

**MARKETERS' AND SALES PEOPLE PERCEPTION ABOUT
MARKETING ETHICS**

by

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ABSTRAK

Kajian ini di buat untuk mengenalpasti perhubungan nilai moral ahli pemasaran dan etika pemasaran dan juga pemboleh ubah agama sebagai pembolehubah kawalan (Moderator). Dalam kajian ini tiga pembolehubah tak bersandar digunakan iaitu “Idealism”, “Relativism” dan “Machiavellianism”. Sebagai tambahan, kepercayaan didalam keagamaan di jadikan sebagai “Moderator” dan etika pemasaran sebagai pembolehubah bersandar. Hasil dari kajian ini mendapati bahawa “Idealism and Relativism” mempunyai kesan yang positif ke atas etika pemasaran. Dalam sudut yang lain, agama di dapati tidak mempunyai kesan ke atas persepsi individu tentang etika pemasaran. Sebagai tambahan kajian ini juga mendapati bahawa perbezaan kumpulan etnik tidak mempunyai kesan positif ke atas etika pemasaran.

Kata Kunci: Idealisme, Relativisme, Machiavellianisme, Kepercayaan Agama dan Etika Pemasaran

ABSTRACT

This research was conducted to examine the relationship between the marketers' values and marketing ethics moderated by their religious faith. For this study three Independent variables were used i.e. Idealism, Relativism and Machiavellianism. In addition, Religious faith was taken as a moderator and the dependent variable was Marketing Ethics. The results found that Idealism and Relativism have a significant impact on Marketing Ethics. On the other hand, religion was found to have no significant relation with individual perceptions about marketing ethics. In addition the study found that there was no significant difference in the marketing ethics of the different ethnic groups.

Keywords: Idealism, Relativism, Machiavellianism, Religious Faith and Marketing Ethics.

Chapter 1

1.1 Introduction

In recent years, research dealing with business and marketing ethics, in particular, has been quite extensive, especially in the context of marketing ethics research that addressed managerial ethics in various marketing situations (Rao and Singhapakdi, 1997). This chapter discusses the importance of ethics, marketing ethics, the background of the study, problem statement, research objectives and research questions.

1.2 Background of the Study

Marketing ethics has gained the attention of many scholars and executives in the public and private sectors in recent years. This is due to many unethical practices reported in the local and international media. Large international organizations like Enron and Arthur Anderson have created chaos in the business scene with their unethical practices reported in the media (Rashid and Ibrahim, 2007). Even in Malaysia, in the year 2004, top managers in key institutions like the National Pilgrimage Board were not spared with breach of trust in investment decisions. Such incidents showed the extent and prevalence of unethical practices in Malaysia and worldwide (Rashid and Ibrahim, 2007).

With globalization, the world of Marketing is changing very rapidly because of the change in consumer demands. Every organization or business that exists today is trying its best to fulfil these demands. Same kinds of products are being manufactured by different organizations. Organizations are finding new ways to gain competitive advantages over their rivals as well as maximizing their profits. The business world has become more competitive than ever before and to be able to even survive in the prevailing environment, many managers many find it necessary to adopt some questionable practices. (Gupta and Sulaiman, 1996)

Due to globalization, organizations are covering larger geographical areas and marketing their products in different countries. Growing numbers of marketing firms are expecting more of their profits to be derived from international sales (Topol and Sherman, 1994). To a large extent, such international growth is fore-ordained in today's world, given the ever-increasing globalization of economies.

But moving into other markets does not guarantee larger profits; it may in fact guarantee more headaches for marketing managers because different cultures employ different methods of communication (Singhapakdi et al., 1999). Organizations have to market their products or services according to the laws and ethics of the particular country in which they are marketing, e.g. marketing alcoholic products in Islamic countries is strictly prohibited, and marketing beef products in certain parts of India is also prohibited. Divergent religious values can also create ethical issues in international business. For instance, before a British fast-food hamburger chain entered the Indian market, it anticipated problems. The ruling class in India are predominately Hindus and its members abstain from eating beef for religious reasons. Hence, to avoid offending the Indian community, the British firm decided not to use beef for its hamburgers (Ferrell, Fraedrich and Ferrell, 2000, p.198). Each country has one supreme religion and culture. Their laws are made according to their religious practices and restrictions. These laws define the people's perceptions about any act.

Hunt and Vitell (1986) suggested that religiousness has an influence on an individual's perception of ethics. They believed that religiousness could affect ethical decision-making in three ways, namely the cultural environment, the personal characteristics, and finally the religion, which is often a dominant basis for individual's deontological religiousness. (Rashid and Ibrahim, 2007).

