In the Shadows: When Unethical Intent Mediates Customer Orientation and Sales Performance

By Megan C. Good and Charles H. Schwepker, Jr.

The purpose of this study is to empirically examine the relationships between salesperson customer orientation, outcome sales performance and unethical intent. Exploring an area not previously examined in the sales literature, this article identifies the growth of unexpected dangers lurking in salesforces. While it is commonly accepted that customer orientation is linked to lower unethical intent and thus higher performance, in this study, important dangers were exposed when higher unethical intent was linked to higher outcome sales performance. Salespeople as a result may engage in unethical behaviors to achieve higher sales goals, while justifying them on behalf of the customer-oriented focus. Further, and considering changing salesforce demographics, this study also addresses the troubling issue of Millennials in the B2B salesforce exhibiting higher unethical intent than Baby Boomers. Implications are provided, and insights are offered for managing evolving salesforces.

Sales research chiefly focuses on the advantages of utilizing a customer focused orientation (Korschun, Bhattacharya, and Swain, 2014; Menguc, *et al.*, 2016). Yet, as with any strategic focus, there can be negative consequences (Homburg, Müller, and Klarmann, 2011) with critical impacts. For instance, this might occur when a customer-oriented salesperson makes an unlikely delivery promise, infers a possible reward of a subsequent price reduction or exaggerates the salesperson's own personal need for the sale to make quota. In these cases, despite having a customer orientation, the salesperson knowingly creates positive returns for him/herself in the short run and is willing to shift the blame to others if the promise is not fulfilled. With significant attention given to unethical actions by sellers, and their potential negative impact on customer-oriented selling, this study investigates the relationships between customer-oriented selling, unethical intent and salesperson performance.

The focus of a customer-orientation is client directed efforts, where customer needs are paramount (Auh and Menguc, 2007). Still the sales setting is founded on the premise that individual performance leads to marketplace success. Social role theory (SRT) recognizes the importance of individual sales performance. SRT suggests that to maintain their sales goals, customer-oriented employees will overemphasize these goals, which can result in unethical decision making (Hoyt, Price, and Poatsy, 2013).

As the prevalence of unethical behaviors within organizations increase, unethical decision making is gaining attention (Kish-Gephart, Harrison, and Treviño, 2010). Unethical behaviors have been shown to impact issues such as customer relationships (Li and Murphy, 2012), buyer satisfaction (Kaynak and Sert, 2012) and targeting of vulnerable customers (Cowart and Darke, 2014). However, the way unethical behavior influences the relationship between customer orientation and sales performance is unclear. While salespeople may adopt a customer orientation in an attempt to achieve customer-oriented goals, they may deviate from moral requirements (Hoyt and Price, 2015) and legitimize unethical behaviors (Hoyt, Price, and Poatsy, 2013) that help them meet their sales goals. The scandal at Wells Fargo Bank illustrates how sales representatives unethically opened two million deposit accounts and credit cards without customer authorization (Gibson, 2016). Their actions to adhere to the management culture, succumb to the pressures to improve the

Megan C. Good (Ph.D., New Mexico State University), Assistant Professor, East Carolina University, goodm@nmsu.edu

Charles H. Schwepker, Jr. (Ph.D., University of Memphis), Randall and Kelly Harbert Marketing Professor, University of Central Missouri, Warrensburg, MO, Schwepker@ucmo.edu

The authors would like to thank the University of Central Missouri for its financial support of this project through the Kyle R. Carter Graduate Faculty Research Award.

"bottom line" and to take advantage of incentives for their personal gain overcame concern for the customer.

In addition, this study seeks to determine if the relationships of the variables being studied are affected by generational differences. The Millennial generation is quickly filling the ranks of today's salesforces. Generations are separated in time by their shared historical memories (Arsenault, 2004; Dencker, Joshi and Martocchio, 2008). With the continued escalation of Millennials into the workforce, sales management must be prepared for a possibly different set of attitudes and subsequent work behaviors (Super, Savickas and Super, 1996).

This research contributes to our understanding in several important ways. First, we explore the potential mediating role of unethical behavior in the relationship between customer-oriented selling and sales performance, contributing to our knowledge of this relationship. Second, we determine if generational differences moderate the relationship between unethical behavior and sales performance, adding to our understanding of generational influences in the salesforce. Finally, we improve our knowledge of ethical decision making by better understanding its relationship with an important job outcome, sales performance.

First, a review of relevant literature is presented from which hypotheses are proposed. The research method and results are subsequently explained. The paper concludes by discussing managerial implications, as well as study limitations and directions for future research.

Proposed Model and Theory Development

The proposed model hypothesizes that a customer orientation is an organizational influence on both the performance expected of salespeople, as well as an impact on their unethical intent, which subsequently influences performance (moderated by the generational status of the salesperson). The structure of the model can be explained through agency theory, which contends external governing mechanisms can be used to dissuade individuals from opportunistic actions (Wei, Connelly and Hoskisson, 2017). In this study, customer orientation operates as the organizational governing mechanism for desired behaviors, providing a directional customer focus (e.g., Saxe and Weitz, 1982; Goad and Jaramillo, 2014; Thomas, Soutar and Ryan, 2001) that is a strategic preference for many B2B sellers (Friend and Johnson, 2017). Evident when consistent behavior is important (Mitnick, 2013), the application of agency theory in B2B markets therefore delivers an organizational mechanism (customer orientation) important in this marketplace.

This research proposes the governance mechanism (customer orientation) also impacts the unethical intent of salespeople, which is consistent with the belief that agents (salespeople in this study) also have the need to be both autonomous and have control. Mallin and DelVecchio (2008) note that the principal (selling organization in this study) and the agent both seek to maximize their situation. Yet, when the two entities have different interests, and the principal is unaware of and cannot control the agent's behavior (Eisenhardt, 1985), problems surface. Under these conditions there is a high probability the agent does not engage in the best interest of the principal (the organization) (Bosse and Phillips, 2016).

