EXPLORING SALES MANAGER QUOTA FAILURE FROM AN ETHICAL PERSPECTIVE

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In a study of 240 sales managers (non-retail managers), four research questions were explored to determine the effect on ethical behaviors of failure to reach sales quotas. The results of the study indicate that the pressure to achieve quota outweighs the pressure to behave ethically. Correspondingly, this difference indicates that sales managers are more likely to allow salespeople to behave unethically given any of several quota failure outcomes presented, than when no outcomes are presented. Such a finding has meaningful and important implications that are presented for both management and academic researchers.

INTRODUCTION

Sales quotas, perhaps one of the most critical aspects of the selling profession, typically serve as the principal sales objective for salespeople and sales managers (Good and Stone 1991; Ross 1991). Consequently quotas play an instrumental role in determining organizational success (Anderson and Oliver 1987). For instance, sales quotas are designed to help execute the strategic direction of marketing and sales (e.g., determination of products to be sold, when and where the products are to be sold, and in what quantities). Although sales quotas are generally used for both evaluation and control, it is likely their ability to motivate salespeople to positively affect effort and performance (Badovick and Hadaway 1992; Chowdhury 1993; Locke 1968) that makes them a vital tool in the sales organization. Presumably, it is the positive and negative consequences associated with quota achievement/failure that makes quotas so motivational. While incentives for quota achievement are commonly discussed, little is known regarding the consequences to sales managers for failing to achieve quota.

In today's highly demanding competitive environment, sales managers are being asked to successfully operate a salesforce while meeting the marketplace demands of becoming "more ethical" (Jones et al. 2005). This presents a challenge in the goal-oriented environment of sales where by nature quotas are results oriented. In one study of sales and marketing executives, nearly 50 percent of the respondents suspect that their salespeople have lied on a sales call and approximately 75 percent believe that the drive to achieve sales goals encourages salespeople to lose focus on customer needs (Strout 2002). Furthermore, evidence suggests that quota can likewise drive sales managers to lose focus of ethical standards and customers' needs. When this happens, the salesforce is likely to be less customer-oriented, an important precursor for the development of long-term customer relationships (Schwepker and Good 2004a).

Given the paucity of research on quota, particularly sales management quotas, coupled with the need to better understand quota in relation to ethical behavior, and the desire to improve the quota setting process (Marchetti and Brewer 2000), this paper's purpose is framed. We examine several key issues as they relate to sales quotas by examining sales managers' view of their quota assignments. This encompasses an exploratory investigation of consequences to sales managers for failing to achieve quota and the effect of quota on the ethical management of the salesforce. We also examine relationships between quota difficulty

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and both sales manager quota achievement and firm performance.

SALES QUOTAS: RESEARCH QUESTIONS

Quota Difficulty, Performance and Firm Revenue

As an objective for the sales unit, sales quotas represent a standard of performance measurement (Good and Stone 1991) and serve as a mechanism affecting attitudes, motivations, strategies, and performance (Darmon 1997; Oliver and Anderson 1994). Quotas, for example, influence products to be sold, how many to sell, when to sell and where to sell. Therefore, quotas, or more specifically the outcomes associated with them, serve as a motivator (Darmon 1997) that ultimately impacts seller effort (Chowdhury 1993). Goal setting theory suggests that goals that are specific, challenging and accepted are likely to result in higher levels of performance (Locke 1968). Yet, research in sales finds the results mixed for this. Although some researchers have found a positive relationship between challenging goals and performance in sales (Blumenfeld and Leidy 1969; Ralis and O'Brien 1986), others' research suggests that more difficult goals lead to greater salesperson effort, but not necessarily better performance (Hart et al. 1989; Wotruba 1989). A more recent investigation of salesperson goal assignment found negative relationships between quota difficulty and salesperson performance and income, and a positive relationship between quota difficulty and annual sales revenue (Schwepker and Good 2004b). However, the nature of the relationships between quota difficulty and sales manager's quota achievement, as well as the firm's annual sales revenue, is not clear.

The actual quota itself is likely to be less significant in the motivational process than one's perception of quota difficulty, since an individual will make a judgment surrounding quota and respond accordingly (Schwepker and Good 2004b). Thus, we investigate perceptions of quota difficulty in answering the following research question (RQ):

RQ_1. What are the relationships between quota difficulty, and sales manager quota achievement and the firm's annual sales revenue?

