



Marketing Ethics: Mediating Influences on Sales Managers' Ethical Decision-making

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ABSTRACT. Ethics plays an vital role and dominant in the company. The ethical problems faced by the buyer and seller in the market leads to negative or positive commercial relations. The seller have to give more emphasis towards this process will lead to a shake-up in trade and commercial communications between buyer and seller. The establishment of an ethical structure like transparency, fair value, proper sales operation and proper communication within the marketing department has positive effects on growth of the company. Sales management coordinating the sales professionals to achieve higher revenue to the company's goals while maintaining ethical standards. The ethics in sales activities ensure the ethical standard with integrity and a focus on customer well-being. Having a good understanding between the consumers' ethical behaviors and the consumption of the products provides more benefits in helping the managers to analyze the behavior of the customer. This practice not only protects the company's reputation but also contributes to long-term business success. This paper focused towards that and collected 395 samples from managers working in FMGC companies located in India.

Keywords: Sales Management, Ethics, decision making, leadership, organizational performance.

1 Introduction

The field of consumer ethics has seen considerable growth over the last few decades. Individual consumer, organization, business environment, public and situation makes the seller to take ethical decisions. In order to increase the profit maximation and wealth, the organization must understand the drivers of good and bad ethical decision making and implement the new structure to maintain good practice in their business [18]. The Dimensions of ethical issues related to sales man are ethics related to product, price, advertising, social responsibility and social behavior.

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The companies' moral principles and conduct that govern the company's operations, including interaction with the government and other businesses, its treatment of its employees and its relationship with its customers in a proper manner. The ethical decision making in business brings the moral judgment and right action for proper decision has experienced major role in recent decades [2, 18]. These studies provides the relevant behavioral ethics that incorporates moral philosophy, moral psychology, and business ethics. [16] proposed ethical character development for educators, parents, and community members is the Integrative Ethical Education model. Studying moral behavior relating moral identity to moral discourse may allow for a greater understanding of moral performance.

This study focused towards how the ethical decision making of a salesperson is influenced by job characteristics, job outcomes that investigate whether ethical sales man leadership has a relationship with organizational performance.

2 Review of Literature

Long-term economic and environmental factors that focus on outcomes that support continuous improvement are related to the social performance of the organisation [1]. Ethics can be interpreted as a principle of creating an action to prevent a harm to others, when an individual or group has an opportunity to do so for their own benefit [5]. Stakeholders are the main people involved in the firm's performance [7]. [8] correlated marketing ethical decision with the theory of reasoned action. [12] studied that competitiveness between the firms and their ethical behaviors had an inverse relationship. Companies built on a foundation of morality are supposed to act in a way that reduces the abuse of power and equitably helps their stakeholders deal with the negative effects of chance.

[9] explained that economic factors and moral commitments affects consumer behavior. In a review of [3] concluded that the significant relationship between moral thinking and moral behavior [8]. Ethical marketing followed by a company will impact on the consumer consumption activity [6]. Marketing executives' interactions with organisational members, customers, competitors, and the sides all influence their ethical behaviour, which also incorporates public opinion [13]. The moral reasoning can be learned from other skills needed in the current industrial practice. Experts have explicit, and deep and clear understanding of the domain, enriched in domain knowledge along with experience, collect and provide feedback makes the organization in a well-structured way.

3 Research methodology

This study aims towards the ethical decision making of a salesperson is influenced by job characteristics, job outcomes and that investigate whether ethical sales man leadership has a relationship with organizational performance. In the analysis of the study

that examines the influence of ethical leadership of a sales manager on organizational performance, either ethical leadership has positive influence on organizational performance or not. The correlation design was used to determine whether a relationship exists between them. The standardized questions were framed in the form of questionnaire and collected from the sales managers working in FMCG companies through google forms using random sampling method. Of the 720 questionnaires delivered, 401 questionnaires were returned, with a total of 395 complete questionnaires.

4 Data Analysis and Interpretation

4.1 Demographic profile of the respondents

The classification of the respondents in demographic variables are gender, age, education, and job experience. Regarding gender, 77% of the respondents were male (23% female), it shows that male dominance in the work environment in FMCG industry. Pearson's chi-square test showed no significant gender differences across cases ($\chi^2(1)=7.81, p=0.088$). Regarding the respondents age classification, 8% were under age 25, 23% were between ages 25 and 30, 46% were between ages 31 and 40, 13% were between ages 41 and 50 years old, and 10% were above age of 51 years. In the case of education of the respondents, 7% had completed high school, 13% had a diploma, 60% had a bachelor's degree, 17.0% had a master's degree, and 3.0% had a Ph.D. Regarding experience of the sales manager, 4.0% had less than two years of experience, 34% had 3 to 5 years, 41% had 6 to 10 years, 11% had 11 to 15 years, and 10% had more than 16 years.

Table 1. Correlation between Ethical Leadership of Sales Manager and Organizational performance

		Ethical leadership of Sales Manager	Organizational Performance
Ethical leadership	Pearson Correlation	1	.289*
	Sig. (2-tailed)		.037
	N	395	395

Organizational Performance	Pearson Correlation	.289*	1
	Sig. (2-tailed)	.037	
	N	395	395

*Correlation is significant at the 0.05 level (2-tailed).

A correlation analysis has been done to determine the relation between Ethical decision making Leadership of a sales manager and Organizational Performance as presented in Table 1. A correlation was conducted between dependent and independent variable in which dependent variable is organizational performance where as independent variable is ethical leadership, because its leadership style that influence the organizational performance. The value of r is 0,289 (r=0,289) and this value is positive as well, this depicts there is a moderate positive correlation between ethical leadership and organizational performance.

4.2 Regression Analysis

The regression analysis has been conducted to test the ethical leadership has positive influence on organizational performance. In the correlation of two variables was tested and concluded that the variables are moderately associated, and it was positive as well. Now regression analysis will determine the degree to which the variables are associated to each other.

TABLE 2. Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588a	.345	.189	3.389

a. Predictors: (Constant),

Morale of the employees who violate ethical standard, Gives a good of ethical behavior ,trusted by everyone, doing right things , behaving in an ethical manner in the outside environment, aim for success not for results oriented , Acts in the interest of FMGC customers, Makes fair and balanced decisions, Listens to others , Makes honest while taking decisions.

In Table 2 the dependent variable is organizational performance and it is influenced by multiple predictors like Morale of the employees who violate ethical standard, Gives a good of ethical behavior ,trusted by everyone, doing right things , behaving in an ethical manner in the outside environment, aim for success not for results oriented , Acts in the interest of FMGC customers, Makes fair and balanced decisions, Listens to others , Makes honest while taking decisions. The value of R-square is 0,345, this confirms that 34,5 percent variation in the dependent variable of Organizational Performance of FMCG products is explained by independent variable of Ethical Leadership of Sales Manager. This means the presence of ethical leadership of a Sales manager in an organization increase the organizational performance.

5 Conclusion

Ethical leadership of a salesman is not the only tool to take decisions to improve organizational performance. There are so many variables to be considered like work life of the employee, delivery of the product, easy to handle the situations, reduce pressure from the top level etc that helps to achieve desired goals in any organization. This study concludes that a Sales manager being an ethical leader has a greater impact on the optimal organizational performance. Even Haidt (2009) concluded that moral reasoning occurs only to rationalize an intuitive decision after it has been made. Therefore, Sales manager is a person who can give more emphasis towards these issues, to manage the organization in an effective manner. The ethical sales manager should appreciate the team, follow good leadership style and listen the employees' quires and motivate them often

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