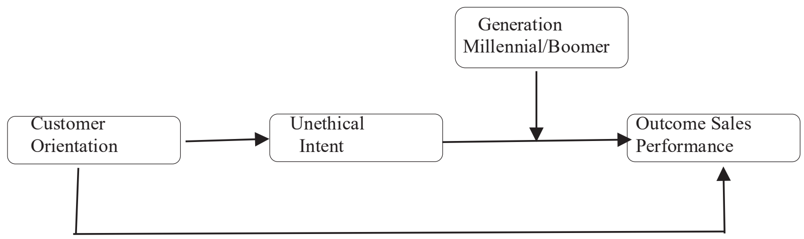
This model underscores that while the organizational strategy is to utilize a customer orientation, such a governing mechanism also creates other individual responses (e.g., unethical intent to engage in actions designed to make the sale easier or more beneficial to the salesperson's performance) which may not be in the best interest of the customer.

In this study, we propose that customer orientation will positively influence outcome sales performance through unethical intent, and this mediating effect is further moderated by generation. The conceptual model is shown in Figure 1.

Customer Orientation and Sales Performance

Customer orientation is defined as the extent to which employees are involved in behaviors meeting customer needs (Korschun, Bhattacharya, and Swain, 2014). The importance of utilizing a customer oriented (CO) focused selling approach is evident through a meta-analysis which strongly supports its relationship to salesperson job performance (Jaramillo *et al.*, 2007). Through 16 different studies of 3,477 business-to-

Figure 1
Conceptual Model



business and retail salespeople, a positive correlation between the job performance of salespeople and customer-oriented selling was found. Importantly the meta-analysis established that the strength of the relationship did not vary based on the use of an objective or subjective job performance measure.

The sales literature has shown that focusing on customers as opposed to using tactics that focus more on completing the sale are preferred by customers (Saxe and Weitz, 1982; Goad and Jaramillo, 2014; Thomas, Soutar and Ryan, 2001). A customer orientation focuses on behaviors such as assisting, informing, and empathizing as opposed to sales-oriented behaviors such as pressuring, persuading, and deceiving. A customer orientation tends to result in more sales and higher levels of performance by the salesperson, providing numerous seller and buyer benefits (Varghese, Edward, and Amma, 2015). This study attempts to provide further evidence that a customer oriented selling approach by sellers should translate into improved sales performance outcomes. Subsequently, the following hypothesis is proposed:

> H1: Customer oriented selling will positively influence outcome sales performance.

Customer Orientation and Unethical Intent

The premise of H2 rests on the idea that it is important to link seller controlled performance driven strategies to ethical behavior. In this setting, H2 contends that salespeople who are customer-orientatated (CO) are less likely to act unethically. Consistent with findings reporting that industrial ethical climate and salesperson moral equity are positively associated with salesperson customer orientation (Kadic-Maglajlic, *et al.*, 2017) and that ethical leadership influences customer value (Schwepker and Ingram, 2016), we expect salespeople focused on their customers will engage in fewer unethical behaviors.

Overall, the research on salespeople having a customer orientation seems to provide support for its strategic inclusion by sales organizations. For example, customer orientation has been linked to positive outcomes such as performance (Pekovic and Rolland, 2016; Jeong and Hong, 2007) and profit sustainability and growth (Valenzuela, Mulki, and Jaramillo, 2010), suggesting salespeople who utilize these behaviors are rewarded. Further, positive relationships can generate mutual trust and openness in transactional exchanges (Roman and Ruiz, 2005), which are of particular value in developing ethical behaviors by sellers. The practical aspect of this association is that customer orientation is a relational tool that generates a (positive) environment that fits the unique needs of buyers. Customer oriented sellers therefore focus attention on the mission and needs of buyers, and not on activities destructive to relationships (e.g., unethical behaviors). In this setting, it is expected that sales organizations who strategically choose to focus on their customers would discourage having their salespeople engage in unethical behavior. As a result, H2 proposes:

> H2: There is a negative relationship between customer orientation and unethical intent.

The Mediating Role of Unethical Intent

Ethical behavior has been shown to be positively related to sales performance and is critical to long-term organizational success (Agnihotri and Krush, 2015). In contrast, previous research in both the ethics and sales literatures has shown unethical behavior by salespeople results in a variety of undesired consequences (e.g., Bellizzi, 2008; Bellizzi and Hasty, 2003).

Sellers who find themselves in an ethical dilemma may have to decide between an ethical decision and a profitable outcome (Vitell and Festervand, 1987). Interestingly, age seems to influence such behaviors, as younger employees are frequently warned against engaging in actions that are too unethical to avoid negatively impacting performance (Badaracco and Webb, 1995). Still, salespeople may selectively choose to act unethically under the belief it benefits customers and enhances performance (Dubinsky *et al.*, 1992).

Despite the importance of sales performance and ethics, there have been few attempts to examine the mediating effect of unethical intent on the relationship between customer orientation and sales performance. Schwepker and Ingram's (1996) study of 152 salespeople found a link between salesperson performance and moral judgement. Additionally, levels of ethics of salespeople (an outcome of moral judgment) was found to influence performance (Valenzuela and Pinuer, 2016), underscoring that there appears to be no substantial evidence to support the idea that unethical behaviors will provide any substantive outcome, except lower expected performance (Schwepker, 2017).

Despite the previous work, this study examines the mediating effect of unethical intent on sales performance considering employees who focus more on the outcomes of their behaviors, and do not care about the means for achieving them (Flynn, 2005). In this situation, employees are likely to seek shortcuts, which may not be conducive to the sustainable development of their organizations (Zhang and Jia, 2013). Therefore, since sales organizations with an ethical orientation enhance ethical awareness (e.g., Myer, Thoroughgood, and Mohammed, 2016), those with a results orientation would seemingly lessen ethical awareness, creating an easier path for unethical decisions.

While the perception of being ethical is important, the question exists as to what extent unethical behavior influences the relationship between customer orientation and outcome sales performance. Is unethical behavior the mechanism by which customer orientation decreases or increases outcome sales performance?

