

A COMPARISON OF THE ETHICAL PERCEPTIONS OF PROSPECTIVE PERSONAL SELLING AND ADVERTISING EMPLOYEES

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The prevalence of corporate unethical activity has brought ethics education to the forefront. In response, business curricula have been revised to incorporate ethics topics. The business disciplines of personal selling and advertising are often maligned for possessing low ethical standards. Much of the negative image may be attributed to the perception that in the advertising and selling professions ethical behavior is not important. Further, ethical behavior may not be emphasized in the two disciplines because success in advertising and sales may be inversely related to ethical behavior. In this research, the perceived importance of ethics and ethical behavior was measured from both the advertising and the personal selling perspectives. Responses obtained from prospective advertising employees and salespeople were compared to determine the similarities and differences between the two professions. Results of the study indicate that prospective personal salespeople felt that ethical behavior was more important and more heavily emphasized in their discipline than did prospective advertising employees. Additionally, personal selling respondents felt that success in their field depended more heavily on ethical behavior than did those in advertising. While results of the study indicated that both personal selling and advertising prospective employees expect to encounter ethical dilemmas in their professions, respondents in both fields agreed that they would feel comfortable working only in a corporate environment where the corporate ethics match their own personal ethics. Based on the findings, implications and suggestions for future research are discussed.

INTRODUCTION

One only has to listen to the news or read the *Wall Street Journal* to realize the prevalence of unethical activity in corporations. With claims, allegations and convictions of unethical behavior from such corporate giants as Mattel, Enron, McDonalds, Wal-Mart, and Merrill Lynch, the topic of ethics continues to be brought to the forefront of national and international discussion. Corporate unethical activity has resulted in numerous negative consequences such as lowered investor confidence, consumer endangerment, and new industry and governmental regulations. Generally, unethical behavior creates an unfavorable business climate and diminishes potential business success. Despite these

findings, it could be argued that some businesses and individuals take the more ironic view of ethics by choosing to follow a work ethic more in line with the words of Mark Twain who once said, "The secret of success is honesty and fair dealings. If you can fake these, you've got it made."

Business organizations have attempted to internally address employee unethical behavior by instituting codes of ethics and employee training. While new governmental regulations have created a framework for corporate ethics, trade associations have been active in developing ethics courses and codes of conduct. However, ultimately the ethics of the organization is dependent on the ethics of the individual employees and the corporate environment created by management. If employees feel that ethical behavior is not important or that the corporate ethical climate is not congruent with their own personal beliefs,

efforts for ethical reform may meet with limited success. Recently collegiate accrediting agencies such as AACSB International – The Association to Advance Collegiate Schools of Business – have instituted new guidelines to ensure that students who will become the new corporate employees receive ethics education. Business schools have responded to these demands by revising curricula to include ethics topics, but is the new emphasis on ethics having the desired impact?

Sales and advertising are two functional areas within a corporation where ethical dilemmas are frequently encountered and opportunities for unethical behavior abound. The personal selling and advertising professions are often maligned for possessing low ethical standards. Much of the negative image may be attributed to the perception that in the advertising and selling professions ethical behavior is not important or that success in advertising and sales is not related to one's ethical behavior. Given that much of the capacity for a business to succeed depends on its sales and advertising employees, it is important to determine the ethical perceptions of both. Business students majoring in personal selling and advertising are the future corporate sales and advertising professionals. The new infusion of ethics in the sales and advertising curricula should be preparing the future professionals for ethical issues encountered in their respective fields. The purpose of this research is to evaluate the perceived importance of ethics and ethical behavior from the advertising and the personal selling perspectives. Comparison of the personal selling and advertising responses will be used to determine the similarities and differences between the ethical perceptions held by two types of professionals and to determine implications for addressing ethical education and behavior in these two key areas.

RELATED LITERATURE

In today's environment, businesses are plagued with incidences of employee ethical misconduct. Governmental regulation, corporate and trade association codes of ethics, establishment of ethical committees, and courses in ethical behavior have been instituted

to improve ethical behavior in business organizations. While for decades business curricula have included discussions of business ethics, the ethics of business executives continue to rank lower than those in many other professions (Lantos 1999). The current business ethical climate would lead one to question the success of business ethics curricula and whether business ethics courses have a positive impact on our future executives.

