

Journal of Personal Selling & Sales Management

FALL 2007, VOLUME 27, NUMBER 4

SPECIAL ISSUE

Sales Force Ethics—Strategic Implications and Leadership Challenges

Introduction: Special Issue on Sales Force Ethics—Strategic Implications and Leadership Challenges

Mark W. Johnston, O.C. Ferrell, and Rene Darmon, Guest Editors

A Framework for Personal Selling and Sales Management Ethical Decision Making

O.C. Ferrell, Mark W. Johnston, and Linda Ferrell

Salesperson Ethical Decision Making: The Impact of Sales Leadership and Sales Management Control Strategy

Thomas N. Ingram, Raymond W. LaForge, and Charles H. Schwepker, Jr.

On the Ethicality of Internal Consumption in Multilevel Marketing

Robert A. Peterson and Gerald Albaum

Sales Management's Influence on Employment and Training in Developing an Ethical Sales Force

Charles H. Schwepker, Jr., and David J. Good

A Social Network Perspective on Sales Force Ethics

Matthew T. Seevers, Steven J. Skinner, and Scott W. Kelley

Toward Higher Levels of Ethics: Preliminary Evidence of Positive Outcomes

Douglas B. Grisaffe and Fernando Jaramillo

Perceived Organizational Ethics and the Ethical Decisions of Sales and Marketing Personnel

Sean Valentine and Tim Barnett

Personal Selling and Sales Management Abstracts

Index to Volume 27



This Journal of Personal Selling and Sales Management article reprint is made available to members of the Sales Management Association by special arrangement with JPSSM and the Pi Sigma Epsilon National Educational Foundation.

Sales
Management
Association
**Featured
Article**

SALESPERSON ETHICAL DECISION MAKING: THE IMPACT OF SALES LEADERSHIP AND SALES MANAGEMENT CONTROL STRATEGY

Thomas N. Ingram, Raymond W. LaForge, and Charles H. Schwepker, Jr.

Enhancing the moral behavior of salespeople is increasingly important, but difficult, in today's fast-paced and complex selling environment. Sales organizations need to emphasize ethical codes of conduct, but must also address the potential impact of all sales management decisions on the ethical behavior of salespeople. We expand the focus on ethical codes to include an interpersonal dimension of sales organization ethical climate and the cognitive moral development of salespeople. Relationships among sales leadership and sales management control strategy, the structural and interpersonal dimensions of sales organization ethical climate, salesperson cognitive moral development, and salesperson moral judgment are discussed and specific propositions presented. These propositions suggest specific directions for future sales ethics research and have key implications for sales organizations.

Many firms are trying to promote ethical behavior through the strict enforcement of codes of ethics (Weber 2006) and a focus on ethical values (Gunther 2004; Paine et al. 2005). Despite these efforts, ethical misconduct is regularly reported in the business press and research studies (Ferrell and Ferrell 2006; Mulki, Jaramillo, and Locander 2006), with these ethical transgressions hurting firms in various ways (Gilbert, Chang, and Drouillard 2004).

The situation within sales organizations is similar. Many sales organizations are focusing on ethical codes of conduct, but ethical misconduct by salespeople is still prevalent. One study of sales and marketing executives reported that almost 50 percent of the respondents suspect that their salespeople have lied on a sales call and almost 75 percent believe that the drive to achieve sales goals encourages salespeople to lose focus on customer needs (Strout 2002). Another study of 300 sales managers found 50 percent reporting increased competition within sales organizations, 38 percent suggesting more conflict and disputes among salespeople over territories and leads, and 50 percent indicating greater concern about colleagues stealing accounts and leads (Stewart 2003). These unethical behaviors by salespeople cause problems within sales organizations and with other business functions, damage customer

relationships, decrease customer retention, and reduce sales (Jones et al. 2005).

Increasing the ethical behavior of salespeople is especially important in today's sales environment (Jones et al. 2005). Some sales organizations are using ethics as a key selling point, because more buyers consider a company's ethical reputation when making purchasing decisions (Gilbert 2003). Research evidence also suggests the importance of sales ethics in maintaining and expanding relationships with customers, especially when customers have negative attitudes toward a firm's industry (Roman and Ruiz 2003). Thus, an emphasis on sales ethics can help sales organizations generate new customers, and maintain and expand relationships with existing customers, even in industries tainted by ethical problems.

Our purpose is to present a model and discuss important relationships for increasing the moral decision making of salespeople. We focus on the impact of sales leadership and sales management control strategy (SMCS) on sales organization ethical climate, salesperson cognitive moral development (CMD), and salesperson moral judgment. After synthesizing previous sales ethics research, our conceptual model is introduced, its major constructs and relationships discussed, and specific research propositions presented. We conclude with suggestions for future research and important managerial implications for sales organizations.

SALES ETHICS RESEARCH OVERVIEW

The research on sales ethics has continuously expanded over the past three decades. Early studies described and compared the ethics of different groups, such as industrial salespeople, retailers, purchasing agents, students, and service sellers. As the emphasis in the marketing literature shifted to explaining and predicting ethical decision making, particularly through

Thomas N. Ingram (Ph.D., Georgia State University), FirstBank Professor of Business Administration, College of Business, Colorado State University, tom.ingram@colostate.edu.

Raymond W. LaForge (DBA, University of Tennessee), Brown-Forman Professor of Marketing, College of Business, University of Louisville, buddy.laforge@louisville.edu.

Charles H. Schwepker, Jr. (Ph.D., University of Memphis), The Mike and Patti Davidson Distinguished Marketing Professor, Harmon College of Business Administration, University of Central Missouri, schwepker@ucmo.edu.

positive models of decision making, so too did the focus of sales ethics research (McClaren 2000). Concern about ethical behavior has led to the development of numerous models and frameworks for analyzing ethical decision making in marketing (e.g., Bartels 1967; Dubinsky and Loken 1989; Ferrell and Gresham 1985; Ferrell, Gresham, and Fraedrich 1989; Hunt and Vitell 1986), sales (Wotruba 1990), and management (Bommer et al. 1987; Jones 1991; Treviño 1986). A synthesis of leading ethical decision-making models suggests that individuals must first recognize that a moral issue exists, then make a moral judgment, establish moral intent, and finally engage in moral behavior (Jones 1991).

Over the years, investigations surrounding the elements of ethical decision making have focused on both individual and organizational factors (for a detailed review, see McClaren 2000). Gender, age, education, training, ethical values, and Machiavellianism have been studied in relation to sales ethics. Organizational factors examined include selling role, organizational offering, job tenure, professional background, income, supervision, discipline, rewards/punishment, codes of ethics, ethical climate, and organizational culture. Furthermore, the decision-making processes of sales managers (Bass, Barnett, and Brown 1998; Cherry and Fraedrich 2000), direct selling industry ethics (Chonko, Wotruba, and Loe 2002), the impact of sales manager moral philosophies on hiring decisions (Sivadas et al. 2003), and the role of affect on ethical choice (Mantel 2005) have all been examined.

Although much progress has been made, more research is needed to improve our understanding of how to most effectively influence ethical behavior in the sales force. Ingram (2004) calls for studying the relationships between ethical climate, control systems, and management's role in communicating and reinforcing ethical climate. Ethical climate may be the most manageable factor management can use to influence ethical behavior in a sales organization (Schwepker, Ferrell, and Ingram 1997). Given ethical climate's potential importance and the need for further research in this area, we focus our attention on sales organization ethical climate.

We also examine salesperson CMD. CMD provides an approach to explaining moral reasoning and is an important factor in the judgment phase of ethical decision making (Rest 1986; Treviño 1986). Despite extensive research on CMD (e.g., Snarey 1985), we found only two studies examining salesperson CMD (Izzo and Vitell 2003; Schwepker 1999). Because CMD plays an important role in moral judgment (Rest 1986; Treviño 1986), we emphasize the salesperson CMD construct along with sales organization ethical climate.

CONCEPTUAL FRAMEWORK

The framework in Figure 1 posits that sales organization ethical climate and salesperson CMD are the key determinants of

salesperson moral judgment. Sales organization ethical climate is conceptualized as consisting of two major dimensions—an interpersonal dimension and a structural dimension. Sales organizations impact sales organization ethical climate and salesperson CMD in various ways. Our model focuses on the impact of SMCS and sales leadership on these two factors. Each component of the model and key relationships are discussed in detail. Table 1 summarizes the propositions generated from our model.