Willingness to let the 'ends justify the means' seems to have a strong inverse correlation with age (Ethics Resource Center, 2011). The utilitarian philosophy of ethics in which the ends justify the means is most closely associated with a utilitarian analysis of harms versus benefits. If the benefits (often to the individual) exceed the harms to others, then that individual might rationalize unethical behavior as benefitting more than it harms (Mintz, 2013). A means versus ends reasoning can lead to engaging in unethical behavior and rationalizing it as somehow justified by the circumstances.

Based on the above discussion, we propose that:

> H3: Unethical intent will mediate the relationship between customer-oriented selling and outcome sales performance such that the higher the unethical intent, the greater the outcome sales performance.

The Moderating Role of Generation

Two of the largest groups in the current work force include the tail end of Baby Boomers (born 1946-1964) and Millennials (born 1980–1993), thus they are the focus of this study. The premise of how individuals see differences is evident by generational researchers who suggest that one's life experiences shape people in their world views, expectations, and values (Glass, 2007). Because such world views are shaped by different events (over different time periods), people born during different time periods are proposed to have different perspectives across generations. Not surprisingly, sales organizations are also comprised of similar age groupings as the public, leading to questions regarding the impact of these generational differences on unethical behavior in the salesforce.

Although customer-oriented selling may affect outcome sales performance through unethical behavior, it is possible that Millennials and Boomers are not equally influenced as suggested earlier. The potential differences between Millennials and Boomers concerning the relationships among customer orientation, unethical behavior and outcome sales performance are still open research questions. Thus, it is necessary to explore whether generation moderates the relationship between unethical behavior and outcome sales performance.

According to the National Business Ethics Survey (NBES) study (Brooks and Eng, 2015), 33% of Millennials indicated they were not prepared to handle ethical issues and would turn a blind eye to certain questionable behaviors. The report also found a large percent that were not loyal to their organization and expect to have many employers and multiple careers. Millennials are often seen as “center focused,” suggesting their selling focused behaviors may be seen (to them) as resulting in outcomes that tie to their own personal success as opposed to those that focus first on benefitting the customer (Sujansky and Ferri-Reed, 2009).

Due to the backlash from negative business behavior and specifically marketers, ethical behavior training has been incorporated in both educational institutions (Lee, McCarty, and Zhang, 2015; etc.) and businesses (Steele *et al.*, 2016, etc.). Still, the question remains, has this training been absorbed by Millennials or are their views of ethical behavior different from those of past generations? These issues can be seen in a generational differences study that found the youngest workers are significantly more likely than their older colleagues to feel pressure from others to break ethical rules because the pressure “eases as workers spend more time in the workforce and learn ways of coping with their work environment” (Ethics Resource Center, 2011). If younger generations are looking out for their own success, they may see certain behaviors as being “less” unethical than Boomers would (Verschoor, 2013). We therefore propose the following hypotheses:

> H4: Intent to behave unethically is higher for Millennials than Baby Boomers.
>
> H5: Generation will moderate the relationship between unethical intent and outcome sales performance such that the negative relationship between unethical intent and outcome sales performance will be stronger for Millennials than Baby Boomers.

METHODOLOGY

Sample and Data Collection

A nationwide electronic mail survey of business-to-business sales professionals was conducted by using a leading national data collection organization. An email invitation was sent to sales professionals to participate in an electronic survey via the Internet. A total of 309 respondents were retained after screening for those who were business-to-business salespeople, of which 273 remained in the final sample after eliminating those with incomplete responses. For this study, only those (58 respondents) who were Millennials (aged 18 to 31) and 117 Baby Boomers (aged 46 – 65) at the time of data collection are included. As of 2014, 36 percent of the U.S. workforce were Millennials (Lynch, 2008). This study’s sample has 33% Millennials.

Demographic, classification and measurement variables were used to perform a time-trend extrapolation test to estimate nonresponse bias (Armstrong and Overton, 1977). Results (F = 1.22, significance F = 0.270) indicate that nonresponse bias is not likely a problem. Table 1 provides sample details.

Operationalization of Study Variables

Scale items used in the study are shown in the appendix. *Customer Orientation* (CO) was measured by five customer-oriented items from a reduced SOCO scale developed by Thomas, Soutar and Ryan (2001). The scales used exhibit reliability for the entire sample and the two subgroups (Millennials and Baby Boomers) Coefficient alpha = .91, Millennials = .88, Boomers = .92 (Cronbach, 1951).

Due to the difficulty in assessing actual unethical behavior, we measured salesperson *Unethical Intent* (UI). Ajzen and Fishbein’s (1980) *theory of reasoned action*, demonstrates that one’s intention to perform (or not perform) a behavior is the immediate determinant of one’s behavior. Unethical intent is defined as “the expression of one’s willingness or commitment to engage in an unethical behavior” (Kish-Gephart, Harrison, and Treviño, 2010, p. 2). Extensive research in ethical decision making in the organization indicates that moral judgment is an antecedent to moral behavior, with intent mediating the relationship between the

Table 1
Characteristics of the Sample

Characteristic	Millennials Percent	Boomers Percent
Gender		
Male	48.3	65.8
Female	51.7	34.2
Marital Status		
Married	50	73.5
Unmarried	50	26.5
Years Sales Experience		
Less than 9 years	67.2	5.1
10-16 years	31.1	14.5
17-25 years	1.7	27.4
More than 25 years	0	53.0
Education		
Some high school	1.7	0
High school graduate	1.7	6
Some college	25.9	30.8
College graduate	56.9	43.6
Some graduate work	3.4	3.4
Graduate degree	10.3	16.2
Primary Method of Compensation		
Salary	48.3	36.8
Commission	25.9	23.1
Bonus	1.7	0.9
Salary, commission & bonus	24.1	39.3
Primarily Sell		
Products	46.6	41.9
Services	20.7	23.9
Both	32.8	34.2
Industry Classification		
Manufacturer	22.4	25.6
Wholesaler	22.4	30.8
Services	50	43.6
Government	0	0
Nonprofit	5.2	0
Average Age	27.5	55.1
Percent of Sample	33%	67%

two (e.g., Blasi, 1980; Jones, 1991). Scenarios are frequently used in ethics research to help standardize the ethical stimulus across respondents while providing a representative decision-making condition (cf., Chonko, Tanner, and Weeks, 1996). Thus, respondents were asked to indicate their probability of behaving similarly to three brief scenarios centered on common unethical sales practices (Dubinsky and Loken, 1989; Inks, Avila, and Chapman, 2004; Reidenbach and Robin, 1988). Scores were averaged such that higher scores indicate greater unethical intent. Coefficient alpha = .91, Millennials = .94, Boomers = .87 (Cronbach, 1951).

