

A Three-Country Study of Unethical Sales Behaviors

Ning Li · William H. Murphy

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Abstract A major challenge in global sales research is helping managers understand sales ethics across countries. Addressing this challenge, our research investigates whether a few demographic variables and psychographic variables reduce unethical sales behaviors (USBs) in Canada, Mexico, and the USA. Further, using literatures associated with business ethics, national culture, and customer orientation advocacy, we hypothesize why sales managers should expect similarities and differences in USBs between countries. We tested hypotheses using a sales contest scenario and six USBs, examining survey responses from 948 business-to-business salespeople of a multinational company's sales force in Canada, Mexico, and the USA. The results reveal that several psychographic variables (such as commitment, relationship to sales manager, and achievement need) affect salespeople's tendency to engage in USBs differently in each country. In addition, business ethics, individualism, and customer orientation advocacy associated with each country can be used to anticipate similarities and differences in USBs between countries. This research offers important theoretical contributions and implications for more effectively managing sales forces and reducing USBs across countries.

Keywords Achievement need · Commitment · Compensation · Customer orientation · Leadership · National culture · Sales ethics · Sales management · Salespeople · Unethical sales behavior

Abbreviations

CPI Corruption perceptions index
MNC Multinational company
NAFTA North American Free Trade Agreement
USB Unethical sales behavior

Introduction

One of the recent sales research challenges has been to help managers understand sales ethics across countries. Countries vary in numerous ways that affect societal norms toward ethical decision making and accompanying choices of behavior. These include laws, ethics education, and customs, among others. In addition, understanding the role of culture on ethical behavior is a major issue. However, we know little about how culture affects the perception and evaluation of unethical practices or how it affects subsequent behavior (Husted and Allen 2008). Husted and Allen (2008, p. 293) further posit that “a careful analysis of the relationship between different cultural dimensions and ethical decision making by individuals in organizations might elucidate our understanding.” At this time, we have only limited ability to resolve the following research questions: Are salespeople in some countries more prone to engage in certain unethical sales behaviors (USBs) than salespeople in other countries? And, if so, why?

The marketing literature has offered several ethical decision making frameworks (Ferrell and Gresham 1985;

Ning Li and William H. Murphy contributed equally to this work.

N. Li (✉)
School of Management, George Mason University,
4400 University Drive, MSN 5F4, Fairfax, VA 22030, USA
e-mail: nli@gmu.edu

W. H. Murphy
Edwards School of Business, University of Saskatchewan,
25 Campus Drive, Saskatoon, SK S7N 5A7, Canada
e-mail: wmurphy@edwards.usask.ca

Ferrell et al. 2007; Wotruba 1990). For example, Wotruba's (1990) ethical decision action process was one of the first to provide an organizing template for understanding the factors affecting decision making by salespeople under conditions of moral uncertainty. This frequently cited paper identifies salesperson characteristics, situational moderators, and prior outcomes as affecting a salesperson's moral decision structure. Also, considerable research has addressed ethics in sales management, growing our understanding of the effects of corporate ethics codes and company ethos (Valentine and Barnett 2002), ethical climate (Schwepker 2001), sales manager leadership and controls (Bass et al. 1998; Ingram et al. 2007; Schwepker and Good 2007), and personal and situational factors affecting ethical decisions in sales (Chonko and Burnett 1983; Mantel 2005). Finally, there is an extensive USB literature associated with short-term sales incentives (Moncrief et al. 1988; Murphy 2004; Wildt et al. 1980, 1981; Wotruba and Schoel 1983). The importance of sales ethics research cannot be overstated, since ethical sales behaviors affect so many aspects of customer relationships including satisfaction, trust, and commitment (Román and Ruiz 2005). Further, if salespeople engage in USBs, productivity and other measures of efficiency may be low because salespeople maximize their own welfare rather than placing company goals as priorities (Ferrell and Gresham 1985). Overall, the ever-increasing body of sales ethics research and the nearly universal attention to ethics by companies attest to the importance of this domain.

It seems that with organizational safeguards, including codes of ethics, leadership behaviors, enforcement mechanisms, and ethics training, employees will be more prone to make ethical decisions (Cadogan et al. 2009), especially given the effects of leadership and control strategies on a firm's ethical climate and on a salesperson's cognitive moral development (Ingram et al. 2007). However, despite decades of literature articulating the merits of ethical sales behavior and with companies developing ethical codes and policies, there continues to be extensive reporting of the prevalence of ethical misconduct. Murphy (2004) further suggests that while highly egregious USBs might be prevented through the presence of organizational safeguards, lesser infractions might be intractable. Given the prevalence of USB promoting conditions in many sales settings and the fact that as boundary spanners salespeople face ongoing ethical dilemmas (Ferrell and Gresham 1985), the study of USBs continues to be a vital area for sales research.

Despite the rich sales ethics literature, only a few studies have examined USBs in non-USA contexts (e.g., Dubinsky et al. 1991; Honeycutt et al. 1995; Román and Munuera 2005; Verbeke et al. 1996). These studies have affirmed that, although some universalities may exist, nationality

and/or culture has a substantial effect on ethical perceptions and behaviors. Given that so many companies now operate on a global platform, it is crucial that USB research be continued across countries. Addressing the need for sales ethics research across countries, our research extends Murphy's (2004) study in the USA by investigating USBs in Canada and Mexico as well.

The main purpose of Murphy's (2004, p. 1266) study was to introduce "theory and extant research lead(ing) to hypotheses concerning the extent problematic sales behaviors should be anticipated in response to short-term goal/reward mechanisms". Drawing from ethics research and research identifying variables affecting motivation, Murphy (2004) hypothesizes that demographic variables as well as psychographic variables are possible antecedents to USBs. While acknowledging the equivocal effects of demographic variables found in earlier studies, the author hypothesized negative effects for these variables on USBs. His findings, based on data in the USA, did not tend to support expectations for demographic variables (age, education, rank). The only significant finding for demographic variables was contrary to expectations, with education having a positive effect on a measure that combined two "lesser problematic" sales behaviors, i.e., getting customers to make forward purchases and overemphasizing contest-targeted products. However, most expectations were supported for psychographic variables including the negative effects of salesperson commitment and relationship to sales manager, and the positive effects of salesperson status aspiration and competitiveness on USBs. Further, neither commitment nor relationship to sales manager had a dampening effect on lesser problematic sales behaviors. In addition, salesperson competitiveness had a positive effect on all USBs, with status aspiration having a positive effect on measures for minor and moderately problematic sales behaviors but not for "highly problematic" sales behaviors (a two item measure: reduce helping and sharing among salespeople, make occasional exaggerated claims of targeted offerings).

Our work extends Murphy's (2004) study and contributes to sales management research in three important ways. First, we include compensation structure as a USB antecedent not previously considered, adding to the discourse on the role of compensation (fixed vs. incentive pay) in affecting USBs. In doing so, our research enhances understanding of the conditions in which management can anticipate a variety of USBs and provide guidance to reduce them in Canada, Mexico, and the USA. Second, responding to the sales research challenge of helping managers understand sales ethics across countries, our research investigates country characteristics of Canada, Mexico, and the USA that may be associated with similarities and differences in USBs between countries. Third,

we answer calls for a better understanding of the effects of national culture on ethical decision making (Husted and Allen 2008). In this global age, our study has timely theoretical and managerial implications regarding how sales managers can reduce USBs and what country characteristics may be related to between-country differences in USBs. The payoff to firms that comes from identifying and reducing probable USBs is apparent: “Salespeople who act in an ethical manner are more effective at building strong customer relationships — their customers are more satisfied with them, more trusting of them, and more committed to them” (Hansen and Riggle 2009).

