

An Exploration of the Contextual and Individual Factors in Ethical Decision Making of Salesmen in Nigerian Beverage Industries

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Abstract

The work explored the contextual and individual factors in ethical decision-making of salesmen in Nigerian beverage industries. The various ideas of the experts on the subject were explained. The consultations of the individual factors are discussed with particular reference to their influences on ethical decision-making. The desk and the field research methods; were adopted in this study. Selected salesmen and companies in the beverage industries were interviewed to elicit their opinions on the topic. Their responses were analyzed. The study revealed that there is need to reconcile a salesman's individual ethical standard with corporate/contextual expectations while making any responsible decision.

Key words: Golden rule, Ethical factors, On- the-job training, Ego drive, Code of conduct, Social connections.

Introduction

Within the company context, there is a web of ethical stipulations guiding the salesman. But some salesmen find it difficult to adjust to some requirements of the business game as contained in the company's code of conduct. Most often these salesmen he try to preserve their private ethical standards in situations that call for a game strategy. When they are obliged to carry out their company's policies that challenges their conception of themselves as ethical salespeople they suffers.

It disturbs the salesman when the ethical standard of the company is such that is repugnant to natural justice, equity and good conscience to the society. Such situations places the salesmen in dilemma which often times are most painful not only when the company forces the action on the salesmen but also when it compels him to originate it himself – that is, when he has taken or is contemplating a step which is in his own interest but runs counter to the early moral conditioning.

If a salesman allows himself to be placed between decisions based on business considerations and one based on his private ethical code, - he exposes himself to a grave psychological strain. This is not to say that sound business strategy necessarily runs counter to ethical ideals. They may frequently coincide and when they do every one is gratified. But the major tests of every move in business, as in all games of strategy are legality and profit.

Theoretical Framework

A good number of experts have contributed to the body of knowledge on ethics in different perspectives. According to Henry Taylor (1962:481) the British statesman "falsehood ceases to be falsehood when it is understood on all sides that the truth is not expected to be spoken". He cited the analogy of the criminal court, where the criminal is not expected to tell the truth when he pleads "not guilty". Everyone from the judge takes it for granted that the work of the

defendant's attorney is to get his client off not to reveal the truth, and this is considered ethical practice. He mentioned a representative Omar Burlison, the Democrat from Texas, who was quoted as saying, in regard to the ethics of congress, "Ethics is a barrel of norms" a pungent summing up of problems of deciding who is ethical in politics.

The ethics of business are game ethics, different from the ethics of religion.

Albert ZCarr (1984) in his opinion stated that a vast majority of businessmen are ethical. He claimed that if it is in acquaintance with many who adhere to strict code of ethics based on religious teachings, they contribute to good causes; they participate in community activities, co-operate with other companies to improve working conditions in their industries and are not indifferent to ethics.

In their office lives businessmen cease to be private citizens, they become game-players who must be guided by a some set of ethical standards. As long as a businessman complies with the laws of the land and avoid telling malicious and manipulative lies, he is ethical. If the law as written gives a man a wide-open chance to make a killing, he will be a fool not to take advantage of it. If he does not, somebody else will. There is no obligation for him to stop and see who is going to be hurt. If the law says he can do it, that is all the justification he needs. There is nothing illegal and unethical about such actions. It's just plain business sense.

The "Golden Rule" "do unto others as you would want others to do you" has no respect in business. It is simply not feasible as a guide for business.

Violations of ethical ideals of society are common in business, but they are not necessarily violation of business principles. A manufacturer was accused of providing master keys for automobiles to mail order customers, although it was obvious that some of the purchasers must be automobile thieves, this defense was plain and straightforward. If there was nothing in the law to prevent him from selling his keys to anyone who ordered them, it was not up to inquire to his customer's motives.