1.3 Problem Statement

Every country has its own laws and religion and its citizens are guided by these laws and religion. As such their citizens' thought, perceptions and judgements are moderated or directed by their religion. Their religion affects their ethical beliefs as to what is right and wrong, what is ethical or unethical for them as well as for their society. Unlike homogeneous societies, countries with multi-diverse ethnic groups have different religious beliefs and practices. Hence, individuals from different ethnic groups have their own religion which tend to direct their moral values. Take Malaysia as an example where different ethnic groups, namely Malays, Chinese and Indians practise different religions. Thus, a particular act or decision which might be deemed to be ethical in the eyes of one ethnic group might be deemed as unethical in the eyes of other ethnic groups. Hence, the purpose of this study is to determine to what extent are marketing ethics of marketers' of different ethnic groups influenced by their different moral values and religious beliefs?

In the ethics context, the involvement level can be determined by the relevance of the situation to the individual's dispositional ethical beliefs (Robin et al., 1996). In numerous studies, idealism and relativism (Forsyth, 1980) have been found to be strong determinants of ethical judgments and behaviours in business (Singhapakdi et al., 1999; Marta et al., 2001). Studies have also indicated a connection between idealism/relativism and moral intensity (Singhapakdi et al., 1999; Douglas et al., 2001). Based on previous works done as mentioned above, this study also utilizes idealism and relativism as the constructs to measure the ethical judgments and behaviours of marketers in Malaysia.

1.4 Research Objectives

Pervious researches and studies have emphasized on social or economic factors that affect marketing ethics. However very few studies have considered the role of religion and moral values influencing marketers' and sales peoples' perceptions about marketing ethics. Religion is considered the basis of any society's ethics and laws. Marketers' decisions are directly influenced by their perceptions of moral values and moral judgements, which are directed by their religion. As such this research seeks to determine whether Malaysian marketers' marketing ethics are influenced by their religious values and also do they differ by ethnicity.

1.5 Research Questions

1. What is the relationship between the marketing ethics and moral values?
2. Is there a difference in the marketing ethics of marketers of different ethnicities?
3. Is the relationship between moral values and marketing ethics affected by the religious faith of marketers?

1.6 Definition of Key Terms

Key terms that are found in this study: Ethics, Idealism, Relativism, Machiavellianism and Religion. Various ethical beliefs are discussed in the ethics literature. Idealism and relativism (Forsyth 1980) have exhibited their explanatory power of ethical decisions in business (Singhapakdi, et al., 1999; Marta et al., 2001). According to Forsyth (1980), idealism and relativism are individual differences that influence judgements of moral issues (Park and Leslie, 2005). Idealism and relativism have been found to be strong predictors of ethical and

socially responsible attitudes and behaviour (Park and Leslie, 2005). Definitions of key terms used in this study are as shown in Table 1.1.

Table 1.1 *Key Terms*

Terminology	Explanation	Author
Ethics	<p>1. Ethics has been defined as enquiry into nature and background of morality, where the term ‘morality’ is taken to mean moral judgements, standards, and rules of conduct.</p> <p>2. Ethics deals with ‘what should be done’ questions with reference to the behaviour that might harm or benefit human beings. Expressions like ‘moral’, ‘good’, ‘right’, ‘just’, ‘honest’ are considered more or less synonymous with ethics.</p>	<p>(Taylor, 1975; Gupta and Sulaiman, 1996).</p> <p>(Gupta and Sulaiman, 1996).</p>
Idealism	<p>1. Idealism is the belief that ethical judgements are morally absolute in terms of moral principles, norms or laws.</p> <p>2. Idealism describes the individual’s concern for the welfare of others. Highly idealistic individuals believe that harming others is always avoidable, and they would rather not choose between the lesser of two evils that will lead to negative consequences for other people. Those who are less idealistic feel that harm is sometimes necessary to produce good.</p>	<p>(Forsyth, 1980; Park and Leslie, 2005).</p> <p>(Forsyth, 1980).</p>