The ensuing sections take the following path. To begin, we hypothesize the effect of compensation structure on the likelihood of USBs. We do not repeat the arguments for the hypotheses on the same demographic and psychographic variables in Murphy (2004), although we discuss our findings in terms of adding to the Murphy (2004) discourse. Then, we discuss country characteristics of Canada, Mexico, and the USA that may lead to between-country differences in USBs. Our research uses a sales contest scenario, with the same six USBs in Murphy (2004) as possible outcomes. Different from Murphy (2004) where the USBs were combined into three subsets, i.e., lesser, moderately, and highly problematic behaviors, based on sales managers’ attitudes toward the behaviors, we conduct analyses on each USB, i.e., viewing each as a distinct USB for analysis. Hypotheses are tested using survey responses from 948 salespeople of a multinational company’s (MNC) sales force located in Canada, Mexico, and the USA. Our results and discussion are then followed by limitations and directions for future research.

Hypothesis Development

Salesperson Compensation Structure and USBs

Designing sales force compensation structure, i.e., how much of the compensation should be fixed versus variable, is a key issue in sales force management (Rouziès et al. 2009). Reward policies in organizations are thought to have a substantial impact on unethical behaviors (Cohen 1993; Trevino 1986). For instance, Kurland (1991) points out that straight commission systems create a conflict of interest, with salespeople more likely to sacrifice the interests of the client. In essence, compensation designs can send signals to salespeople that the firm’s interests (and the interests of salespeople) are more important than the client’s (Kurland 1991). This implies that pay schemes may inculcate salespeople toward engaging in USBs to give themselves an edge in gaining rewards. Overall, it seems that as the fixed pay percentage decreases in the compensation plan,

the probability of USBs in which salespeople are willing to engage increases (Mantel 2005). Conversely, there is less motivation for salespeople to engage in USBs with a higher percentage of fixed pay since there is limited prospect of gaining additional rewards through these behaviors.

Hypothesis 1 Fixed pay percentage is negatively related to USBs.

Business Ethics in a Global Context

A number of studies have shown that between-country differences in ethical perceptions exist (Dubinsky et al. 1991; Honeycutt et al. 1995; Verbeke et al. 1996). Posing scenarios that may (or may not) be perceived as having an ethical dilemma, Dubinsky et al. (1991) find that significant differences in perceptions occur between sales personnel from the USA, Japan, and Korea for many scenarios. Using a similar method, Honeycutt et al. (1995) pose ethical dilemmas to USA and Taiwan automobile sales forces. The results suggest that a number of differences exist in sales force responses toward the ethicality of dilemmas between these countries. Meanwhile, Verbeke et al. (1996) pose ethical dilemmas to Dutch salespeople. These authors examine how an organization’s control systems, communications, climate, and personality traits affect ethical decision making. The authors referenced differences in the European context from that found in the USA (i.e., less competitive context, greater social security making salespeople “less desperate”) as explanations for non-significant findings. Further, differences might exist due to national culture as well as societal forces. Husted and Allen (2008) contend that business ethics varies between cultures and that societal culture may be a critical moderator affecting perceptions of dilemmas, judgment, and ensuing behaviors. Taken together, these studies suggest that multinational companies (MNCs) should give thought to whether between-country differences exist in how salespeople interpret and respond to situations that have ethical implications. Here, we seek to explore possible causes of similarities and difference in USBs between salespeople in Canada, Mexico, and the USA using literatures associated with business ethics, national culture, and customer orientation advocacy.

Business Ethics, National Culture, and Customer Orientation Advocacy in North America

As major trading partners, Canada, Mexico, and the USA affect one another in terms of business practices and ethical norms for business behaviors. Some scholars suggest that business ethics is thriving in North America (Dunfee and Werhane 1997). Even so, there are a number of reasons to

presume variation in business ethics and, more precisely, in how personnel might engage in USBs between these countries.

In the USA, codes of conduct, including such parameters as behavior guidelines for employees and the organization, are the norm among the vast majority of large companies (Nijhof et al. 2003). Attention to codes may be seen as a defensive response in an increasingly litigious society. In an examination of 132 codes used by transnational companies, Kolk et al. (1999, p. 171) indicate that codes could also be “understood as an effort to engage in a constructive dialog with external stakeholders on the role of business in society”. In addition, in the USA, the Association to Advance Collegiate Schools of Business regards ethics as a fundamental responsibility for accreditation.¹ Further, there is extensive discourse related to ethical decision making in the trade and academic press.

Furthermore, Scholtens and Dam (2007) find that the extent and quality of ethical policies and practices of firms in the USA are significantly greater than those in 23 other countries in most respects. Still another sign of the ethical norms in a society can be found in Transparency International’s corruption perceptions index (CPI) because a country’s corruption tendency may affect persons in both public and private sectors. This index, assessing perceptions of “misuse of public power for private benefit” and using a 0 to 10 score (with 0 being highly corrupt), scores the USA at 7.1, a ranking of 22nd among 178 countries (Transparency International 2010).

Canada’s business ethics has been affected by its global nature and particularly by its relations with the USA. “Canada’s economic relationship with the USA is by far its most important trading relationship...the two economies have become increasingly integrated” (McKinney 2010, p. 233). This interdependence, accompanied by societal values supportive of high business ethics standards, has led to prioritizing ethics as highly as in the USA. Evidence of this stance can be found in how Canada prioritizes societal concerns (health, conscience, environment, and good governance), its history of social audits, and the development of ethical cultures (Brooks 1997). Also, the development of business school requirements inclusive of business ethics coursework is similar in nature to that in the USA. In their survey of 171 of Canada’s top companies, Lindsay et al. (1996) find that 84 had implemented or were in process of implementing at least one of the seven ethics

mechanisms studied. Meanwhile, Svensson et al. (2009) examine the ethical structures and practices of large Canadian companies across two time periods, 2001–2002 ($n = 116$) and 2005–2006 ($n = 106$), finding that by 2005, all had ethics codes, with breaches of the codes most frequently resulting in consequences including termination, formal reprimands, and verbal warnings.

Further, in a 24-country study, Scholtens and Dam (2007) find that the ethical policies and practices in Canada are behind only Australia and the USA. In addition, Canada scores 8.9 on Transparency International’s CPI for 2010, ranking it 6th among 178 countries. Similar to the USA, it seems that Canadian salespeople live and work in a country that values ethical behavior more than most other countries.

Mexico has had challenges in fostering business ethics, due in part to its economic conditions. It has been observed that Mexico’s weaker economic conditions could make it more susceptible to corruption (Judge et al. 2010). Currently, Mexico ranks 98th on Transparency International’s CPI with a score of 3.1. On a positive note, business ethics in Mexico has been greatly influenced by trade agreements and the extensive presence of transnational firms (e.g., Wal-Mart is now the largest private employer in Mexico (Collins and Whitaker 2009), influencing perceptions of the appropriateness of business practices). Weeks et al. (2006) examine the ethical climate and ethical development of B2B salespeople in Mexico and contrast findings from Weeks et al.’s (2004) B2B sales study in the USA. Using three ethical dilemmas to assess the importance of various issues that might come into play in resolving the dilemmas, the authors found that ethical climates in these two countries were similar. At the same time, they reported that the ethical development of salespeople in Mexico was less than that in the USA.

