“The Personal Selling Ethics Scale: revised and shortened for time-sensitive professionals”

AUTHORS	Casey Donoho Joel Herche Timothy Heinze

ARTICLE INFO	Casey Donoho, Joel Herche and Timothy Heinze (2013). The Personal Selling Ethics Scale: revised and shortened for time-sensitive professionals. *Innovative Marketing* , *9*(1)
RELEASED ON	Wednesday, 29 May 2013
JOURNAL	"Innovative Marketing "
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES
0

NUMBER OF FIGURES
0

NUMBER OF TABLES
0

Casey Donoho (USA), Joel Herche (USA), Timothy Heinze (USA)

The Personal Selling Ethics Scale: revised and shortened for time-sensitive professionals

Abstract

The Personal Selling Ethics Scale (PSE-2) has proved to be an effective instrument for reviewing ethics in the sales process. The current study increases the applicability of the scale by developing a shorter version (PSE-2S). The research utilizes Churchill's (1979) measure development procedure. The construct's domain (sales ethics evaluation) is reviewed and an overview of scenario development and procedural updating is provided. To develop the PSE-2S scale, an exploratory factor analysis of the PSE-2 scale was conducted. The results suggest a new 7-item scale. The new scale is recommended as an efficient means to collect sales ethics data from time-sensitive professionals.

Keywords: sales, sales and marketing ethics, scale development.

Introduction

The public has generally viewed the ethics of sales professionals in a negative light (Chonko, Tanner and Weeks, 1996; Luthy, 2007; Ramsey, Marshall Johnston and Deeter-Schmelz, 2007). This negative view has been reinforced by major corporate scandals such as Enron, WorldCom, Countrywide Mortgage, and Goldman Sachs. Alongside the negative perceptions and ethical scandals, sales positions have enjoyed robust economic demand (Bureau of Labor Statistics, 2011). This demand argues for increased ethical training to alter negative perceptions and to address the causal factors behind ethical breaches.

The unique contours of sales positions are partially to blame for many ethical breaches. Sales role are inherently different from other roles in the organization (Wortruba, 1990). Salespeople often work independently, thereby reducing the ethical constraints of group affiliation and corporate culture. Many ethical dilemmas in sales occur in boundary spanning activities that involve the sales organization and the buyer organization. These activities often include novel product and customer situations for which no established guidelines have been set.

Not only salespeople, but sales managers are also subjected to intense external and internal pressures. These pressures can marginalize ethical training and minimize ethical guideline enforcement (Schwepker and Good, 2004). As a result, operational confusion regarding ethical directives can arise. This confusion increases the likelihood of ethical breaches (Mulki, Jaramillo and Locander, 2009).

Despite these challenges, researchers and managers should not shy away from the development and utilization of ethical sales training models. Rather, the rationale for developing sales specific models is provided by the finding that sales managers can successfully teach ethical behaviors (Loe and Weeks, 2000). Additionally, purposeful organizational leadership efforts can effectively reinforce positive ethical behaviors within sales organizations (Ingram, LaForge and Schwepker, 2007; Singhapakdi and Vitell, 2007). These findings have paved the way for the development of sales ethics models.

Ethical frameworks in sales have traditionally drawn from marketing ethics models. For example, Hunt and Vitell's (1986) general theory of marketing ethics has enjoyed widespread use within marketing and sales (see McClaren, 2000) and provides an umbrella framework for the study of ethical evaluations within specific sales situations. The model suggests that an individual's perception of ethical problems and alternatives is influenced by various background factors, normative moral philosophies, organizational codes of conduct, the likelihood of consequences, and individual judgmental bias in ethical evaluations. Resulting prescriptions for improving ethical decision-making have included developing corporate codes of conduct, improving the ethics of macro corporate culture, strengthening incentives and disincentives, and modifying the ethical thinking of individual employees.

Drawing from the framework provided by models such as Hunt & Vitell (1986), researchers have increased their level of precision by developing specific ethical scales for marketing and sales. These scales have been generated in response to both the uniqueness and importance of the revenue-generating role in an organization. Scales have progressed from general ethical frameworks, to marketing ethics models, to sales-specific models. Examples include: the Ethical Positioning Questionnaire (Forsyth, 1980), the Corporate Ethical Values Scale (Hunt, Wood and Chonko, 1989), the Multidimensional Ethics Scale (Reidenbach and Robin, 1990), the Marketing Ethical

Ideology Scale (Kleiser, Sivadas, Kellaris and Dahlstrom, 2003), the Salesperson Corporate Ethical Values Scale (Amyx, Bhuian, Sharma, and Loveland, 2008), the Virtue Ethics Scale (Shanahan and Hyman, 2003), and the Personal Selling Ethics Scale (PSE) in its original and updated forms (Dabholkar and Kellaris, 1992; Donoho and Heinze, 2011).

Enjoying twenty years of use, the Personal Selling Ethics Scale was originally designed to specifically address ethical issues in sales (Dabholkar and Kellaris, 1992). Donoho and Heinze (2011) updated the scale to better reflect the personal sales process. The updated scale (PSE-2) is comprised of 20 scenarios that represent ethical situations directly related to the personal selling process. The scale presents a comprehensive set of sales process scenarios that provide pedagogical utility for both students and laymen (Appendix 1 provides the set of sales scenarios used in the PSE-2).