	<p>3. Idealism describes the individual's concern for the welfare of others. Highly idealistic individuals believe that harming others is always avoidable, and they would rather not choose between the lesser of two evils that will lead to negative consequence for other people.</p>	<p>(Karande, Rao and Singhapakdi, 2002).</p>
Relativism	<p>1. Relativism is defined as the belief that all moral standards are relative to a society and culture, and moral actions depend on the nature of the situations and circumstances.</p> <p>2. Relativism rejects the possibility of formulating or relying on universal moral rules when drawing conclusions about moral questions.</p> <p>3. Relativists generally feel that moral actions depend upon the nature of the situation and the individuals involved, and when judging others they weigh the circumstances more than the ethical principal that was violated.</p>	<p>(Forsyth, 1980; Park and Leslie, 2005).</p> <p>(Forsyth, 1980).</p> <p>(Karande, Rao and Singhapakdi, 2002).</p>
Machiavellianism	<p>1.. "Machiavellianism", a term used to describe individuals who will behave immorally to achieve their own desired ends.</p>	<p>(McGuire, 2006).</p>
Religion	<p>Religion can be described as: an organized system of beliefs, practices, rituals and symbols designed a) to facilitate closeness to the scared</p>	<p>Kennedy and Lawton, 1993).</p>

	<p>or transcendent (God, high power, or ultimate truth/reality), an b) to foster an understanding of one's relation and responsibility to others in living together in a community.</p> <p>Religion is an important social institution that exercises control over beliefs and behaviour.</p>	
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A more detailed discussion of Ethics, Idealism, Relativism, Machiavellianism and Religious faith will be covered in the next chapter.

1.7 Significance of Study

Apart from filling the gaps in the literature, the findings of this study will reveal the role moral values and moral behaviour in influencing marketers' perceptions toward marketing ethics. The results of this study will also show whether there is any difference in the marketing ethics of marketers of different ethnicity? In addition it will also reveal the marketing ethics of marketers in Malaysia and whether their marketing ethics are similar as those practised globally. Theoretically, this study contributes to the field of marketing ethics by revealing whether Malaysian marketers possess good ethics and the need for marketers to draw up their strategies that meet customers' needs before entering new markets in order to be successful in their efforts.

A comprehensive explanation of this study is discussed in the following sections along with the theoretical framework and hypotheses development.

1.8 Organization of Remaining Chapters

This study is organized into 5 discrete chapters. Chapter 1 introduces the subject matter, explains the research problem, states the objectives of the study and define various key terms used in this study.

Chapter 2 highlights the previous studies and their findings on personal values, attitudes towards marketing ethics and ethical behaviour. It also describes the theoretical framework and hypothesis development.

Chapter 3 describes the methodology, which covers the discussion on research design, variables used in the study, population and sample size, procedure, measure and the statistical analysis employed.

Chapter 4 measures the results of the various statistical analyses used like goodness of Measure, Descriptive Analysis and hypothesis testing.

Chapter 5 concludes the study, by discussing the survey findings, its implications and limitations. It also offers suggestions for future researchers to look into.

Chapter 2

2.1 Introduction

This chapter reviews the literature of marketing ethics, previous studies by scholars and researchers on ethics, marketing ethics, Relativism, Idealism and Machiavellianism. From the literature reviewed the theoretical framework and hypotheses are developed.

2.2 Review of the literature

2.2.1 Ethics

The term *ethics* has many nuances. Ethics has been defined as “inquiry into the nature and grounds of morality where the term morality is taken to mean moral judgements, standards and rule of conduct” (Richter and Buttery, 2002). *The American Heritage Dictionary* offers these definitions of ethics: “the study of the general nature of morals and of specific moral choices; moral philosophy; and the rules or standards governing the conduct of the members of a profession”. Ethics refers to a set of rules that define right and wrong conduct that help individuals distinguish between fact and belief, decide how issues are defined, and decide what moral principles apply to the situation. Moral principles refer to the impartial general rules of behaviour that are of great importance to a society and along with the values they represent, are fundamental to ethics (Richter and Buttery, 2002).

Most people would agree that high ethical standards require both businesses and individuals to conform to sound moral principles. However, some special aspects must be considered when applying ethics to business. First, to survive, businesses must make a profit. Second, businesses must balance their desires for profits against the needs and desires of society. To address these unique aspects of the business world, society has developed rules – both legal and implicit – to guide businesses in their efforts to earn profits in ways that do not harm individuals or society as a whole.

2.2.2 Importance of Ethics

The importance of ethics to an organization has been from a variety of perspectives. It is a vast field of study that raises the most basic question that any human can ask: How should I live my life? One reason to study business ethics is to help you to decide right from wrong, to decide what you should do. Another reason for studying ethics is to help you decide the type of person you should be. Are there reasons to be generous? Yet another reason to study ethics is to help us all decide what type of society we ought to live in.