In addition to these observations, a nation’s ethical predisposition may also be affected by national culture. “One of the recent challenges of international management research has been to help managers understand business ethics across different cultures” (Husted and Allen 2008, p. 293). National culture is a useful framework that enables us to hypothesize and examine why between-country differences in USBs might be present. Hofstede (1980) articulates four national culture dimensions, i.e., power distance, uncertainty avoidance, individualism, and masculinity. Kirkman et al.’s (2006, p. 285) review of 180 articles (1980–2002) based on Hofstede’s (1980) national culture framework indicates that “perhaps the most influential of cultural classifications is that of Geert Hofstede”. Yoo and Donthu (2002, p. 389) point out that Hofstede’s work has ongoing relevance and is “the best available source of national culture ratings”. Thus, we reference Hofstede (1980) here.

¹ Despite this positive commentary, Swanson (2004, p. 43) reports that in many business schools, the ethics component bar is set fairly low, seemingly designed solely to meet standards. As result, it is possible that business students “get the message that practicing managers have little or no legal and ethical responsibilities to society”.

National culture dimensions

| | Power distance | Uncertainty avoidance | Individualism | Masculinity |
|-----------------|----------------|-----------------------|---------------|-------------|
| Canada | 39 | 48 | 80 | 52 |
| Mexico | 81 | 82 | 30 | 69 |
| United States | 40 | 46 | 91 | 62 |
| Range of scores | 11–104 | 8–112 | 6–91 | 5–95 |

National culture is measured using Hofstede's (1980) cultural dimensions

As shown, Hofstede's (1980) national culture index suggests considerable similarities between Canada and the USA, with differences between these countries and Mexico. Peterson et al. (2010, p. 574) suggest that "differences in business ethics across countries may well relate to differences in cultures". Also, Hofstede's cultural dimensions, particularly individualism (Husted and Allen 2008), have been articulated as affecting ethical decision making (Vitell et al. 1993). Overall, it could be expected that salespeople in countries with similar national cultures would be more similarly inclined in their attitudes toward USBs. Given the similarities in national culture index between Canada and the USA and the above discourse on ethical characteristics associated with each country (i.e., lengthier histories of ethical advocacy and higher CPI scores of Canada and the USA compared to Mexico), we hypothesize that:

Hypothesis 2 Salespeople in Canada and the USA will report more similar tendencies to engage in USBs than salespeople in Mexico.

Neither power distance nor uncertainty avoidance receives much research attention related to unethical behaviors. At the same time, both individualism and masculinity are often thought to have effects on ethical tendencies. Since the range of scores on masculinity is quite narrow among the three countries, we do not anticipate between-country difference in salesperson tendencies toward USBs due to masculinity. Instead, we focus on the potential impact of individualism on differences in USBs.

Individualism/collectivism is particularly relevant to ethical decision making because this cultural dimension "deal(s) with beliefs about the priority of individual versus group interests" (Husted and Allen 2008, p. 294). Individualistic societies have loose ties among members—everyone looks after his or her own interests and those of the immediate family (Hofstede 1980). People in these societies view their identity from the self rather than from organizations to which they belong. Individualism is associated with a high regard for personal pleasure, independence, and individual expression (Blodgett et al. 2001).

This orientation affects one's psychological contract with the firm, leading to a relationship that is calculative and utilitarian (Bochner and Hesketh 1994). Meanwhile, people in societies with low levels of individualism, i.e., high levels of collectivism, define themselves in terms of the group, viewing themselves as members of an extended family or organization (Hofstede and Bond 1984). Thus, collectivism is associated with a sense of belonging, reciprocation of favors, and loyalty (Blodgett et al. 2001).

This cultural dimension has an important influence on moral reasoning. In making ethical decisions, a person with low levels of individualism is likely to take into consideration the positive or negative impacts on the group while placing self-interest below the interest of the group (Vitell et al. 1993). The result is that collectivists are less likely to engage in actions that negatively impact the group(s) with which they identify, even if it is in their interest (Blodgett et al. 2001). Those with high levels of individualism are less likely to view themselves primarily as members of any group, and are less likely to consider the negative impacts of their actions on the group. Instead, individualists are more likely to place self-interest above the interest of the group when making ethical decisions (Blodgett et al. 2001). Ultimately, their self-interest seeking tendency may make them more prone to find ways to bend rules so as to achieve higher personal performance and receive greater rewards.

As seen from Hofstede's national culture index, the individualism scores for Canada and the USA are high, while Mexico's is low. On this basis alone, it seems possible that the USA, followed by Canada, could be expected to have salespeople with greater tendencies toward USBs. However, this effect may not be realized across all possible USBs. Murphy (2004) indicates that some USBs are comparatively minor infractions (e.g., getting customers to make forward purchases, setting aside other responsibilities) as opposed to more major infractions (e.g., making occasional exaggerated claims of targeted offerings, reducing helping and sharing among salespeople), with minor infractions presumed to have few consequences if discovered by management. In high individualism countries, a salesperson's self-interest seeking tendency may make the use of USBs a calculative act, with the choice of USBs bounded by calculations associated with the likelihood of being caught and anticipated consequences following discovery. As a result, high individualism may be associated with greater tendencies to use minor USBs, with no effect for major USBs. This allows self-interest seeking tendencies to be pursued while at the same time giving salespeople the ability to rationalize that they are staying within the overall ethical norms of their companies and society. Thus, salespeople in Canada and the USA may be more prone to use minor USBs due to their calculative

relationship with their firms (Bochner and Hesketh 1994), i.e., using only USBs that are minor infringements on ethics policy and/or have only minor consequences.

As mentioned earlier, Canada and the USA have had a lengthy advocacy for companies (and salespeople therein) to conduct business ethically, suggesting that salespeople in Canada and the USA would be sensitive to the ramifications of using highly damaging USBs and thus would have relatively low tendencies to engage in major USBs. Meanwhile, Mexico, lagging in terms of business ethics development, accompanied by a national reality of notably higher corruption, seems likely to have salespeople less attuned to the possible negative consequences of major USBs. Thus, these salespeople would more readily justify using these behaviors to gain good performance.

Hypothesis 3a Salespeople in Canada and the USA are more likely to use minor USBs than salespeople in Mexico;

Hypothesis 3b Salespeople in Canada and the USA are less likely to use major USBs than salespeople in Mexico.

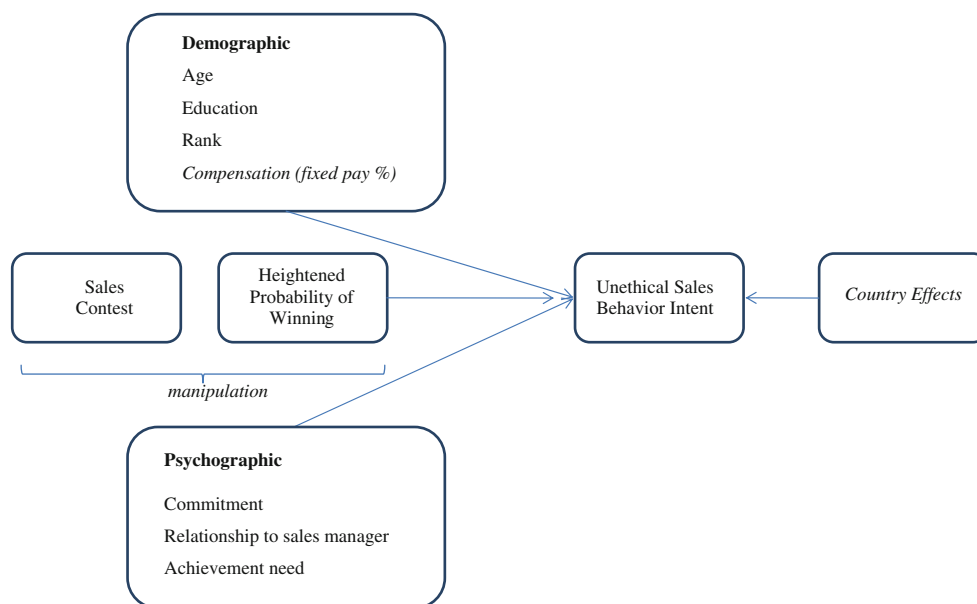
The behaviors chosen by salespeople in the USA may also be affected by the customer orientation that has been present in USA business for several decades. By the 1980s, being “close to the customer” was already a key distinguishing feature of the best of American enterprises (Peters and Waterman 1982). Marketing thought leaders in the USA have long-recognized that a customer orientation is a