Consequences for Failing to Make Quota Assignment

In part, quotas are designed to illicit immediate results (John and Weitz 1989). Results are typically driven by the positive outcomes tied to these objectives as is typical of basic managerial practice to reward success. One might expect then that the failure to make quota would result in negative managerial outcomes. In fact, this is the case when it comes to salespeople's failure to achieve acceptable quota performance (Good and Schwepker 2001). Nevertheless, we do not have a clear understanding if this holds true for sales managers. For this reason, we ask the following research questions:

RQ_2. What managerial actions result when sales managers fail to meet expected quota performance goals?

a) How are these actions related to sales manager annual quota achievement, the firm's annual sales revenue and perceived quota difficulty?

RQ_3. How many times must a sales manager fail to meet quota expectations prior to being terminated?

Sales Manager Ethics and Quota Performance

As an output-based performance measure, quota often serves as a performance benchmark in which an individual is held accountable for direct results, but not for how they are achieved (Anderson and Oliver 1987). Consequently, with sales quotas there may be an inclination to focus on immediate returns at the expense of long-term outcomes (Anderson and Oliver

1987). This may result in dire consequences as goals have the ability to cultivate negative outcomes (e.g., non-quota areas being ignored, excessive risk taking, short-range thinking, ethical conflict, dishonesty, and cheating) (Latham and Locke 1984). Goals, particularly difficult ones, have led to risky decisions (Ross 1991) and potentially dysfunctional performance strategies (Huber 1985) in attempts to reach them. Financial service salespeople's moral judgment was found to be negatively impacted by difficult quotas when negative consequences occurred for failing to meet quota (Schwepker and Good 1999). One study of sales managers found a positive relationship between quota difficulty and sales managers' reactions regarding salesperson unethical behavior (i.e., difficult quotas led sales managers to ignore the unethical behavior of their salespeople) (Schwepker and Good 2004a). Such a finding supports other research suggesting that when quota achievement is viewed as a primary goal, ethical behavior may be relegated to the "back burner" (Bommer et al. 1987). This leads us to the following research questions concerning the likelihood of sales managers allowing unethical behavior to occur in order to achieve their quota:

RQ_4. How likely are sales managers to allow their salespeople to behave unethically with customers in order for sales managers to reach acceptable quota performance?

Jones' (1991) issue contingent model of ethical decision making in organizations includes moral intensity as an important component. According to Jones, characteristics of an ethical issue can impact individuals' ethical decision making. He suggests that the magnitude of the consequences, social consensus, probability of affect, temporal immediacy, proximity and concentration of effect all affect the moral intensity of an ethical issue. As such, it is possible that sales managers may respond differently to ethical situations depending upon the consequences to them and their view of the particular act in question. Thus, we ask these follow-up questions to research question 4:

RQ_{4a}. Does the type of unethical action influence sales managers' decision to allow salespeople to behave unethically?

RQ_{4b}. Is there a difference in sales managers' willingness to allow salespeople to act unethically depending upon the outcome to them for not achieving acceptable quota performance?

We used an exploratory survey of sales managers to determine their perspectives on sales quotas in order to address these research questions. The following describes how the data was collected, sample characteristics, results, and a discussion about how sales managers' quotas are managed within firms and how they interact with performance measures.

METHODOLOGY

Sample and Data Collection

We purchased a list of nonretail sales managers in a variety of industries from a mailing list broker and used it to conduct a nationwide mail survey. From the 2,085 questionnaires that were sent out, a total of 240 usable questionnaires were returned for an 11.5 percent response rate. We consider the response rate to be acceptable for numerous reasons. First, the response is comparable to similar research approaches examining ethical issues within the salesforce (e.g., Valentine and Barnett 2003 at 12.7 percent utilizing multiple mailings). Second, our study is characterized by several factors that tend to diminish the response rate: use of sales professionals, lack of sponsorship, and no inducements (Swenson and Herche 1994). Third, we asked some potentially sensitive questions (i.e., dealing with ethical behavior), which tend to lessen the response rate (Good and Stone 1995). Finally, due to mailing list restrictions, we were unable to follow-up with respondents, thus limiting our ability to improve the response rate.

