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How Sales Managers Control Unethical Sales Force Behavior

James B. DeConinck

ABSTRACT. Researchers have studied marketing ethics from several perspectives. Few studies, however, have analyzed supervisory reactions to unethical behavior by salespeople. The results of this study using a 2 x 3 factorial design showed that the performance level of the salesperson and the consequences of the salesperson's actions influenced some types of discipline used by a sample of 246 sales managers. The findings both support and contradict prior research on how sales managers respond to unethical sales force behavior.

Introduction

Several studies in organizational behavior have examined the effects of discipline on employees' performance (Barrow, 1976; Beyer and Trice, 1984; Ilgen *et al.*, 1981; Podsakoff, 1982). In an examination of the literature on the use of discipline in organizations Podsakoff (1982) concluded that the subordinate's performance was the most important determinant of the supervisor's use of discipline.

Many of these studies have examined how supervisors use sanctions on employees whose behavior deviates from organizational norms. For example, Mitchell and Wood (1979) found that supervisors used harsher disciplinary actions when poor performance led to serious consequences. Recently research has started to examine how sales managers use discipline to control unethical sales practices (Bellizzi and Hite, 1989; Bellizzi and Norvell, 1991). Prior research has shown that the ethics of top management does influence the behavior of subordinates (Ferrell and Weaver, 1978; Newstrom and Ruch, 1975). Therefore, understanding how management handles unethical behavior is important if unethical behavior is to be decreased in the work place. The purpose of this study is to explore how the salesperson's performance and the consequences of the salesperson's unethical behavior influence both disciplinary reaction and the perceived seriousness of the situation.

Literature review

Researchers have investigated marketing ethics from several perspectives: (1) marketing management (Baumhart, 1961; Newstrom and Ruch, 1975; Chonko and Hunt, 1985); (2) ethical theory development (Ferrell and Gresham, 1985; Hunt and Vitell, 1986); and (3) the ethical behavior of salespeople (Chonko and Burnett, 1983; DeConinck and Good, 1989; Dubinsky 1980; Dubinsky *et al.*, 1985). Each of these areas are discussed below.

Ethics of Business Managers

One of the earliest studies to examine the ethics of business managers was conducted by Baumhart (1961). He surveyed over 1,700 business personnel and found that, although managers were aware of ethical situations in business, they were not in agreement as to what constituted unethical behavior. The respondents did believe that the behavior of superiors influenced unethical behavior.

Newstrom and Ruch (1975) surveyed 121 managers who were participating in an executive development program concerning their ethical beliefs. The results show that lower level managers view top managers as role models. The behavior of top

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management, therefore, does influence the behavior of subordinates. In addition, the responses indicate that managers may be willing to act unethically if the opportunity is available.

Ferrell and Weaver (1978) surveyed 280 members of the American Marketing Association to determine their own ethical beliefs, the perceived ethical beliefs of their peers and top management, and their attitudes toward a corporate policy addressing ethics. The results showed that the managers believed they were more ethical than were their peers and top management. The respondents also indicated that the presence of a corporate policy addressing unethical behavior did not encourage more ethical behavior. The important implication of this study is that managers may have no reason to improve ethical standards if they believe their behavior is more ethical than other employees.

Chonko and Hunt (1985) surveyed 1,076 marketing practitioners concerning ethical issues in marketing. The respondents reported that bribery posed the most difficult ethical problem for them. Fairness to customers, honesty, and pricing problems were other ethical issues that created ethical problems for marketing practitioners. Some marketing managers (41%) stated they had many opportunities to participate in unethical behavior. However, few marketing managers (16%) believed that success was dependent upon compromising one's ethics. An important finding of this study was that the behavior of top management did influence unethical behavior by subordinates. Perceived unethical behavior among workers declined as the reactions of top management to discourage unethical behavior increased. Therefore, how top management reacts to unethical behavior is an important determinant in reducing unethical behavior in marketing.