SALESPERSON MORAL JUDGMENT

A central component of most ethical decision-making models in marketing and management is moral judgment, the immediate precursor to moral intent and, subsequently, moral behavior (cf. Jones 1991). Moral judgment is an individual's decision as to whether something is considered ethical or unethical, right or wrong (Treviño 1986), and results from some form of moral reasoning (Rest 1986). Ethical decision-making models generally suggest that those individuals with higher moral values or those reasoning at a higher cognitive moral level should make more ethical decisions (e.g., Jones 1991).

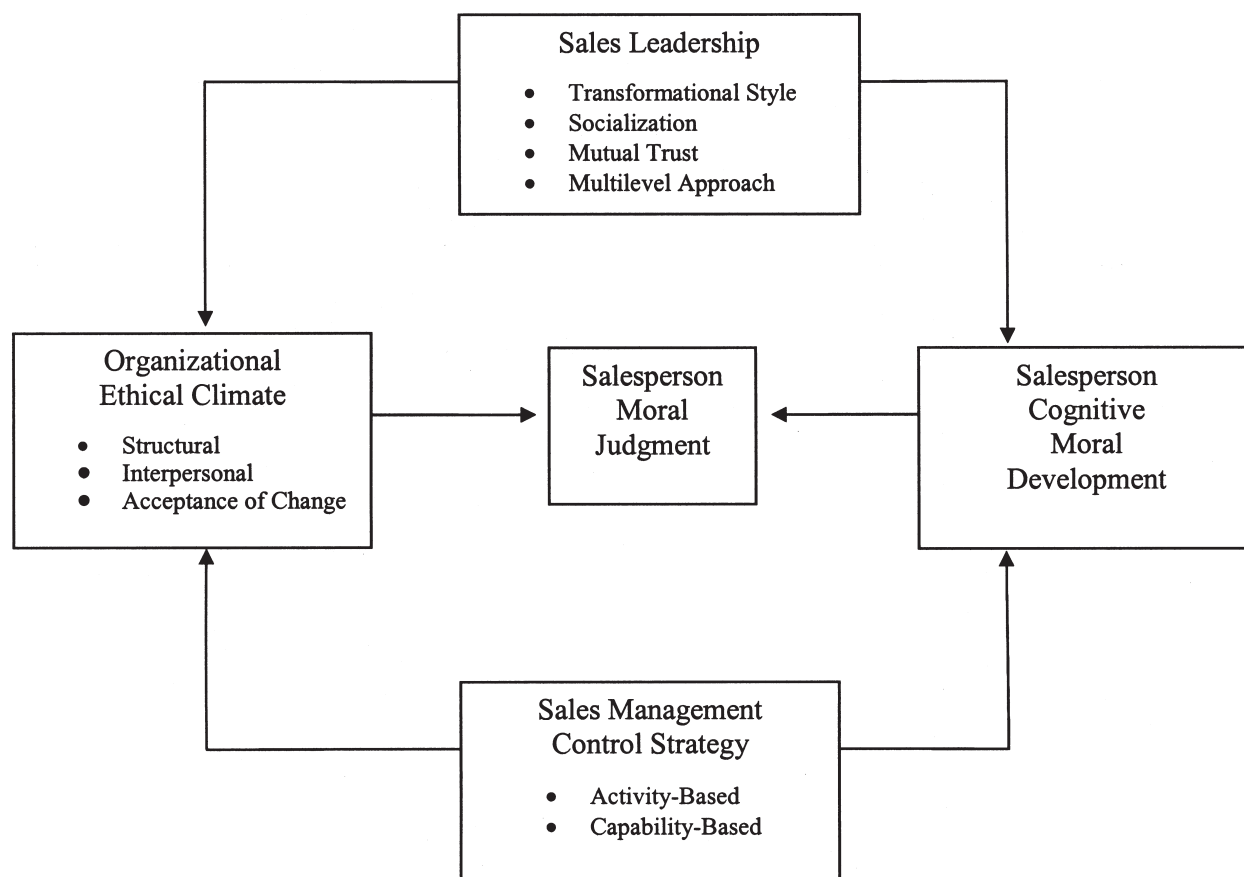
When making ethical decisions, individuals may reason via several different moral philosophies, including justice, ethical relativism, deontology, teleology, or egoism (Reidenbach, Robin, and Dawson 1991). Although Hunt and Vitell's (1986) general theory of marketing ethics postulates that one's ethical judgment is a function of his or her deontological and teleological evaluations, the general contention is that individuals do not use a clearly delineated concept of moral philosophy when making ethical evaluations of marketing activities (Reidenbach and Robin 1988). Instead, individuals may draw upon several philosophies, each taking a different approach to explaining what is right or wrong, ethical or unethical.

Due to the difficulty of studying actual moral behavior, moral judgment has commonly been investigated as a dependent variable in sales ethics research (e.g., Bass, Barnett, and Brown 1998; Cherry and Fraedrich 2000; Mantel 2005; Reidenbach, Robin, and Dawson 1991; Schwepker and Good 1999; Schwepker and Ingram 1996; Sivadas et al. 2003). A review of more than 70 studies shows a significant relationship between moral judgment and moral behavior (Blasi 1980). Because of the support for moral judgment as a precursor of moral behavior (e.g., Jones 1991), we use salesperson moral judgment as the criterion construct in our conceptual framework.

SALES ORGANIZATION ETHICAL CLIMATE

Moral judgment can be dictated by a variety of external or internal conditions (Jones 1991). An important controllable factor that could influence the moral judgment of salespeople is their organization's ethical climate. Organizational climate

Figure 1
Conceptual Framework: Enhancing Salesperson Moral Judgment



refers to shared employee perceptions regarding policies and procedures, and to the behaviors that are supported, rewarded, and expected by organizations (Schneider and Rentsch 1988). Because differences exist in individuals' positions, work groups, and employment histories, perceptions of organizational climate may vary within the firm (Victor and Cullen 1988). Moreover, within an organization, its subunits, or work groups, several different types of climates, including an ethical climate, may exist (Schneider 1975).

Ethical climate has been defined as "the prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor and Cullen 1988, p. 101). As such, it may be viewed as a composite of organizational perceptions of the ethical values and behaviors supported and practiced by organizational members. The view of ethical climate's dimensionality and subsequent measurement has varied across research studies. One line of research focuses on ethical climate from the perspective of factors that delineate acceptable and unacceptable behavior, with the focus being

on the presence and enforcement of ethical codes, ethical policies, and punishment as a means to define and measure ethical climate (e.g., Ferrell, LeClair, and Ferrell 1997; Mulki, Jaramillo, and Locander 2006; Schwepker 2001; Schwepker, Ferrell, and Ingram 1997; Weeks et al. 2004). Babin, Boles, and Robin (2000) suggest that ethical work climate consists of four dimensions—responsibility and trust, ethical peer behavior, ethical norms, and selling practices. Victor and Cullen (1988) identify five dimensions of ethical climate—caring, rules, law and code, independence, and instrumental—based on three types of ethical reasoning—egoism (maximizing self-interest), benevolence (maximizing joint interests), and principle (adherence to principle). There is evidence linking ethical behavior with the caring, law and code, rules, and independence dimensions of ethical climate, whereas the instrumental dimension is associated with unethical behavior (Wimbush, Shepard, and Markham 1997). Synthesizing what is known about ethical climate, we suggest that it contains two broad dimensions—*structural* and *interpersonal*.

Table I
Summary of Propositions

	Salesperson Moral Judgment	Transformational Sales Leadership	Sales Force Socialization	Mutual Trust	Multilevel Approach	Sales Management Control System
Perceived Ethical Climate						
Structural	P1					P12 activity-based
Interpersonal	P2	P5(a) P5(b)	P9 P8(a) P7 P6	P10(b)		P13 capability-based
Overall					P11(a)	
Acceptance of Change to Ethical Climate				P10(a)		
Salesperson Cognitive Moral Development	P3, P4		P8(b)		P11(b)	P14 capability-based

Note: All associations between variables are proposed as positive.

Structural Dimension of Ethical Climate

We conceptualize the *structural* dimension of ethical climate as being created by perceptions of control factors external to the individual, such as law, ethical codes, ethical policies, and punishment for unethical behavior. These are factors the firm uses (or does not use) that help shape employees' perceptions of the organization's ethicalness. When ethical codes, ethical policies, and punishment for unethical behavior are perceived to exist and are enforced, we expect the climate to be perceived as more ethical.

Much of the research surrounding ethical climate has focused on the structural dimension. The primary emphasis has been on the impact of ethical codes, ethical policies, and rewards/punishment with regard to ethics, as they relate to ethical climate.