The field of ethics has usually focused on individual and the choices that are made by people. However, most marketing managers work within the context of an organization. Therefore, the *corporate culture* in which they operate can shape, enforce, and at times override the individual ethical dispositions that managers have about a particular situation. Even if individual values are relatively “fixed,” numerous case studies have clearly shown that the ethics of managers can be overridden by organizational pressures for increased profit, performance, or prestige (Murphy and Laczniak, 1993, p. 11).

2.2.2.1 *Importance of Ethics for Customers*

Organizations that perceived as ethical often have a strong and loyal customer base as well as strong employee base, because of trust and mutual dependence in the relationship (Ferrell, Fraedrich and Ferrell, 2000, p.224). Sears had a study conducted to evaluate that link between employees’ job attitudes, customer satisfaction and performance; the results showed that satisfied employees lead to satisfied customers, and satisfied customers lead to satisfied investors. Customers tend to prefer buying from high-integrity companies, especially if the price is comparable to that of competitors. When employees perceive their organization as having an ethical climate, they are more likely to be committed to and satisfied with their work. Suppliers usually want long-term partnerships they can trust with the companies they

serve so that through cooperation they can climate inefficiencies, costs and risks in order to satisfy customers.

2.2.2.2 Importance of Ethics for Investors

Many investors are concerned about the ethics, social responsibility and reputation of companies in which they invest and various socially responsible mutual funds and asset management firms can help investors purchase stock in ethical companies. Investors recognize that an ethical climate is the foundation for efficiency, productivity and profits. On the other hand, investors also know that fines or negative publicity can lower stock prices, diminish customer loyalty and threaten the long-term viability of the company. Legal problems and negative publicity can have a strong adverse effect on the success of any organization (Ferrell, Fraedrich and Ferrell, 2000, p.225).

2.2.3 Marketing Ethics

All marketing activities focus on customer satisfaction. Marketing refers to activities designed to provide customers with satisfying goods and services. Marketers first gather information and conduct marketing research to find out what consumers want. Then they develop products, price the products, promote them, and distribute them where and when customers want to buy them. Ethical issues may arise in relation to the safety of products, the advertising and selling of products, pricing, or distribution channels that direct the flow of products from the manufacturer to the consumer. Consumers are becoming increasingly safety conscious. Whether it concerns dangerous bacteria in fruits and vegetables or the risk of skin damage from sun exposure, awareness of health and safety considerations in many product categories is increasing (Ferrell, Fraedrich and Ferrell, 2000, p. 41).

Smith (1995) argued that we are now living in the “ethics era”, whereby society’s expectations of marketers have changed and we face challenges to basic marketing

assumptions. Consumers are better informed, more educated and aware of consumer rights and product requirements at least in western society. Legislation has also played a part in raising consumer expectations of marketing behaviour. In the past, “caveat emptor” was justification for marketing practices that hitherto consumers were willing to accept. As consumer rights become more important, this should no longer be the case.

The move towards “caveat venditor” in some situations is challenging many basic marketing tenets according to Smith, and marketing managers now have to respect and care about the welfare of those affected by their marketing decisions. In developed economies, marketers are being forced to recognise and confront the issues surrounding societal marketing. For example, advertisers and print media have had to face responsibility for their roles in promoting “glamorous” anorexic body images (e.g. the Accurist “put some weight on” campaign; UK government anti-drug advertisements); food manufacturers and marketers have had to defend and amend the nutritional content of their products (e.g. McDonalds; Sunny Delight); cigarette firms have had to admit the carcinogenic qualities of their products (e.g. Phillip Morris).

2.2.4 Moral Philosophy

When people talk about philosophy, they usually mean the system of values by which they live. Moral philosophy refers in particular to the principles or rules that people use to decide what is right or wrong (Ferrell, Fraedrich and Ferrell, 2000, p.50). Decisions require a person to evaluate the rightness or morality of choices in terms of his or her own principles and values.

There is no single moral philosophy that everyone accepts. There are many moral philosophies, and each one is complex. Because a detailed study of all philosophies would be beyond the scope of this research, so the discussion is limited to the philosophies used in this

study. However table 2.1 (Ferrell, Fraedrich and Ferrell, 2000, p.54) shows a comparison of different types of moral philosophies namely: teleology, deontology, egoism, utilitarianism, virtue ethics and justice.