The sample is comprised of primarily married (87.5 percent) males (91.2 percent) who average 48 years of age. Most have a college degree, with 47.7 percent having an undergraduate degree, and another 10.9 percent having earned a graduate degree. The average income per respondent is $103,360 and approximately nine percent (8.9 percent) earn less than $50,000 a year. The average sales management tenure of respondents is 14.5 years. A majority (58.7 percent) work for firms selling primarily physical goods, while 7.5 percent work for organizations selling primarily services and the remainder (33.8 percent) work for companies selling both goods and services.

We used a time-trend extrapolation test to estimate nonresponse bias (Armstrong and Overton 1977) that involved study constructs, as well as demographic and classification variables. According to the results (F = 0.788, significance F = 0.694), nonresponse bias is not likely a problem.

Operationalization of Study Variables

We measured perceived quota difficulty (PQD) with a two-item scale developed and used by Schwepker and Good (2004a). Sales managers were asked to respond to the following questions using a five-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree": 1. I believe my assigned quota is very difficult; 2. It is easy for me to achieve my assigned quota. After reverse-coding the second item, responses were averaged. A higher score indicates perceptions of a more difficult quota.

Two measures were used to assess sales manager quota achievement and firm performance. We examined sales managers' annual quota achievement (AQA) by asking them to provide the percentage of time they achieve their annual quota. Given the importance of sales managers' role in contributing to the firm's sales revenue, we assessed one type of firm performance by asking respondents to provide their organization's annual sales revenue (ASR).

To assess managerial actions that result when sales managers fail to meet expected quota performance goals we asked sales managers to respond to a list of possible alternative outcomes previously used by Schwepker and Good (2004b) when studying salespeople.

Finally, to assess sales managers' likelihood of allowing salespeople to behave unethically (PROBACT), we borrowed a measure from Schwepker and Good (2004a) that was used for this purpose. We asked participants to respond to three different unethical sales scenarios (action 1 - exaggeration; action 2 – false promise; action 3 – pressure) concerning quota performance (see Appendix). For each scenario, sales managers were informed that it was the end of the fiscal year and that they were currently below acceptable quota performance. In each scenario, the sales manager is able to reach acceptable quota performance as the result of a salesperson committing an unethical act that results in a sale. Sales managers then respond using a scale of (1) "highly improbable" to (5) "highly probable" regarding the probability of them allowing the action to occur. Scores are averaged across all thee scenarios and higher scores indicate a greater probability of allowing the unethical act to occur. To determine sales managers' willingness to allow salespeople to act unethically depending upon the outcome to them for not achieving acceptable quota performance, we focused on negative outcomes. We used the same three scenarios and asked sales managers the probability of allowing salespeople to perform each action knowing that if they failed to reach acceptable quota performance: 1) they would be terminated (Termination); 2) they would be given a formal notification that they are put on probation with continued similar results leading to termination (Probation); 3) they would be given a stern verbal warning to do better next year (Warning); and 4) they would not receive a bonus or reward associated with quota achievement (No Reward). For each of these outcomes, scores are averaged across all three scenarios and higher scores indicate a greater probability of allowing the unethical act to occur. Scenarios have been recognized as an acceptable means for conducting ethics research in marketing (Chonko, Tanner and Weeks 1996).

ANALYSIS AND RESULTS

Research question one sought to determine the relationships between perceived quota difficulty, and sales manager quota achievement and the firm's annual sales revenue. Results of a correlation analysis show that perceived quota difficulty is negatively related to sales manager annual quota achievement ($r = -0.274$, $p \leq .01$), but not significantly related to annual sales revenue. It appears that as perceptions of sales quota difficulty increase, sales managers are less likely to achieve their annual quota.

Table 1 provides results to question two regarding the managerial actions that occur when sales managers fail to meet expected quota performance goals. As reported in Table 1, a majority (51.8 percent) of sales managers indicated that management would work closely with them to ensure that sales would be improved next year. Almost a quarter of the respondents (23.3 percent) indicated that nothing would happen and/or they would be evaluated at a later time. Only 2.2 percent indicated that failing to make quota results in probation, while none indicated that they would be terminated. Slightly over 15 percent said that they would receive an informal reminder to do better next year.

Correlation analysis was used to address question 2a concerning the relationships between actions resulting from quota performance failure and sales manager quota achievement, the firm's annual sales revenue and perceived quota difficulty. There are positive relationships between the actions for failing to meet quota and both annual sales revenue ($r = 0.167$, $p \leq .05$) and perceived quota difficulty ($r = 0.196$, $p \leq .01$). Annual sales revenue is higher as management takes action, particularly harsher action, when sales managers fail to meet quota expectations. Likewise, sales managers perceive quota as being more difficult in environments where harsher action is taken for failing to meet quota expectations.