Though the PSE-2 provides a degree of pedagogical utility, it is cumbersome. Evaluating the 20 sales scenarios can take a quarter of an hour. Survey efficiency is further exacerbated when attempting to assess multi-construct relationships. For example, in a study examining gender differences, sales ethics evaluations, and moral ideology (Donoho and Heinze, 2012), respondents were required to evaluate the 20 sales ethics scenarios of the PSE-2 and the 20 moral ideology statements of Forsyth's (1980) Ethical Positioning Questionnaire (EPQ). The time requirement associated with these scales minimizes response rates among corporate salespeople and thereby minimizes the potential for impactful ethical training. Additionally, as researchers attempt to test more comprehensive models, the need for efficient scaling becomes even more necessary.

The current study suggests that a shorter version of the PSE-2 may provide greater research and training utility. Efficient scaling is especially important when the sales ethics of busy salespeople are under consideration. For example, Kleiser, Sivadas, Kellaris and Dahlstrom (2003) developed the 7-item Marketing Ethical Ideology (MEI) scale to address the EPQ's 20-item length, as well as to make the scale more specific to marketing ethics. Though the reliability of the MEI was considered low for the study, marketing ethical ideology, as represented by the MEI scale, was shown to influence marketing ethical evaluations. Therefore, it is suggested that a shorter PSE-2 would enable more efficient and better reviews of sales ethics in the workplace. In particular, a shortened scale would be of specific value in examining the important relationships among ethical evaluations, intentions, and actual workplace behaviors.

The purpose of the current study is to develop a shorter, more efficient version of the PSE-2 to better facilitate the salesperson survey process. Additionally, the study seeks to present a more comprehensive model of the ethical decision process in sales. The article is organized according to Churchill's (1979) procedure for developing better measures: Study 1 reviews how the construct's domain (sales ethics evaluations) was developed in prior studies, how the sample of ethics scenarios were developed and updated, and how the original data was collected. Additionally, the exploratory factory analysis of the 20-item PSE-2 is described. This analysis was used to develop a shorter, 7-item PSE-2 scale (PSE-2S). Study 2 describes completion of the measure development, including the second data collection and the assessment of the unidimensionality, internal consistency, and construct validity of the new measure.

1. Methodology

1.1. Study 1 and PSE-2 short scale development. The development of the PSE-2 scale began with a content analysis of sales texts, and corporate codes of sales conduct (Donoho and Heinze, 2011). Additionally, sales ethics academic research was reviewed. The analysis was used to develop sales ethics scenarios that were suggested by the literature but not present in the original PSE scale (Dabholkar and Kellaris, 1992). The revised scale's domain was also tightened to focus on the sales process. The pedagogical utility of the scale was also a factor in comprehensively representing a broad array of selling process scenarios within the 20 items.

To compare the PSE-2 with the original PSE, data were collected on 28 sales scenarios, the 20 original PSE items, and 8 new scale items. The scenarios were administered via a questionnaire taken by 759 students enrolled in marketing courses at a medium-sized U.S. university in the West. The questionnaire was part of a multi-survey assignment that included other ethical constructs. The survey was administered using the survey/quiz function of the university's computerized learning system and took approximately 20 minutes to complete. The survey was a voluntary, extra credit assignment in 25 marketing classes over three semesters, resulting in an approximate 75% response rate.

The gender composition of the sample was 58% male and 42% female. The age range of 18-24 represented 87% of the sample. Most respondents were juniors (46.8%) or seniors (49.5%); 33% were marketing majors. Approximately 75% of students had 3 or more years of work experience; only 24% had 3 or more years of sales experience, with almost 40% having no sales experience. Age and gender exhibited statistically

significant differences with respect to both composite mean PSE and PSE-2 scales. The 35 or older age group and females had significantly lower mean PSE and PSE-2 scores. The sample appeared to represent today's traditional, undergraduate business student enrolled in upper division classes.

The 20 PSE-2 item means and standard deviations are presented in Table 1. They are ordered from least ethical to most ethical. The scenarios were evaluated using a 7-point semantic differential scale from 1 (very unethical) to 7 (very ethical). The means and standard deviations are presented in Table 1. The overall mean for the PSE-2 was 3.38 on a 7-point scale, which suggests that, on average, the students view the sales ethics scenarios as "slightly" unethical. Cronbach's alpha for the scale is .77.

Table 1. The PSE-2 scale means and standard deviations

PSE	PSE2 ethical scenarios	PSE-2	Standard dev.
2	Steal from competitor at trade show	**1.93**	**1.09**
8	False promises used to close sale	**2.27**	**1.07**
7	Cheating on sales contest	**2.39**	**1.15**
4	Sneak vacations on company time	**2.44**	**1.17**
3	Inflate expense report	**2.46**	**1.20**
1	Offer monetary bribe to buyer	**2.72**	**1.18**
12	Information leaks about one customer to another	**2.96**	**1.25**
11	Frequent flyer abuse	**3.25**	**1.49**
5	Conflict of interest with company (moonlighting)	**3.33**	**1.48**
15	Tying agreement	**3.50**	**1.44**
20	Scarcity (excessively limited choice)	**3.55**	**1.37**
14	Defamation of a competitor	**3.58**	**1.22**
6	Lavish entertaining	**3.63**	**1.38**
16	Charging customer different prices	**3.75**	**1.51**
13	Withholding information to customer about product	**3.82**	**1.25**
9	Cheating on bidding process	**3.93**	**1.43**
10	Fear exploitation used to close sale	**4.07**	**1.36**
19	Special Treatment	**4.43**	**1.40**
18	Reciprocity	**4.50**	**1.44**
17	Puffery	**5.16**	**1.44**
PSE-2	PSE-2 mean (of all scale items)	**3.38**	**0.58**

Note: Short scale items are in bold $n = 669$.

