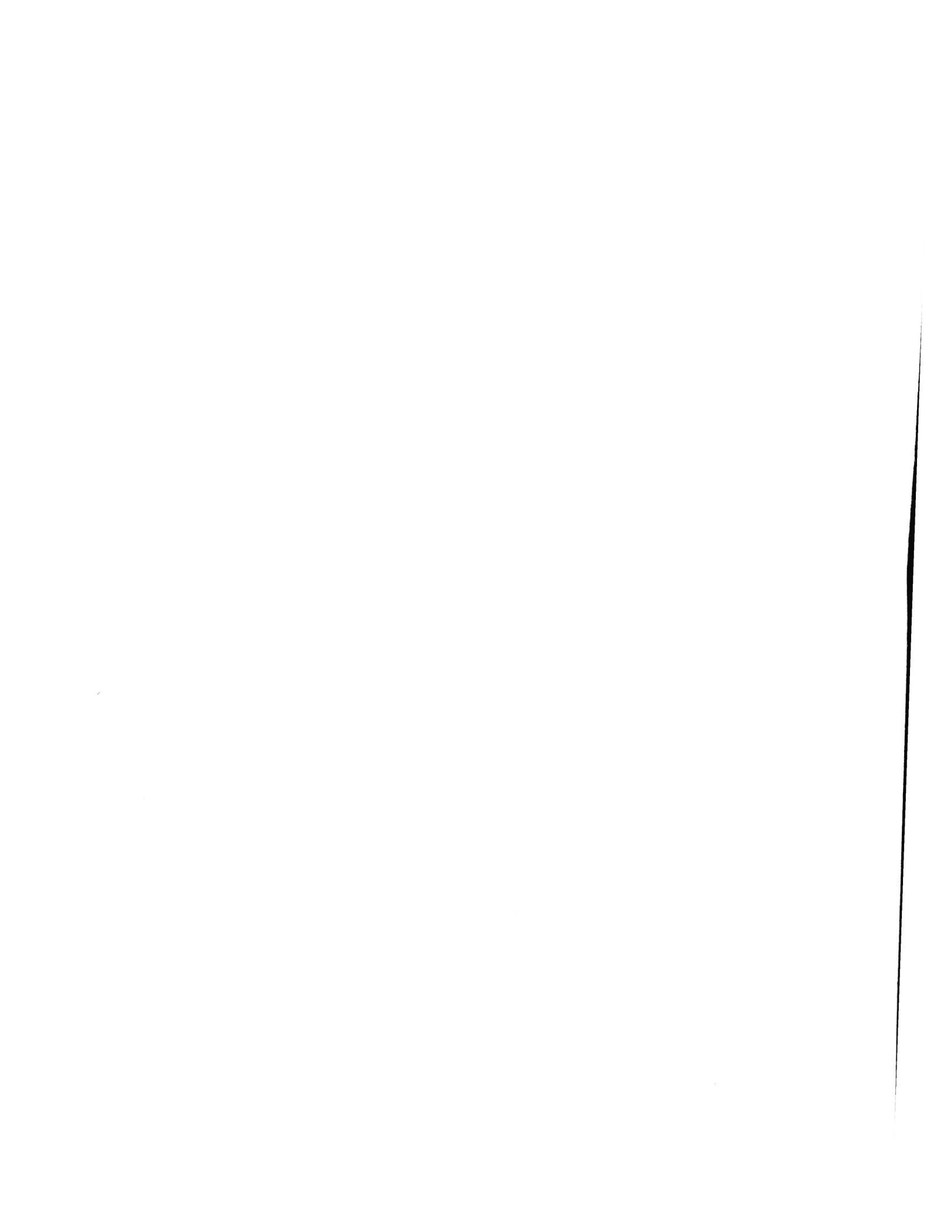


are their perspectives and in no way can a perspective become a direct connection to the actions of the sales associate during an actual sales interaction. It is the belief that the sales associate who possesses the traits of a virtuous character could provide a greater benefit to the vital link that is created between the customer and the organization during the sales interaction. However, one cannot claim that a virtuous character governs the sales associates who participated in this study.