superior business approach, favorably affecting customer satisfaction and profitability (Saxe and Weitz 1982). Meanwhile, Honeycutt et al. (1995) find that ethics training and perceived industry ethicality are associated with a greater customer orientation. At this time, most salespeople in the USA have been introduced to the customer orientation concept, with businesses appreciating the ROI accompanying salespeople’s efforts to treat customers well and act with integrity. Further, Canada and the USA have numerous similarities in business schools (reliance on much of the same literature, faculty with similar training, etc.), shared professional conferences, and a tendency of rapid transfer of “best practices” between Canada and the USA. As a result, Canadian attention to the advantages of a customer orientation has paralleled the USA. Therefore, the effects of the long-held customer orientation in Canada and the USA suggest that USBs that have potential negative effects on customers would be less likely in these countries than in Mexico where a customer orientation is a more recent advocacy. In sum, we pose the following hypotheses for USBs in Canada, Mexico, and the USA:

Hypothesis 4 Salespeople in Canada and the USA will be less likely to use USBs that adversely affect customers than salespeople in Mexico.

Figure 1 summarizes the theoretical framework suggested by these hypotheses.

Fig. 1 Theoretical framework of USBs



Country effects and compensation are extensions to Murphy (2004)

Methods

Survey Data Collection

Our sampling frame consists of 948 business-to-business salespeople from a USA-based MNC's sales force located in Canada, Mexico, and the USA. The three countries were chosen because they include the North American Free Trade Agreement (NAFTA) countries that are relevant to most multinational companies, providing theoretically and practically valuable contexts in which to test our hypotheses. The involvement of the specific company required several steps. First, with permission from the author, we accessed the USA data from one of the MNCs involved in the Murphy (2004) study. Then, after contacting sales managers of the same company in Canada and Mexico, we received authorization to conduct the same research in these countries. By working with one company, variation in USBs can more readily be attributed to country differences rather than to company differences. The company has a consistent global stance on being law abiding and ethical. Their global proclamation has high ethical standards, along with stated consequences for failing to abide by policy. Also, the participating company uses actions to instill ethical values including sales training and active oversight by managers on a global platform. Thus, this company strives to assure that the values suggested by their ethics codes are being internalized by employees in each country. Generally, proactive efforts should make codes more effective (McClaren 2000).

In terms of language for the survey, the Canadian management team requested English. Next, their feedback led to minor revisions. Then, the Canadian management team provided mailing lists of salespeople, along with a supporting letter. An initial mailing and one follow-up mailing generated 122 responses from salespeople in Canada, a response rate of 42% (for the USA, $n = 620$, a 52% response rate; cf., Murphy 2004).

For Mexico, we followed Adler (1983) and had the survey translated by a Mexico City-based translator at the company's subsidiary's head office. Then, the Spanish version was analyzed and back translated by a bilingual business researcher whose primary language is Spanish, with the goal of assuring consistency of meaning (Adler 1983). Next, the Spanish version was reviewed by the Mexican subsidiary's management team. Local management handled distribution of the study materials to salespeople in Mexico. The completed surveys were sealed by the respondents (assuring anonymity), returned to management, and then shipped to us for data entry and analysis. We received 206 completed surveys from Mexico (a response rate of 82%). Overall, 948 useable surveys were received from the three countries. Demographics for each country are shown in Table 1.

Survey/Study Materials

The study materials include a questionnaire and a manipulation that focuses attention on an appealing sales contest. Salespeople were given several management-approved sales contests, from which they were to concentrate on the one they found the most appealing. In the ensuing manipulation, respondents focused on this contest and were told the following: "When you receive the contest update you find out that with a strong close you have a good chance of winning. To what extent do you agree you would respond in each of the following ways during the closing weeks of the contest?" Six USBs followed, using a 7-point extent of agreement scale. In addition, the survey includes demographic and psychographic variables. Finally, our design of survey instruments followed Feldman and Lynch's (1988) recommendations for countering "self-generated validity" by careful placement of survey questions, pretesting with the subject population, and use of linguistic terms and phrases naturally used by the respondents.

Measures

Outcomes: USBs

In this research, we focus on the same six USBs used in Murphy (2004), with three categorized as primarily affecting customers and three categorized as primarily affecting companies. Listed in order of severity, i.e., minor to major (cf., Murphy 2004), the USBs primarily affecting customers are *getting customers to make forward purchases*, *overemphasizing contest-targeted products*, and *making occasional exaggerated claims of targeted offerings* and the USBs primarily affecting companies are *setting aside other responsibilities*, *accepting credit risks*, and *reducing helping and sharing among salespeople*. In addition to Murphy (2004), these USBs are frequently discussed in the literature on unethical behaviors associated with special incentives (Moncrief et al. 1988; Wildt et al. 1980/1981; Wotruba and Schoel 1983). The measure uses a 7-point scale (1 = strongly disagree that I would respond this way, 7 = strongly agree that I would respond this way).

Independent Variables: Demographics

Age is measured by a single item 9-point scale in five-year increments ranging from under 25 (1) to over 60 (9). *Education* is measured by a single item 6-point scale which asks, "What is your highest educational attainment?" The options range from grade school (1) to advanced degree (6). *Rank* was designed with the assistance of management

Table 1 Demographics of respondents

| | Canada (<i>n</i> = 122) % | Mexico (<i>n</i> = 206) % | United States (<i>n</i> = 620) % | <i>p</i> < .05 |
|--------------------------|-------------------------------|-------------------------------|--------------------------------------|----------------|
| Age | | | | M < C, USA |
| Under 25 | – | 6 | 1 | |
| 25–29 | 12 | 22 | 7 | |
| 30–39 | 32 | 62 | 28 | |
| 40–49 | 29 | 6 | 36 | |
| 50–59 | 25 | 1 | 26 | |
| 60+ | 2 | 0 | 2 | |
| Education | | | | C, M < USA |
| Grade school | 1 | – | – | |
| High school | 8 | 12 | 2 | |
| Some college | 28 | 14 | 16 | |
| Bachelor's degree | 44 | 59 | 60 | |
| Advanced study or degree | 18 | 14 | 22 | |
| Position | | | | M < C < USA |
| Sales trainee | 1 | 14 | 1 | |
| Junior level | 7 | 17 | 4 | |
| Regular level | 34 | 37 | 28 | |
| Advanced level | 57 | 30 | 67 | |
| Gender | | | | M < USA < C |
| Male | 83 | 56 | 75 | |
| Female | 15 | 35 | 23 | |
| Compensation | | | | M < USA < C |
| Mean of % of fixed pay | 80 | 57 | 76 | |

C Canada, M Mexico

groups at the participating firm. The single item 4-point scale that resulted has labels: (1) a sales trainee, (2) past the trainee stage—in a ‘junior level’ position, (3) a ‘regular level’ sales position, and (4) an ‘advanced level’ sales position. Finally, *fixed pay* is measured by the percentage of pay that is fixed. In addition, we control for gender.