Though the original purpose of the PSE-2 was to comprehensively represent the ethical issues involved in the sales process, a smaller scale set is advantageous for surveying salespeople and building complicated models with multiple constructs. Exploratory factors analysis was used in an initial attempt to uncover a factor structure that could potentially reduce the scenario set. The analysis was conducted on the 20 items of the PSE-2 using varimax rotation and eigenvalue greater-than-one value criteria for factor acceptance. Table 2 presents the five-factor solution explaining about 46.6% of the variance.

Table 2. Exploratory factor analysis of PSE-2: varimax rotation

PSE-2	Scenario description	F1	F2	F3	F4	F5	Mean
PSE17	Puffery	.630					5.15
PSE19	Special treatment	.601					4.43
PSE20	Scarcity (excessively limited choice)	**.568**					3.55
PSE15	Tying agreement	.544					3.50
PSE16	Charging customers different prices	.500					3.75
PSE13	Withholding information to customer about product	**.479**					3.82
PSE18	Reciprocity	.471		.414			4.50
PSE14	Defamation of a competitor	.363		.292			3.58
PSE8	False promises used to close sale		.629				2.27
PSE4	Sneak vacations on company time		**.616**				2.44
PSE3	Inflate expense report		.610				2.46
PSE2	Steal from competitor		**.570**				1.93
PSE7	Cheating on sales contest		.569				2.39
PSE5	Conflict of interest with company			.797			3.33

Table 2 (cont.). Exploratory factor analysis of PSE-2: varimax rotation

PSE-2	Scenario description	F1	F2	F3	F4	F5	Mean
PSE12	Information leaks about one customer to another			**.550**			2.96
PSE1	Monetary bribe			**.520**			2.72
PSE6	Lavish entertaining				**.776**		3.63
PSE9	Cheating on bidding process				.625		3.93
PSE11	Frequent flyer abuse					.756	3.25
PSE10	Fear exploitation used to close sale	.407				.428	4.07
	% of variance explained	13.2	11.7	8.4	7.3	6.0	

Note: PSE-2S items chosen are listed in bold.

Factor 1 represents customer influence tactics that have potential negative impacts on customers. The mean score for these group of tactics is 4.04, suggesting that respondents view the tactics as ethically neutral. This customer influence factor included puffery, special treatment, scarcity, tying agreements, price discrimination, withholding information about the product, and reciprocity.

Factor 2 represents behaviors that negatively impact the company. The mean score for this group is 2.30, which suggests that respondents view these tactics, on average, as unethical. In fact, these represented the top five unethical scenarios. The scenarios included the following: false promises (and passing blame to the company) to close a sale, sneaking vacations on company time, inflating the expense report, stealing from a competitor, and cheating on a sales contest.

Factor 3 represents unethical tactics that result in customer benefits. The mean score for these three items, 3.00, is the second lowest. These behaviors included moonlighting, selling a competitive product, leaking confidential information about one customer to another, and bribing a customer to earn a bonus.

Factor 4 represents less problematic tactics that result in customer benefits. The mean for these two items was 3.78. They included lavish entertaining of customers and cheating on the bidding process by asking customers about competitors' prices in order to underbid the competitor.

Factor 5 represents only one item, frequent flyer abuse, which reflects the rather common procedure of accumulating frequent flyer miles from business travel and using them for personal travel. Table 3 presents a summary of the descriptions and means of the factors.

Table 3. Exploratory forced 3-factor solution: varimax rotation

PSE-2	Scenario description	F1	F2	F3	Original 5 factor group
PSE17	Puffery	.633			F1
PSE19	Special treatment	.606			F1
PSE9	Cheating on bidding process	.561			F4
PSE16	Charging customers different prices	.548			F1
PSE10	Fear exploitation used to close sale	.535			F1/F5
PSE13	Withholding information to customer about product	**.535**			F1
PSE15	Tying agreement	.511			F1
PSE18	Reciprocity	.496		.414	F1/F3
PSE20	Scarcity (excessively limited choice)	**.458**			F1
PSE6	Lavish entertaining	**.423**			F4
PSE14	Defamation of a competitor	.399		.287	F1/F3
PSE11	Frequent flyer abuse	.341			F5
PSE8	False promises used to close sale		.649		F2
PSE7	Cheating on sales contest		.606		F2
PSE3	Inflate expense report		.593		F2
PSE4	Sneak vacations on company time		**.582**		F2
PSE2	Steal from competitor		**.566**		F2
PSE5	Conflict of interest with company			.797	F3
PSE12	Information leaks about one customer to another			**.568**	F3
PSE1	Monetary bribe			**.487**	F3
	% of variance explained	16.0	11.7	8.6	

Note: PSE-2S items are in bold.

The next step in measure development began with the elimination of double-loading and non-loading items. An iterative process involving a reduction of items and factors was then conducted. With the goal of producing a pragmatic, application-friendly version of the PSE-2, the question of how many items

should ultimately be employed to optimize the conflicting goals of parsimony and comprehensiveness became salient. To address this, other measures of ethical assessments were reviewed.