Lastly, organizational training in the area of ethics falls short in providing guidance to the sales associate. This study found that organizations placed prominent value on product training, along with training on organizational policies and procedures. Unfortunately, minimal emphasis was placed on training sales associates in the aspects of ethical sales behavior. Regrettably, the organization may or may not realize the significant impact ethical training could have upon the sales transaction. Further benefit could be gained from ethics training; one important benefit would be to the vital link between the sales associate, the customer, and the organization.

Recommendations

For future research on the concept of what influences personal ethics and attitudes regarding sales practices, there are a number of areas or projects that seem worthy of exploration. These areas would include in-depth exploration into the vital link that underpins the relationship of the sales associate, the customer, and the organization. Another area to explore would be the various sales positions that are present in other products that are purchased by a customer. Exploration into the question, 'What can be

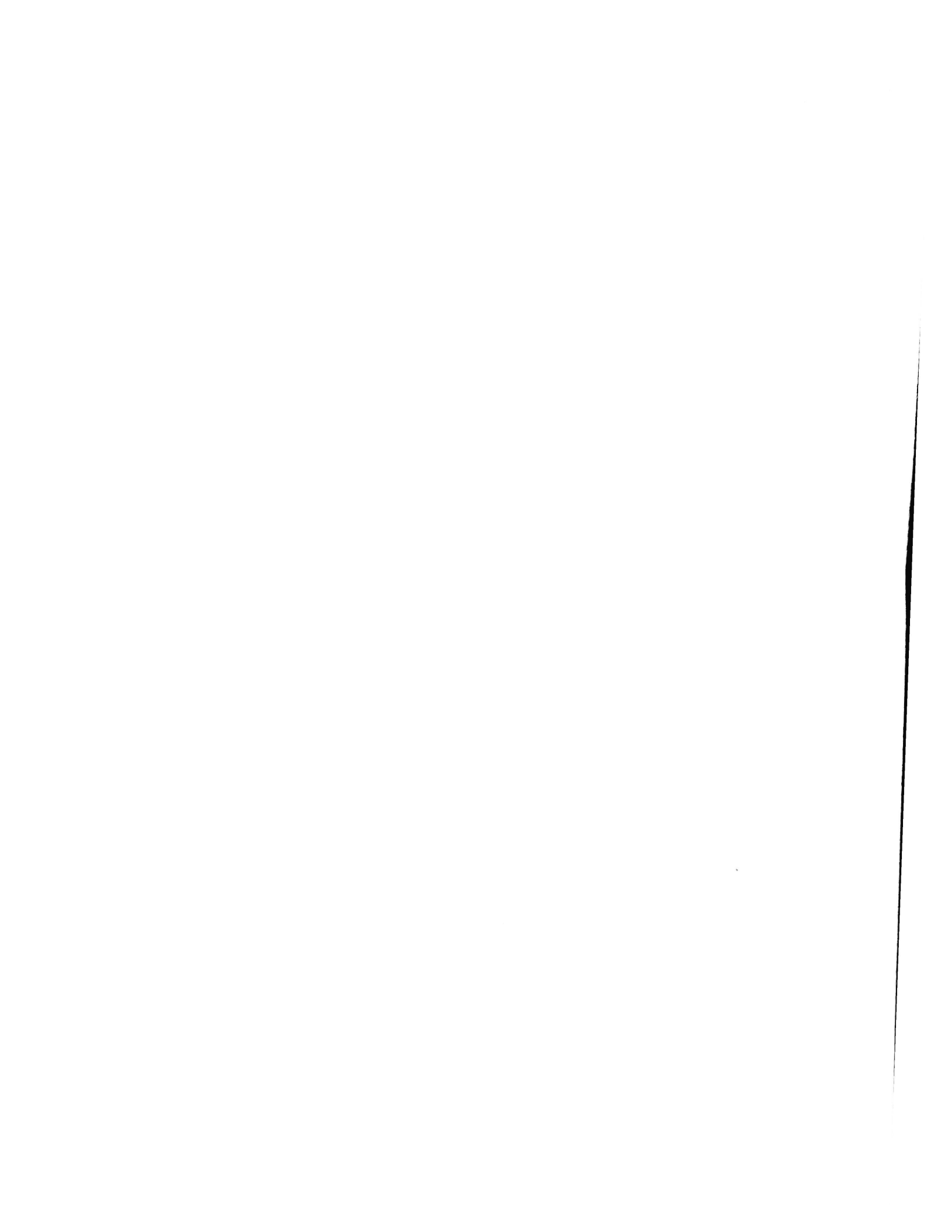


done' at the organizational level to remove negative influences upon sales practices, would provide many opportunities for development.

The insight provided by this research study strongly implies the need for organizations to understand, develop, and implement training programs that specifically address the ethics of selling. Further training in the area of the vital link that is created and present between the sales associate, the customer, and the organization, would provide great benefit to any organization. Moving in this direction, the organization will not only gain benefit, but also, benefit will be gained by the sales associate and the customer.