Table 2.1 *A Comparison of the Philosophies used in Business*

Moral Philosophy	Description
Teleology	Stipulates that acts are morally right and acceptable if they produce some desired result, such as realization of self-interest or utility.
Deontology	Focuses on the preservation of individual rights and on the intentions associated with a particular behaviour rather than on its consequences.
Egoism	Defines right or acceptable actions as those that maximize a particular person's self-interest as defined by the individual.
Utilitarianism	Defines right or acceptable actions as those that maximize total utility or the greatest good for the greatest number of people.
Virtue Ethics	Assumes that what is moral in a given situation is not only what conventional morality requires, but also what the mature person with a "good" moral character would deem appropriate.
Justice	Evaluates ethicalness on the basis of fairness: distributive, procedural, and interactional justice.

(Ferrell, Fraedrich and Ferrell, 2000, p.54).

In general, moral philosophies can be categorized into two major types, deontological and teleological (Murphy and Lacznik, 1993). These two types of moral philosophies were distinguished by Hunt and Vitell (1986) as follows: deontological theories focus on the specific actions of behaviours of an individual, whereas teleological theories focus on the consequences of the actions or behaviours (Al-khatib, Vitell and Rawwas, 1996). For this study, Teleological and Deontological philosophies are used, since these two theories were also used by previous researchers. Other Philosophies therefore are beyond the scope of this

study. So, for this study only Teleological and Deontological Theories are defined which supports the theoretical framework of this study.

Hunt and Vitell (1986) explained deontological evaluation as the process where one evaluates the inherent rightness or wrongness of an evoked set of alternatives that he/she views as possible courses of action; this evaluation process involves comparing possible behaviours with a set of predetermined deontological norms or predetermined guidelines that represent personal values or rules of behaviour.

2.2.4.1 Teleological Theory

Teleology refers to moral philosophies in which an act is considered morally right or acceptable if it produces some desired result: for example pleasure, knowledge, career growth, the realization of self-interest or utility (Ferrell, Fraedrich and Ferrell, 2000, p.53). In other words, teleological philosophies assess the moral worth of behaviour by looking at its consequences. As for the teleological evaluation process, individuals will evaluate possible behaviours by considering:

1. the perceived consequences of each alternative for various stakeholder groups;
2. the probability that each consequences will occur to each stakeholder group;
3. the desirability or undesirability of each consequence; and
4. the importance of each stakeholder group (Hunt and Vitell, 1986, p.9).

Teleological thinkers claim that the moral character of actions depends on the simple, practical matter of the extent to which actions actually help or hurt people. Actions that produce more benefits than harm are right; those that do not are wrong (White, 1993, p. 4). According to the teleological view, actions are not good or bad in themselves. Actions take on moral value only when considered in conjunction with the effects that follow upon them (De George, 1999, p.58).

2.2.4.2 Deontological Theory

Deontology refers to moral philosophies that focus on the rights of individuals and on the intentions associated with a particular behaviour rather than on its consequences. Fundamental to deontological theory is the idea that equal respect must be given to all persons. The term *nature* is crucial for deontologists (Ferrell, Fraedrich and Ferrell, 2000, p.57). In general, deontologists regard the nature of moral principles as permanent and stable and they believe that compliance with these principles defines ethicalness. Deontologists believe that individual have certain absolute rights:

- Freedom of conscience
- Freedom of consent
- Freedom of privacy
- Freedom of speech
- Due process

Deontological outlook is based on an idea that teleological thinkers flatly deny – that actions have intrinsic moral value. Some actions are considered inherently good (truth telling, keeping promises, respecting the rights of other); others are inherently bad (dishonesty, coercion, theft, manipulation). No matter how much good comes from lying, the action will never be right (White, 1993, p.8).

In general, the deontological approach to ethics denies the teleological claim that the morality of an action depends on its consequences. Deontologists maintain that actions are morally right or wrong independent of their consequences. Moral rightness and wrongness are basic and ultimate moral terms. They do not depend on good and the production of, or the failure to produce good. One's duty is to do what is morally right and to avoid what is morally

wrong, regardless of the consequences of so doing (De George, 1999, p. 80). In short teleological philosophies consider the *ends* associated with an action whereas deontological philosophies consider the *means*.

2.2.5 Idealism and Relativism

According to modern business ethics theories (Hunt and Vitell, 1986), it is generally assumed that different individuals, when faced with decision situations having ethical content, will apply ethical guidelines or rules based on different moral philosophies.

The deontological/teleological paradigm is parallel to Forsyth's (1980) two dimensional personal moral philosophies concept to idealism/relativism. Forsyth (1980) conceptualized relativism as the degree to which an individual rejects universal moral rules when making ethical judgements. As he explained, relativistic individuals reject the possibility of formulating on universal moral rules when drawing conclusions about moral questions. This is essentially a teleological perspective. Idealism as conceptualized by Forsyth (1980) is the degree to which individuals assume that desirable consequences can, with the 'right' action, always be obtained. Forsyth asserted that idealistic individuals adhere to moral absolutes when making moral judgements. This is essentially a deontological perspective.