In part, a firm's structure can influence its climate (Schneider and Reichers 1983). As part of a firm's structure, a written code of ethics—a formal, management-initiated control that sets standards or expectations regarding both preferred and problematic behaviors (Brothers 1991; Weaver 1993)—is perhaps one of the most important influences on the firm's ethical climate. Although some critics refute the ability of ethical codes to influence behavior (e.g., Grundstein-Amado 2001; Tsalikis and Fritzsche 1989), evidence suggests that ethical codes positively influence ethical decision making and the ethical climate within an organization (Barnett and Vaicys 2000; Hegarty and Sims 1978; McCabe, Treviño, and Butterfield 1996), especially when they are enforced (Ferrell and Skinner 1988). Likewise, corporate goals and stated policies regarding ethical behavior serve as formal control mechanisms that strongly influence employees' decisions on whether to act ethically or unethically (Bommer et al. 1987; Hegarty and Sims 1979).

Management's use of punishment for unethical behavior provides another important influence on the firm's ethical climate (Posner and Schmidt 1987). Control theory suggests that punishment, or simply the threat of punishment, is a formal control designed to influence and shape employee behavior (Jaworski 1988; Nielsen 2000). Appropriately distributed discipline has been shown to correct problem behavior and increase performance and satisfaction (Podsakoff 1982). However, when punishment or its threat is absent, the opportunity for unethical behavior increases.

By punishing unethical behavior, the firm's ethical climate is affected by establishing expectations regarding acceptable behavior, thereby reducing the perceived opportunity to engage in unethical actions (Hegarty and Sims 1978; Schwepker and Hartline 2005; Treviño 1986; Treviño and Ball 1992). As such, a reduction in unethical behavior is expected as punishment clearly articulates normative values regarding ethical behavior (Sims 1994; Wimbush and Shepard 1994).

Interpersonal Dimension of Ethical Climate

We conceptualize the *interpersonal* dimension of ethical climate as being created by perceptions of the ethical (unethical) behaviors of organizational members. Although factors (e.g., ethical codes, ethical policies, and punishment) believed to influence perceptions of the firm's ethical climate can influence ethical behavior, individual behavior is also influenced by one's ethical values (Ferrell and Gresham 1985) and moral reasoning (Kohlberg 1968). Thus, we expect the ethical (unethical) behaviors of organizational members to likewise help shape employee's perceptions of the organization's ethicalness. The more individuals within the firm inherently care about doing what is right for those both inside and outside the organization and thus act accordingly (i.e., doing what is "right" is internalized), the more ethical the climate is expected to be perceived. Conversely, the more organizational members are perceived as having low moral values, unethical behavior, and thus no interest in doing what is right, the less ethical the climate will be perceived. Thus, for instance, a salesperson who experiences other sales force members practicing deceptive sales tactics is more likely to perceive the organization's climate as less ethical than one who does not.

Research generally has not focused on the interpersonal dimension of ethical climate. However, there is some indication of its importance. Upchurch and Ruhland (1996) found the benevolence dimension of ethical climate to be the predominant dimension affecting the ethical decision making of hotel and motel property managers. The benevolent dimension deals with maximizing joint interests (i.e., one's concern about the impact of ethical decisions on those inside and outside the organization) and would be considered a part of the interpersonal dimension of ethical climate. Likewise, Wimbush, Shepard, and Markham (1997) found negative associations between Victor and Cullen's (1988) "caring" and "independence" dimensions (both of which would fall into the interpersonal dimension of ethical climate) and unethical behavior, further indicating the importance of the interpersonal dimension of ethical climate. Thus, when individuals have high moral values and act accordingly, we expect the organization's climate to be perceived as more ethical.

In summary, ethical climate serves in part as a type of control guiding employee behavior. Consequently, negative climates that are ambiguous offer little in the way of control and generally result in increases in ethical dilemmas and unethical behavior (Peterson 2002; Sims 1994; Vardi 2001). However, more ethical behavior occurs when a climate is created where ethical values and behaviors are fostered, supported, and shared (Bartels et al. 1998; Upchurch and Ruhland 1996; Verbeke, Ouwerkerk, and Peelen 1996; Wimbush and Shepard 1994; Wimbush, Shepard, and Markham 1997). Based on this discussion we propose that:

Proposition 1: The more ethical the structural dimension of a sales organization's ethical climate is perceived to be, the more ethical the salesperson's moral judgment.

Proposition 2: The more ethical the interpersonal dimension of a sales organization's ethical climate is perceived to be, the more ethical the salesperson's moral judgment.

SALESPERSON COGNITIVE MORAL DEVELOPMENT

CMD provides an approach to explaining moral reasoning and, subsequently, moral judgment. Rest (1986) and Treviño (1986) propose that CMD is the critical element in the judgment phase of ethical decision making. CMD focuses on the reasons one uses to justify a moral choice, rather than the decision itself (Treviño 1986). CMD theory postulates that an individual's moral decision making becomes more complex and sophisticated with development (Kohlberg 1969). Kohlberg's (1969) model of CMD claims that because two or more individuals can be at different stages in their moral development, they may respond differently to similar ethical dilemmas. The model contains six stages that comprise three levels, each level varying by the forces that drive one's decision making. Individuals in the preconventional level (stages one and two) are concerned with concrete consequences, particularly rewards and punishments. At the conventional level (stages three and four), the decision maker is compelled to do what is "right" by adhering to the expectations of good behavior of the larger society or some segment such as a family or peer group. Kohlberg believes that most adults reside in this stage. At the principle level (stages five and six), "right" is determined by universal values or principles. When progressing through the stages, there is an escalating appreciation for the well-being of others and for what is fair and right in terms of a universal sense of justice. Within this framework, there are three major characteristics of Kohlberg's (1968) stages of moral reasoning: (1) regardless of the ethical dilemma, individuals tend to consistently reason at the same stage; (2) regardless of one's culture, individuals progress from one stage to the next without skipping a stage; and (3) reasoning at a higher-level stage encompasses lower-stage reasoning.

Kohlberg's hypothesized stage sequence is supported by decades of extensive longitudinal, cross-cultural, and cross-sectional research (for reviews, see Blasi 1980; Gibbs and Widaman 1982; Rest 1986; Snarey 1985). In their synthesized model of ethical decision making in business, Ferrell, Gresham, and Fraedrich (1989) posit CMD affecting moral judgment. However, its application in the sales literature has been sparse, with studies finding salespeople using higher levels of CMD less likely to participate in unethical behavior (Schwepker 1999) and real estate salespeople's CMD being improved through professional training (Izzo and Vitell 2003). Despite

widespread support for this construct, CMD does have its critics, with some questioning its ability to predict moral behavior (e.g., Fraedrich, Thorne, and Ferrell 1994; Robin et al. 1996). Nevertheless, we believe that CMD has the ability to influence individual decision making on its own and through its impact on the organization's ethical climate.

In a sales organization dominated by people of high moral values who are operating at high levels of CMD, the more ethical the interpersonal dimension of a sales organization's ethical climate is perceived to be. Conversely, when the sales organization is predominately made up of salespeople who are lacking in moral values and whose moral reasoning is not fully developed (i.e., lower-stage CMD), then the less ethical the interpersonal dimension of a sales organization's ethical climate is perceived to be. In either case, however, the structural dimension of climate could be strong and should have a positive effect on salesperson moral judgment. A strong structural dimension is particularly important and could have a strong impact on moral judgment when salesperson CMD is low, because those operating in the lower stages of CMD are heavily influenced by rules (i.e., ethical policies) and punishment. However, in cases where the structural dimension of ethical climate is weak, and salespeople are low in moral values and CMD, one would expect less ethical behavior. Mischel's (1976) theory of situational strength and individual differences supports this relationship between individual and organizational values. According to this theory, in situations where members strongly perceive and hold organizational values (which, by and large, would be reflected in the structural dimension of climate), individual behavior will be dictated more by the values of the organization, as individuals rely less on their personal judgment. Conversely, when organizational values are not strongly perceived, individuals rely more on their own values to guide their judgment and behavior.

Individuals at the highest stages of CMD (principle level) are driven by universal values or principles. As such, these individuals would not necessarily need an external stimulus (i.e., a structurally dominant ethical climate created by codes, policies, rewards/punishments) to drive their behavior. Unless enough of these individuals existed in the sales organization, it is hard to imagine that the interpersonal dimension of ethical climate would be dominant. Thus, regardless of the ethicalness of the climate (or in spite of an unethical climate), the principled individual is likely to exhibit high moral judgment and act accordingly. This leads to the following:

Proposition 3: There is a positive association between a salesperson's CMD and his or her moral judgment.