One of the functional areas of business particularly prone to ethical challenges is personal selling (Dubinsky and Levy 1985). As Dawson (1997) indicates, the salesperson's unique position as facilitator of the exchange of good and services between buyer and seller often tempts him/her to behave unethically. A salesperson's unethical behavior may negatively impact customer satisfaction and retention as well as salesperson performance and retention. Dubinsky, et. al. (1992) contend that unethical salesperson behaviors may result in "deleterious human resources costs, lawsuits, ineffective performance, conflict, customer dissatisfaction, poor word-of-mouth, lost customers, reduced sales and profits (p. 10)." Personal selling may also have a poor ethical image among college students (Sparks and Johlke 1996). Consequently, students may be hesitant to select personal selling as a career thus limiting the pool of qualified applicants.

A second functional area of business fraught with ethical challenges is advertising (Treise et. al., 1994). The advertising industry has been accused of engaging in numerous activities detrimental to society such as intentionally misleading the consumer to promoting the sale of unnecessary products and services (Murphy 1998; Pratt and James 1994; Pratt and James 1993). Results of Gallup's Honesty and Ethics Poll indicate that advertising is perceived as one of the most unethical businesses (McAney 1995; Murphy 1998). Pratt and James (1994) note, "The advertising profession, as business, is no less immune to the unsavory public perceptions of business ethics in general." In fact, in terms of ethical standards, advertising has been rated the lowest on 14 ethical dimensions in the functional areas of a business (Murphy 1998).

Allegations of unethical advertising activities stem not only from the public but from advertising practitioners as well. In a survey of 785 companies, advertising ranked last in terms of providing employees specific ethical guidelines and policy statements (Murphy 1998). The lack of formal policy leaves advertising employees to make ethical decisions on a case-by-case basis based on their own personal ethics. As the Chairman of the Self-Regulation Committee of the American Advertising Foundation points out, ethical conduct is largely based on individual actions and that the solution to the ethics crisis in advertising is the responsibility of the individual (Pratt and James 1994).

While some research found no significant differences in ethical perceptions between academic disciples (DuPont and Craig 1996), the importance of ethical behavior in the conduct of all aspects of business is well understood. However, in addition to the obvious factors supporting ethical behavior (e.g., the importance of avoiding legal actions, maintaining positive customer relationships, etc.), one factor that is rarely discussed is the perception that individuals prefer to work for firms that they perceive are ethical. Such a preference may be derived from a desire to associate oneself with a firm in which he/she could feel personal pride or a desire to work with an organization that one can trust. Regardless of the justification, firms may wish to behave ethically to enhance their ability to attract the "best" employees. Some have even suggested that ethical perceptions may influence the selection of one's career (Sparks and Johlke 1996). For example, Sparks and Johlke argue that individuals may not select personal selling as a career choice due to the perception of its inherent unethical behaviors. Further, they argue that this process of "self-selection" may actually discourage people from pursuing a given career. This perception is supported by research in advertising where 66 percent of the respondents contend that ethical problems negatively affect relationships with their co-workers and their performance (Hunt and Chonko 1987).

Previous research indicates the problem of unethical behavior is encountered in all organizations, but it is particularly vexing in a sales or advertising setting. Therefore the ethical perceptions of future sales and advertising professionals are important to the firms that will employ them. The next section identifies five hypotheses designed to determine the ethical perceptions of our future business executives in the sales and advertising disciplines.

RESEARCH HYPOTHESES

Previous research indicates differing perspectives on the ethical perceptions of personal selling and advertising professionals. Given that the behaviors of both advertising and sales employees are critical to the success of a corporation, hypotheses were developed to examine the ethical perceptions of future employees in each profession. Using five hypotheses, this study examines the ethical perceptions of prospective advertising employees. Using the same five hypotheses, the ethical perceptions of prospective personal selling employees are examined. A sixth hypothesis is used to compare the ethical perceptions between the two professions.

The five hypotheses relating to ethical perceptions of future personal selling and advertising professionals are:

- H₁:** Prospective personal selling and advertising employees perceive ethical behavior as important in their professions.
- H₂:** Prospective personal selling and advertising employees would feel comfortable working only in a corporate environment where the corporate ethics match their own personal ethics.
- H₃:** Prospective personal selling and advertising employees perceive that the importance of marketing ethics is emphasized in their professions.
- H₄:** Prospective personal selling and advertising employees perceive that success in their professions depends on ethical behavior.