Other measures related to ethical evaluation included the following measures and associated number of items: 8 items for intrinsic religiosity (Allport and Ross, 1967), 8 items for personal values (Kahle, 1983), 6 items for attitude toward business (Muncy and Vitell, 1992), 10 items each for the ethical ideologies of moral idealism and moral relativism (Forsyth, 1980), and the 7-item marketing ethics ideology scale (Kleiser, Sivadas, Kellaris, and Dahlstrom, 2003). In each of these cases the scale items were comprised of short sentences or phrases. At issue was the length of the PSE-2 scenario items composed of vignettes. It was determined that five to eight items would work best, given that the items reasonably represented the underlying factors and that the psychometric properties of the measure would pass muster.

It also seemed attractive to have at least two items represent each of the major factors from a multi-item, multi-trait point of view. An exploratory factor analysis constrained to a three-factor solution was conducted to evaluate how the five factors might be collapsed or combined. Table 4 presents the three-factor results and documents the scale item changes. Factor 4 (lavish entertaining, cheating on the bidding process) was observed to merge into Factor 1. This made practical sense in that both factors affect customers. Factor 2 and Factor 3 remained completely stable with the same items. Factor 5 (frequent flier abuse), did not load at a high level on any of the three factors. From this multiple exploratory factor analysis, it seemed reasonable to choose two items each from Factor 1, 2, and 3, and one item from Factor 4 (lavish entertaining) of the five-factor solution.

Table 4. Summary of PSE-2 factors

Factor	Description	PSE-2 items represented	Mean score for items (1 = very unethical, 7 = very ethical)
1	Sales tactics with negative customer impact	Sales puffery, special treatment, scarcity, tying agreements, price discrimination, withholding product information, reciprocity	4.04
2	Sales behaviors that negatively impact the company	False promises blamed on company, sneaking vacations on company time, inflating expense reports, stealing from a competitor, cheating on a sales contest	2.30
3	Unethical sales tactics that result in customer benefit	Moonlighting selling a competitive product to a customer, leading confidential information about one customer to another, customer bribe to earn a bonus	3.00
4	Less problematic sales tactics that result in customer benefit	Lavish entertaining, cheating on the bidding process to underbid a competitor	3.78
5	Traditional policy that negatively impacts company	Frequent flyer abuse	3.25 (one item)

Although not required for predictive validity, it was thought that the seven-item scale should be a broad representation of the scale and possess a high degree of face validity. The heuristic of simply choosing the items based on the highest factor loadings was therefore rejected. Table 5 presents the 7 items that survived this process and their characteristics. There is a broad representation of party affected with three items negatively affecting customers, three items affecting the company, and one item affecting the competition. The mean of PSE-2S (the proposed seven-item measure) is 3.00 and is lower than the mean of the PSE-2 twenty-item mean of 3.38. Mean score ranks (from low to high) are relatively spread out over the top 75% of scores.

Table 5. PSE-2 short 7-item scale characteristics (1 = very unethical, 7 = very ethical)

PSE	Factor	Description	Party negatively affected	Mean	Mean rank
1	3	Monetary bribe to customer	Company	2.72	6
2	2	Steal from a competitor at trade show	Competitor	1.93	1
4	2	Sneak vacations on company time	Company	2.44	4
6	4	Lavish entertaining	Company	3.63	13
12	3	Information leaks about a customer to another customer	Customer	2.96	7
13	1	Withholding information about the product	Customer	3.82	15
20	1	Scarcity	Customer	3.55	11
			Mean	3.01	

The concluding analysis in the first study was a comparison of the 7-item PSE-2S to the original PSE-2 in a previous study of gender differences, ethical ideologies, and sales ethics evaluations (Donoho, Heinze and Kondo, 2012). Table 6 presents the results and comparison of the two scales. Responses on the mean PSE-2S, the dependent variable, were similarly affected by gender, mean moral idealism and mean moral relativism as they were in the mean PSE-2.

Table 6. ANOVA mean PSE-2/PSE-2S by gender with mean idealism and mean relativism

PSE-2						
Source	Sum of squares	df	Mean square	*F*	Sig. *F*	Eta squared
Corrected model	12.953	3	4.318	13.277	.000	.086
Intercepts	67.020	1	67.020	206.091	.000	.327
Mean idealism	5.411	1	5.411	16.638	.000	.038
Mean relativism	7.130	1	7.130	21.927	.000	.049
Gender	.452	1	.452	1.390	.239	.003
Error	138.207	425	.325			
Total	4984.055	429				
PSE-2S						
Source	Sum of squares	df	Mean square	*F*	Sig. *F*	Eta squared
Corrected model	15.467	3	5.156	12.590	.000	.082
Intercepts	67.020	1	53.569	130.820	.000	.235
Mean idealism	5.411	1	6.394	15.614	.000	.035
Mean relativism	7.130	1	7.317	17.869	.000	.040
Gender	.452	1	1.311	3.202	.074	.007
Error	138.207	425	.409			
Total	4984.055	429				

Source: Donoho, Heinze and Kondo (2012)
Note: Sample size is smaller because not all respondents completed all surveys in the multi-survey format.