Proposition 4: When an organization's climate is perceived as unethical, salespeople at the highest stages of CMD are more likely than those at lower stages of CMD to exhibit high moral judgment.

SALES LEADERSHIP, ETHICAL CLIMATE, AND COGNITIVE MORAL DEVELOPMENT

Although the structural dimension of ethical climate should lead to more ethical decisions on the part of salespeople, there is a need to look beyond this dimension to factors that can help foster the interpersonal dimension of ethical climate (Jose and Thibodeaux 1999; Murphy 2004; Treviño et al. 1999). Despite codes of ethics (an important part of the structural dimension of ethical climate) being found in three-fourths of U.S. companies (Wells 2001), unethical behavior persists. In retail sales environments, salespeople are likely to be more closely monitored, thus potentially defining an ethical climate created via ethical codes, ethical policies, and the threat of punishment. However, the same may not be the case for field salespeople. Given these salespeople's physical, social, and psychological separation from the organization (Dubinsky et al. 1986), it could be a challenge to manage their ethical behavior using an ethical climate that relies on the structural dimension of climate. Experiencing such separation, and generally being less closely supervised than those working inside the organization, field salespeople may be less prone to the effects of a climate created by ethical codes and ethical policies and that relies on punishment of unethical behavior. Research questioning the effectiveness of codes of ethics (Grundstein-Amado 2001; Tsalikis and Fritzsche 1989), coupled with research suggesting codes are limited to thwarting only very problematic sales force unethical behavior (Murphy 2004), seems to reinforce this notion. Creating an ethical climate in which the interpersonal dimension becomes more predominant could be helpful in increasing the moral judgment and subsequent ethical behavior of field salespeople who could be less affected by the structural dimension of ethical climate.

Our review of sales management and ethics research suggests that sales leaders must proactively extend their efforts to improve ethical climate beyond the structural dimension of ethical climate. This review suggests four crucial avenues for improving the ethical climate of sales organizations and the CMD of salespeople: utilizing a transformational leadership style, implementing an ethics-inclusive socialization process to facilitate internalization of the norms and values of the organization, strengthening interpersonal trust between salespeople and others they work with in the organization, and utilizing a multilevel leadership model to ensure accountability for sales ethics at all levels in the sales organization.

Transformational Leadership

In this rapidly changing, increasingly demanding work environment, transformational leadership has emerged as a potentially promising leadership style in the sales literature (Bass 1997; Dubinsky et al. 1995; MacKenzie, Podsakoff, and

Rich 2001) as well as the business ethics literature (Carlson and Perrewe 1995; Engelbrecht, van Aswegen, and Theron 2005; Grojean et al. 2004). Unlike contingent-reward or transactional leadership, transformational leadership features a long-term, holistic perspective whereby sales leaders and salespeople interact openly and frequently to achieve organizational goals. Under transformational leadership, employees identify with the organization and its leadership and internalize the norms and values of the organization.

The advocates of transformational leadership propose that it is a more complete form of leadership than traditional leadership alternatives, which rely on employee compliance in order to gain rewards or avoid punishment. We do not advocate a complete reliance on transformational leadership in sales organizations, but we do advocate transformational leadership as the core leadership style in effecting significant ethical change in sales organizations. Transformational leaders go beyond traditional transactional approaches by clearly articulating a vision, being a role model, providing individual support and consideration, stimulating the intellect of employees, and encouraging the acceptance of high-performance standards and group goals (Dubinsky et al. 1995; MacKenzie, Podsakoff, and Rich 2001; Podsakoff et al. 1990). Transformational leaders are characterized as change agents, combining rational and intuitive approaches to encourage new ways of doing things (Dubinsky et al. 1995).

Although transformational leadership research in sales contexts is not yet conclusive, some studies have found that a transformational leadership style has beneficial effects on salesperson attitudes, role perceptions, and performance (Humphreys 2002; MacKenzie, Podsakoff, and Rich 2001). Transformational leadership has also been positively linked with organizational citizenship behaviors, such as civic virtue, sportsmanship, and helping (MacKenzie, Podsakoff, and Rich 2001). A transformational leadership style has been deemed an important concept for the future of sales leadership, due in part "to the perceived role of the transformational leader as a change agent and the high level of prescribed change in many of today's sales organizations" (Ingram, LaForge, and Leigh 2002, p. 562).

There is widespread agreement that many sales organizations face fundamental changes in order to meet appropriate ethical standards. Transformational leadership is an appropriate approach, in part because transformational leaders are change agents. Bass and Steidlmeier (1999) posit that leaders are truly transformational when they build awareness about what is and what is not acceptable behavior and inspire employees to place a higher priority on what is good for the organization rather than on self-interests. Transformational leaders whose actions are based on personal values such as integrity and fairness are capable of creating an ethical work environment (Carlson and Perrewe 1995). This leads us to the following:

Proposition 5: Compared to a transactional leadership style, a transformational sales leadership style is more likely to positively influence (a) the interpersonal dimension of ethical climate and (b) overall ethical climate.

Socialization and Ethical Climate

Increased ethical behavior has been associated with the presence and enforcement of ethical codes (Ferrell and Skinner 1988). Codes are most effective when employees internalize them through an experiential learning process whereby organizational members' behavior is modified by taking on norms or rules as "their own" (Grundstein-Amado 2001). Code internalization is an informal, employee-based control built on the adoption and "internalization of values and mutual commitment toward some common goal" (Jaworski 1988, p. 27) and, as such, serves as a form of social control. Although code enforcement may help salespeople internalize codes (Schwepker and Hartline 2005), the organization's socialization process plays a critical role. In fact, the stated goal of nearly all socialization programs is the internalization of the firm's norms, values, and codes (Allen and Meyer 1990; Dubinsky et al. 1986; Jones 1986).

Through the socialization process, an ethical climate can be created whereby salespeople come to learn and value the importance of ethical decision making and behavior and its impact on fellow employees, prospects, and customers. Being more individualized, internalization is a specific, individualized outcome of the socialization process, thus differentiating this type of control from the control exerted by a structurally dominated ethical climate. This leads us to suggest that

Proposition 6: Sales force socialization programs that contain specific content dealing with ethical issues will have a positive impact on the overall ethical climate of the sales organization.

Proposition 7: Sales force socialization programs that stress the likelihood of enforcement of the structural dimension of ethical climate will increase perceptions of a more ethical climate.

Proposition 8: Sales force socialization programs that address the interpersonal dimension of ethical climate will produce an incremental positive effect beyond that of socialization programs that focus solely on the structural dimension of ethical climate on (a) perceptions of ethical climate and (b) salesperson CMD.

Congruence between a recruit's needs, skills, and values and the sales organization is an important element in sales socialization models tested by Dubinsky et al. (1986) and Grant and Bush (1996). Congruence has been linked with important subsequent steps in the socialization process such

as role definition, resolution of work conflicts, job satisfaction, and performance (Dubinsky et al. 1986). Grant and Bush (1996) argue that sales leaders should institutionalize socialization settings to positively impact sales organization culture by building value congruence. In doing so, sales managers should focus on effectively communicating what new recruits will experience in the socialization process and on fostering a quality relationship between new recruits and others in the organization with whom the new recruits will work. Thus,

Proposition 9: Positive perceptions of the interpersonal dimension of ethical climate will increase when sales force socialization programs emphasize value congruence on ethical issues between salespeople and the sales organization.

Building Interpersonal Trust Within the Organization

Sales management researchers have recently explored the leader-member exchange (LMX) model, first proposed three decades ago (Danserau, Graen, and Haga 1975). LMX proposes that sales managers interact uniquely with individual salespeople rather than using a standardized approach. In sales contexts, research has focused on the salesperson-sales manager dyad as a reciprocal influence process, with trust between parties holding particular interest. Empirical studies have found that reciprocal trust in the salesperson-sales manager dyad has positive effects on salesperson perceptions of LMX, job satisfaction, and satisfaction with the manager, and also reduces role conflict (Lagace 1991). Salesperson trust in his or her managers has been linked to positive salesperson perceptions of job autonomy, perceived fairness, support for innovative sales behavior, and fairness of rewards in relation to accomplishments (Strutton, Pelton, and Lumpkin 1993) and with ethical climate and job satisfaction (Mulki, Jaramillo, and Locander 2006). A trusting relationship between salespeople and their sales managers has also been linked with higher levels of salesperson acceptance for significant job changes over the long run (McNeilly and Lawson 1999). Research has also found that salespeople's view of the ethical climate is adversely affected when salespeople experience ethical conflict with their managers (Schwepker, Ferrell, and Ingram 1997).

