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of Personal Selling

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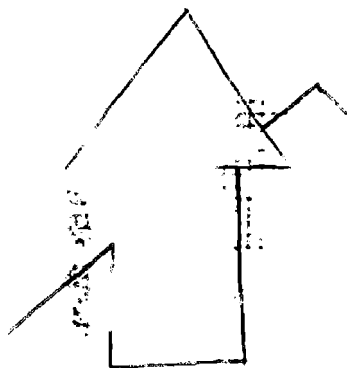
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Περίληψη

Λίγες μελέτες έχουν εξετάσει το πώς η ηθική αντίληψη διαφέρει σε σχέση με διαφορετικές συνθήκες πώλησης. Η μελέτη αυτή εστίασε σε τρία σημαντικά στοιχεία των συνθηκών πώλησης τα οποία εξετάσε ως ανεξάρτητες μεταβλητές: Το φύλο του ατόμου του οποίου η ηθική συμπεριφορά είναι ηθικά αμφισβητήσιμη (το φύλο του ατόμου που διενεργεί τη πράξη-«δράστης»), τη θέση του στον οργανισμό (δηλαδή, αν είναι πωλητής - υπάλληλος ή ιδιοκτήτης) και το μέγεθος των συνεπειών από την υπό αμφισβήτηση πρακτική στη πώληση (δηλαδή, το χρηματικό ύψος της ζημιάς). Στους ερευνώμενους παρουσιάστηκαν δύο σενάρια τα οποία περιέγραφαν αντίθετες προς την ηθική, συμπεριφορά πωλήσεων και τους ζητήθηκε να δηλώσουν τον βαθμό συμφωνίας τους για κάθε μία από τις πέντε διαστάσεις της αντίθετης προς την ηθική συμπεριφορά εξαρτημένες μεταβλητές. Τα κύρια αποτελέσματα ήταν: (1) το φύλο του «δράστη» δεν επηρέασε σημαντικά την ηθική συμπεριφορά σε καμία από τις πέντε εξαρτημένες μεταβλητές σε κανένα από τα δύο σενάρια, (2) η θέση του «δράστη» στον οργανισμό μετέβαλλε, ωστόσο, σημαντικά την ηθική αντίληψη των ερευνω-

μένων. Και στις πέντε μεταβλητές, η πράξη εξελήφθη ως περισσότερο αρνητική όταν εδιενεργείτο από τον ιδιοκτήτη παρά όταν εδιενεργείτο από τους υπαλλήλους-πωλητές, και (3) το μέγεθος της ζημίας εκφρασμένης σε δολάρια, επηρέασε σημαντικά τις περισσότερες ηθικές μετρήσεις, με την απώλεια υψηλότερων ποσών να αντιμετωπίζεται περισσότερο αυστηρά. Υπήρξαν, επίσης, σημαντικά, αλλά ιδιόμορφα αποτελέσματα αλληλεπίδρασης μεταξύ των ανεξάρτητων μεταβλητών. Προτείνονται, επίσης, εφαρμογές και κατευθύνσεις για περαιτέρω έρευνα σε πρακτικές στη διοίκηση πωλήσεων.

Abstract

Few studies have examined how ethical perceptions vary according to different selling situations. The present study focused on three important elements of these situations as independent variables: (1) the gender of the person whose sales behavior was morally dubious (the sex of the transgressor); (2) the organizational status of the transgressor (salesperson vs. owner); and, (3) the magnitude of the consequences of the questionable sales practice (dollar loss). Respondents were presented with two scenarios describing unethical sales behavior, and asked to measure the degree of infraction along five dimensions of unethicity as dependent variables. The main results were: (1) the gender of the transgressor did not significantly influence ethical perceptions on any of the five dependent variables in either scenario; (2) the organizational status of the transgressor did, however, significantly alter ethical perceptions. On all five ethical dimensions, the act was perceived more negatively when performed by the owner than when done by employed salespersons; and, (3) the magnitude of the infraction in terms of dollar loss significantly affected most ethical measurements, with the greater losses viewed more seriously. There were also significant, but idiosyncratic, interactive effects among the independent variables. Implications for the management of sales practice and directions for future research are also suggested.