1.2. Study 2 and PSE-2S measurement validation. The next step of measurement validation involved assessing the unidimensionality, internal consistency, and construct validity of the proposed new measure. Employing the seven-item set resulting from the efforts described above, a questionnaire was developed and administered to 703 respondents who were at least 18 years of age and were not full-time business students. The survey utilized a snowball sampling approach and was administered online as part of a marketing research class exercise. Table 7 presents a comparison of means and standard deviations for Study 1 and Study 2. The overall PSE-2S mean is lower for Study 2 (2.75 vs. 3.01) meaning Study 2 respondents, overall, score the scenarios as less ethical. One possibility for this difference is that Study 2's mean is derived from a general population different from business majors. The standard deviations are larger, showing more variance in the scores for each scale item. The range of scores is lower for Study 2, showing less variation between scale items. The rank order of the PSE-2S scale items is, for the most part, similar to each other.

Table 7. PSE-2S means and standard deviations (Study 1 and Study 2)

		Study 1 *n* = 669		Study 2 *n* = 703	
PSE		Mean	Std. dev.	Mean	Std. dev.
PSE2	Steal from a competitor at trade show	1.93	1.09	1.95	1.39
PSE4	Sneak vacations on company time	2.44	1.17	2.64	1.59
PSE1	Monetary bribe to customer	2.72	1.18	2.87	1.67
PSE12	Information leaks about a customer to another customer	2.96	1.25	2.56	1.47
PSE20	Scarcity	3.55	1.37	2.99	1.60
PSE6	Lavish entertaining	3.63	1.38	3.19	1.58
PSE13	Withholding information	3.82	1.25	3.15	1.54
Mean		3.01	.65	2.76	1.06

According to suggestions of Gerbing and Anderson (1988), the unidimensionality of the proposed measure was conducted using Confirmatory Factor Analysis (CFA). All linkages between the epistemic variables and the construct were constrained to 1. As shown in Table 8, the CFA assessment could be best summarized by noting that the Goodness of Fit Index of .958 exceeded Bentler's (1990) suggested minimum of .95 to claim unidimensionality, although the Root Mean Residual (.143) was higher than the suggested maximum of .05.

Table 8. Unidimensionality assessment

Item	Lambda estimate
1 (PSE1)	2.002
2 (PSE2)	1.111
3 (PSE4)	1.384
4 (PSE6)	1.585
5 (PSE12)	1.139
6 (PSE13)	1.536
7 (PSE20)	1.712

Note: Goodness of Fit = .958; Root Mean Residual = .143.

Item-total correlations were evaluated to determine if the number of items could be further reduced without sacrificing psychometric properties. As shown in Table 9, all estimates were greater than Everitt's (2002) suggested hurdle of .3 for identifying possible candidates for removal. Of the 29 binary combinations of item correlations, only one failed to meet the minimum standard while five exceeded the .4 level described by Clark and Watson (1995) as "exemplary". The item-total correlations were all above the .4 level suggested by Bearden and Netemeyer (1998) to receive the "exemplary" label. The assessment of internal consistency was conducted as suggested by Cronbach (1951). His coefficient alpha was calculated to be .809, well above Nunnally's (1994) widely accepted minimum standard of .70.

Table 9. Analysis of item necessity inter-item correlations

Item	PSE1	PSE2	PSE4	PSE6	PSE12	PSE13	PSE20
PSE1	.634						
PSE2	.307	.678					
PSE4	.372	.514	.738				
PSE6	.347	.300	.472	.684			
PSE12	.340	.506	.483	.429	.723		
PSE13	.332	.325	.355	.378	.382	.675	
PSE20	.279	.366	.337	.327	.365	.457	.657

Note: All correlations were significant at the alpha = .01 level. Coefficients on diagonal are item-total correlations.

Since assessments of ethical behavior could be perceived as having a "right" or socially desirable response, these items were suspected of being susceptible to response acquiescence. Ballard, Crino and Rubenfeld's (1988) abridged version of the Crowne and Marlowe (1962) Social Desirability Scale, was therefore included in order to assess discriminant validity of the proposed measure. The correlations, summarized in Table 10, showed that although five of the seven items showed correlations that were highly statistically significant, all were below .2. All of these estimates clearly met the standard of Torkzadeh, Koufteros and Pflughoeft (2003) in that a 95% confidence interval around the estimate did not enclose 1. The obvious conclusion is that there are two distinct constructs being represented.

Table 10. Assessment of discriminant validity

Item	Correlation with social desirability
PSE1	-.136**
PSE2	-.080*
PSE4	-.167**
PSE6	-.164**
PSE11	-.149**
PSE13	-.164**
PSE20	-.037
Summated ethics score	-.188**

Note: * Correlation significant at alpha = .05; ** correlation significant at alpha = .01.

2. Research limitations and recommendations

The current study's external validity is limited by several shortcomings. The preliminary samples were comprised of students and, therefore, may not be applicable to salespeople or sales managers. However, the original development of the PSE-2 was business-based, including information from popular press books and organizational codes of ethics. A vast majority of students from the first study were business majors, most of whom had work experience. However, a majority did not have significant sales experience. The present research should be viewed as preliminary and subject to verification by the use of professional sales respondents.

The PSE-2S can facilitate the testing and building of more comprehensive sales ethics models if the scales used to operationalize the constructs are more efficient. Although there has been successful research testing the relationship between ethical ideology and ethical evaluation (Donoho, Heinze and Kondo, 2012; Kleiser et al., 2003), background variables to ethical ideology such as, personal values, money ethics, attitudes toward business, and religiosity have not been evaluated. Within the Hunt and Vitell's (1986) model, there are also probabilities of consequences to be assessed. Extending the model would require some additional assessment of intentions and behaviors, as well.