Independent Variables: Psychographics

For the measures of psychographic variables, we use 7-point scales anchored “strongly disagree”–“strongly agree”. Adapted from Jaworski and Kohli (1993), *salesperson affective commitment* is measured by five items. We modify the Tyagi (1985) leadership behavior measure and use six items to measure *relationship to sales manager*. We adapt two constructs in Murphy (2004), i.e., status aspiration (4 items) and competitiveness (4 items), to create a single construct *achievement need*. Country-by-country reliability analysis and confirmatory factor analysis led to combining items from these two constructs into the 5-item measure used here. Final measures for each construct were obtained by taking the average of the item scores (see Appendix for all multiple-item measures and measure performance).

Analysis

For the replication and Hypothesis 1, we use multiple regression analysis on each of the six USBs. For Hypotheses 2 through 4, we examine mean differences between countries on each USB. We also examine the percentages of salespeople who responded that they would (strongly, moderately, or slightly) agree to engage in each of the six USBs. We do this analysis so that we can clearly show the extent that salespeople in each country seem likely to engage in USBs. In addition, following Steenkamp and Baumgartner (1998), we test for cross-national measurement invariance using analysis of multiple group structural equation measurement models.

Results

Evaluation of measures

Table 2 reports descriptive statistics for our sample. No significant multicollinearity is shown. Reliability analysis indicates that the multiple-item measures perform well across the three countries (*commitment* ($\alpha = .77$), *relationship to*

Table 2 Descriptive statistics and correlations

| Variable | Mean | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|-------|-------|-------|-------|------|------|-------|------|------|-----|
| Canada descriptive statistics and correlations ^{a,b} | | | | | | | | | | |
| 1 Age | 4.95 | 1.98 | 1.0 | | | | | | | |
| 2 Education | 3.79 | 1.03 | -.40* | 1.0 | | | | | | |
| 3 Rank | 3.49 | .67 | .52* | -.13 | 1.0 | | | | | |
| 4 Compensation (% fixed) | 80.13 | 8.03 | -.14 | -.02 | -.18 | 1.0 | | | | |
| 5 Commitment | 6.32 | .60 | .18 | -.06 | .13 | .10 | 1.0 | | | |
| 6 Relationship to sales manager | 5.95 | 1.01 | -.04 | .13 | .02 | .19* | .48* | 1.0 | | |
| 7 Achievement need | 5.51 | .96 | -.04 | .14 | .06 | -.05 | .25* | .07 | 1.0 | |
| 8 Gender | 1.15 | .36 | -.23* | .05 | -.09 | .04 | .04 | -.08 | -.14 | 1.0 |
| Mexico descriptive statistics and correlations ^{a,b} | | | | | | | | | | |
| 1 Age | 3.15 | 1.22 | 1.0 | | | | | | | |
| 2 Education | 3.79 | .93 | -.19* | 1.0 | | | | | | |
| 3 Rank | 2.85 | 1.01 | .40* | -.07 | 1.0 | | | | | |
| 4 Compensation (% fixed) | 56.58 | 14.97 | .17* | -.06 | .25* | 1.0 | | | | |
| 5 Commitment | 6.14 | .75 | .16* | -.14 | .05 | .10 | 1.0 | | | |
| 6 Relationship to sales manager | 5.72 | 1.31 | -.02 | -.18* | -.04 | .00 | .39* | 1.0 | | |
| 7 Achievement need | 6.19 | .76 | .01 | -.01 | .00 | -.01 | .06 | .10 | 1.0 | |
| 8 Gender | 1.38 | .49 | -.07 | .05 | .05 | -.05 | .03 | .09 | -.02 | 1.0 |
| USA descriptive statistics and correlations ^{a,b} | | | | | | | | | | |
| 1 Age | 5.20 | 1.85 | 1.0 | | | | | | | |
| 2 Education | 4.11 | .85 | -.18* | 1.0 | | | | | | |
| 3 Rank | 3.62 | .60 | .51* | -.10* | 1.0 | | | | | |
| 4 Compensation (% fixed) | 75.9 | 12.54 | .03 | -.07 | -.07 | 1.0 | | | | |
| 5 Commitment | 6.31 | .66 | .02 | -.05 | .07 | .07 | 1.0 | | | |
| 6 Relationship to sales manager | 5.75 | 1.38 | -.04 | -.04 | .07 | .07 | .34* | 1.0 | | |
| 7 Achievement need | 5.65 | .90 | -.06 | .06 | .04 | .04 | .22* | .10* | 1.0 | |
| 8 Gender | 1.24 | .43 | -.11* | .02 | -.09 | -.08 | -.09* | -.08 | -.05 | 1.0 |

^a Sample size $N = 122$ for Canada; $N = 206$ for Mexico; $N = 620$ for USA; $N = 948$ for three countries combined

^b Correlations significant at $p < .05$ are noted with *

sales manager ($\alpha = .94$), and *achievement need* ($\alpha = .70$)). Also, country-by-country factor analysis of the sixteen items comprising the measures of *commitment* (5), *relationship to sales manager* (6), and *achievement need* (5) shows that across the three countries, items load well on their respective scales providing evidence of unidimensionality (Gerbing and Anderson 1988; Hattie 1985). In addition, the square root of the average variance extracted from each construct is greater than the correlation shared between the construct and other constructs in the model (Fornell and Larcker 1981), signifying good discriminant validity.

Measurement invariance tests also needed to be performed. To compare the relations of focal constructs cross-nationally, full or partial metric invariance and factor variance invariance have to be satisfied (Steenkamp and Baumgartner 1998, p. 82). Following Steenkamp and Baumgartner (1998), we first estimated the configural invariance model. The fit of this model is good (CFI = .946,

TLI = .927, RMSEA = .037). All factor loadings are significant in all countries, with 41 out of 48 (within-country) standardized factor loadings exceeding .55. Thus, it can be concluded that our measurement model exhibits acceptable configural invariance across countries, i.e., all three multiple-item constructs can be conceptualized in the same way across the three countries.

The hypothesis of full metric invariance was tested by constraining the matrix of factor loadings to be invariant across all countries. There is a significant increase in Chi-square between the model of configural and the model of full metric invariance ($\Delta\chi^2(26) = 129.97$, $p < .001$). Thus, full metric invariance is not supported. Based on our examination of each individual item across countries, we next kept the constraints on the loadings of the third and the fourth items to measure *commitment*, the third, fourth, and fifth items to measure *relationship to sales manager*, and the third item to measure *achievement need* so that we could test for partial metric invariance. The overall fit of

the model of partial metric invariance is good (CFI = .945, TLI = .929, RMSEA = .036). The Chi-square of this model is not significantly different from that of the configural invariance model ($\Delta\chi^2(12) = 17.14$, not significant). Thus, partial metric invariance is supported. Finally, we tested the hypothesis of invariant factor variances. This hypothesis is rejected ($\Delta\chi^2(6) = 52.01$, $p < .001$). Based on our examination of each latent construct across countries, we removed the invariance constraints on the factor variances of *relationship to sales manager* and *achievement need*. The partial factor variance invariance model demonstrates good fit: $\Delta\chi^2(2) = 4.15$ (not significant), CFI = .945, TLI = .927 and RMSEA = .037. Thus, partial factor variance invariance is supported. Taken together, these tests indicate acceptable measurement invariance for multiple-item measures across the three countries.