Ethical theory development

Several researchers have developed theoretical models of marketing ethics. Ferrell and Gresham (1985) developed a contingency model for measuring ethical decision making. In the Ferrell and Gresham model of ethical decision making, an individual's willingness to behave unethically is contingent upon several factors: (1) the individual's values and attitudes; (2) the ethical dilemma confronted by the individual; (3) organizational factors (e.g., the pressure to achieve results); (4) the opportunity to engage in unethical behavior; and (5) the values and attitudes of other people who are members of the individual's social group.

A general theory of marketing ethics was proposed by Hunt and Vitell (1986). Their model attempts to explain how an individual makes a decision when confronted with an ethical problem. The perceived ethical problem, the perceived alternative to solving the ethical problem, and the perceived consequences of the person's behavior are influenced by environmental factors and the individual's personal experiences. These perceptions then influence both deontological evaluations (the individual evaluates the inherent righteousness of a behavior) and teleological evaluation (the consequences of the behavior are evaluated by the individual). Ethical judgments are a function of deontological and teleological evaluations. Ethical judgments influence how a person behaves when confronted with an ethical problem. The consequences of the person's behavior effects how the person responds to an ethical problem in the future.

Ethics of salespeople

While ethics is important in many facts of business, ethics is especially important in personal selling because of the enormous responsibility of the salesperson to the selling and buying organizations. This responsibility is compounded since the sales representative often occupies a comparatively low position within an organization. Further, salespeople often work unsupervised and, therefore, many activities of salepeople go unnoticed by management.

Several studies have examined the ethics of salespeople. One study found that salespeople encounter ethical dilemmas when they try to achieve both short-term sales objectives and long-term customer satisfaction (Dubinsky *et al*., 1980). The results of this study show that a subjective situation such as allowing personality differences in buyers to influence the price and delivery of the product created an ethical dilemma. The salespeople indicated they would like more guidelines from management to address the ethical dilemmas.

Chonko and Burnett (1983) collected data from a group comprised of salespeople, sales managers, and sales support personnel. The purpose of their study was to examine the factors that caused conflict in the sales force. Of the four sources of role conflict studied (i.e., family, job, customer relations, and ethics), ethical conflict created the greatest source of role conflict for all three groups of sales personnel.

Dubinsky and Ingram (1984) examined variables that were correlated with salespeople's ethical conflict. Ethical conflict was measured using ten dilemmas frequently encountered by salespeople. The results showed that salespeople's role conflict and role ambiguity were not significantly related to ethical conflict. Salespeople's length of times in sales, the compensation program, intensity of market competition, and the educational level of the salesperson also were not significantly related to ethical conflict.

Levy and Dubinsky (1983) had retail salespeople evaluate 31 situations that could pose an ethical problem and, therefore, should be addressed by a company policy. These salespeople believed that pressuring customers into making a sale, charging the full price for a sale item without the customer's knowledge, and refusing to accept a returned item from a customer when the salesperson believes the item should be accepted were examples of situations that the retail salespeople thought should be addressed by a company policy. For 13 of the 31 situations, the salespeople stated that a company policy was not needed to address the problem. In 8 of the 13 situations, the company had a policy to address the situation. The importance of this study is that the results do indicate areas where ethical conflicts may occur. In these areas management needs to have a policy to address the ethical situation.

DeConinck and Good (1989) conducted a study to determine if the perceptions of sales managers toward unethical behavior by salespeople varies by the ethical situation. The researchers found that sales managers' perceptions concerning unethical behavior by the sales force did vary by the ethical situation. The sales managers believed that giving money to purchasing agents in order to make a sale was very unethical. The sales managers' responses, however, were mixed in regard to a salesperson getting an opposing salesperson intoxicated in order to obtain important information. An important finding of this study is that the ethical situation influenced the willingness of the sales manager to fire the salesperson. The sales managers were much more willing to fire the salesperson for offering a gift to a purchasing agent than for getting an opposing salesperson intoxicated.

