

# Ethics in sales: a novel approach to sales education

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*Completed in May 2016, this Masters project investigates links between ethics and education, and sets out to evaluate the impact that longer-term education will have on individual sales behaviour.*

The aim of this research is to investigate if there is a link between the subject of ethics and education, and to evaluate the impact that longer-term education will have on individual sales behaviour in the office print industry, particularly with regard to ethical behaviour and how that manifests with regard to the client experience.

The dominant question in my research is the following:

- **To what extent can a values-based educational programme impact on the performance of salespeople in the office print industry?**

Subsidiary questions are:

- How will that potential change in behaviour impact on client perception and trust?
- How can education and development result in a more ethical behaviour of individuals?

The level of professionalism generally displayed by sales in the office print industry has long been a concern for me and, as part of the research for my final work-based project, I have become keen to investigate whether I was alone in this concern.

## Relevance of my concern

There are many researched cases of institutional mis-selling and unethical behaviour: Baigrie (2012), Salz (2013) and Ericson & Doyle (2006) have all conducted research into the cause, impact and changes required to rebuild organisations that have been accused of institutional mis-selling.

However, limitations exist in terms of the time available to carry out a Masters research project on the scales they attempted. For that reason I am focussing on individual sales behaviour, ie when the salesperson makes the decision to mislead a client or behave unethically. For the purpose of clarity throughout this project I refer to this as “behavioural mis-selling”.

When you look at the office copier and print industry it is clear that unethical behaviour spans decades. In 1993 the *Guardian* reported that the Office of Fair Trading along with The

Federation of Small Business were to carry out investigation into malpractice in the photocopier industry, citing one particular case where an organisation had been charged over £1.5 million for eight photocopiers. As a result of increasing complaints the Confederation of British Industry (CBI) issued a warning to unsuspecting firms, of the extortionate charges that were hidden behind innocent looking photocopier contracts (*Guardian*: 1997).

Despite this warning it would appear that many organisations have fallen foul of the underhand tactics of some individuals; independent Canon reseller v Addenbrooke's Hospital Trust (*Independent*: 1998) resulted in the government intervening over a disputed overcharge of £310,000 to the hospital trust. More recently the *Daily Mirror* (2015) ran an article exposing an independent Canon and Ricoh reseller, reporting a scam in which they preyed on schools and charities by charging three times the market rate for break-fix servicing.

These examples highlight a need for change in photocopier and print sales, not only for the long-term health of the industry but also for practitioners in the industry to be regarded as professional. The highlighted behaviour damages the reputation of global brands whose names are associated with their resellers. It brings into question not only the professionalism of the industry and its suppliers, but the professionalism of sales which is of particular concern to me.

Ironically in all of the cases I have researched to date, the damage to an organisation has followed a period of sales growth, which raises another very important question: can an organisation grow sales exponentially at the same time as behaving ethically?

It is clear from the research I have carried out that unethical sales tactics can influence short-term sales results and profits positively. For some who are under pressure to improve short-term results the temptation to employ underhand tactics seems too much to bear. Writing for the *International Journal for Sales Transformation*, Professor Mark Johnston (2016) argues that high performers in sales are afforded a different lens with regard to ethical violation and the longer-term damage to an organisation's reputation as a result is extensive.

I have read extensively about ethics in sales and the need for long-term change, and there are various opinions on the reasons for behavioural mis-selling or what the future of sales as a profession looks like; for example, Tang & Lui (2012) suggests unethical behaviour is driven by individual greed, whereas Lee (2016) argues that often unethical behaviour is

driven by a lack of belief in one's ability to carry out a task. It is clear however, whilst researchers don't necessarily agree on the cause, all concur that education would have a positive impact on the current situation.

### Methodology

I selected a qualitative approach because of the nature of my project. As a study into behaviour I wish to draw on experience and opinion of buyers and procurement specialists. The methodology approach I have selected as most appropriate is an ethnographic study, using Action Research to address any problems highlighted by the study.

To generate data from interview I selected representatives from procurement, sales and organisations who have been involved post-scandal transformation, using semi-structured interviews to gain insights from each of the participants. As Csordas et al (2010) advise, a semi-structured interview gives the ethnographer the opportunity to conduct a more social-based interview, offering more insight into context and experience. This strategy is opposed to a structured interview, which is more suited to interviews of a more medical or scientific nature.

Whilst survey isn't usually regarded as a method for collecting data in ethnographic study, I was interested in comparing survey data with interview data to analyse any difference from answers, particularly when respondents were offered a different environment to complete the questions. I have used literature extensively, not only to reinforce my argument but to obtain criticality, balance and the opinion of others. To increase my pool of ethnographic data, I have visited seminars on ethics in business, ethics in sales, emotional intelligence, sales transformation, coaching in sales and client engagement throughout my research for this project.