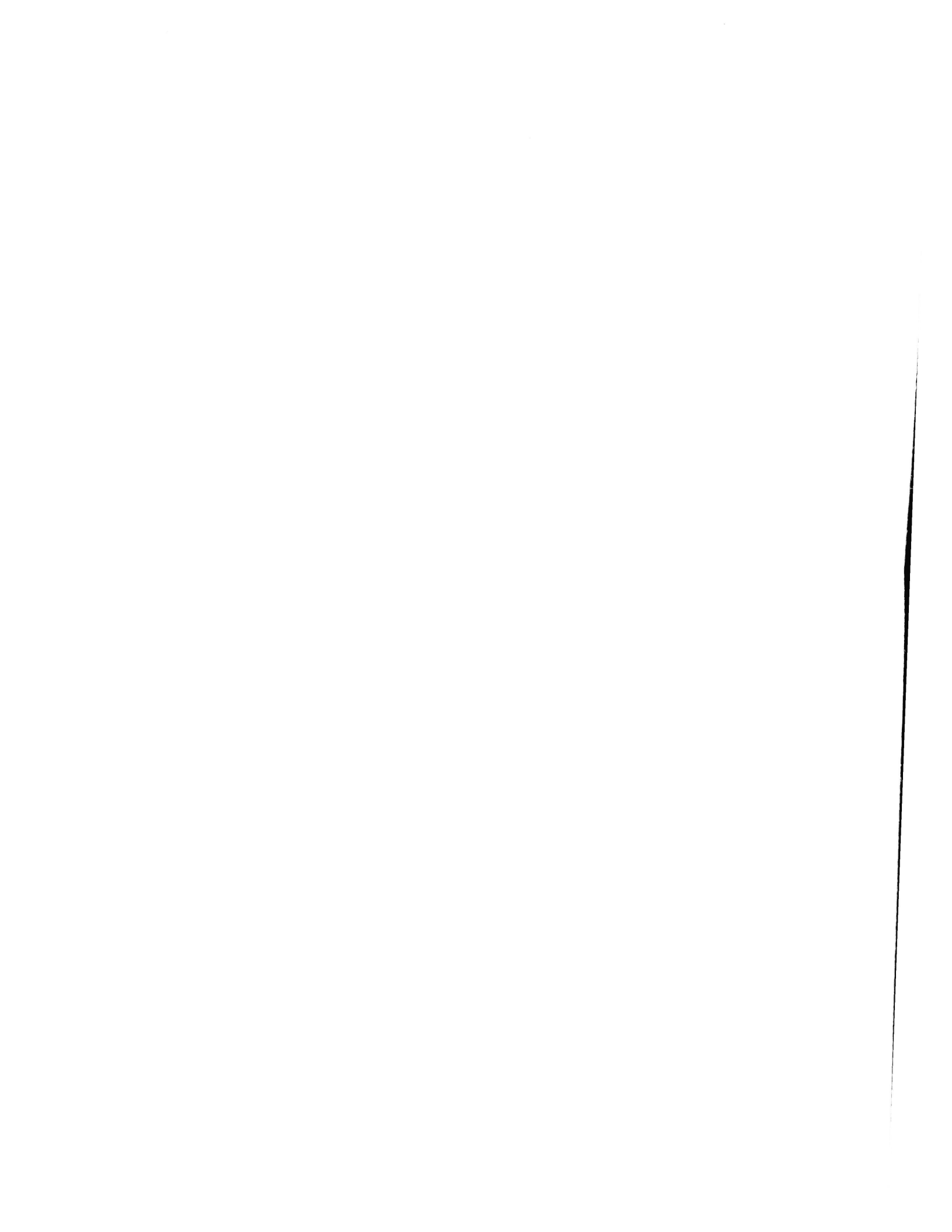
Implications

The researcher feels that the findings of this study will be meaningful to organizations, leaders, and others interested in gaining an understanding about the ethical attitudes of the sales associate. This may be especially true in the sales manager area, where the findings of this study would be more applicable with respect to team building and fostering the link that is present between the sales associate, the customer, and the organization.