Studies have suggested a number of ways to build trust between sales managers and salespeople: role modeling or leadership by example (Rich 1997), being familiar with the salesperson's job, providing fair performance evaluations, making sales calls with salespeople (McNeilly and Lawson 1999), and extending decision-making latitude to salespeople (DeVecchio 1998). Based on the finding that interpersonal trust between salespeople and sales managers is most strongly related to shared values and respect, Brashear et al. (2003)

suggest that recruiting and training emphasize the congruence of salesperson values with those of the organization and its management. Strengthening the ethical climate in many sales organizations will require significant change, and change processes are facilitated by strong trust-based relationships between salespeople and sales managers. Therefore,

Proposition 10: Higher levels of mutual trust between sales managers and salespeople will be associated with (a) higher levels of the acceptance of change to strengthen the ethical climate, and (b) more positive perceptions of the interpersonal dimension of ethical climate by salespeople and sales managers.

Adopting a Multilevel Approach to Sales Ethics

The responsibility for ethical sales behavior originates in the highest levels of management, and it is important that this responsibility is accepted and acted upon at all levels. This is consistent with the approaches proposed by Ferrell, Ingram, and LaForge (2000) and Ingram et al. (2005), in which sales executives, field sales managers, and individual salespeople are held accountable for meeting high standards of ethical behavior. According to Ingram et al. (2005), senior sales leadership should be responsible for establishing the standards for ethical sales behavior, and field sales managers should ensure understanding and compliance with the organization's ethical and legal framework. Finally, salespeople should play an active role in implementing high legal standards with customers, peers, and others within the sales organization. Multilevel leadership, sometimes referred to as a form of distributed leadership or shared leadership, is generating increased attention in the leadership literature. Woods concludes that the growing importance of this approach is due in part to "the limitations of relying on the single, 'heroic' leader and a recognition that tapping into the ideas, creativity, skills and initiative of all or a majority of those in a group or organization unleashes a greater capacity for organizational change, responsiveness, and improvement" (2004, p. 5). Given this, we suggest that

Proposition 11: Compared to an approach that focuses only on salesperson compliance with the structural dimension of ethical climate, an integrated multilevel approach in which all levels of the sales organization have explicit ethical responsibilities will be associated with (a) more positive perceptions of overall ethical climate and (b) higher levels of salesperson CMD.

SALES MANAGEMENT CONTROL STRATEGY

Sales management control is an increasingly important topic in the sales literature. This attention has produced different

conceptualizations of sales management control. Anderson and Oliver (1987) suggest a continuum from behavior-based to outcome-based sales force control systems. Behavior-based control is characterized by sales managers focusing on monitoring and directing the routine behaviors of salespeople. In contrast, outcome-based control emphasizes incentive compensation to produce desired outcomes. Challagalla and Shervani (1996) expand this conceptualization by dividing behavior-based control into activity and capability dimensions. The capability dimension focuses on developing salesperson competencies. Alternatively, Jaworski (1988) proposes a conceptualization based on formal and informal controls. The formal and informal controls have been combined into four control combinations—high, bureaucratic, clan, and low (Cravens et al. 2004; Jaworski, Stathakopoulos, and Krishnan 1993). These conceptualizations have provided the foundation for considerable empirical research in recent years. Most of the empirical studies examine the antecedents and consequences of different sales management control systems.

Baldauf, Cravens, and Piercy (2005) present an excellent review and synthesis of this conceptual and empirical work with three especially relevant conclusions. First, management control should be considered more as a strategy used by a sales organization to manage its salespeople than as an overall management system. Therefore, we use the term *sales management control strategy* to reflect this definition. Second, sales organizations are not limited to one type of SMCS, such as behavior based or outcome based. An effective SMCS typically includes a variety of control activities to achieve different sales management objectives. There is some support for addressing management control and compensation control as separate dimensions (Cravens et al. 1993). Third, few studies address relationships between SMCS and the ethical behavior of salespeople. Our model suggests important relationships between SMCS and sales organization ethical climate and salesperson CMD.

Sales Management Control Strategy and Sales Organization Ethical Climate

As discussed earlier, the ethical climate in a sales organization is determined by the perceptions of salespeople regarding the ethical behaviors that are expected, supported, and rewarded. The structural dimension includes laws, ethical codes, ethical policies, and enforcement procedures. With an activity-based SMCS, salespeople are aware that managers have the opportunity to monitor, direct, and evaluate their activities. If sales managers emphasize the importance of ethical behavior, and monitor for it, salespeople are more likely to perceive an ethical sales organization climate. Robertson and Anderson (1993) provide some empirical support for this relationship. Therefore, we offer the following proposition:

Proposition 12: An activity-based SMCS focusing on ethical behaviors will positively enhance perceptions of the structural dimension of sales organization ethical climate.

The interpersonal dimension of ethical climate results from the individual behavior of organizational members being driven by their ethical values and moral reasoning. A capability-based SMCS concentrates on the professional development of salespeople. Kohli, Shervani, and Challagalla (1998) provide support for the relationship between a capability-based SMCS and the learning orientation of salespeople. If this learning orientation emphasizes ethical values, salespeople are more likely to perceive an ethical sales organization climate. Thus, the following proposition is presented:

Proposition 13: A capability-based SMCS focusing on ethical values will positively enhance perceptions of the interpersonal dimension of sales organization ethical climate.

Sales Management Control Strategy and Salesperson Cognitive Moral Development

Conceptual and empirical work on CMD indicates that improving the moral reasoning process of individuals can lead to improved moral judgment, even in complex situations. The CMD of salespeople is especially important in the increasingly complex sales environment (Jones et al. 2005). A capability-based SMCS emphasizes the development of salesperson competencies. If sales managers focus on increasing the moral reasoning capability of salespeople, the CMD of salespeople should improve. Goolsby and Hunt (1992) found support for the relationship between CMD and moral judgment in a sample of professional marketers. Thus, we propose that

Proposition 14: A capability-based SMCS focusing on moral reasoning is positively related to salesperson CMD.

SALES MANAGEMENT IMPLICATIONS

Our conceptual model has important implications for sales management. The fundamental implication is that sales managers need to take a multifaceted approach in trying to enhance the moral judgment of salespeople. Sales organizations have traditionally focused on the development, communication, and enforcement of ethical codes and rules to increase the ethical behavior of salespeople. These efforts need to be continued, but supplemented with attention to the interpersonal dimension of sales organization ethical climate and salesperson CMD. Determining and executing the appropriate moral judgment in complex and fluid sales situations is a difficult task for salespeople. Reliance on the structural dimension of sales organization ethical climate is not likely to be sufficient to produce the desired level of salesperson ethical behavior.

The ethical codes and rules may not address some of the ethical situations faced by salespeople. Salespeople at higher levels of CMD and operating in sales organization ethical climates with a strong interpersonal dimension are likely to make the best ethical decisions in these situations. Sales managers need to spend considerable time improving salesperson CMD and the interpersonal dimension of ethical climate to ensure ethical behavior in today's complex selling environment.

The propositions presented in our paper provide specific direction for sales managers. For example, sales managers desiring to improve the interpersonal dimension of their sales organization ethical climate need to focus on a capability-based SMCS, a transformational leadership style, socialization processes that internalize ethical values in salespeople, and building higher levels of trust with salespeople. Efforts to increase the structural dimension of sales organization ethical climate should emphasize an activity-based SMCS, a transactional leadership style, and socialization processes that highlight the enforcement of ethical codes of conduct. Increasing the cognitive development of salespeople requires a capability-based SMCS, a transformational leadership style, and socialization processes directed toward the interpersonal dimension of sales organization ethical climate. An integrated multilevel approach throughout the entire sales organization is needed to implement these recommended sales management actions. Sales executives, field sales managers, and salespeople have different roles to play, but their efforts must be integrated and coordinated to reinforce the importance of ethical behavior in a sales organization.