Seven items intended to assess the extent to which salespeople rated their performance compared to other salespeople were used to measure *Outcome Sales Performance* (OP). This scale, or a slight modification of it (i.e., one item more or less), developed from Behrman and Perreault's (1982) "achieving objectives" dimension of their sales performance measure, has been used frequently to measure sales performance (e.g., Evans et al., 2007; Jaramillo and Grisaffe, 2009). Coefficient alpha = .90, Millennials = .85, Boomers = .92 (Cronbach, 1951).

This study used one moderating variable, *generation*. Age was transformed into a dummy variable (based on generation birth years as previously discussed) with two generations where Millennials are coded as "1" and Baby Boomers are coded as "0".

Existing literature has suggested that an employee's unethical decision making is likely to be influenced by demographic variables, such as *gender* and *tenure* in the organization (Kish-Gephart, Harrison, and Treviño, 2010; Craft, 2013). Organizational tenure helps explain the relationships between attitudes and perceptions of unethical behavior (McClaren, 2000). Longer tenure at the same organization is likely to be associated with organizational commitment and practices such as ethical behaviors (Ferrell and Ferrell 2009). Thus, we controlled for these variables in this study. We measured gender using a dummy variable, which codes male as "0" and codes female as "1". Tenure in the company was self-reported in years.

Analysis and Results

Descriptive statistics and intercorrelations between variables are shown in Table 2.

Table 2
Descriptive statistics and Intercorrelations between variables

	All		Millennials		Boomers						
	Mean	S.D.	Mean	S.D.	Mean	S.D.	1	2	3	4	5
1. Gender	0.40	0.49	0.52	0.50	0.34	0.48	--				
2. Tenure	19.77	11.56	8.12	4.29	25.54	9.48	-.22***				
3. Generation	0.33	0.47	1.00	0.00	0.00	0.00	.17*	-.71**			
4. Customer Orientation	4.34	0.74	3.93	0.75	4.55	0.65	-.12	.30**	-.39**		
5. Unethical Intent	2.69	1.78	3.77	1.88	2.15	1.48	.00	-.29**	.43**	-.30**	
6. Outcome Sales Performance	3.84	0.70	3.76	0.60	3.89	0.74	-.09	.17*	-.09	.32**	.16*
N = 175											

*p < .05; **p < .01; ***p < .001

To examine the hypotheses, we conducted several hierarchical linear regression analyses. The results of these analyses are presented in Table 3. In Models 1 and 3, we first entered the control variables gender and tenure. We then entered the independent and mediating variables to test the direct or mediating effects. In Models 6 and 7, we also entered the moderating variable generation and its interaction with unethical intent to test its moderating effect on the relationship between unethical intent and outcome sales performance. The dependent variables were unethical intent (Models 1-2), and outcome sales performance (Models 3-7) respectively.

Table 3
Results of regression analysis

	Unethical Intent		Outcome Sales Performance				
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Gender	-0.25	-0.29	-0.08	-0.06	-0.02	-0.02	-0.02
Tenure	-0.05***	-0.04***	0.01*	0.00	0.01*	0.01	0.01
CO		**-0.58*** **		**0.28*** **	0.35***	0.36***	0.36***
UI					**0.12*** **	0.12***	0.12*** 0.12
Generation						0.10	
UI x Generation							**-0.01**
R^2	0.09	0.14	0.178	0.333	0.446	0.448	0.448
ΔR^2	0.09	0.05	0.03	0.08	0.09	0.00	0.00
F Δ R2							
N = 175	8.38***	10.45***	2.82	15.22***	18.61***	0.41	0.01

Note: * p < 0.05; ** p < 0.01; *** p < 0.001

When gender and tenure are introduced in the first model, gender is not significant and tenure is significant in predicting unethical intent (F Δ R2 equals 8.38 $p < 0.001$; gender coefficient equals -0.25 $p > 0.05$ and tenure coefficient equals -0.05 $p < 0.01$). Customer orientation is a significant predictor of unethical Intent (F Δ R2 equals 10.45 $p < 0.001$; CO coefficient equals -0.58 $p < 0.001$). In Model 1, the total amount of unethical intent variance explained by the control variables in this study is 9% and increases to 14% in Model 2 when customer orientation is entered.

As shown in Table 3, customer orientation is negatively related to unethical intent ($\beta = -.58$, $p < 0.001$), unethical intent is positively related to outcome sales performance ($\beta = 0.12$, $p < 0.001$), and customer orientation is positively related to outcome sales performance ($\beta = 0.28$, $p < 0.001$). Customer orientation and the control variables explain 33.3% of outcome performance. When the unethical intent measure is added, 44.6% of the variance of outcome performance is explained. This is an increase of 11.3%. These findings indicate that unethical intent partially mediates the relationship between customer orientation and outcome sales performance. Thus, H1, H2 and H3 are supported.

Differences between generations were compared on unethical intent. Millennials average score on unethical intent is 3.77, while Baby Boomers averaged 2.15, for a statistically significant difference ($t = -5.74$ $p < 0.001$). Thus, H4 is supported.

Generation as a moderator does *not* show significant impact on outcome sales performance ($\beta = -0.01$, $p > 0.05$). This indicates that generation does *not* moderate the relationship between unethical intent and outcome sales performance, thus H5 is not supported. Table 4 provides a summary of all hypotheses.

Table 4
Hypotheses Summary

Hypothesis	Conclusion	
CO → OP	H_1 (+)	significant
CO → UI	H_2 (-)	significant
CO → UI → OP	H_3 (+)	significant
Millennials ≠ Boomers on UI	H_4 (+)	significant Millennials UI > Boomers UI
CO → OP Moderated by Generation	H_5 (+)	not significant

CO = Customer Orientation; UI = Unethical Intent; OP = Outcome Sales Performance

DISCUSSION

This study examines the mediating role of unethical intent on the relationship between customer orientation and outcome sales performance and explores whether this mediating effect is moderated by generation. This study therefore contributes to agency theory as well as customer orientation theory through the identification of disconcerting behaviors related to sales performance through unethical intent in the B2B marketplace.