Introduction

Marketing in general and specifically selling have always been perceived

as ethically "challenged" professions (Thompson 1972, Murphy and Laczniak 1981, Seibold 1988, Dubinski 1981, Weeks and Muehling 1987, Kopp 1993). Previous research in sales ethics has focused on the ethical dilemmas facing salespeople (Dubinski *et al.* 1980, Wotruba 1990, Chonko and Burnett 1983). Very few experimental studies have focused on which elements of the selling situation impact the perceptions of ethicality. Sparks and Johlke (1996) used an experimental design to study how ethical perceptions varied by (a) the type of firm (high tech v. low tech), (b) the sales task (new account development v. account maintenance), and (c) the gender of the transgressor. The present study will concentrate on three elements of the selling situation, namely the gender of the transgressor, the organizational status of the transgressor, and the amount of money involved.

Literature review

The gender of the transgressor. Maher and Bailey (1999) noted that most gender studies have focused on the gender of the evaluator and not the transgressor. They developed an experimental study to investigate the effects of the transgressor's gender on judgements of ethical behavior. They reported that evaluators do not perceive males as having different ethical standards than females. A similar study was reported by McNichols and Zimmerer (1985) in which students were presented with scenarios where the names of the transgressor were either male or female. McNichols and Zimmerer also did not find any differences on how male and female transgressors were perceived.

Similarly, Schminke (1997) used a scenario approach in which he varied the gender of the transgressor. His findings suggested that the perception of a questionable act was not dependent on whether it was committed by a male or a female. Non-significant differences had also been reported in a parallel study by McCuddy and Peery (1996).

Nevertheless, evidence from the organizational literature indicates that evaluators do have a gender bias, generally pro-male (Eagly *et al.* 1992, Nieva and Gutek 1980, Shore 1992). On the other hand, Eagly and Mladinic (1989) reported evaluators held more favorable attitudes for females than males. Some of the difference in perceptions of males vs. females might stem from the fact that males often are perceived as more aggressive than females (Swim 1994). Maher and Bailey (1999) suggested "it may be that the context determines the effect of gender stereotypes on evaluators'

judgements. They argued that evaluator perceptions of males vs. females might be mitigated by the causal attributions:

"Perceivers tend to make either an internal (dispositional) or an external (situational) attribution for a behavior. If evaluators believe that men are more likely to engage in unethical behavior, for example, they may 'discount' the same behavior exhibited by a woman. That is, evaluators will make an external attribution, in effect excusing the behavior of the woman as due to situational circumstances. At the same time, if men are perceived to more closely fit with a stereotype of someone who engages in unethical behavior, perceivers may make an internal, or dispositional, attribution. The same unethical behavior, for example, may be attributed to men's tendency toward aggression (or disposition) or to the tendency of women to be influenced by others, where more attention is focused on the situation" (Maher and Bailey 1999, p. 159).

However, their results did not reveal any significant differences in the evaluator's perceptions of either the ethical standards or the causal attributions of males and females.

Based on the ambivalent nature of the above studies, the following hypothesis is presented:

H1: The ethical perception of an action does not depend on whether the act was committed by a male or a female transgressor.

1. *The organizational status of the transgressor.*

Murphy and Laczniaik (1981) reported that the general public perceives salespeople as dishonest and unethical. Wotruba (1990) argued that salespeople are faced with many ethically sensitive situations because of the nature of their job (isolation from peers, limited direct supervision, and extreme performance pressures). According to Kopp (1993) personal selling is inherently unethical because salespeople are paid to promote not what they actually believe but what they are paid to believe. Finally, Seibold (1988) contends that the preexisting public suspicion of salespeople is reinforced by a plethora of negative stereotyping in literature and the media. Other research on the public's ethical perceptions of salespersons include Dubinski *et al.* (1980), Singapakdi and Vitell (1991 and 1992).

Sparks and Johlke (1996) studied whether perceptions of salespersons' unethical behavior differ by the dimensions of the sales job and the individual performing it. In a scenario approach, Sparks and Johlke

manipulated the description of the salesperson along three dimensions: (a) firm (low vs. high tech), (b) sales task (new account development vs. account maintenance), and (c) the gender of the salesperson. They reported mixed results for all three dimensions.