Our paper focuses on sales leadership and SMCS. Obviously, sales managers impact sales organization ethical climate and salesperson CMD in other ways as well. For example, salespeople at higher levels of CMD can be hired; sales training programs can be used to increase salesperson knowledge of ethics codes and rules, and to increase their CMD; reward and compensation plans can reinforce desired behaviors and capabilities; and performance evaluations can be used to assess ethical performance and identify specific areas for improvement in the future. The critical challenge facing sales managers is to align SMCS, leadership approaches, and sales management activities in a manner that promotes the structural and interpersonal dimensions of sales organization ethical climate and salesperson CMD. For example, sales managers wanting to increase the CMD of their salespeople should employ a capability-based SMCS, employ a transformational leadership style, hire salespeople with high levels of CMD, implement training programs on examining ethical issues, and recognize salespeople for increasing their CMD. Each of these activities is aligned consistently toward achieving the specific objective of increasing salesperson CMD. Other objectives necessitate a different alignment of sales management activities to achieve different objectives.

FUTURE DIRECTIONS IN SALES ETHICS RESEARCH

Sales ethics research has typically focused on the structural dimension of sales organization ethical climate. This research has been valuable and needs to be continued. However, we suggest that this focus be expanded to incorporate the interpersonal dimension of sales organization ethical climate and salesperson CMD. This type of comprehensive approach is needed to improve our understanding of the complex relationships affecting salesperson moral judgment.

A useful first step in this journey would be to gain consensus concerning the definition of the sales organization ethical climate construct. As discussed earlier, researchers have conceptualized sales organization ethical climate in various ways. We synthesized previous definitions into two major dimensions—structural and interpersonal. It is difficult to compare and contrast research results when there are significant differences in how important constructs are defined and measured. Therefore, research directed at rigorously defining the domain and dimensionality of the sales organization ethical climate, along with the development and validation of measurement scales, is needed. A consensus on construct definition and measurement would facilitate the empirical testing of the important relationships in our conceptual model.

The propositions presented in our paper are intended to encourage sales researchers to test them empirically. One approach is for specific studies to be designed and conducted to test the propositions directly. Another approach is for researchers working in the sales leadership and SMCS areas to expand their focus and incorporate these propositions into their studies. These research efforts need to focus on both the construct definition and measurement issues and the key relationships presented in the propositions. Programmatic research approaches are recommended to improve our understanding of the constructs and relationships that enhance salesperson moral judgment.

The focus of our paper is on the impact of sales leadership and SMCS on sales organization ethical climate and salesperson CMD. We have emphasized direct relationships among the major constructs. Certainly, important interrelationships are likely to exist. For example, the interrelationships between SMCS and leadership style need to be addressed. And the potential interactions between sales organization ethical climate and salesperson CMD need to be investigated. Our recommendation is to focus initial research efforts on the major direct relationships and then expand into the more complex interrelationships.

Finally, the sales environment is constantly changing and becoming more complex (Ingram 2004; Jones et al. 2005). The increasing importance of team selling, strategic partnerships with customers, multiple sales channel strategies, outsourcing of the sales function, and other trends produce interesting

ethical situations that may not be addressed in an existing code of ethics. For example, these innovative arrangements produce different ethical climate units, such as the ethical climate within a sales team, or the differences in the ethical climate of the seller and buyer in a strategic partnership, or between a sales organization and selling firm in an outsourced arrangement. Ensuring the ethical behavior of salespeople in these cases is likely to require a strong interpersonal dimension in a sales organization ethical climate and to increase the need for high levels of salesperson CMD. Studying ethical relationships within these emerging sales situations is an important area for future sales ethics research.

REFERENCES

- Allen, Natalie J., and John P. Meyer (1990), "Organizational Socialization Tactics: A Longitudinal Analysis of Links to Newcomers' Commitment and Role Orientation," *Academy of Management Journal*, 33 (December), 847–858.
- Anderson, Erin, and Richard L. Oliver (1987), "Perspectives on Behavior-Based Versus Outcome-Based Salesforce Control Systems," *Journal of Marketing*, 51 (October), 76–88.
- Babin, Barry J., James S. Boles, and Donald P. Robin (2000), "Representing the Perceived Ethical Work Climate Among Marketing Employees," *Journal of the Academy of Marketing Science*, 28 (Summer), 345–358.
- Baldauf, Artur, David W. Cravens, and Nigel F. Piercy (2005), "Sales Management Control Research—Synthesis and an Agenda for Future Research," *Journal of Personal Selling & Sales Management*, 25, 1 (Winter), 7–26.
- Barnett, Tim, and Cheryl Vaicys (2000), "The Moderating Effect of Individuals' Perceptions of Ethical Work Climate on Ethical Judgments and Behavioral Intentions," *Journal of Business Ethics*, 27 (October), 351–362.
- Bartels, Lynn K., Edward Harrick, Kathryn Martello, and Donald Strickland (1998), "The Relationship Between Ethical Climate and Ethical Problems with Human Resource Management," *Journal of Business Ethics*, 17 (May), 799–805.
- Bartels, Robert (1967), "A Model for Ethics in Marketing," *Journal of Marketing*, 31 (January), 20–26.
- Bass, Bernard M. (1997), "Personal Selling and Transactional/Transformational Leadership," *Journal of Personal Selling & Sales Management*, 17, 3 (Summer), 19–28.
- , and Paul Steidlmeier (1999), "Ethics, Character and Authentic Transformational Leadership Behavior," *Leadership Quarterly*, 10 (Summer), 181–217.
- Bass, Ken, Tim Barnett, and Gene Brown (1998), "The Moral Philosophy of Sales Managers and Its Influence on Ethical Decision Making," *Journal of Personal Selling & Sales Management*, 18, 2 (Spring), 1–18.
- Blasi, Augusto (1980), "Bridging Moral Cognition and Moral Action: A Critical Review of the Literature," *Psychological Bulletin*, 88 (July), 1–45.
- Bommer, Michael, Clarence Gratto, Jerry Gravander, and Mark Tuttle (1987), "A Behavioral Model of Ethical and