H₅: Prospective personal selling and advertising employees perceive that ethical dilemmas are rarely encountered in their professions.

METHODOLOGY

The first step in the research process involved sample specification. McCuddy and Perry (1996) indicate the relevance of the use of students in ethics research. Since students are potential employees, their "ethical propensities" can increase the knowledge of factors that influence future ethical behavior. As prospective sales employees, students enrolled in personal selling classes were selected for the study. In the business marketing curricula, sales students have been presented considerable information regarding the role of a salesperson and ethics and selling in business. Similarly, students enrolled in upper-division advertising courses were selected as future advertising employees. The advertising students have knowledge of the profession and are likely to be employed in positions related to advertising. In the business marketing curricula, the advertising students also have been exposed to information regarding ethical issues and behavior in advertising. The future sales and advertising employees' ethical perceptions are of particular relevance to corporations concerned with employee ethics.

The second step in the research process involved development of the survey instrument. According to Jones and Kavanagh (1996), "If unethical behavior in organizations is of rational choice, we could assume that intentions are indicative of actual behavior (p. 515)." Therefore, five questions assessing respondent perceptions of ethics in personal selling and advertising were developed and pretested. Considering their respective profession, respondents were asked to indicate on a five-point Likert scale (1=strongly agree, 2=agree, 3=uncertain, 4=disagree, 5=strongly disagree) their agreement with five ethical concepts: 1) the importance of ethical behavior, 2) whether success depends on ethical behavior, 3) the likelihood of encountering ethical dilemmas, 4) whether marketing ethics are emphasized in the profession, and 5) whether they would feel

comfortable working only in a corporate environment where corporate and personnel ethics are congruent.

Using analysis of variance, academic discipline means were compared for each of the five ethics questions. Similarities and differences were noted between the personal selling and advertising student responses.

RESULTS AND DISCUSSION

Three hundred seventy-six (376) students enrolled at an AACSB accredited, Midwestern university were surveyed. The research sample included 185 personal selling students and 191 advertising students. All participants were nearing the end of their college curricula; 72 percent of the participants were college seniors. A majority of the respondents ranged in age from 21 to 25 years, and the respondent sample was approximately equally divided according to gender. Additionally, 77 percent of the students had prior experience in their respective profession, personal selling or advertising.

The first research hypothesis concerns whether prospective personal selling and advertising employees perceive ethical behavior as important in their professions. The mean responses are given in Table 1. For the question concerning the importance of ethical behavior, the low means indicate that both personal selling and advertising students perceive that ethical behavior is very important in their respective professions. However, personal selling students feel that ethical behavior is significantly more important in their profession than do the advertising students.

Whether success in personal selling and advertising depends on ethical behavior is the topic of the second research hypothesis. As illustrated in Table 1, both personal selling and advertising students agree that success depends on ethical behavior. However once again, the personal selling students feel that ethical behavior is more important to success in their profession than do the advertising students.

The third research hypothesis involves the prevalence of ethical dilemmas in the sales and

advertising fields. As illustrated by the means in Table 1, both the personal selling and advertising students disagree that ethical dilemmas are rarely encountered in their professions. Further for this question, there is no difference in perceptions between the two groups of students.

Whether the importance of marketing ethics was emphasized in their respective curricula is the focus of the fourth research hypothesis. Personal selling and advertising students agree that marketing ethics is emphasized, but there is a significant difference in their responses. Personal selling students feel more strongly that marketing ethics was emphasized in their curricula than did advertising students.

The subject of the fifth and final research hypothesis is whether the future employees would only feel comfortable working in a corporate environment where the corporate ethics matched their own personal ethics. Both the personal selling and advertising students agree that congruency in corporate and personal ethics is important. Further, there is no difference in perceptions between the advertising and sales students regarding the importance of the corporate-personal ethics match.

CONCLUSIONS AND RECOMMENDATIONS

In comparison to advertising students, results of this study indicate that personal selling students feel more strongly that ethical behavior is important in their field and emphasized in their college curriculum. In personal selling, the sales professional has direct contact with the customer. By contrast in the field of advertising, the customer contact is often indirect. Therefore, ethics may receive more emphasis and may be perceived as more important in the sales curriculum than in the advertising curriculum.