Findings

Similar to Murphy (2004), we find that the demographic variables (age, education, rank) mostly have non-significant effects on USBs and this is consistent for all three countries (Table 3 summarizes the results of the estimates). Specifically, *Age* has just one significant effect (i.e., a positive effect on *setting aside responsibilities* in the USA). *Education* has just three significant effects (a positive effect on *overemphasizing contest-targeted products* and *exaggerating claims* in Canada; a positive effect on *forward purchase* in the USA). *Rank* is associated with just two USBs, one in Mexico (a positive effect on *setting aside responsibilities*) and one in the USA (a negative effect on *exaggerating claims*). As part of the extension, Hypothesis 1 posits that fixed pay percentage is negatively related to

Table 3 Multiple regression estimation results

| Independent variables | Country | USBs primarily affecting customers | | | USBs primarily affecting companies | | |
|-------------------------------|---------|------------------------------------|--------------------------------|-------------------|------------------------------------|---------------------|-------------------|
| | | Minor-----Major | | Minor-----Major | | Minor-----Major | |
| | | Forward purchase | Overemphasize contest products | Exaggerate claims | Set aside responsibilities | Accept credit risks | Reduce helping |
| Age | Canada | ns | ns | ns | ns | ns | ns |
| | Mexico | ns | ns | ns | ns | ns | ns |
| | USA | ns | ns | ns | .10 [†] | ns | ns |
| Education | Canada | ns | .25* | .19 [†] | ns | ns | ns |
| | Mexico | ns | ns | ns | ns | ns | ns |
| | USA | .08 [†] | ns | ns | ns | ns | ns |
| Rank | Canada | ns | ns | ns | ns | ns | ns |
| | Mexico | ns | ns | ns | .14 [†] | ns | ns |
| | USA | ns | ns | -.08 [†] | ns | ns | ns |
| Compensation (fixed pay %) | Canada | ns | ns | ns | ns | ns | -.23* |
| | Mexico | ns | ns | ns | ns | ns | ns |
| | USA | ns | ns | ns | ns | ns | ns |
| Commitment | Canada | ns | ns | -.19 [†] | ns | ns | ns |
| | Mexico | ns | ns | ns | ns | ns | -.21** |
| | USA | ns | -.10* | ns | ns | -.16*** | -.16*** |
| Relationship to sales manager | Canada | -.31** | -.22* | ns | ns | -.28** | ns |
| | Mexico | ns | ns | ns | ns | ns | -.17* |
| | USA | ns | -.08 [†] | -.08 [†] | ns | -.07 [†] | -.08 [†] |
| Achievement need | Canada | ns | ns | ns | ns | ns | ns |
| | Mexico | .25*** | .20** | .27*** | ns | ns | ns |
| | USA | .21*** | .11** | .09* | .14*** | .08 [†] | .13** |
| Adjusted R ² | Canada | .03 | .03 | .08 | 0 | .09 | .03 |
| | Mexico | .05 | .04 | .06 | .02 | 0 | .1 |
| | USA | .04 | .02 | .01 | .02 | .01 | .04 |

Cell entries are coefficient estimates

[†] $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$

Table 4 Likelihood of engaging in USBs

| USB | | Canada mean (SD) | Mexico mean (SD) | USA mean (SD) | $p < .05$ |
|---|---|------------------|------------------|---------------|-----------------|
| USBs primarily affecting customers ^a | | | | | |
| Minor | Forward purchase | 5.0 (1.9) | 4.1 (2.2) | 5.1 (1.9) | M < C, USA |
| | ↑ | | | | |
| | Overemphasize contest-targeted products | 3.4 (2.0) | 4.2 (2.3) | 3.2 (2.0) | C, USA < M |
| | ↓ | | | | |
| Major | Exaggerate claims | 1.9 (1.4) | 3.0 (2.0) | 1.8 (1.4) | C, USA < M |
| USBs primarily affecting companies ^a | | | | | |
| Minor | Set aside responsibilities | 5.0 (1.7) | 3.0 (1.8) | 4.8 (1.6) | M < C, USA |
| | ↑ | | | | |
| | Accept credit risks | 2.8 (1.8) | 2.4 (1.8) | 2.3 (1.6) | Not significant |
| | ↓ | | | | |
| Major | Reduce helping | 2.8 (1.8) | 2.5 (1.7) | 2.7 (1.7) | Not significant |

Measures used seven-point extent of agreement that respondent would engage in behavior scales

^a USBs are listed minor to major in each USB category (cf., Murphy 2004)

USBs. This is only the case for one USB, i.e., *reduce helping*, in Canada, with all other coefficients non-significant across the three countries. Thus, Hypothesis 1 is not supported for any of the six USBs across the three countries.

For the psychographic variables, consistent with Murphy (2004), we anticipate negative effects on USBs for *commitment* and *relationship to sales manager* and a positive effect on USBs for *achievement need*. We find support for *commitment* only for one USB (*exaggerate claims*) in Canada and for one USB (*reduce helping*) in Mexico. Meanwhile, this expectation is supported for three USBs in the USA (*overemphasize contest-targeted products*, *accept credit risks*, and *reduce helping*). We find support for *relationship to sales manager* for three USBs in Canada (*forward purchase*, *overemphasize contest-targeted products*, and *accept credit risks*), for one USB in Mexico (*reduce helping*), and for four USBs in the USA (*overemphasize contest-targeted products*, *exaggerate claims*, *accept credit risks*, and *reduce helping*). *Achievement need* has no significant effects on USBs in Canada. For Mexico, the effect is positive and significant for three USBs (*forward purchase*, *overemphasize contest-targeted products*, and *exaggerate claims*). For the USA, *achievement need* has a significant positive effect on all six USBs. In sum, the psychographic variables perform similarly to Murphy (2004) in the USA, with each variable having expected effects on many of the USBs (noted earlier, while we adapted analysis for this study, the USA data is a single company subset from the Murphy (2004) data). Meanwhile, for Canada only *relationship to sales manager*

appears to have a fairly consistent effect on USBs (negative). In Mexico, it seems that *achievement need* is the only psychographic variable with a fairly consistent effect on USBs (positive).

Hypothesis 2 asserts that salespeople in Canada and the USA will report more similar tendencies to engage in USBs than salespeople in Mexico. As shown in Table 4 and again in Table 5, there are no significant differences between Canada and the USA for any of the six USBs. Meanwhile, Mexico is significantly different from Canada and the USA for four USBs. Overall, this supports Hypothesis 2.