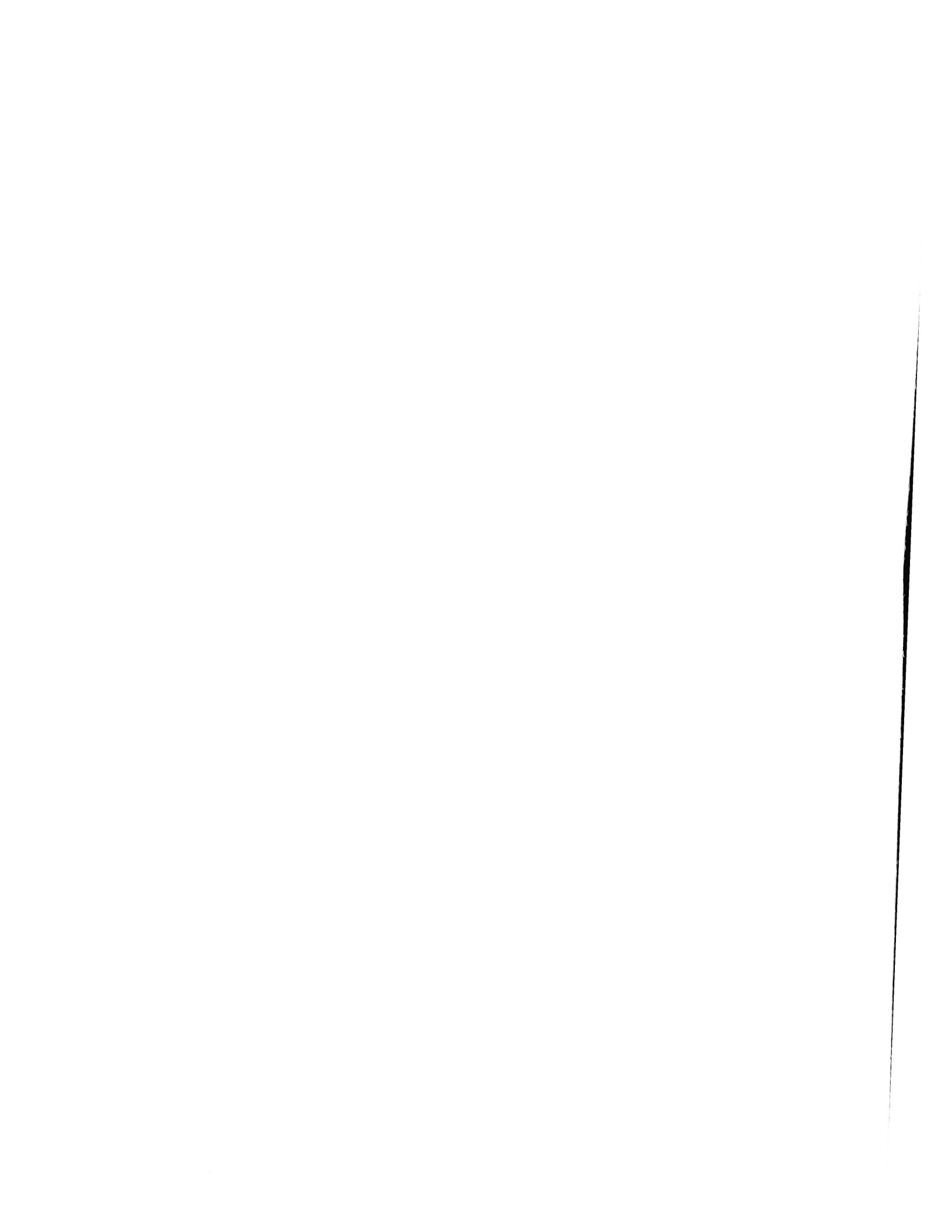


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