Previous research examining marketing ethics has provided valuable insights into understanding the causes of unethical behavior in marketing. Although prior research has addressed important issues regarding marketing ethics, these studies have not analyzed how managers respond when they encounter unethical behavior by subordinates. An understanding of how managers respond to unethical behavior is important because prior research has shown that the attitudes and behavior of top management toward ethical issues influence the behavior of subordinates. Therefore, if management wants to lessen unethical behavior, then they must respond appropriately when unethical behavior is discovered in the work place. The next part of the literature review will address research examining how disciplinary action affects employee behavior.

Manager's response to employee behavior

Managers can respond to their employee's behavior in three ways: by ignoring the behavior, by disciplining the employee, or by rewarding the employee for the behavior (Whetton and Cameron, 1991). Undesirable outcomes can occur if management fails to correct inappropriate behaviors. Therefore, when an employee is behaving unacceptably (e.g., committing an unethical act), punishment may be the desired supervisory reaction.

Punishment can take two forms (Fredericksen, 1982). First, punishment can be used to discipline an employee for undersirable behavior. For example, the sales manager can give the salesperson a verbal or written reprimand. Punishment may also involve withdrawing something of value from the employee. For example, a sales manager can reduce the salesperson's territory or number of accounts thereby probably reducing the salesperson's earnings.

Several studies have used a laboratory setting to show that the employee's performance level and value to the organization are correlated with how management disciplines the employee. For example, Rosen and Jerdee (1974) examined supervisory reaction to four examples of a rule violation by employees. The researchers used a 2 x 2 factorial design wherein subjects (222 undergraduate business students) were given the task of determining the most appropriate disciplinary action in each case. In each of the examples the rule violation was either mild or severe. The second manipulated variable was mitigating circumstances involved in the case (i.e., the employee was either a low or high performer). In all of the situations harsher disciplinary action was recommended when the employee's behavior resulted in severe consequences. In two of the four situations, the employee's value to the company was a significant predictor for the use of disciplinary action. Employees with creative talent or a higher job status did receive less severe disciplinary action. In other words, "highly valued employees" are disciplined more leniently than are other employees.

Barrow (1976) found that supervisors use a different style of leadership depending upon the performance of the subordinate. Using a laboratory setting, subjects were assigned the role of either a subordinate or a supervisor. The subordinates participated in either a high or low complexity task and their performance was either high or low. The results showed that supervisors were more likely to use a punitive style of leadership when the subordinate's performance was low. A supportive-consideration style of leadership was used as the worker's performance increased. The findings indicate that a leader will use a different style of supervising as the subordinate's performance changes.

Ilgen *et al.* (1981) used an experimental design where the subjects worked on a clerical task and their performance was rated by a supervisor. Two variables were manipulated in the study — the performance level of the subordinate (low or high) and the interdependence of the group members (the supervisor was paid a flat fee or the supervisor could earn additional pay if the subordinates performed well). When the subordinate was perceived as a poor performer rather than as a high performer, the supervisor's feedback was more negative, the supervisor believed that the subordinate's performance was due to luck rather than ability and effort, the supervisor viewed the subordinate as less pleasant to work with than other employees, and the supervisor watched the employee more closely than other employees. The results showed that supervisor's attitudes were significantly effected by the performance of the subordinate. The important implication of this study is that the performance level of the subordinate may bias the supervisor's attitude in future relationships with the employee.

Some studies have conducted field experiments to examine the use of discipline. In a study of supervisors employed by a large retail chain, O'Reilly and Weitz (1980) found that supervisors who applied sanctions more frequently to marginal employees had higher performing units than did supervisors who applied sanctions less frequently to marginal employees. For example, by punishing a marginal employee, other members of the work group realize that consistent, poor performance will not be tolerated. Failure to punish a marginal employee may give the wrong message to other employees.