Consistent with the research hypotheses, our findings reveal that unethical intent plays an important mediating role in the relationship between customer orientation and outcome sales performance in the group studied. Specifically, customer orientation has a negative relationship with unethical intent, however, the latter is positively related to outcome sales performance. Thus, while a customer orientation reduces salespeople's intent to behave unethically, the goal of increasing sales performance may actually be associated with higher levels of unethical intentions. This finding specifically provides insight into Bosse and Phillips (2016) in a sales context, in that agents do not always act in the best interest of principals. Hence, there are not only costs associated with adopting a customer orientation (Lo Iacono, Weaven, and Griffin, 2016), there are also potentially negative (or "dark") consequences of embracing this governing mechanism. As a result, it is useful to examine the entire investment of a customer orientation and better understand how unethical intentions, seen as "dark behaviors," may overshadow this relationship and have deleterious effects on long-term results performance.

While the levels of unethical intent are higher and customer orientation lower for Millennials than Boomers, we found that the indirect relationship between customer orientation and outcome sales performance through unethical intent is not moderated by generation. Despite higher levels of unethical intent by Millennials compared to Boomers, the overall moderation was not found.

MANAGERIAL IMPLICATIONS

This study assesses the impact of two critical factors (customer orientation and unethical intent) on outcome sales performance. Using agency theory as a foundation, the application of customer orientation as a governing mechanism provides a particularly interesting implication for managers. Additionally, business-to-business salespeople are compared based on their generation to help determine how younger people entering the profession differ from those who have much longer tenure and were nurtured with different generational values.

Support for H1 (customer-oriented selling will positively influence outcome sales performance) and H2 (customer-oriented selling will result in less salesperson unethical intent) provide managers rationale for nurturing a customer focused sales force. Customer orientation provides two strong benefits, enhanced performance and lower unethical intent. Customer orientation therefore in this study provides a positive force within the sellers studied. In the context of B2B sellers, customer orientation may act as a governance system. From a practical perspective, and in a market that prefers a customer focus (Friend and Johnson, 2017), it appears this approach remains useful.

Support for H3 and H4 specifically indicates a problematic or "dark side" of sales professionals, with interesting implications. H3 (unethical intent mediates relationships between customer-oriented selling and outcome sales performance such that the higher the unethical intent, the greater the outcome sales performance) underscores a concerning side of performance. The results also support an interesting insight into the B2B sales side of agency theory, in that agents (salespeople) do not always act in the best interest of principals (Bosse and Phillips, 2016), even when faced with the utilization of customer orientation. That is, customer orientation does not always appear strong enough as a governance system to stop unethical intent. Demonstrating the ability of unethical behaviors to impact outcome sales performance, H3 specifically reminds us the use of customer orientation as a governance system does not always create or maintain a customer focused environment. Salespeople intent on performance may find unethical behaviors have positive impacts on their outcomes (e.g., income, bonus), generating further misdeeds.

A danger exists because unethical behavior may result in improved outcome performance, which may embolden salespeople to embrace future unacceptable behaviors. To combat this, fully understanding the role and strength of customer-oriented selling that leads to less unethical intent, should be encouraged (e.g., through sales coaching) and rewarded. To ensure salespeople do not feel encouraged to participate in unethical behavior, management can socialize salespeople to behave ethically and enforce principled policies to discourage undesired behaviors.

While such behaviors may be inconsistent with management intent, an influence on an organizational customer-oriented strategy can provide damaging consequences. To control this influence, organizations will need to monitor behaviors, and not solely measure single performance measures (sales). Technology to monitor behaviors, supervisor influence, and early and ongoing training are important in reducing unethical behaviors (Cicala *et al.*, 2014). Additionally, it would be helpful if salespeople understand (despite short-term positive performance results), inappropriate actions (e.g., lying "successfully" to a customer which generates more sales) may negatively affect personal and organizational results in the long run.

Given rapidly changing demographics among salesforces, discovering Millennials expressed higher levels of unethical intent than Boomers (H4) indicates that younger workers in this study were more prone to have higher unethical intent. Given salesforces are often built and recruited from young people who progress upwards, it is alarming to find that the foundation of sales staffs seems to have the potential for behavioral "dark sides," displaying a higher willingness to engage in unethical behavior than Boomers.

Previous research (Ethics Resource Center, 2011; Verschoor, 2013, etc.) describes unique world views by both generations, and Millennials, unlike preceding generations, have redefined the meaning of personal and professional success (Brack and Kelly, 2012) leading to misunderstandings in the workplace. We found in this study that Millennials reported significantly higher unethical intent. We controlled for Tenure (years with the company) in the models tested. However, we cannot completely rule out that part of this intent may be due to Millennials' lack of meaningful sales experience. Those new to sales may be more willing to 'bend the rules' than more experienced salespeople. Millennials may feel more pressure from others to break ethical rules unlike their older coworkers who have spent more time in the workforce and have learned how to cope. This would suggest initial orientations could be targeted to help new salespeople learn acceptable behaviors and how to act within the sales culture of their company.

Non-support for H5 (generation will moderate the relationship between unethical intent and outcome sales performance such that the negative relationship between unethical intent and outcome sales performance will be stronger for Millennials than Baby Boomers) suggests that the relationship is not different between the two groups. The logic of this finding may rest with the idea that both groups see unethical actions incurring a similar cost or benefit, and the outcomes are seen as equally enticing. In any case, it would seem helpful for management to clarify to both groups how the "consequences" of unethical actions jeopardize the company and may be severe for them personally (e.g., termination).

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

By restricting the sample to only field salespeople, this study reduced extraneous sources of variability. However, the smaller sample size of Millennials vs. Baby Boomers may prohibit the extrapolation to all Millennials beyond those studied in this sample. Future studies should attempt to collect a larger sample specifically focusing on Millennials as they are the current and long-term future of the salesforce.