- Unethical Decision Making," *Journal of Business Ethics*, 6 (May), 265–280.
- Brashear, Thomas G., James S. Boles, Danny N. Bellenger, and Charles M. Brooks (2003), "An Empirical Test of Trust-Building and Outcomes in Sales Manager–Salesperson Relationships," *Journal of the Academy of Marketing Science*, 31 (Spring), 189–200.
- Brothers, Theresa (1991), *Corporate Ethics: Developing New Standards of Accountability*, New York: Conference Board.
- Carlson, Dawn S., and Pamela L. Perrewé (1995), "Institutionalization of Organizational Ethics Through Transformational Leadership," *Journal of Business Ethics*, 14 (October), 829–838.
- Challagalla, Goutam N., and Tasadduq A. Shervani (1996), "Dimensions and Types of Supervisory Control: Effects on Salesperson Performance and Satisfaction," *Journal of Marketing*, 60 (January), 89–105.
- Cherry, John, and John Fraedrich (2000), "An Empirical Investigation of Locus of Control and the Structure of Moral Reasoning: Examining the Ethical Decision-Making Processes of Sales Managers," *Journal of Personal Selling & Sales Management*, 20, 3 (Summer), 173–188.
- Chonko, Lawrence B., Thomas R. Wotruba, and Terry W. Loe (2002), "Direct Selling Ethics at the Top: An Industry Audit and Status Report," *Journal of Personal Selling & Sales Management*, 22, 2 (Spring), 87–96.
- Cravens, David W., Thomas N. Ingram, Raymond W. LaForge, and Clifford E. Young (1993), "Behavior-Based and Outcome-Based Salesforce Control Systems," *Journal of Marketing*, 57 (October), 47–59.
- , Felicia G. Lask, George S. Low, Greg W. Marshall, and William C. Moncrief (2004), "Formal and Informal Management Control Combinations in Sales Organizations—The Impact on Salesperson Consequences," *Journal of Business Research*, 57 (March), 241–248.
- Danserau, Fred, Jr., George Graen, and William J. Haga (1975), "A Vertical Dyad Linkage Approach to Leadership Within Formal Organizations," *Organizational Performance & Human Performance*, 13 (February), 46–79.
- DelVecchio, Susan K. (1998), "The Quality of Salesperson–Manager Relationship: The Effect of Latitude, Loyalty, and Competence," *Journal of Personal Selling & Sales Management*, 18, 1 (Winter), 31–47.
- Dubinsky, Alan J., and Barbara Loken (1989), "Analyzing Ethical Decision Making in Marketing," *Journal of Business Research*, 19 (September), 83–107.
- , Roy D. Howell, Thomas N. Ingram, and Danny N. Bellenger (1986), "Salesforce Socialization," *Journal of Marketing*, 50 (October), 192–207.
- , Francis J. Yammarino, Marvin A. Jolson, and William D. Spangler (1995), "Transformational Leadership: An Initial Investigation in Sales Management," *Journal of Personal Selling & Sales Management*, 15, 2 (Spring), 17–31.
- Engelbrecht, Amos S., A.S. van Aswegen, and Carl C. Theron (2005), "The Effect of Ethical Values on Transformational Leadership and Ethical Climate in Organizations," *South African Journal of Business Management*, 36 (June), 19–26.
- Ferrell, O.C., and Linda Ferrell (2006), "Managing Marketing Ethics Risks," *MarketingAcademics@AMA Newsletter*, 3 (January), 1–2.
- , and Larry G. Gresham (1985), "A Contingency Framework for Understanding Ethical Decision Making," *Journal of Marketing*, 49 (Summer), 87–96.
- , and Steven J. Skinner (1988), "Ethical Behavior and Bureaucratic Structure in Marketing Research Organizations," *Journal of Marketing Research*, 25 (February), 103–109.
- , Larry G. Gresham, and John Fraedrich (1989), "A Synthesis of Ethical Decision Models for Marketing," *Journal of Macromarketing*, 9 (Fall), 55–64.
- , Thomas N. Ingram, and Raymond W. LaForge (2000), "Initiating Structure for Legal and Ethical Decisions in a Global Sales Organization," *Industrial Marketing Management*, 29 (November), 555–564.
- , Debbie Thorne LeClair, and Linda Ferrell (1997), "Environmental Activities Related to Social Responsibility and Ethical Climate," *Journal of Marketing Management*, 7 (Fall–Winter), 1–13.
- Fraedrich, John, Debbie M. Thorne, and O.C. Ferrell (1994), "Assessing the Application of Cognitive Moral Development Theory to Business Ethics," *Journal of Business Ethics*, 13 (October), 829–838.
- Gibbs, John C., and Keith F. Widaman (1982), *Social Intelligence: Measuring the Development of Sociomoral Reflection*, Englewood Cliffs, NJ: Prentice Hall.
- Gilbert, Jennifer (2003), "A Matter of Trust," *Sales & Marketing Management*, 155 (March), 30–35.
- , Julia Chang, and Kathryn Drouillard (2004), "The Right Balance," *Sales & Marketing Management*, 156 (November), 24–28.
- Goolsby, Jerry R., and Shelby D. Hunt (1992), "Cognitive Moral Development and Marketing," *Journal of Marketing*, 56 (January), 55–68.
- Grant, E. Stephen, and Alan J. Bush (1996), "Salesforce Socialization Tactics: Building Organizational Value Congruence," *Journal of Personal Selling & Sales Management*, 16, 3 (Summer), 17–32.
- Grojean, Michael W., Christian J. Resick, Marcus W. Dickson, and D. Brent Smith (2004), "Leaders, Values, and Organizational Climate: Examining Leadership Strategies for Establishing an Organizational Climate Regarding Ethics," *Journal of Business Ethics*, 55, 3 (December), 223–241.
- Grundstein-Amado, Rivka (2001), "A Strategy for Formulation and Implementation of Codes of Ethics in Public Service Organizations," *International Journal of Public Administration*, 24 (May), 461–478.
- Gunther, Marc (2004), "Money and Morals at GE," *Fortune* (November 15), 176–182.
- Hegarty, W. Harvey, and Henry P. Sims, Jr. (1978), "Some Determinants of Unethical Decision Behavior: An Experiment," *Journal of Applied Psychology*, 63 (August), 451–457.
- , and ——— (1979), "Organizational Philosophy, Policies, and Objectives Related to Unethical Decision Behavior: A Laboratory Experiment," *Journal of Applied Psychology*, 64 (June), 331–338.

- Humphreys, John H. (2002), "Transformational Leader Behavior, Proximity and Successful Services Marketing," *Journal of Services Marketing*, 16 (6), 487-501.
- Hunt, Shelby D., and Scott Vitell (1986), "A General Theory of Marketing Ethics," *Journal of Macromarketing*, 6 (Spring), 5-16.
- Ingram, Thomas N. (2004), "Future Themes in Sales and Sales Management: Complexity, Collaboration, and Accountability," *Journal of Marketing Theory & Practice*, 12 (Fall), 18-28.
- , Raymond W. LaForge, and Thomas W. Leigh (2002), "Selling in the New Millennium: A Joint Agenda," *Industrial Marketing Management*, 31 (October), 559-567.
- , William B. Locander, Scott B. MacKenzie, and Philip M. Podsakoff (2005), "New Directions in Sales Leadership Research," *Journal of Personal Selling & Sales Management*, 25, 2 (Spring), 137-154.
- Izzo, G. Martin, and Scott J. Vitell (2003), "Exploring the Effects of Professional Education on Salespeople: The Case of Autonomous Agents," *Journal of Marketing Theory & Practice*, 11 (Fall), 26-38.
- Jaworski, Bernard (1988), "Toward a Theory of Marketing Control: Environmental Context, Control Types, and Consequences," *Journal of Marketing*, 52 (July), 23-39.
- , Vlas Stathakopoulos, and H. Shanker Krishnan (1993), "Control Combinations in Marketing: Conceptual Framework and Empirical Evidence," *Journal of Marketing*, 57 (January), 57-69.
- Jones, Eli, Steven P. Brown, Andris A. Zoltners, and Barton A. Weitz (2005), "The Changing Environment of Selling and Sales Management," *Journal of Personal Selling & Sales Management*, 25, 2 (Spring), 105-112.
- Jones, Gareth R. (1986), "Socialization Tactics, Self-Efficacy, and Newcomers' Adjustments to Organizations," *Academy of Management Journal*, 29 (June), 262-279.
- Jones, Thomas M. (1991), "Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model," *Academy of Management Review*, 16 (April), 366-395.
- Jose, Anita, and Mary S. Thibodeaux (1999), "Institutionalization of Ethics: Perspectives of Managers," *Journal of Business Ethics*, 22 (November), 133-143.
- Kohlberg, Lawrence (1968), "Early Education: A Cognitive-Developmental View," *Child Development*, 39 (4), 1013-1062.
- (1969), "Stage and Sequence: The Cognitive-Developmental Approach to Socialization," in *Handbook of Socialization Theory and Research*, David A. Goslin, ed., Chicago: Rand McNally, 347-480.
- Kohli, Ajay, Tasadduq A. Shervani, and Goutam N. Challagalla (1998), "Learning and Performance Orientation of Salespeople: The Role of Supervisors," *Journal of Marketing Research*, 35 (May), 263-274.
- Lagace, Rosemary R. (1991), "An Exploratory Study of Trust Between Sales Managers and Salespersons," *Journal of Personal Selling & Sales Management*, 11, 2 (Spring), 49-58.
- MacKenzie, Scott B., Philip M. Podsakoff, and Gregory A. Rich (2001), "Transformational Leadership and Salesperson Performance," *Journal of the Academy of Marketing Science*, 29 (April), 115-134.
- Mantel, Susan Powell (2005), "Choice or Perception: How Affect Influences Ethical Choices Among Salespeople," *Journal of Personal Selling & Sales Management*, 25, 1 (Winter), 43-56.
- McCabe, Donald L., Linda K. Treviño, and Kenneth D. Butterfield (1996), "The Influence of Collegiate and Corporate Codes of Conduct on Ethics-Related Behavior in the Workplace," *Business Ethics Quarterly*, 6 (October), 461-476.
- McClaren, Nicholas (2000), "Ethics in Personal Selling and Sales Management: A Review of the Literature Focusing on Empirical Findings and Conceptual Foundations," *Journal of Business Ethics*, 27 (October), 285-303.
- McNeilly, Kevin M., and Marian B. Lawson (1999), "Navigating Through Rough Waters: The Importance of Trust in Managing Sales Representatives in Times of Change," *Industrial Marketing Management*, 28 (January), 37-49.
- Mischel, Walter (1976), "Towards a Cognitive Social Model Learning Reconceptualization of Personality," in *Interactional Psychology and Personality*, Norman S. Endler and David Magnusson, eds., New York: Wiley, 166-207.
- Mulki, Jay Prakash, Fernando Jaramillo, and William B. Locander (2006), "Effects of Ethical Climate and Supervisory Trust on Salesperson's Job Attitudes and Intentions to Quit," *Journal of Personal Selling & Sales Management*, 26, 1 (Winter), 19-26.
- Murphy, William H. (2004), "In Pursuit of Short-Term Goals: Anticipating the Unintended Consequences of Using Special Incentives to Motivate the Sales Force," *Journal of Business Research*, 57 (November), 1265-1275.
- Nielsen, Richard P. (2000), "Do Internal Due Process Systems Permit Adequate Political and Moral Space for Ethics Voice, Praxis, and Community?" *Journal of Business Ethics*, 24 (March), 1-27.
- Paine, Lynn, Rohit Deshpande, Joshua D. Margolis, and Kim Eric Bettcher (2005), "Up to Code: Does Your Company's Conduct Meet World-Class Standards?" *Harvard Business Review*, 83 (December), 122-133.
- Peterson, Dane K. (2002), "The Relationship Between Unethical Behavior and the Dimensions of the Ethical Climate Questionnaire," *Journal of Business Ethics*, 41 (December), 313-326.
- Podsakoff, Philip M. (1982), "Determinants of a Supervisor's Use of Rewards and Punishments: A Literature Review and Suggestions for Further Research," *Organizational Behavior and Human Performance*, 29 (February), 58-83.
- , Scott B. MacKenzie, Robert H. Moorman, and Richard Fetter (1990), "Trust in Leader, Satisfaction, and Organizational Citizenship Behaviors," *Leadership Quarterly*, 1 (2), 107-142.
- Posner, Barry Z., and Warren H. Schmidt (1987), "Ethics in American Companies: A Managerial Perspective," *Journal of Business Ethics*, 6 (July), 383-391.
- Reidenbach, R. Eric, and Donald P. Robin (1988), "Some Initial Steps Toward Improving the Measurement of Ethical