Beyer and Trice (1984) also conducted a field experiment to examine the use of discipline in supervising "problem-drinking" employees who worked for a large corporation. The results showed that mild forms of discipline (e.g., providing counseling services to the employee) did have a more positive influence on the employee's performance than did more severe forms of punishment (e.g., a written reprimand). In addition, the supervisors were willing to discipline problem-drinking employees because the company had a policy encouraging the use of discipline for dealing with these employees.

The studies discussed to this point have involved employees in nonsales jobs. Two studies analyzed the use of supervisory reaction toward salespeople. Bellizzi and Norvell (1991) found that personal characteristics of salespeople do influence a sales manager's disciplinary action. In their study that involved 888 sales managers, Bellizzi and Norvell used an experimental design wherein three variables were manipulated: (1) the salesperson's sex; (2) the salesperson's weight; and (3) a "problem area" that involved an unethical act by the salesperson.

The results showed that the sales managers were more willing to terminate an overweight salesperson than a "normal weight" salesperson. Also, the sales managers were harsher in their disciplinary action when the salesperson blamed his/her behavior on customers rather than when the salesperson offered no excuse for the unethical behavior.

Bellizzi and Hite (1989) found that, in a sales environment, management was more reluctant to take harsher disciplinary action against top performing salespeople than against poorer performing salespeople for the same unethical behavior. In addition, these researchers found that managers discipline salespeople differently depending upon organizational consequences arising from the inappropriate behavior of the subordinate. Sales managers applied harsher discipline when negative consequences resulted from the actions of the sales representative than when the salesperson's actions resulted in less severe consequences.

The results of prior research have important implications for understanding how sales managers address unethical behavior among their subordinates. Top performing salespeople are instrumental in helping the sales manager achieve his quota. Therefore, the sales manager may be willing to overlook certain wrong behaviors by the best salespeople because of the negative consequences involved with a decision to terminate the top performers. Although upper management expects the sales manager to take disciplinary action against salespeople who behave unethically, they also expect the sales manager to attain a specified level of sales. When faced with this dilemma, sales managers may be reluctant to fire the best performer. In addition, if the salesperson's unethical behavior does not cause negative consequences to the company, management may discipline the salesperson less severely than if negative consequences result from the salesperson's unethical behavior.

Based on the literature review, the following two hypotheses are offered to be tested:

H_1: The supervisory reaction to unethical sales force behavior will be more severe for poorer performers than for top performers.

H_2: The supervisory reaction to unethical sales force behavior will be more severe when a negative consequence arises from the actions of the salesperson than when the consequence to the organization is of a less severe nature.

Methodology

Sample

The questionnaire was mailed to a random sample of 900 sales managers whose names were obtained from a national mailing list of sales managers. Usable questionnaires totaled 246 (27.3 percent). The response rate is comparable to the response rates obtained in similar studies (Hunt *et al*., 1990 — 17%; Hunt *et al*., 1984 — 25.1%; Mayo and Marks, 1990 — 19%). The sales managers were employed in a wide variety of industries and appear to be a representative sample of sales managers. Additionally, the number of sales managers was well-represented in the other demographic categories. The characteristics of the sample are presented in Table I.

Questionnaire

Two vignettes involving unethical selling behavior were used in the survey (see Appendix). Vignettes often have been used to study business ethics (DeConinck and Good, 1989; Fritzsche and Becker, 1983; Hawkins and Cocanougher, 1972; Mayo and Marks, 1990).

In developing the vignettes the authors mailed a request to 100 sales managers asking them to detail instances of unethical behavior they had witnessed in sales. The authors promised confidentiality to all respondents and requested that they not send in their replies on their company's stationary. The request was done to ensure confidentiality. Responses were received from 21 sales managers. The researchers developed four vignettes from the responses. After the scenarios were pretested with a group of undergraduate marketing students, two of the four vignettes were chosen for this study.