Figure 1 presents a model showing the relationships between background variables, ethical ideology, and sales ethics evaluation. In "large scale format," the relationship between one's ethical position and sales ethics evaluation required respondents to complete 40 scale items, 20 of which are paragraph scenarios from the Personal Selling Ethics Scale and 20 of which are Ethical Positioning Questionnaire scale items (10 moral relativism items, 10 moral idealism items). Using the Marketing Ethical Ideology (MEI) and PSE-2S together would reduce the respondent task to scoring 14 items, 7 scale items each for MEI and PSE-2S. This would reduce the respondent task time and fatigue and would allow time for collecting data on the background variables.

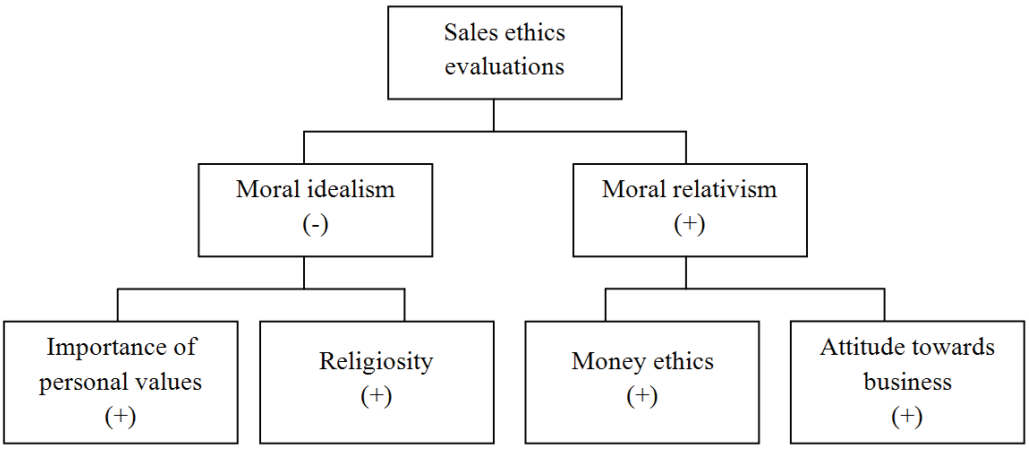

Fig. 1. Influence of background variables and ethical ideologies on sales ethics evaluation

Conclusion

The Personal Selling Ethics Scale is an effective tool for teaching and discussing ethical situations in the sales process. However, the comprehensiveness that makes it a useful pedagogical tool is also capable of generating respondent fatigue and thereby impeding the scale's widespread practical application. The current research has addressed this concern by developing a shorter, 7-item version of the scale (PSE-2S). The shorter version will be useful in applications involving time-sensitive respondents (busy salespeople and sales managers).

The research utilized Churchill's (1979) measure development procedure. The construct's domain (sales ethics evaluation) was reviewed and an overview of scenario development and procedural updating was provided. To develop the PSE-2S scale and purify the measure, an exploratory factor analysis of the 20-item PSE-2 scale was conducted. Results pointed to a 5-factor solution that, with other considerations, were used to develop the final 7-item scale. To finalize measure development, secondary data was collected. The data confirmed the unidimensionality, internal consistency, and construct validity of the new measure.

References

1. Allport, Gordon W. and J. Michael Ross (1967). "Personal Religious Orientation and Prejudice", *Journal of Personality and Social Psychology*, 5 (4), pp. 432-443.
2. Amyx, Douglas, Shahid Bhuian, Dheeraj Sharma, and Katherine Loveland (2008). "Salesperson Corporate Ethical Values (SCEV) Scale: Development and Assessment among Salespeople", *Journal of Personal Selling and Sales Management*, 28 (4), pp. 387-402.
3. Ballard, Rebecca, Michael D. Crino and Stephen Rubenfeld (1988). "Social Desirability Response Bias and the Marlowe-Crowne Social Desirability Scale", *Psychological Reports*, 63 (August), pp. 227-237.
4. Bearden, William O. and R.G. Netemeyer (1998). *Handbook of Marketing Scales: Multi-Item Measure for Marketing and Consumer Behaviour Research*, Sage Publications, Thousand Oaks, USA.
5. Bentler, Peter M. (1990). "Comparative Fit Indices in Structural Models", *Psychological Bulletin*, 107 (2), pp. 238-246.
6. Bureau of Labor Statistics (2011). "Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity", Retrieved August 1, 2012 from http://www.bls.gov/cps/cpsaat12.pdf.
7. Churchill, Jr., Gilbert A. (1979). "A Paradigm for Developing Better Measures of Marketing Constructs", *Journal of Marketing Research*, 16 (1), pp. 64-73.
8. Clark, Lee Anna, and David Watson (1995). "Constructing Validity: Basic Issues in Scale Development" Psychological Assessment, 7 (3), pp. 309-319.
9. Cronbach, Lee J. (1951). "Coefficient Alpha and the Internal Structure of Tests", *Psychometrika*, 16 (3), pp. 297-334.