I have come to learn that there are many factors and contexts that determine ethics and trust in sales. Steare (2013), Saltz (2013), provide arguments that the large majority are addressable by education. I would make the caveat that some factors, such as economics, culture and politics are more complex and require change at a higher level.

I have identified two areas of weakness within the sales engagement process, addressable by better education and understanding. My research has identified that current sales behaviour in these areas often results in a perceived lack of ethics and a loss of trust between sales and buyer:

- lack of trust at first engagement with the client; and
- ethical decision making and the lenses that are used.

Focusing on these two areas I have attempted to create a less linear model for engagement (Ricks, Williams & Weeks: 2008), which involves the salesperson and client in a joint planning process designed to create transparency, trust and value through shared goals and objectives from the outset

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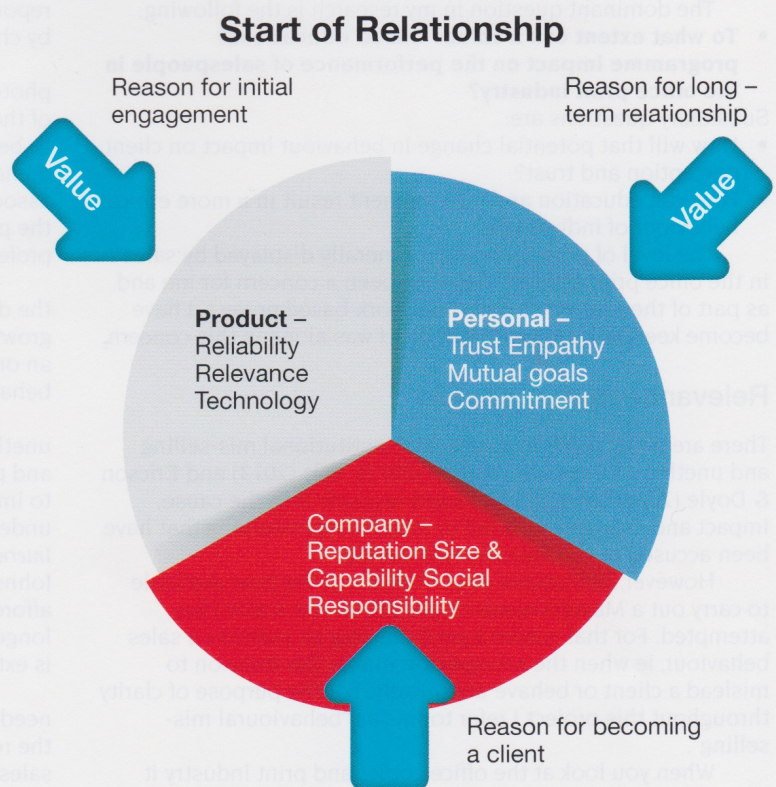
### Gaining trust

My analysis identified that many buyers only start to trust a salesperson once their relationship is mature. Whether explicit in their comments or implicit in their actions, the buyer's position when engaging with a new salesperson is generally one of mistrust, and trust needed to be earned. Unlike other professions which are generally trusted at the outset, allowing both parties to focus on the task in hand, sales has not been predicated on trust. This mistrust often drives a protective behaviour in a salesperson, which can lead to a further loss of trust or a loss of opportunity. This is an area of behaviour that I felt could be addressed by better education and

understanding.

There are many ways to earn a buyer's trust; Powers and Wilkins (2007) researched the key factors that influence a buyer's decision to engage with a new supplier. The research highlighted the importance of demonstrating transparency and relevance to a client in order to gain trust and build long-term relationships. Using the data from Powers and Wilkins' (2007) research, I created a model (Figure 1) to highlight to my sales team the importance of values and behaviour, particularly in building long-term business relationships.

Figure 1: Model for personal differentiation.



The model identifies the factors that the salesperson needs to consider in order to create a long-term relationship. Powers and Wilkins (2007) point out that trust is important but not the key factor in a long-term relationship. My own research would suggest that their claim is not the case. Throughout my research, trust came up as the most important factor to the buyer in making a decision and maintaining a long-term relationship with a supplier. I have considered theories for this difference of opinion: Powers and Wilkins' (2007) research was in sales in general, not in a specific industry in which there could be less trust; secondly, their research was carried out in 2007 and as Buvik, Andersen & Gronhaug (2014) point out: the relationship between sales and procurement has seen significant change in the last decade due to technology and the increase in mis-selling. I strongly suggest that the importance of demonstrating trust to a prospective client and the perception there is a lack of ethics are intrinsically linked, and are controlled by the salesperson's behaviour.