This study does not address all the challenges of generational comparisons to the sales environment. There are likely other legitimate constructs that could be included to provide a more complete understanding of these complex issues.

Focusing on the mediating role of unethical behavior, other variables may also exist to mediate the link between customer orientation and outcome sales performance. The causal relationships among customer orientation, unethical intent and outcome sales performance also cannot be confirmed due to the cross-sectional nature of this study. An experimental or longitudinal study may help to demonstrate the causality of the hypothesized relationships. The issue of respondent honesty arises when conducting research on ethics. Nevertheless, because this survey promised anonymity and was conducted online, the chances of misrepresentation were reduced (Randall and Fernandes, 1991).

In conclusion, managerial and research implications indicate the value of this topic of research. Future research in new contexts, with these or additional constructs, can extend the understanding of this dark side of unethical intent and explore in more detail how generations impact important customer interactions and outcomes.

REFERENCES

Agnihotri, Raj and Michael T. Krush (2015), "Salesperson Empathy, Ethical Behaviors, and Sales Performance: The Moderating Role of Trust in One's Manager," *Journal of Personal Selling & Sales Management*, 35 (2), 164-174.

Ajzen, Icek and Martin Fishbein (1980), *Understanding attitudes and predicting social behavior*, Englewood Cliffs, NJ: Prentice Hall.

Arsenault, Paul M. (2004), "Validating Generational Differences," *Leadership and Organization Development Journal*, 25 (1/2), 124-41.

Armstrong, J. Scott and Terry S. Overton (1977), "Estimating Nonresponse Bias in Mail Surveys," *Journal of Marketing Research*, 14 (3), 396–402.

Auh, Seigyoung and Bulent Menguc (2007), "Performance Implications of the Direct and Moderating Effects of Centralization and Formalization on Customer Orientation," *Industrial Marketing Management*, 36 (8), 1022-1034.

Badaracco, Joseph L. and Allen Webb (1995), "Business Ethics: A View from the Trenches," *California Management Review*, 37 (2), 8-28.

Behrman, Douglas N. and William D. Perreault, Jr. (1982), "Measuring the Performance of Industrial Salespersons," *Journal of Business Research*, 10 (3), 355-370.

Bellizzi, Joseph (2008), “Honoring Accounts of Top Sales Performers and Poor Sales Performers Who Have Engaged in Unethical Selling Behavior,” *Journal of Global Business Issues*, 2 (2), 207-215.

Bellizzi, Joseph A., and Ronald W. Hasty (2003), “Supervising Unethical Sales Force Behavior: How Strong is the Tendency to Treat Top Sales Performers Leniently?” *Journal of Business Ethics*, 43 (4), 337-351.

Blasi, Augusto (1980), “Bridging Moral Cognition and Moral Action: A Critical Review of The Literature,” *Psychological Bulletin*, 88 (July), 1-45.

Bosse, Douglas A. and Robert A. Phillips (2016), “Agency Theory and Bounded Self-Interest,” *Academy of Management Review*, 41 (2), 276-297.

Brack, Jessica and Kip Kelly (2012), “Maximizing Millennials in the Workplace,” UNC Executive Development.

Brooks, Nichole and Zoe Eng (2015), “Generational Differences: *Insights from the NBES 2013” (July 30)* https://connects.ethics.org/viewdocument/generational-differences-in-workpla

Chonko, Lawrence B., John F. Tanner, Jr. and William A. Weeks (1996), “Ethics in Salesperson Decision Making: A Synthesis of Research Approaches and An Extension of the Scenario Method,” *Journal of Personal Selling & Sales Management*, 16 (1), 35-52.

Cicala, John E., Alan J. Bush, Daniel L. Sherrell and George D. Deitz (2014), “Does Transparency Influence the Ethical Behavior of Salespeople?” *Journal of Business Research*, 67 (9), (September), 1787-1795.

Cowart, Kelly O. and Peter Darke (2014), “Targeting Miss Daisy: Using Age and Gender to Target Unethical Sales Tactics,” *Marketing Letters*, 25 (1), 67-75.

Craft, Jana L. (2013), “A Review of the Empirical Ethical Decision-Making Literature: 2004-2011,” *Journal of Business Ethics*, 117 (2), 221-259.

Cronbach, Lee J. (1951), “Coefficient Alpha and Internal Structure of Tests,” *Psychometrika*, 16 (3), 297-334.

Dencker, John C., Aparna Joshi and Joseph J. Martocchio (2008), “Towards a Theoretical Framework Linking Generational Memories to Workplace Attitudes and Behaviors,” *Human Resource Management Review*, 18 (3), 180-187.

Dubinsky, Alan J. and Barbara Loken (1989), “Analyzing Ethical Decision Making in Marketing,” *Journal of Business Research*, 19 (2), 83–107.

Dubinsky, Alan J., Marvin A. Jolson, Ronald E. Michaels, Masaaki Kotabe and Chae Un Lim (1992), “Ethical Perceptions of Field Sales Personnel: An Empirical Assessment,” *Journal of Personal Selling & Sales Management*, 12 (Fall), 9-21.

Eisenhardt, Kathleen M. (1985), “Control: Organizational and Economic Approaches,” *Management Sciences*, 31 (2), 134-149.

Ethics Resource Center (2011), *National Business Ethics Survey (NBES)*, http://www.ethics.org.

Evans, Kenneth R., Timothy D. Landry, Pochien Li and Shaoming Zou (2007), “How Sales Controls Affect Job-Related Outcomes: The Role of Organizational Sales-Related Psychological Climate Perceptions,” *Journal of the Academy of Marketing Science*, 35 (3), 445-59.

Ferrell, O. C., and Linda Ferrell (2009), “An Enterprise-Wide Strategic Stakeholder Approach to Sales Ethics,” *Journal of Strategic Marketing*, 17 (3–4), 257–270.

Flynn, Francis J. (2005), “Identity Orientations and Forms of Social Exchange in Organizations,” *Academy of Management Review*, 30 (4), 737-750.