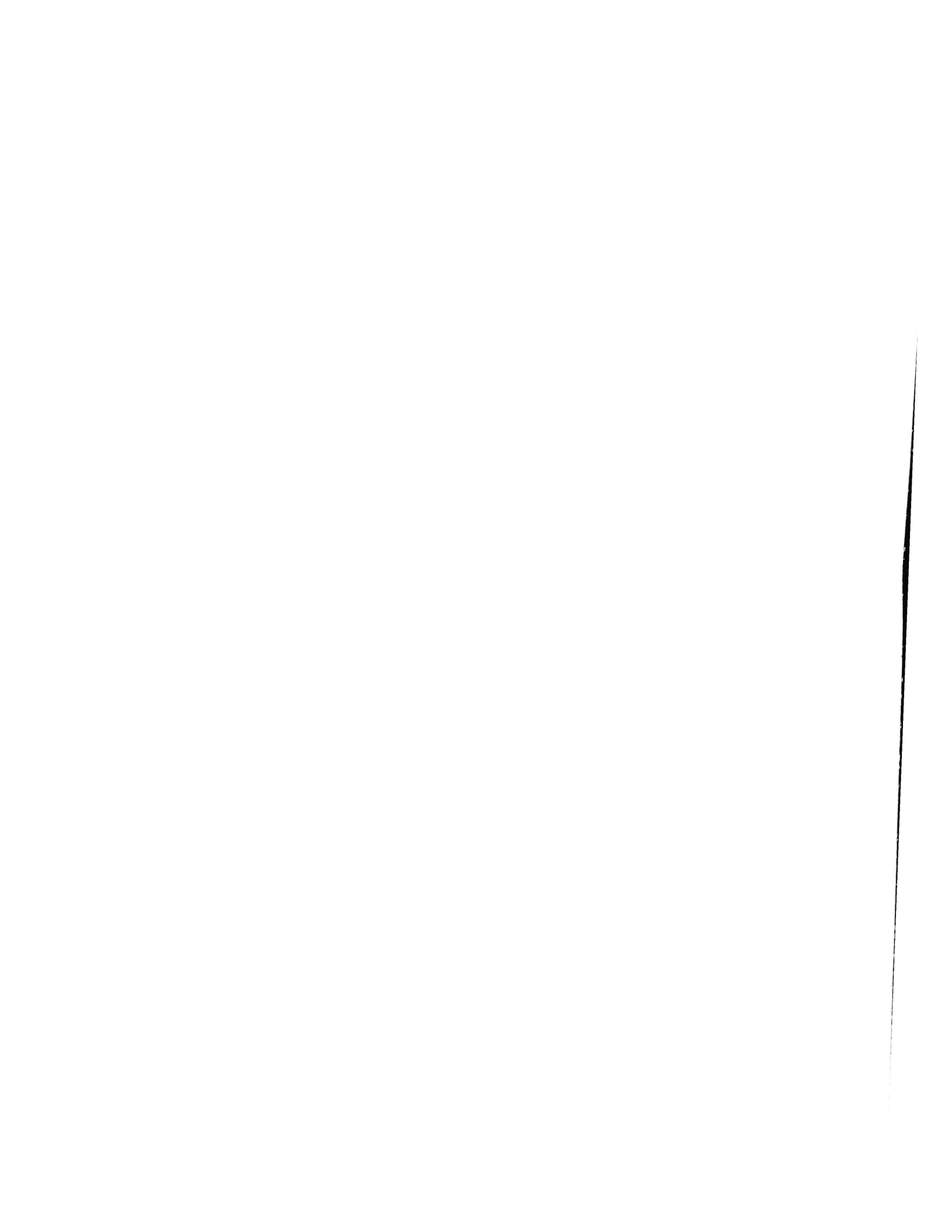
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APPENDIX A: CONSENT FORM