10. Crowne, Douglas P. and David Marlowe (1960). "A New Scale of Social Desirability Independent of Psychopathology", *Journal of Consulting Psychology*, 24 (August), pp. 349-354.
11. Dabholkar, Pratibha A. and James J. Kellaris (1992). "Toward Understanding Marketing Students' Ethical Judgment of Controversial Personal Sales Practices", *Journal of Business Research*, 24 (4), pp. 313-329.
12. Donoho, Casey, and Timothy Heinze (2011). "The Personal Selling Ethics Scale: Revisions and Expansions for Classroom Use", *Journal of Marketing Education*, 33 (1), pp. 107-122.
13. Donoho, Casey, Timothy Heinze, and Christopher Kondo (2012). "Gender Differences in Personal Selling Ethics Evaluations: Do They Exist and What Does Their Existence Mean for Teaching Sales Ethics?" *Journal of Marketing Education*, 34 (1), pp. 55-66.
14. Everitt, Brian S. (2002). *The Cambridge Dictionary of Statistics*, 2nd edition, CUP.
15. Forsyth, Donelson R. (1980). "A Taxonomy of Ethical Ideologies", *Journal of Personality and Social Psychology*, 39 (1), pp. 175-184.
16. Hunt, Shelby and Scott Vitell (1986). "A General Theory of Marketing Ethics", *Journal of Macromarketing*, 8 (6), pp. 5-16.
17. Van R. Wood, and Lawrence B. Chonko (1989). Corporate Ethical Values and Organizational Commitment in Marketing", *Journal of Marketing*, 53 (July), pp. 79-90.
18. Ingram, Thomas N., Raymond W. LaForge, and Charles H. Schwepker, Jr. (2007). "Salesperson Ethical Decision Making: The Impact of Sales leadership and Sales Management Control Strategy'', *Journal of Personal Selling & Sales Management*, 27 (4), pp. 301-315.
19. Kahle, Lynn. R. (1983). *Social Values and Social Change: Adaptation to Life in America*, New York: Praeger.
20. Kleiser, Susan B., Eugene Sivadas, James J. Kellaris and Robert F. Dahlstrom (2003). "Ethical Ideologies: Efficient Assessment and Influence on Ethical Judgments of Marketing Practices", *Psychology & Marketing*, 20 (1), pp. 1-21.
21. Loe, Terry W. and William A. Weeks (2000). "An Experimental Investigation of Efforts to Improve Sales Students' Moral Reasoning", *Journal of Personal Selling and Sales Management*, 20 (4), pp. 243-251.
22. Luthy, Michael R. (2007). "Influences on Undergraduates Considering a Career in Professional Selling", *Academy of Educational Leadership Journal*, 11 (3), pp. 1-7.
23. McClaren, Nicholas (2000). "Ethics in Personal Selling and Sales Management: A Review of the Literature Focusing on Empirical Findings and Conceptual Foundations", *Journal of Business Ethics*, 27 (3), pp. 285-303.
24. Mulki, Jay Prakash, Fernando Jaramillo, and William B. Locander (2009). "Effects of Ethical Climate and Supervisory Trust on Salesperson's Job Attitudes and Intentions to Quit", *Journal of Personal Selling & Sales Management*, 26 (1), pp. 19-26.
25. Muncy, James, and Scott Vitell (1992). "Consumer Ethics: An Investigation of the Ethical Beliefs of the Final Consumer", *Journal of Business Research*, 24 (4), pp. 297-311.
26. Nunnally, J.C. (1994). *Psychometric Theory*, New York: McGraw-Hill.
27. Ramsey, Rosemary P., Greg W. Marshall, Mark W. Johnston, and Dawn Deeter-Schmelz (2007). "Ethical Ideologies and Older Consumer Perceptions of Unethical Sales Tactics", *Journal of Business Ethics,* 70 (2), pp. 191-207.
28. Reidenbach, R. Eric, and Donald P. Robin (1990). "Toward the Development of a Multidimensional Scale for Improving Evaluations of Business Ethics", *Journal of Business Ethics*, 9 (8), pp. 639-653.
29. Schwepker, Charles H. and David Good (2004). "Marketing Control and Sales Force Customer Orientation", *Journal of Personal Selling & Sales Management*, 24 (3), pp. 167-179.
30. Shanahan, Kevin J. and Michael R. Hyman (2003). "The Development of a Virtue Ethics Scale", *Journal of Business Ethics*, 42 (2), pp. 197-208.
31. Singhapakdi, Anusorn and Scott J. Vitell (2007). "Institutionalization of Ethics and Its Consequences: A Survey of Marketing Professionals", *Journal of the Academy of Marketing Science*, 35 (Summer), pp. 284-294.
32. Torkzadeh, Gholamreza, Xenophon Koufteros, and Kurt Pflughoeft (2003). "Confirmatory Analysis of Computer Self-Efficacy", *Structural Equation Modeling: A Multidisciplinary Journal*, 10 (2), pp. 263-275.
33. Wotruba, Thomas R. (1990). "A Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations", *Journal of Personal Selling & Sales Management*, 10 (Spring), pp. 29-42.

Appendix. PSE-2 ethical scenarios (items)

1. Bribes & gifts – Monetary bribe to buyer. A wine wholesale distributor was running a special contest for its salespeople. Salesperson *X* was only ten cases away from selling enough to win a $500 bonus. The customer was pressed to place a ten case order. When the buyer voiced reluctance, *X* told the buyer about the sales contest and offered to "split" the bonus to "help make the quota."

2. Sabotage & spying – Steal from competitor. While attending a trade show, salesperson *Y* passed by a competitor's exhibit that was temporarily unattended. *Y* took all of the free product samples from the competitor's booth. *Y* felt that this not exactly "stealing" because the samples were there to be taken for free anyway. "Besides," *Y* thought, "if they're stupid enough to leave their exhibit unattended..." When the competitor returned it was discovered that the product samples were missing and no more were available for prospective buyers attending the trade show.