Friend, Scott B., and Jeff S. Johnson (2017), “Familiarity Breeds Contempt: Perceived Service and Sales Complacency in Business-To-Business Relationships,” *Journal of Personal Selling & Sales Management*, 37 (1), 42-60.

Gibson, Kate (2016), “Did Financial Regulators let Wells Fargo off the hook?” *MoneyWatch CBS News* (September 20), http://www.cbsnews.com/news/did-regulators-let-wells-fargo-off-the-hook/.

Glass, Amy (2007), “Understanding Generational Differences for Competitive Success,” *Industrial and Commercial Training*, 39 (2), 98-103.

Goad, Emily A. and Fernando Jaramillo (2014), “The good, the bad and the effective: A Meta-Analytic Examination of Selling Orientation and Customer Orientation on Sales Performance,” *Journal of Personal Selling & Sales Management*, 34 (4), 285-301.

Homburg, Christian, Michael Müller and Martin Klarmann (2011), “When Should the Customer Really Be King? On the Optimum Level Of Salesperson Customer Orientation in Sales Encounters,” *Journal of Marketing*, 75 (2), 55-74.

Hoyt, Crystal L., Terry L. Price and Laura Poatsy (2013), “The Social Role Theory of Unethical Leadership,” *Leadership Quarterly*, 24 (5), 712-723.

Hoyt, Crystal L. and Terry L. Price (2015), “Ethical Decision Making and Leadership: Merging Social Role and Self-Construal Perspectives,” *Journal of Business Ethics*, 126 (4), 531-539.

Inks, Scott, Ramon Avila, and Joe Chapman (2004), “A Comparison of Buyers’ and Sellers’ Perceptions of Ethical Behaviors within the Buyer-Seller Dyad,” *Marketing Management Journal*, 14 (1), 117–128.

Jaramillo, Fernando and Douglas B. Grisaffe (2009), “Does Customer Orientation Impact Objective Sales Performance? Insights from a Longitudinal Model in Direct Selling (Research Note),” *Journal of Personal Selling & Sales Management*, 29 (2), 167-178.

Jaramillo, Fernando, Daniel M. Ladik, Greg W. Marshall and Jay P. Mulki (2007), “A Meta-Analysis of the Relationship Between Sales Orientation-Customer Orientation (SOCO) and Salesperson Job Performance,” *Journal of Business & Industrial Marketing*, 22 (5), 302-10.

Jeong, JungSik, and Paul C. Hong (2007), “Customer orientation and performance outcomes in supply chain management,” *Journal of Enterprise Information Management*, 20 (5), 578-594.

Jones, Thomas M. (1991), “Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model,” *Academy of Management Review*, 16 (2), 366–395.

Kadic-Maglajlic, Selma Milena Micevski, Nick Lee, Nathaniel Boso, and Irena Vida (2017), “Three Levels of Ethical Influences on Selling Behavior and Performance: Synergies and Tensions,” *Journal of Business Ethics*, 1-21 https://doi.org/10.1007/s10551-017-3588-1.

Kaynak, Ramazan and Tuba Sert (2012), “The Impact of Service Supplier’s Unethical Behavior to Buyer’s Satisfaction: An Empirical Study,” *Journal of Business Ethics*, 109 (2), 219-226.

Kish-Gephart, Jennifer J., David A Harrison and Linda K. Treviño (2010), “Bad Apples, Bad Cases, and Bad Barrels: Meta-Analytic Evidence About Sources of Unethical Decisions at Work,” *Journal of Applied Psychology*, 95 (1), 1-31.

Korschun, Daniel, C.B. Bhattacharya and Scott D. Swain (2014), “Corporate Social Responsibility, Customer Orientation, and The Job Performance of Frontline Employees,” *Journal of Marketing*, 78 (3), 20-37.

Lee, Lisa M., F.A. McCarty and Tenny R. Zhang (2015), “Ethical Numbers: Ethics Training in U.S. Graduate Statistics Programs,” 2013–2014,” *American Statistician*, 69 (1), 11-16.

Li, Ning and William H. Murphy (2012), “A Three-Country Study of Unethical Sales Behaviors,” *Journal of Business Ethics*, 111 (2), 219-235.

Lo Iacono, Joseph, Scott Keith Weaven, and Deborah Griffin (2016), “Examination into the Effects of Job Satisfaction on Salesperson Deviance: The Moderating Role of Customer Orientation,” *Journal of Business Economics & Management*, 17 (2), 173-186.

Lynch, Amy (2008), “ROI on generation Y employees. Bottom Line Conversations,” LLC. Retrieved from http://www.knoxvillechamber.com/pdf/workforce/ROIonGenYWhitePaper.pdf

Mallin, Michael L. and Susan K. DelVecchio (2008), “Salesforce Automation Tool Selectivity: an Agency Theory Perspective,” *Journal of Business & Industrial Marketing*, 23 (7), 486-496.

McClaren, Nicholas (2000), “Ethics in Personal Selling And Sales Management: A Review Of the Literature Focusing on Empirical Findings and Conceptual Foundations,” *Journal of Business Ethics*, 27 (3), 285–303.

Menguc, Bulent, Seigyoung Auh, Constantine S. Katsikeas and Yeon Sung Jung (2016), “When Does (Mis) Fit in Customer Orientation Matter for Frontline Employees’ Job Satisfaction and Performance?” *Journal of Marketing*, 80 (1), 65-83.

Mintz, Steven (2013), *Ethics Sage Blog*, (September 12), http://www.ethicssage.com/2013/09/ethics-and-millennials.html

Mitnick, Barry M. (2013), “Origin of the Theory of Agency: An Account by One of The Theory’s Originators,” (March 25, 2013). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1020378

Myer, Adam T., Christian N. Thoroughgood, and Susan Mohammed (2016), “Complementary or Competing Climates? Examining the Interactive Effect of Service and Ethical Climates on Company-Level Financial Performance,” J*ournal of Applied Psychology*, 101 (8), 1178-1190.

Pekovic, Sanja and Sylvie Rolland (2016), "Customer Orientation and Firm's Business Performance," *European Journal of Marketing*, 50 (12), 2162-2191.