The study employed a 2 x 3 factorial design. The research design is based on the work of Bellizzi and Hite (1989). The two factors manipulated in both scenarios were the performance level of the salesperson and the consequences of the salesperson's behavior to the company. In the first manipulation the salesperson was either the best performing salesperson or the poorest performing salesperson. Although performance can be measured as a continuous variable, performance was measured as a

TABLE I
Demographic characteristics of the sample

	Number
Age of the Respondent	
22–34	34
35–44	89
45–54	72
Over 55	40
No response	11
Type of Organization Employed In	
Corporate	143
Wholesale	18
Retail	11
Financial	3
Service	15
Other	45
No response	8
Number of Employees Supervised	
At least 1, but no more than 10	122
Between 11 and 30	63
More than 30	52
No response	9
Company's Sales Volume	
Under $1 million	17
$1 million to $5 million	66
$6 million to $10 million	49
$11 million to $30 million	39
$31 million to $100 million	34
$101 million to $1 billion	21
More than $1 billion	10
No response	10
Respondent Gender	
Male	216
Female	22
No response	8

discrete variable because this study used an experimental design to test the hypotheses. Prior research has consistently measured performance as a discrete variable when a factorial design was used (Barrow, 1976; Bellizzi and Hite, 1989; Bellizzi and Norvell, 1991; Ilgen *et al.*, 1981; O'Reilly and Weitz, 1980).

The second factor was manipulated in three ways. In the first manipulation the behavior of the salesperson had no effect on sales. The behavior of the salesperson in the second manipulation caused the loss of an important account. In the third manipulation the salesperson's behavior caused a very serious consequence wherein a lawsuit has been filed against the salesperson's company.

The subjects were asked to read the scenarios and assume the role of the sales manager and evaluate the behavior of one of their sales representatives based on five disciplinary reactions. The subjects indicated how appropriate each of the five disciplinary reactions were to addressing the unethical situation. The five choices, modified from Bellizzi and Hite (1989), were firing the salesperson, taking no action, giving the salesperson a written reprimand, verbally reprimanding the salesperson, and reducing the salesperson's territory or number of accounts. The choices were measured on a 7-point scale ranging from (1) very inappropriate to (7) very appropriate and served as the dependent variables in this study. The manipulations in the scenario served as the two predictor variables. The results were analyzed using MANOVA.

Two additional statements were included in the survey. The respondents were asked to rate the actions of the salesperson on a 7-point semantic differential scale in regard to how unethical/ethical the salesperson was in the vignettes. The second statement asked the sales managers to rate how right or wrong the behavior of the salesperson was in the vignettes. The two items were used to determine if the subjects perceived an ethical dilemma was present in the vignettes. The respondents perceived the behavior of the salesperson to be both unethical (mean = 2.05) and wrong (mean = 2.09) in the first vignette. Similar results were obtained for the second vignette.

Respondents received vignettes with identical manipulations. For example, if the salesperson in the first scenario was the poorest performer, then the salesperson in the second scenario was the poorest performer. The same procedure was followed for the second manipulation. The results of Chi-square tests and *t*-tests showed no significant differences among the respondents' age, sex, and the company's size in terms of sales volume in the four cells.

Manipulation check

The manipulations of the independent variables should have not been misinterpreted by the subjects since the independent variables were manipulated directly. However, to ensure that the variables were properly manipulated, a manipulation check was conducted. The results of a *t*-test using a group of 118 undergraduate marketing students enrolled in three classes showed that the subjects perceived a difference between the manipulated variables ($p < 0.001$).

Results

The first vignette involved a salesperson using a deceptive sales technique. The salesperson tells the customer that the product's price is 10 percent more than the actual price. He then "discounts" the price by 10 percent, making the customer believe he is getting a lower price. The results for the first vignette appear in Table II.