In another case, a firm manufacturing a well-known wine was accused of using a cheap form of alcohol possibly deleterious to health. The chief executive testified thus; we broke no law, we are in a highly competitive industry. If we are going to stay in business we have to look for profit wherever the law permits. We don't make the law we obey them. Then why do we have to put up with this holier than thou talk about ethics? It's sheer hypocrisy; we are not in business to promote ethics. The illusion that business can afford to be guided by speeches and articles containing such phrases as "it pays to be ethical" "sound ethic is good business" these speakers are saying that in the long run a company can make more money if it does not antagonize competitors, suppliers, employees, and customers by squeezing them too hard. He is saying that over sharp policies reduce ultimate gains. That is true but has nothing to do with ethics.

Samuel Blizz (1960) in his own contribution in the price setting exercise forwarded that each man had his own code of conduct, honesty and integrity, duty to family, ambition for prestige, power, material reward, sense of obligation to his company or superior with the company in community he lives in and work in; innate desire.

Harvard Business Review (1963:72) maintained that one of the largest single deterrents for the intellectual who shuns a career in business is related to what he supposed is the standard of ethics in the market place. From hear say, the market may appear to him to be operating at lower moral standard, which are not necessarily unethical but possible untenable to an ethical sensitive person. Even though the future ethics of business will be whatever today's graduate will ultimately make them, the question for the present is: must the collegian sacrifice the tenants of the intellectual world, including its ethical base, or does an ethical acceptable world also exist in business?

The central theme of the above opinion reveals that simple code of ethical by business managers has overriding obligations to other, and that they have a duty to reveal the facts where their personal interest are involved. In contrast to statutes and corporate policies, this code would be an internal incentive to sound decision making.

Contextual factors in ethical decision making

In keeping with the rules and regulation of the Industrial Development Act in Nigeria, sales activities in beverages companies are expected to observe some contextual ethical standard, with are acceptable, by the societies within their areas of operations.

The following ethical expectation would suffice.

Profit maximization, Product standardization, Allocation of Territories, Provision of facilities, Payment of fair wages/salaries, Training and Development, Standard management practices, Business social Responsibilities, Moderate incentives, Sincere Advertising claims and Fair price setting

The individual factors in ethical decision making among other include:

Distribution, Information dissemination, Ego drive, Social connections, Convincing personality and Pleasant personality.

Contextual and individual ethical expectations are clearly stated by the laws and regulations. Conflicts do arise as each may wish to preserve its private ethical standard by stepping further than the stipulated expectation in a spirited effort to project their personal interest and early attainment of self-actualizations.

Sometimes salesman within the company find it difficult to adjust themselves in the requirement of the business game as contained in the company's code of conduct and in strict adherence to the company policies and program.. When he is obliged to carry out the company policies/program that challenges the conceptions of himself as an ethical man, he suffers.

It is against this background that salesmen swiftly place their personal interest above all considerations while pursuing the company's objectives. Take for example that each salesman is allocated a territory and expect to effectively give coverage to it through physical distribution strategies. Instance may occur in the rural areas where the salesman may over price the product as result of the interior nature of the area. To the salesman insofar as the sale was made to the profit advantage of the company, he is ethically bound not minding the exploitative practices inflicted on the society, which the company is against. Furthermore, he may even infiltrate beyond his allocation territory in pursuance of greater sales target. To the salesman a sale has been made profitably to the company irrespective of the point of origin of the sale. To company is only interested in the bottom line of the sales figure.

The salesman in a bid to achieve his sales target and for his personal interests does make unfavorable remark about competitors, selling harmful product, false advertising claim etc. which are unethical to the society (Onuoha 1991).

The company frowns at these practices as it is against the normal ethics of salesmanship but the salesman still indulge in them for his personal benefits.

Most often, in the face of stiff competition, salesmen leak confidential information of their company to competitors to satisfy their quest for self-interests to the competitive advantage of the later, make false promises to the customer to take orders, which cannot be fulfilled. This creates customers ill will on the company and its range of products.

The salesman does not consider them as unethical because in the very short run the solvency position of the company is still intact.

The underlying motive for the conflict of interest is that the contextual expectations of the company have been eroded thereby putting the salesmen at the exploitative positions. To bail

themselves out of such position and on their spirited fight to put inflation at bay and defend their standard of living (Onuoha, 1997) they have resorted to taking lower ethical standard as a way of life.