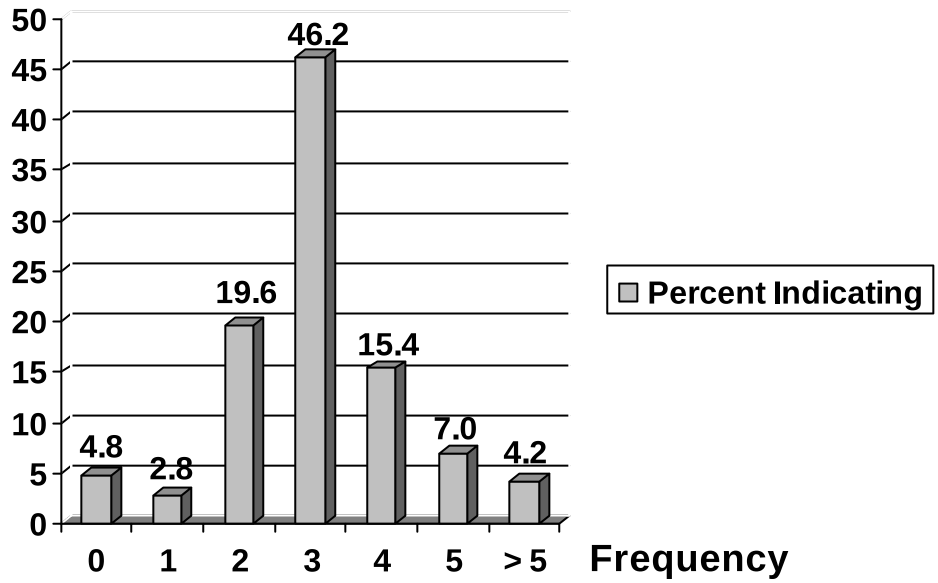
TABLE 1
Managerial Actions Resulting From Failure to Achieve Assigned Quota

Action to Sales Manager	Percent Indicating as the Action Taken
Nothing	6.6
Congratulate	0.4
No negative action but re-evaluate later	16.7
Manager works closely with the sales manager to ensure that sales will be improved next year	51.8
Informal reminder to do better next year	15.4
A stern verbal warning to do better next year	7.0
Formal probation with continued results leading to termination	2.2
Termination	0.0

Figure 1 provides results to question three regarding the number of times that a sales manager must fail to meet quota expectations prior to being terminated. The results show that the majority (46.2 percent) of sales managers must fail to achieve quota expectations three times prior to being terminated. Over one quarter of respondents (27.3 percent) indicate that they will be terminated for failing to meet quota two or less times. Slightly over 11 percent are allowed to fail to meet quota expectations five or more times prior to being terminated.

Question 4 sought to determine the likelihood of sales managers allowing their salespeople to behave unethically with customers in order for sales managers to reach acceptable quota performance. Overall, the mean score for this measure is 1.94, indicating that sales managers generally are not likely to allow salespeople to perform an unethical act so that they can reach quota performance. Yet, as shown in Figure 2, some sales managers may be willing to allow salespeople to act unethically in order to

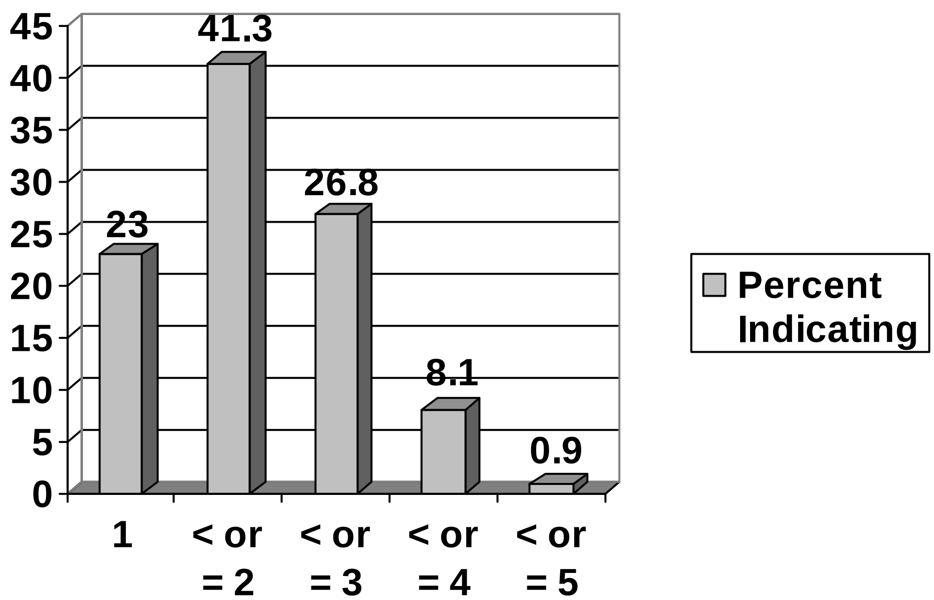
FIGURE 1
Frequency of Quota Failures Prior to Sales Manager Termination