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### Making ethical decisions

At an event hosted by Ernst and Young on business ethics, I had my biggest “eureka moment”. Professor Steare was talking about the lenses we look through to make a decision, asking whom we consider when we make a decision and how many in the corporate world make decisions with different lenses when at work compared to at home or in our personal life.

During the event we were asked to form small groups and discuss a situation (real or hypothetical) that required a decision and then we were asked to discuss the process we would go through and the lenses through which we would look through to make the decision. To help illustrate this task, I created a hypothetical situation – albeit a situation that is very real in a sales environment for our group to discuss:

**“Consider a situation where you’re a salesperson who has not sold for three months – this means you haven’t been paid and are at risk of losing your job. You are introduced to a charity that feels they need 500 new devices costing £500,000. Doing your job you realise that the charity could actually achieve what is required by purchasing 300 devices, resulting in a saving of £200,000. However, if you sell them the 300 devices, it would mean you still haven’t hit your company’s quarterly target and you won’t receive any commission. What would you do?”**

In our group there were five people, four salespeople and one student. All of the salespeople considered the position and answered after reasoning that they would more than likely take the deal of 500 devices. The student answered that he would discuss the situation with the charity and let them make the choice.

It occurred to me at this point that all of the salespeople had considered the situation, but only from a short-term sales and a personal perspective (lens) – we all failed to view it through the lens of the client, the beneficiaries of the charity or for the long-term health of our relationship. The student however, had a completely different perspective. This point hit me like a train: in the role of a sales professional, salespeople

are empowered to make decisions on behalf of the organisations they represent. Those decisions have consequences for many stakeholders and are often judged from an ethical position, more often by their client.

When salespeople make a decision they have generally been educated to make a decision in a certain way. In their mind they are making a good decision, one that benefits them and their company. If however we were educated to make a decision taking on the lenses from other stakeholders would this assist us in making better ethical decisions?

Coming back to my initial research concern and question of “why does a salesperson whose organisation expects them to sell in an ethical manner cross the line and act unethically”, I pose the

suggestion that it’s because:

- They have been educated to behave this way.
- They believe they are making the correct decision ethically.

Reflecting on the interviews and conversations I had with salespeople, I believe now that their comments implied they believed that they acted both ethically and professionally. In the cases I observed, if you look through the lens of the salesperson, it is hard to argue against them. However, the disconnect is clearer when you consider the decision through other lenses. Ciulla (1997) suggests that better education and influence can improve the ethical decision making of future leaders. Ciulla’s (1997) point regarding education resonated with me, particularly when I consider how my own sales education has lacked any focus on how I should make ethical decisions.

### So what can be done about it?

When we consider that sales and procurement are both viewing the situation with different lenses it is clear to see how this situation has developed. Salespeople make decisions viewed through a sales-focused lens, believing they have made an ethical decision, whereas procurement view their position through a buyer’s lens, often without consideration for the salesperson or their organisation. This situation can leave the buyer questioning the decision, often resulting in a loss of trust and a short-term relationship.

This realisation became the starting point of a sales engagement model that I have created applying the learning from my Masters research to date. Learning from the actions of sales, procurement and transformed organisations I have developed the **J-GOA process (joint goal, objectives & actions)** to provide a model of engagement for my sales team. The process involves using an engagement process template, which has been developed to address the trust and ethical issues that exist between sales and procurement highlighted by my research.

The objective of the J-GOA model is to create trust from the outset of a relationship by understanding the client’s goals and using a cyclical process to build a relevant and transparent plan for both sales and procurement to follow. The benefit of the J-GOA process is it has been developed to create a “thinking relationship”, first understanding what both parties expect and then to jointly create objectives and actions to

assist in achieving the clients goals. By working through the cycle, both parties can build on the objectives and create new actions in a transparent manner keeping the partnership trusted and valued.

In order to demonstrate the method in action I have created a training video, which can be viewed at <https://youtu.be/MHqtOqPcWSA>.

## Early results, conclusions and what next

Throughout my Masters project I have held the belief that sales within the office copier and print industry can become a trusted and respected profession. However, to effect this change we must act and behave differently to how we have in the past. In order to achieve this goal we must look to educate future professionals in a way they can build long-term trusted relationships with their clients, delivering value through not only the products and services they sell but also in the way they sell them.

Early results and feedback from clients who have taken part in the J-GOA planning method have been extremely encouraging. One of our clients, who has taken part, has told us that it has provided focus for their business goals right across their organisation. The client has also requested permission that they be allowed to use the method for engagement with their own clients.



### About the author

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