Randall, Donna M., and Maria F. Fernandes (1991), "The Social Desirability Response Bias in Ethics Research," *Journal of Business Ethics*, 10 (11), 805-817.

Reidenbach, R. Eric and Donald P. Robin (1988), "Some Initial Steps Toward Improving the Measurement of Ethical Evaluations of Marketing Activities," *Journal of Business Ethics*, 7 (11), 871–879.

Roman, Sergio and Salvador Ruiz (2005), "Relationship Outcomes of Perceived Ethical Sales Behavior," *Journal of Business Research*, 58 (4), 439-445.

Saxe, Robert and Barton A. Weitz (1982), "The SOCO Scale: A Measure of the Customer Orientation of Salespeople," *Journal of Marketing Research*, 19 (3), 343-351.

Schwepker, Charles H., Jr. (2017), "Psychological Ethical Climate, Leader–Member Exchange and Commitment to Superior Customer Value: Influencing Salespeople's Unethical Intent and Sales Performance," *Journal of Personal Selling & Sales Management*, 37 (1), 72-87.

Schwepker, Charles H., Jr. and Thomas N. Ingram (2016), "Ethical Leadership in The Salesforce: Effects on Salesperson Customer Orientation, Commitment to Customer Value and Job Stress," *Journal of Business & Industrial Marketing*, 31 (7), 914-927.

Schwepker, Charles H., Jr. and Thomas N. Ingram (1996), "Improving Sales Performance Through Ethics: The Relationship Between Salesperson Moral Judgment and Job Performance," *Journal of Business Ethics*, 15 (11), 1151-60.

Steele, Logan M., Tyler J. Mulhearn, Kelsey E. Medeiros, Logan L. Watts, Shane Connelly and Michael D. Mumford (2016), "How Do We Know What Works? A Review and Critique of Current Practices in Ethics Training Evaluation," *Accountability in Research: Policies & Quality Assurance*, 23 (6), 319-350.

Sujansky, Joanne G. and Jan Ferri-Reed (2009), "Motivating Your Millennial Sales Force," *The American Salesman*, 34, 3-6.

Super, Donald E., M.L. Savickas, and C.M. Super (1996), "The life-span, Life-Space Approach to Careers" in *Career Choice and Development* 3rd Edition. edited by Duane Brow, Linda Brooks and Associates, San Francisco: Jossey-Bass Inc. 121-78.

Thomas, Raymond W., Geoffrey N. Soutar, and Maria Ryan (2001), "The Selling Orientation-Customer Orientation (SOCO) Scale: A Proposed Short Form," J*ournal of Personal Selling & Sales Management*, 21 (1), 63-69.

Valenzuela, Leslier Maureen Fernández and Francisco Javier Villegas Pinuer (2016), "Influence of Customer Value Orientation, Brand Value, and Business Ethics Level on Organizational Performance," *Revista Brasileira De Gestão De Negócios*, 18 (59), 5-23.

Valenzuela, Leslier, Jay Mulki, and Fernando Jaramillo (2010), "Impact of Customer Orientation, Inducements and Ethics on Loyalty to the Firm: Customers' Perspective," *Journal of Business Ethics*, 93 (2), 277-291.

Varghese, Jose, Manoj Edward, and K. P. Saraswathi Amma (2015), "Perceived Organizational Influences on Customer Orientation and Sales Performance - A Financial Services Industry Perspective," *Journal of Marketing & Management*, 6 (2), 11-21.

Verschoor, Curtis C. (2013), "Ethical Behavior Differs Among Generations," (August 12) http://www.accountingweb.com/practice/practice-excellence/ethical-behavior-differs-among-generations www.imanet.org

Vitell, Scott J. and Troy A. Festervand (1987), "Business Ethics: Conflicts, Practices and Beliefs of Industrial Executives," *Journal of Business Ethics*, 6 (2), 111-22.

Wei, Shi, Brian L. Connelly and Robert E. Hoskisson (2017), "External Corporate Governance and Financial Fraud: Cognitive Evaluation Theory Insights on Agency Theory Prescriptions," *Strategic Management Journal*, 38, (6), 1268-1286.

Zhang, Zhe and Ming Jia (2013), "How Can Companies Decrease the Disruptive Effects of Stretch Goals? The Moderating Role of Interpersonal-and Informational-Justice Climates," *Human Relations*, 66 (7), 993-1020.

Appendix – Scale Items

Customer Orientation
For each statement please indicate the proportion of your customers with whom you act as described in the statement. (1= True for None; 5 = True for All)

1. I try to get customers to discuss their needs with me.
2. A good salesperson has to have the customer's best interests in mind.
3. I try to bring a customer with a problem together with a product that helps solve that problem.
4. I offer the product of mine that is best suited to the customer's problem.
5. I try to find out what kind of product would be most helpful to a customer.

Unethical Intent
What is the probability of you behaving in the same manner as did the individual in the scenario? (1 = Highly improbable to 7 = Highly probable)

Scenario 1: Salesperson R was eager to make a sale. In order to close the sale, salesperson R promised a customer a delivery time that he knew his company probably could not meet. R thought to himself, "If the customer complains about the order arriving late, I'll just blame it on the shipping department."

Scenario 2: Salesperson S works for an industrial products company. Upon visiting one prospect, salesperson S hints if an order is placed the price might be lower on the next order. Salesperson S knows the price will not be lowered on the next order.

Scenario 3: A sales representative needs to make a yearly quota of $500,000. During the last month of the year, the sales rep is $5,000 below acceptable quota performance. To make quota, the sales rep makes statements to an existing customer that exaggerate the seriousness of the problem. As a result, the sales rep is able to get a $5,000 order and achieve acceptable quota performance.

Outcome Sales Performance
Please rate your current level of performance on the following items by evaluating how well you believe you performed in each area relative to other salespeople in your organization. (1 = Much worse; 5 = Much better)

1. Contribution to your company's market share.
2. Selling high profit margin products.
3. Generating a high level of dollar sales.
4. Quickly generating sales of new company products.
5. Identifying and cultivating major accounts in your territory.
6. Exceeding sales targets.
7. Assisting your supervising manager in meeting his or her goals.