3. Expense accounts – Inflate expense report. *W* is basically an honest hard-working salesperson. However, *W* occasionally "inflates" the expense report, rationalizing that this would cover any expense *W* had overlooked. This is common practice in *W*'s company and is ignored by the sales manager.

4. Misusing company time – Sneak vacations on company time. When salesperson *V* gets a hotel room and rents a car to make out-of-town calls, *V* sometimes keeps the room and the car an extra day or two for personal use. This allows *V* to sneak in "mini-vacations" without taking time off. This is common practice in the company and *V* feels that the relaxation makes for a more effective employee for the company. *V* has always been a top 10% performer in his company's sales force.

5. Conflicts of Interest – Moonlighting. Salesperson *M* is a former computer programmer who now sells computer hardware for XYZ Company. In *M*'s spare time, *M* develop some software that *M* sells "on the side". Most of the buyers of *M*'s software are Company's customers that *M* contacted through the job. The Company also sells software to run on its equipment. *M* sees no problem with this situation because *M* feels it's up to the customer to decide which product is best for them.

6. Entertainment – Lavish entertaining. Salespeople at manufacturer *ABC* often spend large amounts of money on entertaining clients and prospective clients. It is not unusual for a salesperson at *A* to invite a client and their spouse to an expensive ($500) dinner. The client's company has a policy against accepting gifts, but, as the salesperson at *ABC* likes to say, "everybody's got to eat..."

7. Taking advantage – cheating on sales contest. The *D* Company sometimes holds sales contests for its sales force. The salesperson with the most sales during the contest period (usually one month) would win a cash bonus. Salesperson *V* found an easy way to "boost sales" during the contest. *V* simply held the orders from previous weeks and did not turn them in until after the contest period began. To this *V* added regular orders taken during the contest period.

8. Overpromising & passing blame – False promises used to close sale. Salesperson *R* was young, inexperienced, and eager to make a sale. In order to close a sale, *R* promised a customer a delivery time that *R* knew the company probably could not meet. *R* thought, "if the customer complains about the order arriving late, I'll just blame it on the shipping department."

9. Misusing confidential information – Cheating on the bidding process. Salesperson *S* would sometimes ask customers for information about the competitors' prices. This frequently enabled *S* to underprice the competition when bidding for the job.

10. Manipulation – Fear appeal to close sale. Psychological research has revealed that irrational social anxiety and a fear of growing old are primary motives underlying consumer's use of a certain group of products. A door-to-door salesperson for a company that markets such products has used this information to increase sales dramatically. "It's easy to sell [our products] if you just work on [the prospect's] natural fears."

11. Misusing company assets – Frequent flyer abuse. A company that has many out-of-town clients has negotiated a special rate with airline *E* – a 35% discount between designated cities – and encourages its employees to use that airline whenever possible. Salesperson *T* prefers to use airline *D* because of their "frequent flier" program (which allows him to earn free personal trips). In some cases *T* has booked flights on airline *D* even though the tickets cost up to $200 more than similar flights on airline *E*, just so *T* could "rack up those frequent flier points". *T* doesn't use the points for business travel.

12. Trust – Indiscreet use of information – Information leaks about one customer to another. Salesperson *B* had several customers who were in competition with each other. Sometimes a customer would ask for information about one of the other customers (e.g., "did they have any special sales coming up?"). To gain favor with one customer, *B* would sometimes "let something slip" about another customer. *B* felt that this was acceptable as long as that customer had not explicitly asked him to hold a piece of information in confidence.

13. Withholding information to customer about product. Salesperson *J* works for a consumer electronics store. Although salesperson *J* always makes the customer aware of all of the features and benefits of a product, the drawbacks and limitations of the product are rarely, if ever, mentioned.

14. Defamation – Misrepresentation/down selling of a competitor. Salesperson *U* works for a firm that has been in business for 50 years. Most businesses do not make it to year 5. When a buyer asks about a competitor who has been in business for 2 years, salesperson *U* replies that they will probably be going out of business soon.

15. Coercion – Tying agreement. Salesperson *A* sells Company *C*'s products to retailers. Product *A* is a good product with high demand, but product *B* is old and has low demand. When meeting with a retailer, salesperson *A* says that the retailer can only have product *A* if the retailer also agrees to stock product *B*.

16. Price discrimination – Charging customers different prices based upon their negotiation ability. Salesperson *N* sells a product that has a negotiable price. Salesperson *N* charges a lower price to buyers that have several sources to buy similar product, and charges a higher price to buyers who use salesperson *N*'s company as a sole source for the product.

17. Puffery. When customers ask for product specifications, salesperson *U* always presents accurate information. To conclude the presentation, salesperson *U* usually asserts that the product "can't be beat."

18. Reciprocity. Salesperson *Y* sells advertising space for a local paper. While visiting a local copier distributor, salesperson *Y* assures the copier distributor that the paper will renew its copier contract with the distributor if the distributor agrees to a one-year advertising contract.

19. Special treatment. Salesperson *E* enjoys sports and frequently visits Business *R* since the buyer at Business *R* is an avid sports fan. Business *R* represents 10% of salesperson *E*'s revenue.

20. Dishonesty – Scarcity (excessively limited choice). Salesperson *G* works for a retail camera store. When a customer was uncertain about whether to buy a camera, *G* would say, "Let me go to the stock room and see if we have one." Upon returning, salesperson *G* would say, "That's the last one in stock – you should buy it while we still have it."