Research Methodology

In order to gather as much relevant information on the study, as possible, a number of data collection techniques were used. Since ethics is situational and temporal, one cannot rely solely on already made work or intuition but it actually includes critical understanding of the ethical make of companies, profession in relation to our immediate societies. There are two main sources of data collection used in this research work, Desk Research and Field Research

It is quite obvious that each plays at least a role towards exploring the contextual and individual factors on ethical decision making of salesmen in beverage industries. A brief discussion of the methods used is as follows:

Desk Research: As the name implies the research was based mostly on consultation of related textbooks in the library, published magazine, journals and other Periodicals. Some other information and data that were deemed vital and relevant to the research were also gathered from the records of the company.

Field Research: Field research constitutes the personal interview of selected salesmen and companies in beverage industries. This involves face-to-face interview with some respondents to elicit their opinion.

Personal interview guide

A total of six questions were administered to selected salesmen and managers of companies in the beverage industries. The interview questions are as indicated in the appendix.

Personal interview analysis

Interview methods were used to compliment the desk research. The reason for this was to engage the respondents face-to-face, to elicit information from them and to enable them express their opinion.

It should be observed that this forum offered the researcher opportunity to tailor the questions in such a way as to suit the particular circumstance as the interview progressed.

Results

In response to the question directed at sales manager of a particular soft drink company on the influences of ethics on decision making, he opined that the company has not met its anticipated expectations due to the harsh economic pressures meted on the company.

On the type of incentive introduced to boost the performance of the salesman against his fraudulent ethical practices, the sales manager reacted by saying his company over the years has been very poor on incentive schemes and that the only motivational incentive is the regular salary paid to the salesman at the end of the month.

On the issue of training salesman before going to the field to sell, the supervisor said that the salesman learnt the sales techniques while they are on the job, through on-the-job training, since they did not have a comprehensive training before going to the field to sell.

On the issue of resolving the contextual and individual conflicts on ethical decision-making, a sales representative said the company should make all effort to live up to their ethical expectations to address all their areas of ethical weaknesses.

On reconciliation of the confusion between ethics and moral code of conduct, a salesman said proper education of the society should be done to elevate the issue. By pointing that ethics is situational and temporal while moral code of conduct is universal to all societies

On the company and products acceptability due to better understanding of ethics by salesman, it was gathered from selected sample that ethical salesmen are truly empathetic (i.e. ability to understand the feeling of others, avoiding emphasis placed on self-interest in addition to would be ethical considerations.)

Conclusion

In a close analysis of the contextual and individual factors on ethical consideration for decision making of salesmen in beverage industries, the following findings suffice.

Companies shy away from their ethical expectations due to the unfavorable economic turbulence experienced in the country.

In a bid to maximizing profit and minimizing cost, incentive schemes, which act as a motivation tool, were grossly neglected in the companies' policies and programmes.

As a result of lack of sale training in companies, the sales personnel do feel mismatched and unsecured for the job hence they takes to what is otherwise known as "early return on their investment" in terms of the efforts employed through on-the-job training.

Failure by the companies to live up to their societal expectations have been identified as a major driving force encouraging salesmen to put their selfish interests above company's considerations ethically.

The societal expectations are more on the moral code as against ethical considerations.

It was also found that an ethical and empathetic salesman is more accepted by the society due to his ethical involvement in the decision.

Recommendations

Training and development programmes should be encouraged in companies so as to be expose the salesman adequately in the market place to enable them appreciate the profession as an ethical man.

Companies should introduce incentive programmes as a motivational factor for salesmen

Companies should live up to their expectations in all spheres of ethical conduct.

There should be clear distinctions between ethics and moral code to avoid societal misconceptions and protests against companies and products.

Salesmen should as a matter of ethical considerations, equate contextual with individual ethical factors before making decision and personal interest should be totally neglected.

Government should create enabling environment for companies operation so as to be able to meet up with its ethical obligations.

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