For Hypotheses 3a, 3b, and 4, we refer to Murphy (2004) to delineate minor versus major USBs and, due to our hypotheses, we separate them into two categories, i.e., USBs primarily affecting customers and USBs primarily affecting companies (see Tables 4, 5). Hypothesis 3a asserts that salespeople in Canada and the USA will be more likely to report tendencies to use minor USBs than salespeople in Mexico. We find that Hypothesis 3a is supported for the minor USB affecting customers (*get customers to make forward purchases*) and for the minor USB affecting companies (*set aside responsibilities*). Hypothesis 3b further postulates that salespeople in Canada and the USA will be less likely to report tendencies to use major USBs than salespeople in Mexico. For the major USB affecting customers, this is supported (*exaggerate claims*). However, there are no significant differences in the likelihood of using the major USB affecting companies (*reduce helping*) between Canada, the USA, and Mexico. Thus, Hypothesis 3b is partially supported. Finally,

Table 5 Respondent tendency to engage in USBs

| | % Strongly, moderately, or slightly agree they would engage in a behavior | Canada (%) | Mexico (%) | USA (%) |
|---|---|------------|-------------------|---------|
| USBs primarily affecting customers ^a | | | | |
| Minor | Forward purchase | 73.8 | 57.2 ^b | 73.2 |
| | Overemphasize contest-targeted products | 34.4 | 51.4 ^c | 30.2 |
| Major | Exaggerate claims | 7.4 | 28.1 ^c | 6.9 |
| USBs primarily affecting companies ^a | | | | |
| Minor | Set aside responsibilities | 74.6 | 28.6 ^b | 66.0 |
| | Accept credit risks | 13.2 | 17.5 | 11.7 |
| Major | Reduce helping | 23.0 | 15.1 | 18.0 |

^a USBs are listed minor to major in each USB category (cf., Murphy 2004)

^b Significantly less than either Canada or the USA (see Table 4)

^c Significantly more than either Canada or the USA (see Table 4)

Hypothesis 4 posits that salespeople in Canada and the USA will have lower tendency to use USBs that adversely affect customers than salespeople in Mexico. As shown in Tables 4 and 5, this is supported for *overemphasize contest-targeted products* and *exaggerate claims* while the opposite effect is found for the minor USB affecting customers, *get customers to make forward purchases*. Overall, Hypothesis 4 is mostly supported.

Discussion

Marketing researchers have long presumed that ethical sales force behavior is associated with positive outcomes (e.g., Wotruba 1990). Research has supported links between moral judgment and performance (Schwepker and Ingram 1996) and between ethical behavior and positive customer outcomes (Román and Ruiz 2005). Thus, a long-standing research goal has been to provide theoretical understanding of how to anticipate and prevent USBs. In today's global marketplace, studies of ethical sales behavior have moved beyond the USA to an increasing number of countries. In this research, we have extended Murphy's (2004) work in the USA to two additional countries, Canada and Mexico. Further, we have included an additional variable, compensation (fixed pay percentage), as an extension.

Similar to Murphy (2004), psychographic variables tend to have expected effects (i.e., negative for *commitment* and *relationship to sales manager* and positive for *achievement need*), although the effects are not consistent across countries nor for all USBs. Also similar to Murphy (2004), few effects of demographic variables have been found. We

expected that higher percentage of fixed pay would inculcate salespeople away from the use of USBs. However, *compensation* does not seem to have any significant effect on USBs with the exception of a dampening effect on *reducing helping other salespeople* in Canada. This is surprising in that the sales compensation literature argues persuasively that salary-based plans reduce USBs. Based on our results, pay plans may affect USBs only so far as to whether salespeople see any advantage in using USBs, i.e., high salary pay plans may not affect underlying predispositions related to advantage seeking behaviors such as USBs. Collectively, the non-significant findings for demographic variables add a note of uncertainty to assertions of their effects on ethical behavior (e.g., Ferrell et al. 2007).

By explicating why USBs would vary dependent on national culture and nation-specific ethical characteristics, we show that salespeople in similar countries (i.e., Canada and the USA) will tend to engage in USBs more similarly than salespeople in countries with differences in these factors. An intriguing finding is the association between individualism and greater tendencies to engage in minor USBs in Canada and the USA as compared to Mexico. Our results indicate that the most common USB is *getting customers to make forward purchases*, with significantly more respondents in Canada (73.8%) and the USA (73.2%) potentially engaging in this behavior than those in Mexico (57.2%). Also, *setting aside responsibilities* seems to be much more common for the respondents in Canada (74.6%) and the USA (66%) than those in Mexico (28.6%) (See Table 5). The greater willingness of salespeople in Canada and the USA to engage in these two USBs while pursuing contest goals is suggestive of a calculative nature of salespeople in these high individualism countries, i.e.,

tending to use only the USBs that require active collusion of customers (such as *getting customers to make forward purchases*), with little chance of being caught by sales managers (such as *setting aside responsibilities*), and/or with few repercussions if caught (each is perceived as a minor infraction). Meanwhile, there is partial support for a greater likelihood of major USBs in Mexico.

Finally, it seems that salespeople in Canada and the USA are less likely to engage in two customer-harming USBs (*overemphasize contest-targeted products* and *exaggerate claims*). Thus, it may be that the customer orientation widely advocated in these countries for several decades has inculcated salespeople away from using these two USBs. In other words, salespeople in Canada and the USA may more fully understand the importance of earning and keeping customer trust and ensuing loyalty. Indeed, salespeople in these countries may have internalized the belief that salespeople “act(ing) in an ethical manner are more effective at building strong customer relationships — their customers are more satisfied with them, more trusting of them, and more committed to them” (Hansen and Riggle 2009). Conversely, the greater willingness of salespeople in Mexico to overemphasize contest-targeted products and exaggerate claims suggests that these salespeople may have less awareness of, and concern for, the negative downstream consequences on customer relationships that might follow.

Managerial Implications

The rationale for companies and salespeople being perceived as ethical is multifaceted. For customers, the belief that salespeople are ethical enhances satisfaction, trust, and commitment (Hansen and Riggle 2009; Román and Ruiz 2005). For salespeople working for ethical companies, satisfaction is higher and turnover intentions are lower (Pettijohn et al. 2008). Thus, the value of focusing attention on USBs cannot be overstated. Furthermore, given the global footprints of a vast number of companies, there is a tremendous need for understanding whether the dynamics that reduce USBs are consistent across countries.

For global companies, our research provides insights for reducing USBs across Canada, Mexico, and the USA. Although sales managers should aspire to have committed salespeople, knowing that commitment has little effect on reducing USBs, especially in Canada and Mexico, is an important awareness. This finding is surprising in that committed salespeople feel more connected to firm goals, want to see the firm prosper, and are willing to sacrifice for the good of the firm (Hunt et al. 1989; Scholl 1981). We can surmise a possible reason for this finding. Our

manipulation, sales contests, created an urgency to attain particular company goals within a bounded time frame. Knowing the importance of performing well on behalf of the firm and feeling connected to firm goals, committed salespeople might rationalize that it is temporarily acceptable to push some of the firm’s ethical boundaries to ensure success. Of interest, different USBs seem to be reduced by commitment in each country, with only *exaggerating claims* in Canada and only *reducing helping* in Mexico decreased and with three USBs decreased in the USA (*overemphasize contest-targeted products*, *accept credit risks*, and *reduce helping*). A cultural lens partly explains these findings. Mexico is the only high collectivism country in our study. In high collectivism countries, work unit solidarity is prioritized (Hofstede 2001), strong cohesiveness in groups is the norm, and salespeople can readily turn to each other for help. It seems that highly committed salespeople in high collectivism countries may be particularly less likely to reduce helping other salespeople, which is consistent with the collectivism cultural norm. It is intriguing that commitment decreases three USBs in the USA but none of the same USBs in Canada. Further, commitment decreases *exaggerating claims* only in Canada but not in the USA. It is hard to conjecture why this might be the case although it is possible that commitment affects USBs differently for salespeople located in the home country of the corporate parent than for salespeople located in subsidiary countries, i.e., feelings of connectedness and a desire to help the firm succeed may be internalized differently when the parent company is in one’s country and, thus, affect USBs differently. Overall, it seems that during pursuit of short-term incentives highly committed salespeople may be as likely to use nearly as many USBs as their less committed peers, especially in Canada and Mexico, albeit likely for different underlying reasons. Therefore, sales managers should resist the temptation of believing that if their salespeople are committed to the firm, USBs will not occur—this mistake could cause sales managers to have overly casual oversight for USBs.