achieve quota. Over 15 percent (15.4 percent) have a scale score of 3.0 or better indicating an increased probability of allowing unethical acts to occur. The picture becomes more telling when addressing question 4a regarding whether the type of unethical action influences sales managers' decision to allow salespeople to behave unethically. Figure 3 provides sales manager responses to each of the different actions salespeople might take to achieve sales quota. For action 1 – exaggeration (M = 2.16), 13 percent of sales managers indicate a strong probability (4 or 5 response) of allowing salespeople to take this action in order to meet quota requirements. For action 2 – false promise (M = 1.86), 10.3 percent seem very likely (4 or 5 response) to allow their salespeople to take this action. Finally, for action 3 – pressure (M = 1.85), 8.6 percent indicate a strong probability (4 or 5 response) of allowing salespeople to pressure customers in order to make a sale and fulfill quota requirements. When we conducted T-tests to look at mean differences between the actions, we found that exaggeration is more likely to be allowed than either a false promise ($t = 3.60$, $p < 0.00$) or pressure ($t = 3.74$, $p < 0.00$). However, sales managers do not appear to be more willing to allow a false promise than pressure ($t = 0.28$, $p = 0.78$).

Finally, question 4b sought to determine if there is a difference in sales managers' willingness to allow salespeople to act unethically depending upon the outcome to them for not achieving acceptable quota performance. Figure 4 provides the scale scores and means for each outcome. Sales managers are most likely to allow salespeople to act unethically when they will fail to receive a reward for not making quota (M = 2.54). Interestingly, based on the mean scores, sales managers are least likely to allow salespeople to behave unethically when they believe they will be terminated for failing to make quota (M = 2.11). We compared the means of each of the four outcomes with the mean of sales managers' probability to allow salespeople to behave unethically (not given a defined outcome). In each case, there is a statistically significant difference between each pair of means indicating that sales managers are more likely to allow salespeople to behave

FIGURE 2
Probability of Sales Manager Allowing Salesperson to Act Unethically in Order to Make Quota



*Average scale value across all three scenarios; 5 indicates the highest probability

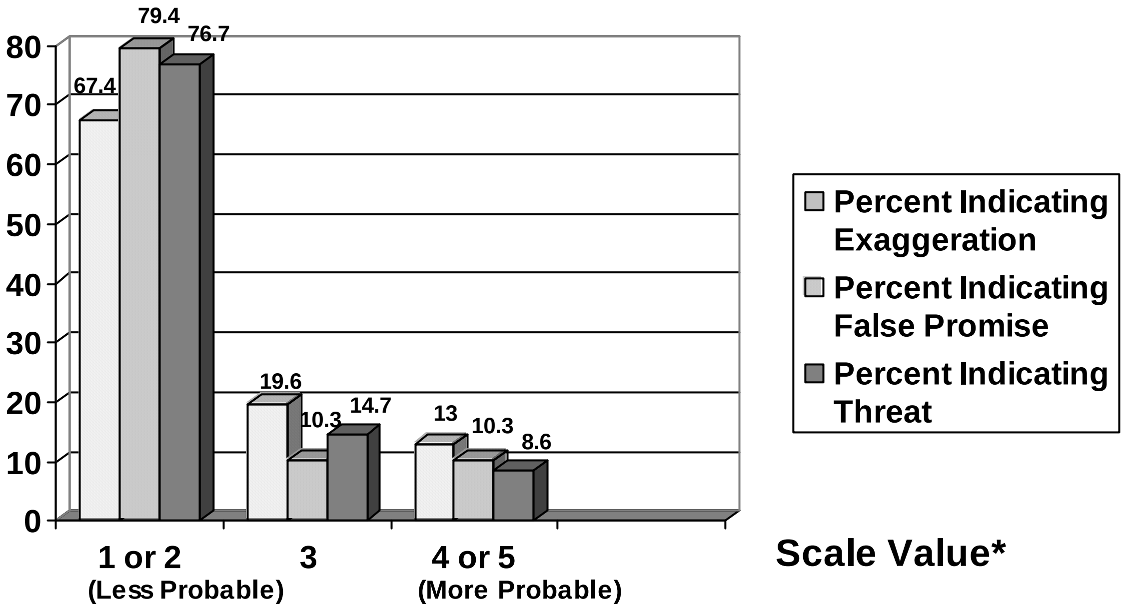
unethically when faced with any of the negative quota failure outcomes than when no outcomes are presented (see Table 2).