What Influences Personal Ethics and Attitudes Regarding Sales Practices Consent Form

You are invited to participate in a research study focusing on the factors that influence personal ethics and attitudes regarding sales practices. You were selected as a possible participant because of your sales position with an organization (over 200 employees) that sells its product or service directly to the consumer. I ask that you read this form and ask any questions you may have before agreeing to be in the study.

This study is being conducted by me as my thesis for the Master of Arts in Leadership at Augsburg College.

Background Information:

The purpose of this study is to gain an understanding, from the sales associate's experience, of what influences personal ethics and attitudes regarding sales practices. Another intended outcome of the study is to understand what, if any, responsibility the leader has in overseeing sales practices.

Procedures:

If you agree to be in this study, I would ask you to participate in an audio tape-recorded interview with the researcher. The interview should last approximately 30-45 minutes and will be conducted in an agreed upon setting. The tapes will then be transcribed by me.

Risks and Benefits of Being in the Study:

A potential risk of participating in this study is the possible feeling that your privacy has been invaded. Questions asked during the interview are designed to solicit your insight and perspective. Due to the nature of the topic, personal ethics and attitudes regarding sales practices, the questions may probe your inner thoughts and beliefs. This can be considered sensitive information.

There is no direct benefit (e.g., money, credit, etc.) for your participation. Your involvement in this interview is completely voluntary. You can withdraw at anytime.

The indirect benefits gained is the contribution you will be making to knowledge of leadership and personal ethics.

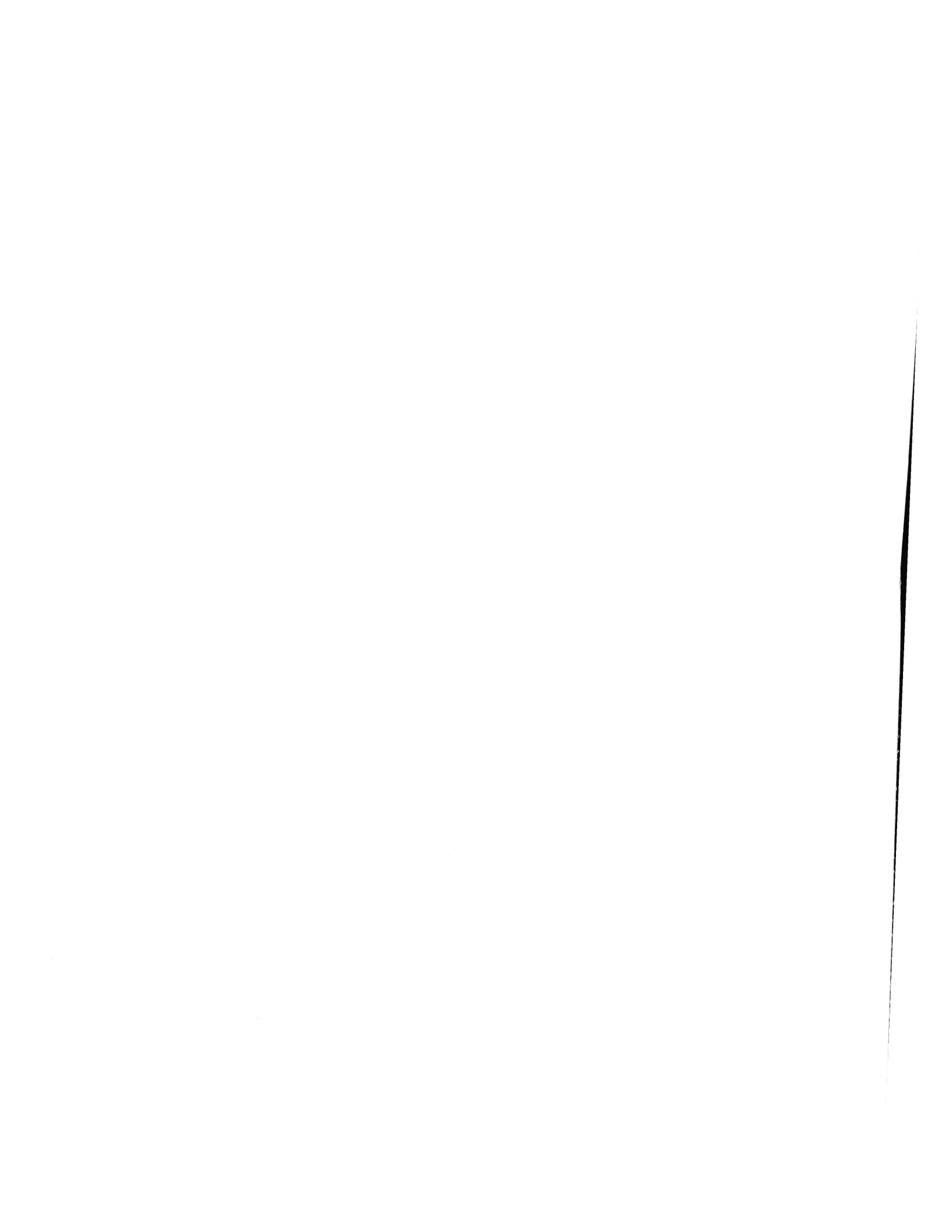
Confidentiality:

The records of this study will be kept private. Any information that has the potential to identify you or the organization in which you are affiliated will not be included in any sort of report that might be published. Research records will be kept in a locked file at the home of the researcher. Only the researcher and advisor will have access to the records.

Raw data will be destroyed by March 28, 1999.

Voluntary Nature of the Study:

Your decision whether or not to participate will not affect your current or future relations with Augsburg College. Your voluntary participation or refusal not to participate will not affect your standing in the organization in which you are employed. The organization will not know who has volunteered and who has not. If you decide to participate, you are free to withdraw at any time.



Contacts and Questions:

The researcher conducting this study is Kim McWilliams. My advisor is Lucie Ferrell R.N., Ph.D. You may ask any questions you have now or you may call either of them at

Phone: (612) 896-6157 Kim McWilliams
or (612) 330-1215 Lucie Ferrell R.N., Ph.D.

You are provided a copy of this form to keep for your records.

Statement of Consent:

I have read the above information. I have asked questions and have received answers. I consent to participate in the study.

Signature _____ Date _____

I consent to audio taping of the interview _____ Date _____

I consent to allow the researcher to use quotes _____ Date _____

Signature of investigator _____ Date _____

**APPENDIX B: INTERVIEW GUIDE and DEMOGRAPHIC DATA
COLLECTION FORM**

INTERVIEW GUIDE

1. How would you describe your job and its responsibilities?
2. In your perspective, what characteristics describe a leader?
3. What does moral integrity mean to you or how would you describe moral integrity?
4. What do you consider to be ethical sales practices?
5. What do you consider to be unethical sales practices?
6. What do you think influences ethical sales practices?
7. What do you think influences unethical sales practices?
8. What role do you think the Sales Manager has in overseeing sales practices?
9. In your view, what is the impact of sales goals upon sales practices?
10. What responsibilities to the customer does the sales associate have regarding sales practices?
11. What type of training does your organization provide?

DEMOGRAPHIC DATA

In any research study, it is helpful to understand the demographic information of the participants. Please provide the following information.