Dornoff and Tankersley (1975) studied how retail store managers perceive social responsibility. Three types of retail stores were studied: department stores, discount stores and specialty stores. Similarly, Takala and Uusitalo (1995) studied privately owned stores vs. members of a chain or a trading group. An interesting finding by Takala and Uusitalo (1995) is that retailers perceived their customers as exhibiting behavior that "leaves a lot to be desired" (p. 905). Dubinsky and Levy (1985) studied retail sales personnel from two types of store (a major department store and a national specialty store chain). In contrast to the general public's notion, the results suggested that salespeople do not see many of the situations examined as involving ethical issues. Moreover, the salespersons' gender, and their experience and time with the company did not influence their ethical beliefs.

Given this generally negative view of the ethicality of salespeople, "salesperson" was chosen as the baseline of organizational responsibility. Here, the issue of interest was whether the general negative perception of salespeople would dominate, or be dominated by, the presumably increased responsibility and accountability of the owner of the firm.

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Therefore, lacking any specific theoretical guidance, the null form of hypothesis presentation was chosen:

H2: The questionable acts of an owner and a salesperson will be perceived as equally unethical.

2. The magnitude of the consequences.

Magnitude of consequences is the main tenet of utilitarianism, which judges an action in terms of the greatest net benefit for the greatest number of people. Cavanaugh (1990) contends that utilitarianism is the dominant criterion for 90% of all business decisions. Forsyth (1985) reported that ethical judgements were influenced by the consequences of the act.

Fritzsche and Becker (1983) contended that serious consequences should prompt more ethical behavior than less serious consequences. Fritzsche (1988) found that vignettes with serious consequences were viewed as more unethical than vignettes with less serious consequences. Weber (1993) also found a significant relationship between moral reasoning

and the magnitude of consequences. York (1989) found a positive relationship between judgements of sexual harassment and job consequences for the victim.

Hunt and Vasquez-Parraga (1992) reported that people evaluated questionable acts as more unethical when the consequences were perceived to be negative than when they were positive. Dabholkar and Kellaris (1992) studied which sales practices were considered most unethical by students. Sales practices with direct monetary consequences and those negatively affecting the customer were perceived as the most unethical.

Based on the literature the following hypothesis is put forth:

H3: Ethical perceptions of a questionable act will be more negative as the dollar loss associated with the transgression increases.

The study

Numerous studies of business ethics utilize the scenario or vignette approach. This approach presents the respondent with a short story describing an ethically questionable situation and then asks the respondent to evaluate this situation on various ethical scales. This tradition of scenario research is represented in the following articles: Fritzsche and Becker (1983), Dabholkar and Kellaris (1992), White and Rhodeback (1992), Schminke (1997), Stevenson and Bodkin (1998), among many others.

The two scenarios utilized in the present study are presented in Exhibit 1. The first scenario involves a health club, about to go out of business, but still selling memberships to new customers. The second scenario involves a person overpaying for a suit and a member of the store personnel not returning the money even though he/she knows about the overcharge. The above scenarios were selected from several that were pre-tested using a convenience sample of students. The two scenarios presented in this paper provided situations with the domain of experience of the population of interest.

The experimental design employed a 2X2X2 factorial design. The three factors and their respective levels were:

Factor	Level
Gender of the transgressor	male, female
Organizational status of the transgressor	salesperson, owner
Dollar magnitude of consequences	\$5, \$80 for the clothing store scenario \$25, \$700 for the health club scenario

The dollar values for the health club scenario were consistent with local market conditions.

Method

Sample. A convenience sample of 274 respondents was surveyed in a major southern USA city. For various reasons, 17 respondents were dropped, leaving a usable sample of 257. The mean age of the respondents was 33.1 (min=17, max=67, median=26). Fifty-two percent of the respondents were female. The median income fell between \$40,000 and \$49,999. Ten percent were black, 4% oriental, and 66% white. Fifty-three percent of the respondents declared themselves "Hispanic" which approximates the percentage of "Hispanics" in the metropolitan area.

Scales. Based on previous research on ethical measurement (Reidenbach and Robin 1988), the following five ethical measurements were selected:

1. An overall measurement of ethicality.

The act is: Unethical -4 -3 -2 -1 0 +1 +2 +3 +4 Ethical

2. A measurement of whether the act is culturally acceptable.

The act is culturally acceptable Agree 1 2 3 4 5 6 7 8 9 Disagree

3. A measurement of whether the transgressor was obligated to act this way.

The saleswoman was obligated

to act this way

Agree 1 2 3 4 5 6 7 8 9 Disagree

The word saleswoman was changed to salesman/owner where appropriate.