Forsyth (1980) built a classification system, based on this Idealism and Relativism dichotomy, where he divided people into four different ethical types using his two scales. When combined, these two scales generate the following ethical types: situationists, absolutists, subjectivists and exceptionists. (Al-khatib, Vitell and Rawwas, 1996).

As stated before this study uses two scales Idealism and Relativism. Idealism is the overall acceptance of moral absolutes while Relativism is the rejection of universal moral principles. This typology correlates to a individual's ethical beliefs since "absolutists" tend to have the most rigid ethical belief system while "subjectivists" have the most flexible ones.

“Situationists” and “exceptionists” are found between these two extremes in terms of their ethical beliefs. Therefore Forsyth’s (1980) Ethical Positioning Questionnaire (EPQ) was considered the most appropriate questionnaire to measure individual’s moral ethical ideology in this study. This questionnaire contains 20-items on a 9-point scale, the first 10-items are used to measure Idealism and last 10-items measure Relativism. High scores characterize the individual as Relativistic and low score identify as Idealistic.

2.2.6 Machiavellianism

Machiavellianism is defined as “a process by which the manipulator gets more of some kind of reward than he would have gotten without manipulating, while someone else gets less, at least within the immediate context” (Christie and Geis, 1970, p. 106). Machiavellianism has been used as a personality trait or dimension to classify people for several decades (Christie and Geis, 1970). Various studies on Machiavellianism have been found, for instance, that different degrees of Machiavellianism between generations indicate that people are becoming more manipulative and impersonal (Singhpakdi, 1993). It is argued that successful sales personnel have the willingness and ability to manipulate people or customers in the purchasing process (Christie and Geis, 1970). Christie and Geis showed a consistent pattern of high MACH’s being able to control and “win” dyadic relationships.

Machiavellianism is the term used to describe a person's tendency to deceive and manipulate others for personal gain. Machiavellianism is a strategy of social conduct that involves manipulating others for personal gain. The concept is named after Renaissance diplomat and writer Niccolò Machiavelli, who wrote *Il Principe (The Prince)*.

In the 1960s Richard Christie and Florence L. Geis developed a test for measuring a person's level of Machiavellianism. This eventually became known as the MACH-IV test. A twenty-question personality survey using 5-point scale is now the standard self-assessment

tool of Machiavellianism. 20 items with ten items worded in a Machiavellian direction and ten items worded in the opposite direction. Each respondent was asked to indicate either agreement or disagreement with each of the 20 items using a five-point Likert scale where a 5 indicated strong agreement (Al-Khatib, Vitell and Rawwas, 1996).

People scoring above 60 out of 100 on the MACH-IV scale are considered *high Machs*; that is, they endorsed statements such as, "Never tell anyone the real reason you did something unless it is useful to do so," people scoring below 60 out of 100 on the MACH-IV are considered *low Machs*; they tend to believe, "There is no excuse for lying to someone else," and, "Most people who get ahead in the world lead clean, moral lives". In a series of studies undertaken by Christie and Geis (1970) graduate assistant David Berger, the notion of Machiavellianism was experimentally verified.

2.2.7 Machiavellianism and the Service Sector

Traditionally, the general public perceives bankers as trustworthy and reliable. In contrast, the integrity, reliability, and trustworthiness of marketing practitioners have been questioned frequently (Hunt and Chonko, 1984). Review of relevant literature revealed that researchers (for example, Christie and Geis, 1970; Hunt and Chonko, 1984; Singhapakdi and Vitell, 1990;) have studied Machiavellianism of a variety of occupational groups like salespeople, marketing professionals, department store executives and undergraduate students. Some preliminary studies used banking students and managers of Chinese banks (Siu and Tam, 1995) as research objects. But, to date, there is no major research into the Machiavellianism of banking executives. Management writers (e.g. Edwards and Smith, 1989) point to the importance of focusing the service delivery process, for example, bank services, rather than the service itself.

The job satisfaction of banking executives influences the service quality of a bank, and in turn the satisfaction of customers. Bank service providers holding different management positions would have varying degrees of customer orientation satisfaction, motivation and role clarity. As yet, very little research has been undertaken on Machiavellianism and job satisfaction in relation to customer contact personnel that is, banking executives.