MANAGERIAL IMPLICATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This study sought to answer several questions about sales manager quotas to increase understanding of these important performance goals. The findings in this study reflect several interesting implications that focus on the response of sales professionals to normal operational activities (assigning sales quotas and expecting these objectives to be met). With regards to question one, research in goal setting theory suggests that more challenging quotas should lead to higher performance. However, this may not necessarily be the case with regards to sales manager goals. It appears that sales managers with more difficult goals are less likely to reach their annual quota. According to goal setting theory, performance is enhanced when goals are not only challenging, but also specific and obtainable. Perhaps many sales management quotas are being set at an unrealistic level. If this is the case, sales managers may put in less effort toward goal achievement if they believe that they do not have a legitimate opportunity to achieve quota in the first place. Therefore, it is important for upper management to carefully determine sales manager quota so as not to over inflate it, potentially resulting in sales manager de-motivation. This may take time as properly determining a “challenging” quota might require a trend analysis of quota assignment and outcomes over several periods.

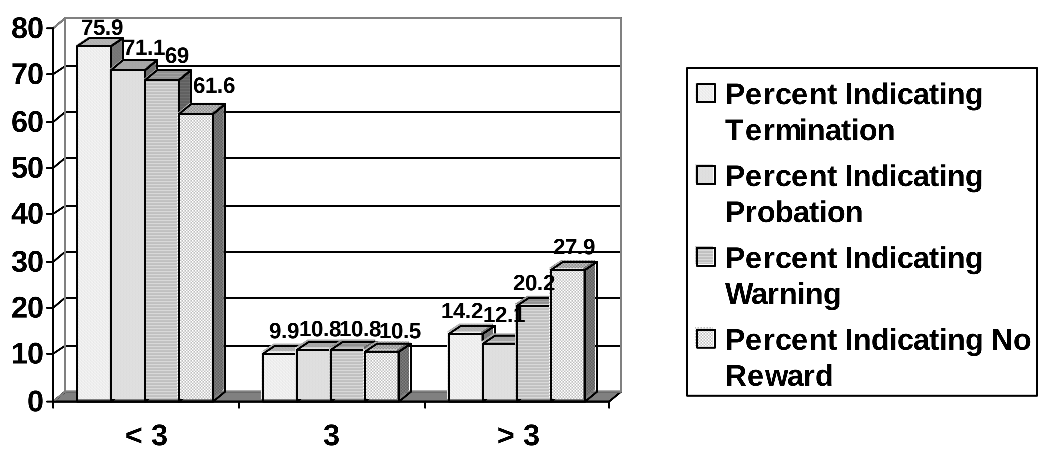
With regards to research question two, it appears that upper management is willing to work closely with sales managers to improve performance when they fail to make quota as slightly over half the respondents to this study indicated. This can be regarded as both positive and negative. If upper management is properly setting quota in the first place, then helping sales managers to improve when they fail to make quota would be a valuable use of resources. However, if quota is not being

FIGURE 3
Probability of Sales Manager Allowing Salesperson to Act Unethically in Order to Make Quota by Action



*5 indicates the highest probability.

FIGURE 4
Probability of Sales Manager Allowing Salesperson to Act Unethically in Order to Make Quota Under Different Outcomes



*Average scale value across all three scenarios; 5 indicates the highest probability.