4. A measurement of whether the act was justified because the transgressor would be able to provide for his/her family.

The act is justified because she will

be able to provide for her family

Agree 1 2 3 4 5 6 7 8 9 Disagree

The pronoun was changed for the male transgressor version.

5. In addition, a statement of intentions to act similarly was administered.

I would do the same 1 2 3 4 5 6 7 8 9 I would NOT do the same

This follows Hunt and Vitell (1986) who suggested that instead of asking respondents about the ethicality of an act we should ask what they would have done in the same situation.

Procedure. The respondents were presented with one scenario (health club or clothing store) at a time. These scenarios were presented in a random order in order to account for any order effect. Similarly, within each

specific scenario, the eight versions corresponding to the 2X2X2 design, were presented in random order. At the end, a set of demographic variables were gathered from each respondent.

Results

For each of the dependent variables a 2x2x2 repeated measurements GLM (using SPSS for windows) was performed. The independent variables were the transgressor's sex (TRANSSEX), the transgressor's status (STATUS: 1=salesperson, 2=owner), and the level of the infraction (LEVEL: \$5 and \$80 for the Clothing Store scenario, \$25 and \$700 for the Health Club scenario).

Main Effects. The results of the comparisons of the means are presented in Table 1. The impact of the transgressor's sex on the evaluation of the questionable act was not significantly different for any of the five dependent variables in either scenario. At least as far as the main effect is concerned, the gender of the transgressor did not influence the ethical perceptions of the respondents. Therefore, **H1** is not rejected.

The status of the transgressor (salesperson vs. owner) did significantly affect the ethical perceptions of the respondents. On all five ethical dimensions in each scenario, the act was perceived more negatively when it was performed by the owner. So **H2** is rejected.

The magnitude of the infraction significantly affected most of the ethical measurements for both scenarios. The only exception was the "support the family" variable for the clothing store scenario. As expected, the greater the infraction, the more negative the evaluations. The means on Table 1 show that observers believe that consumers should become more cautious as the amount of money increases. So **H3** is not rejected.

Interactions Among the Transgressor Variables

The significant interactions among the three independent variables are presented in Table 2. It is apparent from Table 2 that the interactions were not consistent across the two scenarios. This corroborates Fritzsche and Becker's (1983) finding that observers' reactions are situation dependent. The strongest interaction of the transgressor's sex with the magnitude of the infraction is for the "to support the family" variable (see Figure 1). For male transgressors, the level of infraction did not appear to make any difference on how respondents perceived the situation. The remaining three interactions between the transgressor's sex and the level of infraction are similar to the one presented in Figure 2. For all three interactions, the

male transgressor had a smaller gap between the two infraction levels than did the females. For example, as shown in Figure 2, when the level of infraction was \$80, the act was perceived as less unethical when it was performed by a male than when the same act was performed by a female.

The interaction of the transgressor's sex and the organizational status of the transgressor is presented in Figure 3. The questionable act was perceived as less unethical when it was performed by a male salesperson than when it was performed by a female salesperson. When the male and female were owners this phenomenon was not present.

The interaction of the transgressor's status and the level of the infraction are presented in Figure 4. The level of infraction does not appear to make any difference when the owner is performing the act. However, the salesperson is more justified (if he/she does it for their family) when the level of infraction is low. Similar interactions were found for the other dependent variables. While there are interactions present, their pattern is idiosyncratic and requires further investigation.

Conclusions

Along with several earlier studies (Schminke 1997, Maher and Bailey 1999, McCuddy and Perry 1996), we found that perceptions of unethical behavior did not differ significantly by the transgressor's gender. Evaluation of questionable business practices were not significantly different whether committed by females or by males.

However, there were some lingering interactive effects of gender when we introduced interactive effects. For example, observers in our (strongly Hispanic) sample saw little difference in the magnitude of infraction for males with our "to support the family" variable, while this was not true for females. Questionable acts were seen as less unethical when performed by males than by females. Apparently because of traditional family stereotypes of male "breadwinner" and family "provider" women are sometimes held to a somewhat higher ethical standard, at least when unethical acts involve more money. And, interestingly, women respondents tended to view such acts in a more absolute, less relativistic manner. Their perceptions varied less with the amount of dollar loss than those of the men in our sample.