Personal selling students also feel more strongly than advertising students that their success is dependent on ethical behavior and that the ethics of their corporate environment must match their own personal ethics. Once again, the nature of the sales field and its requisite personal interactions may contribute to the perception that career success and work environment ethics are more important to the sales professional than the advertising professional.

TABLE 1
Mean Perceptions for Five Ethical Questions: Personal Selling vs. Advertising Students

Ethics Question	Academic Discipline		Significance
	Personal Selling (n=185)	Advertising (n=191)	
Ethical behavior is important in advertising/personal selling.	1.4	1.6	.0027
I would feel comfortable working only in a corporate environment where the corporate ethics matched own personal ethics.	1.9	2.1	.0657
The importance of marketing ethics was emphasized in my college curriculum.	2.0	2.2	.0157
Success in advertising/personal selling depends on ethical behavior.	2.2	2.6	<.0001
Ethical dilemmas are rarely encountered in advertising/personal selling.	4.4	4.4	NS

1=strongly agree, 2=agree, 3=uncertain, 4=disagree, 5=strongly disagree

Overall, both personal selling and advertising students appear aware that ethical dilemmas will be encountered in their careers. Further, personal selling and advertising students perceive ethical behavior as very important in their respective professions. However, each group is less certain that success in their respective fields depends on ethical behavior. There appears to be incongruence between how students feel they should behave as professionals and how they feel their success will be determined. This fact could be a result of observing business executives becoming wealthy despite the lack of ethical behavior or the feeling that corporations do not reward individuals with high ethical standards.

In terms of whether the importance of marketing ethics was emphasized in their respective curricula, students from both academic disciplines agree but do not strongly agree that this is the case. It appears that there is room for improvement in ethics education in the personal selling curricula and even more so in the advertising curricula. Since often times advertising deals with creating demand for a product using unrealistic situations and images, it may be more difficult for advertising students to determine what constitutes unethical behavior. Although sometimes difficult to accomplish, ethics education for both personal selling and advertising students needs to incorporate specific examples of behaviors that cross ethical boundaries. Before students enter the work force and are faced with difficult ethical decisions, business educators need to provide students with an understanding of corporate, ethical behaviors.

Additionally, both personal selling and advertising students indicate that it is important that the ethical climate of the corporation in which they are employed reflect their own personal ethics. The implication is that a corporation's ethical reputation may affect its ability to hire and retain employees. Perhaps corporations need to increase their awareness of the effect of their public image on current and future employees. If a firm has a low ethics reputation, it may attract low ethics employees, perpetuate the low ethics corporate

environment, and perhaps ultimately damage the corporate position in the marketplace.

If it is true as Cleek and Leonard (1998) assert that perhaps the only way to increase the ethical decision making in an organization is to hire only ethical people, it is imperative that ethics education be emphasized in the business curricula. The results from this study indicate that current business ethics education is not making the grade. While personal selling and advertising students as prospective employees feel that ethical behavior is important, they are not fully convinced that their future success is determined by their corporate ethical behavior. Business ethics education needs to emphasize the negative business implications of unethical corporate behavior. Similarly, business educators need to communicate the ethical perceptions of students as prospective new hires to corporations. Perhaps in concert with corporations, business educators can aid in developing the ethical employees of the future.

SUGGESTIONS FOR FUTURE RESEARCH

The current research involved only the personal selling and advertising professions. The study could be extended to include students as future employees in other business professions such as accounting, finance, and management. Since many students not majoring in business also will become corporate employees, future research of this type might include a broader student base.

Another avenue of future research might include a survey of persons currently employed in the advertising and sales professions. Determining whether corporate employees perceive ethical behavior as important, whether they feel that their success in the corporation depends on ethical behavior, whether they frequently encounter ethical dilemmas, and whether they feel that the ethical climate of their current employer is congruent with their personal ethics would be of particular interest. It also would be interesting to determine if employees feel that their college education prepared them to address corporate ethical situations. A comparison of the employee and

student research might reveal changes in perceptions through work experience.

Whatever the direction of future research, it is clear that both business educators and corporations need to recognize and emphasize the importance of ethical behavior. Both business educators and corporations also must understand the economic consequences of not pursuing the ethical path.

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