2.2.8 Importance of Service Industry

In recent decades, the marketing management framework has been extended to include a wide variety of profit and non-profit organizational contexts. Within the overall business context, service marketing has emerged as a very important sub-area of the marketing discipline (Kennedy and Lawton, 1993; Roa and Singhapakdi, 1997). With services sectors accounting for more than two-thirds of total economic activity in developed countries and close to half of the economic activity of many developing countries, service marketing is gaining ever-increasing importance in recent years. In fact, in the most recent edition of his marketing management book, Kotler (1997) cites the growing emphasis on services marketing as one of the important trends in current marketing thinking. This growing importance of services marketing has not generally extended to research in marketing ethics in the services marketing context. In a 1993 article, it was pointed out that a bibliographic search revealed over 600 current articles on services marketing, but only six of those articles addressed ethics (Kennedy and Lawton, 1993; Roa and Singhapakdi, 1997).

2.2.9 Religiosity

Religion plays as *integrative* role on societies as a whole and on the individuals within them (Huffman, 1988, p. 15). As Martinson, Wilkening, and Buttel (1982, p.48) pointed out, those with religious affiliations (in contrast to their non-religious counterparts) ought to be imbued with a repertoire of attitudes and behaviours facilitating social integration – for

example, more complete knowledge of conduct norms Results of a national survey indicated that the level of our religious commitment is a stronger determinant of our values than almost any other form of predictor (Connecticut Study, 1981, p. 17). It is therefore appropriate to examine the connection between the attitudes of individuals, their religious characteristics, and their values (Kennedy and Lawton, 1993).

Wines and Napier (1992) have addressed the issue of religion and value systems. They stated that “there may be a nexus between religious values and management values” (p, 834)the role of religious orientation and moral philosophy may affect business practice (Kennedy and Lawton, 1993).

According to Asma (1992) the Malays (the ethnic group with the largest majority in Malaysia) have strong beliefs in the concept of Supreme Being- Allah the Almighty. The majority of Chinese (the second largest ethnic group in Malaysia) are of Buddhist-Taoist faith, and a small group are Christians by faith. Indians (the third largest ethnic group in Malaysia) are predominantly Hindus, but a small proportion are Muslims and Christians by faith (Rashid and Ibrahim, 2007). For this study a questionnaire, measuring religious faith of respondents regardless of the type of religion they are associated with, should be used.

So, “Santa Clara Strength of Religious Faith Questionnaire” (1997) is used to measure the religious faith of individuals. Presently, most scales attempting to study religiosity are generally long and only applicable to Christian groups, and do not directly measure the strength of one’s religious faith. The Santa Clara Strength of Religious Faith (SCSORF) is a 10-items scale designed to measure strength of religious faith regardless of religious denomination or affiliation (Plante and Boccaccini, 1997a; 1997b; Plante, Yancey, Sherman, Guertin and Pardini, 1999). The SCSORF was negatively correlated with God control, which

indicated that those who scored high in religious faith do not think of God as an absolute arbiter of life’s events.

2.3 Theoretical Framework

The Independent Variables in this study are Relativism, Idealism and Machiavellianism. The dependent variable is Marketing Ethics. The relationship between Relativism, Idealism and Machiavellianism is moderated Religious Faith, which is added as a Moderator. Fig 1 shows the theoretical framework.