Thus, in spite of the pervasive reality of two-income families and widespread female participation in the workforce in contemporary America, old stereotypes die hard. Employers with largely female salesforces, i.e. department stores, etc., might find it in their interest to establish clear and

strict ethical guidelines as managerial policy, if only because their customers will expect such behavior. On the other hand, such policies should be relatively non-controversial since women will tend to agree and behave accordingly with the policies. Similarly, those employers with male-dominated sales staffs (car dealers, for example) may not find this as necessary since the general public will anachronistically feel that salesmen are simply more obligated to cut ethical corners.

More clearly, our study shows that organizational status significantly affected how observers viewed unethical behavior: in all our cases questionable acts were seen as worse when done by the owner vs. an employed salesperson of whatever sex. Owners were held to a considerably higher standard of behavior than employees, presumably because the latter may have been ordered to perform in morally dubious ways.

Evidently, our respondents had no difficulty establishing and understanding the ethical hierarchy of the modern firm: employees were partially excused for cheating customers while owners were not. Further research should examine whether this relationship is linear and holds up and down the chain of command through the higher administrative "employed" ranks (VP's, CEO's, Division Heads, etc.) as opposed to "owners" who in the modern large firm are rarely present, and more likely may be some large pension fund. All firms should take heed: the public will tolerate more shenanigans at the bottom than at the top.

Finally, our respondents revealed a clearly situational sense of morality in regard to the magnitude of the consequences of various unethical sales practices. Although the seriousness in terms of dollar loss did not significantly affect perceptions of ethics when owners behaved wrongfully, and were less important when males were involved, our sample consistently regarded unethical sales practices as far more serious when larger monetary losses were incurred by the customer. The moral here is clear for managers who value the public's trust: don't sweat the small stuff and ensure that your salesforce does not cheat the customer when the amount of money is significant.

Further research

As noted earlier ethical perceptions are somewhat situation dependent (Fritzsche and Becker 1983). While the observed main effects (Table 1) were generally consistent, the deeper analysis of the interaction effects indicated that the two scenarios were not completely ethically equivalent. Clearly, there is a need for investigating the variables of the current research (sex,

organizational status, magnitude of consequences) in a broader array of circumstances. Are there underlying dimensions which impact these ethical evaluations? Would the results be different if the subject of the scenario was a "necessity" such as food, in contrast to the more "discretionary" item such as a health club.

The variable of "sex" is also interesting. While the results were consistent with the literature in that sex of the transgressor had a very limited impact, the significant interactions are suggestive of a more complex relationship. Further investigation is clearly warranted.

The nature of the relationships between ethical perceptions and the transgressor's organizational status and the magnitude of consequences are also of great importance. Are the relationships linear or do they conform to some alternative configuration? Our dependent variables focussed on the ethics of the transgressor – would a focus on the organization have resulted in a different structure of ethical evaluations?

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Exhibit 1: Scenarios Utilized

Scenario 1: Health Club

A **woman*** is the **salesperson**** of a health club. She is paid on a commission basis. She knows that the club has financial problems and chances are it will have to close within a week. Despite this, she sold a yearly membership worth **\$25***** to a new customer.

Scenario 2: Clothing Store

A **man*** is the **owner**** of a clothing store. He recently sold a suit to a customer for \$300.00. After the sale he realized that he had inadvertently overcharged the customer **\$80*****. The customer, who paid in cash, did not notice the overcharge. The manager made no attempt to return the overcharge to the customer.

- * it alternated between man and woman
- it alternated between salesperson and owner
- it alternated between \$25 and \$700 for the health club scenario and \$5 and \$80 for the clothing store scenario.

Exhibit 2: Instructions

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We have provided you with 8 scenarios depicting a real life business situation. Each of these scenarios incorporates the following three attributes:

1. Gender of the decision maker:
 - male
 - female
2. Status of the decision maker:
 - owner
 - salesperson
3. Amount of money involved

Although these scenarios appear very similar, each of them represents a unique set of circumstances. We ask you to evaluate these scenarios as a whole, recognizing that there are tradeoffs involved. In evaluating the scenarios please follow the following steps:

1. Carefully review all eight scenarios by noticing the combination of the above variables (gender, status, amount of money).
2. Evaluate each scenario on the scales provided.