TABLE 2
T-test Results Comparing Probability of Sales Manager Allowing Salesperson to Act Unethically with Probability of Sales Manager Allowing Salesperson to Act Unethically Under Different Outcomes

	PROBACT vs.	Termination	Probation	Warning	No Reward
Mean	1.94	2.11	2.22	2.25	2.54
t-value		-2.38	-4.17	-4.45	7.02
Probability		0.02	0.00	0.00	0.00

properly determined and unrealistically set, resources allocated to improve quota may be wasted since the true problem lies not with the ability of the sales manager, but with the ability to properly set quota. In other words, a properly set quota is likely to be achieved and additional help would not be needed. Chances are that even with management working with the sales manager, an improperly set quota will not be achieved.

Research question three sought to determine the number of times that a sales manager must fail to meet quota expectations prior to being terminated. Nearly half of the respondents to this study indicated that they would be terminated only after failing to achieve acceptable quota expectations three times. Almost one fourth of the respondents, however, indicated that they would be terminated for failing to reach acceptable quota two times or less. This leaves little margin of error with regards to quota setting. Sales managers in many instances may be let go simply because the quota was not properly determined. On the other hand, with over 11 percent of respondents indicating that sales managers will be terminated for failing to reach quota five or more times, sales managers who are not performing adequately are perhaps being kept on too long, particularly if quota is being set reasonably. Again, if it is not, damage to performance may still be occurring due to the ill effects of improperly set quotas.

Question four sought to determine the likelihood of sales managers allowing their salespeople to behave unethically with customers in order for sales managers to reach acceptable quota performance. The average respondent score found on the scale used to answer this question tends to mask the finding that over 15 percent of the respondents indicate an increased probability of allowing their salespeople to perform unethical acts in order for them to achieve quota. Sales managers appear to be more willing to allow their salespeople to exaggerate than to make a false promise or apply pressure to make a sale in order to achieve quota. Although these actions may help in making a "one-time" sale, all are detrimental to building long-term customer relationships. Furthermore, exaggeration is a form of lying, which is detrimental to building trust, a precursor to long-term relationships, and thus should not be viewed as any less serious than a false promise or pressure. Upper management needs to make clear to sales managers how such actions, while helping to meet short-term gains, can prove costly to long-term sales, and institute controls (e.g., ethical codes and policies; punishment for unethical behavior) to avoid having sales quota met at the expense of ethical behavior.

With regard to research question 4b, we found that sales managers are more likely to allow salespeople to behave unethically when faced with negative consequences for quota failure than when no outcomes for quota failure are presented. Overall, this suggests that at least in this study, the pressure to achieve quota outweighs the pressure to behave ethically. Such a finding has meaningful and particularly useful and important implications both to management, and to academic researchers.

For upper management, these findings suggest that the perception of negative outcomes for not achieving sales quotas can impact the willingness of sales managers to act unethically. Interestingly, in a paradox of sorts, this indicates that actions by top management (i.e., assigning negative outcomes for not achieving sales quotas) do have some type of organizational impact (i.e., "down flow impact") on the actions of sales managers. That is, upper management can be assured that their actions do foster "reactions" on the part of lower levels of sales management. Unfortunately in this situation, the findings suggest that when sales managers are under an expectation of some sort to achieve their sales goals (quotas), as we would normally expect most sales managers must, and the consequence for not reaching the quota is negative, some managers are willing to engage in unethical behaviors to reach their goal (quota). Interestingly, we learn that the firm's annual sales revenue is higher as management takes action, particularly harsher action, when sales managers fail to meet quota expectations. But these are the same actions that are likely to prompt sales managers to behave unethically to reach quota. To compound this, we find that sales managers confronted with more severe consequences for failing to achieve quota are also likely to face more difficult quotas. Thus, when encountering a difficult quota and negative consequences for not achieving the quota, these sales managers are more likely to turn to unethical behavior (i.e., allow their salespeople to behave unethically) to make quota.

This is a difficult implication because sales managers are expected to achieve their sales goals. Equally, however, we would expect upper management to both hold managers responsible for not achieving the goal and to communicate the consequences of such failures. Hence doing what we would expect to be "the right action" by top management can bring about a negative response. From a managerial oversight perspective, these results indicate that upper management is well served in understanding the consequences of communicating the implications for not reaching sales quotas and being prepared for negative actions in advance of such assignments and punishments for not achieving important goals. If in fact sales quota is a driving force within the sales organization, processes and systems need to be in place to ensure monitoring the field management group from a very early point in the goal assignment timeline. While perhaps this is an obvious condition that "controls" should be in place to ensure ethical behavior is not foregone at the expense of meeting quota, the results underscore the meaningful impact of how managers view sales quotas compared to ethical behavior. Simply, as an important understanding of sales management behaviors, sales managers weigh the sales objective as the more critical of the two elements. Consequently, appropriate controls to curb unethical behavior, coupled with carefully crafted quotas may help to diminish the potentially negative outcomes associated with sales manager quota.