In each country, developing close salesperson—to—sales manager relationships decreases the likelihood of at least some USBs. Building this relationship seems to be most effective in the USA, followed by Canada, reducing salespeople’s tendency to engage in four and three of the six USBs, respectively. It seems least effective in Mexico, decreasing the likelihood of only one USB, i.e., *reducing helping*. The reason for the different effects of this variable could be due to individualism. In high individualism countries (e.g., Canada, the USA), salespeople would tend to be calculative and utilitarian in their relationships with managers and firms (Bochner and Hesketh 1994). Thus,

these salespeople would be less likely to use USBs that might compromise the advantages gained by having close relationships with their managers. Overall, whereas sales managers in Canada and the USA seem able to rely on their relationships with salespeople to reduce several types of USBs, those with close relationships with salespeople in Mexico should not expect to have the same result.

Achievement need is often a quality sought out in recruiting salespeople. However, this quality is double-edged, given that salespeople with high achievement need in the USA are more likely to engage in all USBs and that high achievement need salespeople in Mexico are more likely to engage in some as well. This may be because the short-term goal of a sales contest creates conditions that allow salespeople to quickly gain achievement through winning. High achievement need salespeople would be more driven to win than their peers, with ensuing advantage seeking behaviors such as USBs. Interestingly, salespeople with high achievement need in Canada are not more likely to engage in any USB than their lower achievement need colleagues, suggesting that sales managers in Canada may have less need to be concerned about the potential for USBs arising from having high achievement need salespeople. Overall, if companies are recruiting with this quality in mind, they should also be aware that additional oversight, along with consequence management that is transparent to salespeople, might be more needed in Mexico and the USA.

As mentioned earlier, it seems that a lengthier customer orientation advocacy is associated with lower tendencies of salespeople to use USBs that adversely affect customers. Thus, sales managers may be able to reduce customer-harming USBs if they actively emphasize a customer orientation among salespeople. This finding has particularly significant implications for sales managers in Mexico, where salespeople are more likely to engage in USBs that negatively affect customers.

In practical terms, companies must consider the implications of having universal versus country-specific ethics codes and ethics training for managers and salespeople. Culture is a particularly noteworthy issue because “ethical standards are complicated by the addition of the culture variable in international markets” (Armstrong and Sweeney 1994, p. 775). Our research clearly suggests that substantial country differences exist in the likelihood of USBs, that business ethics, culture, and customer orientation advocacy in each country help explain these differences, and that sales managers must be prepared to adapt their ethics codes as well as leadership behaviors (e.g., building relationships with salespeople, recruiting high achievement need salespeople with additional oversight, adopting a customer orientation) across countries to reduce the likelihood of these behaviors.

Limitations and Future Research

There are several limitations to this work and they reveal a range of research opportunities. First, our choice of factors associated with USBs was guided simultaneously by the replication aspects of this work (cf., Murphy 2004), the extension that includes compensation, and our access to salespeople in Canada, Mexico, and the USA. However, identifying and investigating other factors that may be associated with USBs would be an important extension. Second, there are limitations due to our design and data. Here, our cross-sectional design and the gathering of data on the independent and dependent variables from the same sources must be noted. Controlled experiments or a longitudinal design would further establish or strengthen the causal links between variables.² Third, a limitation is the number of countries included in our study. Although three countries is a major step forward in generating a data set with cross-national implications, USB research should be conducted in additional countries to help generalize the findings beyond the three countries examined here. In addition, when considering the effects of self-enhancement bias, i.e., “a tendency to describe oneself more positively than a normative criterion would predict” (Krueger 1998, p. 505), and how this bias applies to unethical behavior (Manley et al. 2001), the extent that salespeople in each country might engage in USBs could be considerably greater than what is suggested here.

Finally, we used Hofstede’s (1980, 2001) national culture index rather than measuring respondents’ cultural characteristics at the individual level. Although this approach may be viewed as a shortcoming, we used it because global companies must make decisions based on available tools, and Hofstede’s culture index is perhaps the best tool available for helping guide decisions related to sales management practices across nations.

Conclusion

Given that our participating MNC has established global norms for ethical behavior and strives to align sales personnel to its high ethical standards similarly between countries, we expected only infrequent tendencies for USBs in each country studied here. However, we found that many salespeople in each country are likely to engage in most of the six USBs. Second, we found mostly non-significant effects of demographic variables (including

² Rindfleisch et al. (2008) indicate that a cross-sectional approach may be adequate in many situations such as studies that sample highly educated respondents. The average education level of our 948 respondents is a college graduate, suggesting that our cross-sectional design may be satisfactory for establishing our model’s causal links.

fixed pay percentage in compensation) on USBs. Third, commitment and close relationships to sales managers seem to reduce different USBs in each country, while achievement need is associated with greater tendencies to use USBs in the USA and Mexico. Finally, business ethics, culture, and customer orientation advocacy in each country help explain the between-country differences in the likelihood of USBs. These findings heighten the importance of our research in terms of helping sales managers discern ways to reduce USBs across countries. Overall, our study suggests that anticipating USBs across countries is not as

simple as saying they will be more prevalent in some countries but not in others. Instead, it is a matter of anticipating which kinds of USBs will be more likely in which countries and under what conditions. Armed with this knowledge, sales managers should be able to adjust their practices, thereby helping align sales behaviors with the high ethical standards held by companies.

Appendix

See Table 6.

Table 6 Measures and measure performance of multiple-item constructs

| Measure | Items | Source | Mean (SD) | Reliability |
|-------------------------------|---|---------------------------|-------------|-------------|
| Commitment | I often go above and beyond the call of duty to ensure this organization's success | Jaworski and Kohli (1993) | Canada | Canada |
| | | | 6.25 (.64) | .72 |
| | I am happy to make personal sacrifices for this organization if it is important for the organization's well-being | | Mexico | Mexico |
| | | | 6.20 (.81) | .70 |
| | In general, I am proud to work for this organization | | USA | USA |
| Relationship to sales manager | I have little commitment to this organization (R) | Tyagi (1985) | 6.20 (.72) | .76 |
| | I am fond of this organization | | | |
| | My supervisor is eager to recognize and reward my performance when it is good | | Canada | Canada |
| | | | 5.95 (1.01) | .92 |
| | My supervisor treats me with respect | | Mexico | Mexico |
| Achievement need | I usually trust statements made by my supervisor | Murphy (2004) | 5.72 (1.31) | .93 |
| | My supervisor is usually willing to listen to my problems | | USA | USA |
| | I find my supervisor friendly and easy to approach | | 5.75 (1.38) | .95 |
| | My supervisor is usually attentive to what I say | | | |
| | I find satisfaction when I can influence others in this firm | | Canada | Canada |
| | I want to be an important person at this firm | | 5.42 (1.02) | .76 |
| | It is important for me to do better than others in the sales force | | Mexico | Mexico |
| | | | 6.09 (.89) | .58 |
| | I want to have a position in the firm where I can have prestige | | USA | USA |
| | I like to be admired for my achievements | | 5.57 (.97) | .71 |

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