Years of experience in sales _____

Years at current employer _____

Status of employment _____ Full time _____ Part time

Gender _____ Male _____ Female

Age _____

Education level

_____ High School

_____ College (4 year)

_____ Community College

_____ Graduate School

_____ Technical College

_____ G.E.D.

Marital Status

_____ Single

_____ Married

_____ Divorced

_____ Widowed

_____ Other

APPENDIX C: APPROVAL FROM INSTITUTIONAL REVIEW BOARD

AUGSBURG



C • O • L • L • E • G • E

Kim Mc Williams
5282 Bounty Street SE
Prior Lake, MN 55372

May 8, 1998

Dear Kim McWilliams,

We reviewed your research proposal and IRB application, "What influences personal ethics and attitudes regarding sales practices". The IRB committee has approved your proposal with two required changes. To maintain professional relationships with participants, provide only your office or work phone number. Secondly, in order to protect anonymity you can only use demographic data to describe the sample as it relates to the population of sales representatives.

Please attend to several recommendations made by board members. The reporting of your findings will require careful thought. Reporting direct quotations on question 8 may pose an economic risk to a participant if the sales manager could identify that participant. A second recommendation is to reevaluate the utility of question 10. The question being, will answers to this question aid in answering your research question?

Your IRB number is 97-56.-03. Please use this number in all official documentation in your research. Include this number in you consent form. Do well in this interesting research.

Sincerely,

A handwritten signature in black ink, appearing to read "M Schock". The signature is fluid and cursive.

Professor Michael Schock
Institutional Review Board
Augsburg College
Minneapolis

cc. L. Ferrell

DEPARTMENT OF SOCIAL WORK

Campus Box #51 • 2211 Riverside Avenue • Minneapolis MN 55454 • Tel. (612)330-1189 • Fax (612)330-1493

APPENDIX D: AGENCY ACCESS PERMISSION LETTERS

January 8, 1999

Michael Schock, Ph.D.
Augsburg College Institutional Review Board
Augsburg College
2211 Riverside Avenue
Campus Mail #29
Minneapolis, MN 55454-1351

Dear Mr. Schock,

I have met with Kim McWilliams and discussed her research project. I realize her focus and interests lie in understanding the factors that influence personal ethics and attitudes regarding sales practices. She has assured our organization that all measures to protect individual and organizational confidentiality will be taken.

She has my permission to contact the employees of our sales department.



April 16, 1998

Michael Schock, Ph.D.
Augsburg College Institutional Review Board
Augsburg College
2211 Riverside Avenue
Campus Mail #29
Minneapolis, MN 55454-1351

Dear Mr. Schock,

I have met with Kim McWilliams and discussed her research project. I realize her focus and interests lie in understanding the factors that influence personal ethics and attitudes regarding sales practices. She has assured our organization that all measures to protect individual and organizational confidentiality will be taken.

She has my permission to contact the employees of our sales department.

A handwritten signature in black ink, appearing to read "A. Paul Mahoney", written over a horizontal line.

April 23, 1998

Michael Schock, Ph.D.
Augsburg College Institutional Review Board
Augsburg College
2211 Riverside Avenue
Campus Mail #29
Minneapolis, MN 55454-1351

Dear Mr. Schock,

I have met with Kim McWilliams and discussed her research project. I realize her focus and interests lie in understanding the factors that influence personal ethics and attitudes regarding sales practices. She has assured our organization that all measures to protect individual and organizational confidentiality will be taken.

She has my permission to contact the employees of our sales department.

WH Ward

April 27, 1998

Michael Schock, Ph.D.
Augsburg College Institutional Review Board
Augsburg College
2211 Riverside Avenue
Campus Mail #29
Minneapolis, MN 55454-1351

Dear Mr. Schock,

I have met with Kim McWilliams and discussed her research project. I realize her focus and interests lie in understanding the factors that influence personal ethics and attitudes regarding sales practices. She has assured our organization that all measures to protect individual and organizational confidentiality will be taken.

She has my permission to contact the employees of our sales department.



GENERAL MANAGER
GROSSMAN CHEVROLET

Augsburg College
Lindell Library
Minneapolis, MN 55454