In another view of the these results, we would expect that a sales manager facing termination for failing to achieve quota would be most likely to allow salespeople to behave unethically in order to make quota. However, this was not the case, as failing to receive a reward associated with successful quota attainment was the biggest factor driving sales managers' willingness to allow unethical behavior. Apparently, sales managers (at least in this study) are more concerned about losing a reward than losing their job. Perhaps this finding is a reflection of the fact that most of the sales managers in this study do not find termination as very plausible given that very few of them indicated that they would be terminated for failing to achieve quota only one time. The finding that failing to achieve rewards associated with quota achievement is the biggest driver of unethical transgressions suggests that rewards be tied not only to sales quota achievement, but also to other behavioral aspects of goal attainment. In particular, it might be helpful to tie rewards to actions requiring ethical behavior, such as customer relationship development activities.

From a research perspective, the findings of this study suggest that more inspection needs to be conducted in examining the magnitude of actions by management with respect to sales professionals "failing to reach" goals. We can likely expect sales managers will not view the potential of several negative (and positive) outcomes in a similar perspective. That is, a ranking of desired consequences and various states of goal achievement would give us a better understanding of the sales quota process. In this regard, it would be academically and practically useful to understand the difference in how some consequences create more negative unethical (and ethical) action on the part of sales managers. Similarly, it would be useful to extend this study to examine lower operational levels (i.e., salespeople) to determine if the findings reflected in this study are consistent at different and more operational organizational levels. Moreover, the findings suggest the importance of properly setting quota due to its many implications on both sales manager outcomes and actions. Future research would benefit from uncovering appropriate ways for determining the most favorable sales quota that would serve as a motivator for producing optimal performance.

LIMITATIONS

It is important to note that this study is not without limitations. Due to the sensitive nature of some of the questions the response rate may have been reduced (Good and Stone 1995). Additionally, because we were unable to observe respondents' ethical behavior, we are limited by their willingness to provide honest responses regarding ethics. Furthermore, the topic of ethics heightens the possibility for socially desirable responses, which we attempted to reduce by offering anonymity (Randall and Fernandes 1991).

Similar to all survey research, our study has the potential for bias due to common method variance. However, the potential for this is reduced due to various facets of our research design (anonymity; physical separation of constructs on the questionnaire; ensuring respondents that there are no right or wrong answers; using different scale formats with unambiguous scale items; not having respondents report retrospective accounts of their attitudes, perceptions, or behaviors; and not using bipolar numerical scale values) (Podsakoff et al. 2003).

Finally, the characteristics (e.g., age and sex) of the respondents of the survey limit our analysis. Although these traits appear to be fairly consistent with other research in sales (e.g., Giacobbe et al. 2006; Silver, Dwyer and Alford 2006; Weeks et al. 2004) we need to acknowledge that differences might exist amongst a differently distributed sample and/or population.

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APPENDIX
Scale Items for "Probability of Allowing Salespeople to Act Unethically"

SITUATION: It is the end of the fiscal year and you are currently **below acceptable quota performance**.

ACTION 1*: To make quota, one of your salespeople makes statements to an existing customer that exaggerate the seriousness of the problem. As a result, he or she is able to get the order and you achieve acceptable quota performance.

What is the probability of you allowing this action to occur?

ACTION 2: To make quota, one of your salespeople promises the customer that he or she will receive the order one week from today, a date at which the customer must have the merchandise. Your salesperson knows that the chances of meeting this deadline are nearly impossible, yet he or she would never mention this fact. As a result, he or she gets the order and you achieve acceptable quota performance.

What is the probability of you allowing this action to occur?

ACTION 3: To make quota, one of your salespeople exploits a weakness in a customer's personality in order to pressure him/her into buying something that does not satisfy his/her needs. As a result, he or she is able to get the order and you achieve acceptable quota performance.

What is the probability of you allowing this action to occur?

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*Action 1 – exaggeration; Action 2 – false promise; Action 3 – pressure