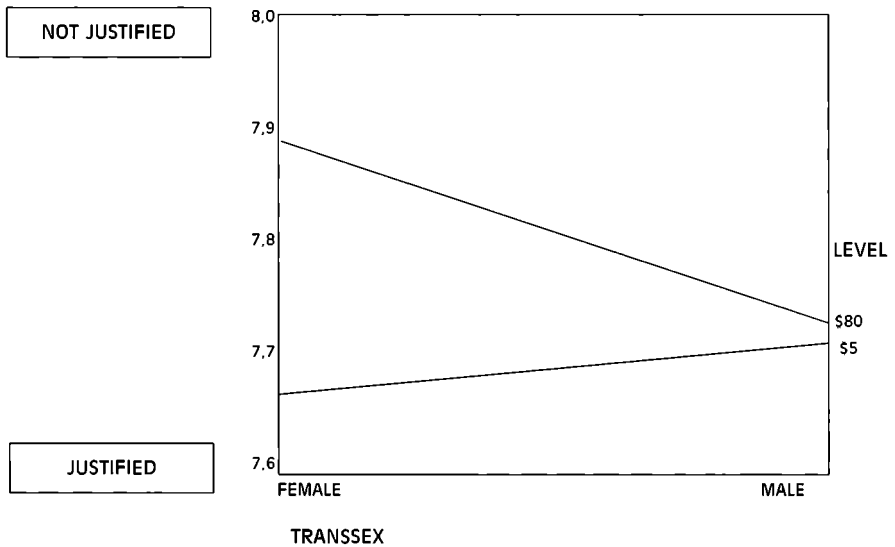
Table 1: Comparisons among all transgressor variables

Variable	HEALTH CLUB				CLOTHING STORE			
	Transgressor	Mean	F-value	P-value	Transgressor	mean	F-value	P-value
Culturally acceptable (1=Acceptable)	Female	6.70			Female	7.01		
	Male	6.70	0.01	NS	Male	7.00	0.02	NS
	Salesperson	6.51			Salesperson	6.82		
	Owner	6.89	15.72	.000	Owner	7.18	28.68	.000
	\$25	6.03			\$5	6.29		
	\$700	7.37	109.66	.000	\$80	7.71	171.71	.000
Obligated to act this way (1=obligated)	Female	6.45			Female	7.87		
	Male	6.50	0.76	NS	Male	7.84	0.24	NS
	Salesperson	5.92			Salesperson	7.65		
	Owner	7.03	55.27	.000	Owner	8.04	27.20	.000
	\$25	6.13			\$5	7.65		
	\$700	6.81	34.81	.000	\$80	8.07	35.70	.000
To support his family (1=Justified)	Female	6.67			Female	7.78		
	Male	6.77	2.89	NS	Male	7.72	1.54	NS
	Salesperson	6.41			Salesperson	7.56		
	Owner	7.03	33.40	.000	Owner	7.94	27.21	.000
	\$25	6.61			\$5	7.69		
	\$700	6.84	4.06	.000	\$80	7.81	2.54	NS
Ethical (-4=Unethical)	Female	-2.54			Female	-2.54		
	Male	-2.52	0.15	NS	Male	-2.48	1.80	NS
	Salesperson	-2.28			Salesperson	-2.37		
	Owner	-2.79	43.23	.000	Owner	-2.65	23.59	.000
	\$25	-2.01			\$5	-1.98		
	\$700	-3.05	94.86	.000	\$80	-3.04	141.90	.000
Intend to do the same (1=would do the same)	Female	7.19			Female	7.58		
	Male	7.15	0.34	NS	Male	7.64	1.34	NS
	Salesperson	6.88			Salesperson	7.42		
	Owner	7.46	24.34	.000	Owner	7.81	33.82	.000
	\$25	6.80			\$5	7.12		
	\$700	7.54	32.59	.000	\$80	8.11	96.78	.000

Table 2: Interactions among the transgressor variable

Interaction	HEALTH CLUB		CLOTHING STORE		
	Variable	F-Value	P-value	F-value	P-value
TRANSSEX* LEVEL	Culturally acceptable	5.57	.019	3.25	.073
	To support the family	0.23	NS	5.51	.020
	Ethical	2.03	NS	7.28	.007
	Intend to do the same	5.64	.018	3.34	.069
TRANSSEX* STATUS	Obligated to act this way	1.52	NS	5.31	.022
	Ethical	3.44	.065	4.96	.027
STATUS* LEVEL	Obligated to act this way	8.10	.005	0.30	NS
	To support the family	10.33	.002	0.28	NS
	Ethical	6.36	.012	0.01	NS
	Intend to do the same	2.19	NS	4.99	.026