- Evaluations of Marketing Activities," *Journal of Business Ethics*, 7 (November), 871–879.
- , ———, and Lyndon Dawson (1991), "An Application and Extension of a Multidimensional Ethics Scale to Selected Marketing Practices," *Journal of the Academy of Marketing Science*, 19 (Spring), 83–92.
- Rest, James R. (1986), *Moral Development: Advances in Research and Theory*, New York: Praeger.
- Rich, Gregory A. (1997), "The Sales Manager as a Role Model: Effects on Trust, Job Satisfaction, and Performance of Salespeople," *Journal of the Academy of Marketing Science*, 25 (Fall), 319–328.
- Robertson, Diana C., and Erin Anderson (1993), "Control System and Task Environment Effects on Ethical Judgment: An Exploratory Study of Industrial Salespeople," *Organization Science*, 4 (November), 617–644.
- Robin, Donald P., Gus Gordon, Charles Jordan, and R. Eric Reidenbach (1996), "The Empirical Performance of Cognitive Moral Development in Predicting Behavioral Intent," *Business Ethics Quarterly*, 6 (4), 493–515.
- Roman, Sergio, and Salvador Ruiz (2005), "Relationship Outcomes of Perceived Ethical Sales Behavior," *Journal of Business Research*, 58 (April), 439–445.
- Schneider, Benjamin (1975), "Organizational Climate: An Essay," *Personnel Psychology*, 28 (Winter), 447–479.
- , and Arnon Reichers (1983), "On the Etiology of Climates," *Personnel Psychology*, 36 (Spring), 19–39.
- , and Joan Rentsch (1988), "Managing Climates and Cultures: A Futures Perspective," in *Futures of Organizations*, Jerald Hage, ed., Lexington Books: Lexington, MA, 181–200.
- Schwepker, Charles H., Jr. (1999), "Understanding Salespeople's Intention to Behave Unethically: The Effects of Perceived Competitive Intensity, Cognitive Moral Development and Moral Judgment," *Journal of Business Ethics*, 21 (October), 303–316.
- (2001), "Ethical Climate's Relationship to Job Satisfaction, Organizational Commitment and Turnover Intention in the Salesforce," *Journal of Business Research*, 54 (September), 39–52.
- , and David J. Good (1999), "The Impact of Sales Quotas on Moral Judgment in the Financial Services Industry," *Journal of Services Marketing*, 13 (1), 38–58.
- , and Michael Hartline (2005), "Managing the Ethical Climate of Customer-Contact Service Employees," *Journal of Service Research*, 7 (May), 377–397.
- , and Thomas N. Ingram (1996), "Improving Sales Performance Through Ethics: The Relationship Between Salesperson Moral Judgment and Job Performance," *Journal of Business Ethics*, 15 (November), 1151–1160.
- , O.C. Ferrell, and Thomas N. Ingram (1997), "The Influence of Ethical Climate and Ethical Conflict on Role Stress in the Sales Force," *Journal of the Academy of Marketing Science*, 25 (Spring), 99–108.
- Sims, Ronald R. (1994), *Ethics and Organizational Decision Making: A Call for Renewal*, Westport, CT: Quorum Books.
- Sivadas, Eugene, Susan B. Kleiser, James Kellaris, and Robert Dahlstrom (2003), "Moral Philosophy, Ethical Evaluations, and Sales Manager Hiring Intentions," *Journal of Personal Selling & Sales Management*, 23, 1 (Winter), 7–21.
- Snarey, John R. (1985), "Cross-Cultural Universality of Social-Moral Development: A Critical Review of the Kohlbergian Research," *Psychological Bulletin*, 97 (2), 202–232.
- Stewart, Christopher (2003), "Desperate Measures," *Sales & Marketing Management*, 155 (September), 32–35.
- Strout, Erin (2002), "To Tell the Truth," *Sales & Marketing Management*, 154 (July), 40–47.
- Strutton, David, Lou E. Pelton, and James R. Lumpkin (1993), "The Relationship Between Psychological Climate and Salesperson-Sales Manager Trust in Sales Organizations," *Journal of Personal Selling & Sales Management*, 13, 4 (Fall), 1–14.
- Treviño, Linda K. (1986), "Ethical Decision Making in Organizations: A Person-Situation Interactionist Model," *Academy of Management Review*, 11 (July), 601–617.
- , and Gail A. Ball (1992), "The Social Implications of Punishing Unethical Behavior: Observers' Cognitive and Affective Reactions," *Journal of Management*, 18 (December), 751–768.
- , Gary R. Weaver, David G. Gibson, and Barbara Ley Toffler (1999), "Managing Ethics and Legal Compliance: What Works and What Hurts," *California Management Review*, 41 (Winter), 131–151.
- Tsalikis, John, and David J. Fritzsche (1989), "Business Ethics: A Literature Review with a Focus on Marketing Ethics," *Journal of Business Ethics*, 8 (September), 695–743.
- Upchurch, Randall S., and Sheila K. Ruhland (1996), "The Organizational Bases of Ethical Work Climates in Lodging Operations as Perceived by General Managers," *Journal of Business Ethics*, 15 (October), 1083–1093.
- Vardi, Yoav (2001), "The Effects of Organizational and Ethical Climates on Misconduct at Work," *Journal of Business Ethics*, 29 (February), 325–337.
- Verbeke, Willem, Cok Ouwerkerk, and Ed Peelen (1996), "Exploring the Contextual and Individual Factors on Ethical Decision Making of Salespeople," *Journal of Business Ethics*, 15 (November), 1175–1187.
- Victor, Bart, and John B. Cullen (1988), "The Organizational Bases of Ethical Work Climates," *Administrative Science Quarterly*, 33 (March), 101–125.
- Weaver, Gary R. (1993), "Corporate Codes of Ethics: Purpose, Process and Content Issues," *Business and Society*, 32 (Spring), 44–58.
- Weber, Joseph (2006), "The New Ethics Enforcers," *BusinessWeek* (February 13), 76–77.
- Weeks, William A., Terry W. Loe, Lawrence B. Chonko, and Kirk Wakefield (2004), "The Effect of Perceived Ethical Climate on the Search for Sales Force Excellence," *Journal of Personal Selling & Sales Management*, 24, 3 (Summer), 199–214.
- Wells, Deborah (2001), "Ethical Development and Human Resources Training: An Integrative Framework," *Human Resource Management Review*, 11 (Spring-Summer), 135–158.

- Wimbush, James C., and Jon M. Shepard (1994), "Toward Understanding of Ethical Climate: Its Relationship to Ethical Behavior and Supervisory Influence," *Journal of Business Ethics*, 13 (August), 637–647.
- , ———, and Steven E. Markham (1997), "An Empirical Examination of the Multidimensionality of Ethical Climate in Organizations," *Journal of Business Ethics*, 16 (January), 67–77.
- Woods, Philip A. (2004), "Democratic Leadership: Drawing Distinctions with Distributed Leadership," *International Journal of Leadership in Education*, 7 (January–March), 3–26.
- Wotruba, Thomas R. (1990), "A Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations," *Journal of Personal Selling & Sales Management*, 10, 2 (Spring), 29–42.