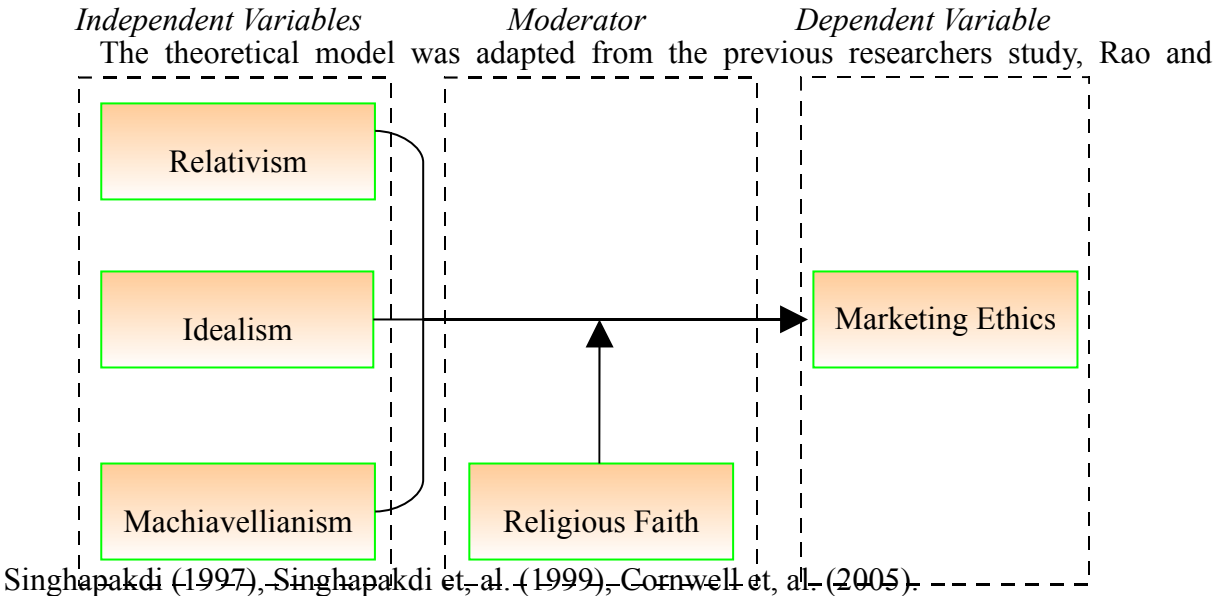


Fig 1. Theoretical Framework

2.4 Hypotheses

As Forsyth (1980) had clarified, Relativism and Idealism are not opposite concepts; rather they are independent concepts of belief. In other words, Idealism focuses on “unselfish” concern for others, whereas Relativism focuses on the best alternatives. Idealism has been found to positively and Relativism has been found to negatively influence the degree of deontological norms and ethical judgement, perceived importance of ethics and social

responsibility (Singhapakdi et al., 1996; Etheredge, 1999), and ethical judgement and behavioural intention (Singhapakdi, et al., 1996, 1999). Relativistic individuals by contrast to idealistic individuals reject the idea of moral universality and have weaker ethical beliefs (Rawwas et al., 1994, 1995, 1998). From the findings of these studies mentioned, we can hypothesize that Idealism and Relativism influence marketers' ethical beliefs in contrasting ways. Hence it is hypothesized that:

H1: Marketers' who score high in idealism will score high in marketing ethics.

H2: Marketers' who score high in relativism will score low in marketing ethics.

H3: Marketers' who score high in Machiavellianism will score low in marketing ethics.

H4: The relationship between marketers' values and their marketing ethics is moderated by their religious faith.

H5: There is no difference in the marketing ethics of marketers of different ethnicity.

2.5 Summary

Moral philosophies can be categorized into two major types, deontological theory and teleological theory which are similar to the concepts of Relativism and Idealism proposed by Forsyth (1980). In many countries like Malaysia, religion is seen as a much more important moral muscle, which has a major impact on professionals' behaviour. Malaysia's population comprises of 3 main ethnic groups namely, Malays, Chinese and Indians; majority of them have their own supreme religions. Professionals related to marketing or sales could be from different religious faith which influences their ethical behaviours and ethical judgements.

Thus, it is hypothesized that religious faith moderates the relationship between marketers' values (Idealism, Relativism and Machiavellianism) and their marketing ethics.

Chapter 3

3.1 Introduction

Previous studies have only used Idealism and Relativism in marketing ethics but very few have considered the role of Machiavellianism and religion, which this study seeks to address. The main objective of this chapter is to explain the research design, variables of measurement, population and sample size the measuring instrument method of data collection and the statistical analysis applied.

3.2 Research Design

The nature of this study is to validate the theoretical model and proposed hypothesis. Therefore, quantitative research design is chosen for descriptive data analyses and hypotheses testing. The type of investigation is a correlation study attempting to explain the relationship between dependent variable (marketing ethics) by 3 independent variables (Relativism, Idealism and Machiavellianism) and the effect of present moderator (religious faith). A survey instrument of self-administered questionnaire is designed to collect primary data for this study.

3.3 Variables

In this study there are 3 independent variables, one dependent variable and one moderator. The variables are listed in Table 3.1. The 3 independent variables are Relativism, Idealism and Machiavellianism and the dependent variable is marketing ethics. The moderating variable is religious faith which is thought to moderate the relationship between dependent and independent variables.

Table 3.1 *Variables used in this study*

Variables	No. of questions
1. Religious Faith	10
2. Relativism	10
3. Idealism	10
4. Machiavellianism	20
5. Variables of Marketing Ethics	
5.1 <i>Small prints</i>	1
5.2 <i>Price differentiation</i>	1
5.3 <i>Giving Bribes</i>	1
5.4 <i>Speaking ill of Competitors</i>	1
5.5 <i>Hidden strings</i>	1
5.6 <i>Disparagement</i>	1