Figure 1: Interaction of Variable "Family"



Scenario = Clothing store
 F=5.51 p=.020

Figure 2: Interaction of Variable "Family"

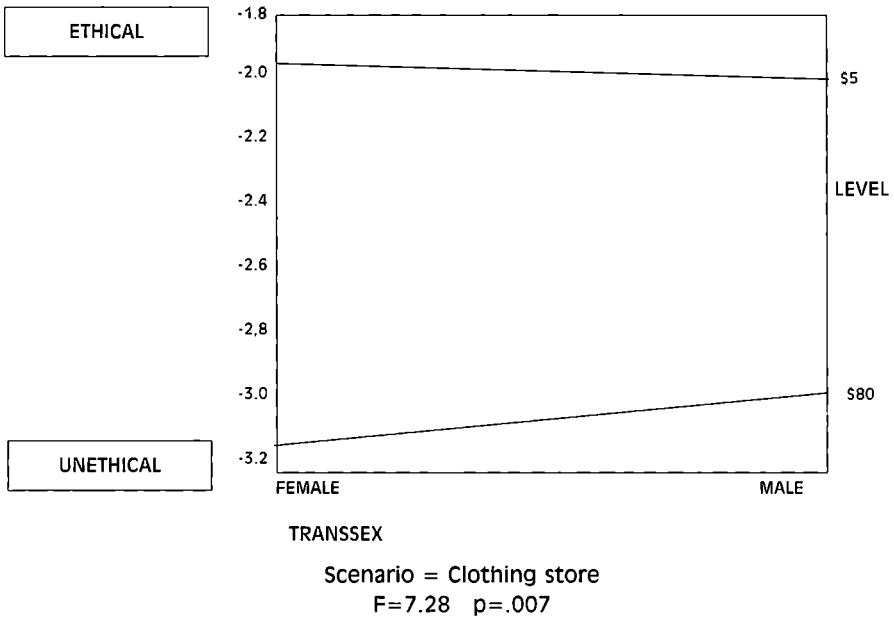


Figure 3: Interaction of Variable "Family"

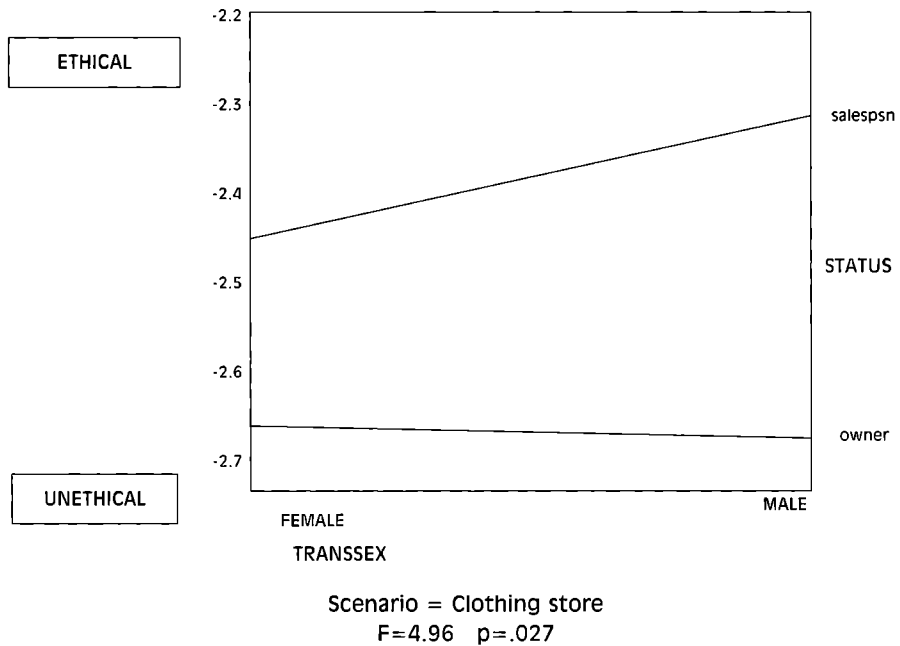


Figure 4: Interaction of Variable "Family"