According to H_1, the supervisory reaction will be more severe for the poorest performer than for the best performer. In the first scenario involving a salesperson using a deceptive sales technique the performance level of the salesperson was a significant predictor for two of the supervisory reactions, firing the salesperson ($p < 0.0001$) and reprimanding the salesperson in writing ($p < 0.0034$).

The consequence of the action was a significant predictor for three of the five supervisory reactions, firing the salesperson ($p < 0.0068$), verbally reprimanding the salesperson ($p < 0.0314$), and reducing the salesperson's territory ($p < 0.01$). As hypothesized, a poor performer was disciplined more severly than the best performer. These results indicate that the sales managers were more likely to take disciplinary action against a poor performer than the best performer and when a negative consequence arises from the action of the salesperson.

The second vignette involved a salesperson taking an order for Christmas toys from a customer. The salesperson promised a delivery date knowing that the products probably could not be shipped by the required date. The salesperson failed to inform the customer that the plant could not ship the toys as scheduled. The toys arrived after most customers had purchased their Christmas presents.

The results for the second scenario appear in Table III. In this scenario, the performance level of the salesperson was a significant predictor for two of the five supervisory reactions, firing the salesperson ($p < 0.0004$) and reprimanding the salesperson in writing ($p < 0.0005$). The consequence of the action was a significant predictor for three of the supervisory reactions, firing the salesperson ($p < 0.0013$), giving the salesperson a written reprimand ($p < 0.0001$), and reducing the salesperson's territory or number of accounts ($p < 0.005$).

TABLE II
Managers' responses for scenario 2 (deceptive sales technique)

	Performance of salesperson			Consequence of the action			
	Top Performer	Worse Performer	p^b	No Consequence	Negative Consequence	Serious Consequence	p^b
Fire the salesperson	3.31	4.43	0.0001	3.65	3.91	4.53	0.0068
Take no action	1.82	1.70	0.4213	1.89	1.73	1.63	0.4619
Written reprimand	5.24	5.92	0.0034	5.37	5.62	5.97	0.0683
Verbal reprimand	5.65	5.40	0.3017	5.88	5.61	5.03	0.0314
Reduce the salesperson's territory	2.34	2.40	0.3985	1.96	2.83	2.39	0.0100
	Wilk's lambda = 0.89583 $p < 0.0003$			Wilk's lambda = 0.81253 $p < 0.0001$			

TABLE III
Managers' responses for scenario 2 (lying to a customer)

	Performance of salesperson			Consequence of the action			
	Top Performer	Worse Performer	p^b	No Consequence	Negative Consequence	Serious Consequence	p^b
Fire the salesperson	2.81	3.62	0.0004	2.83	3.14	3.81	0.0013
Take no action	2.00	1.76	0.2466	1.92	1.97	1.71	0.5342
Written reprimand	4.95	5.66	0.0005	4.62	5.51	5.92	0.0001
Verbal reprimand	5.77	5.50	0.2965	5.59	5.63	5.63	0.9936
Reduce the salesperson's territory	2.29	2.49	0.1372	1.99	2.86	2.37	0.0050
	Wilk's lambda = 0.89337 $p < 0.0002$			Wilk's lambda = 0.82576 $p < 0.0001$			

Discussion

The results do provide evidence that how sales managers use disciplinary reaction to control unethical behavior by salespeople is dependent upon the performance level of the salesperson and the consequences of the salesperson's behavior. The sales managers were more likely to use a verbal warning to discipline the best performer while using a written reprimand for disciplining the poorest performer. In addition, firing the salesperson was considered more appropriate when the salesperson was the poorest performer. However, when the salesperson was the best performer, the sales managers were less likely to recommend firing the employee. This sample of sales managers also recommended firing the salesperson when the consequences of the salesperson's behavior resulted in a serious consequence as opposed to no consequence.

Caution should be observed when interpreting the results, because the sales manager's intended behavior may not be what they would do if they encountered the same situation for real. Several other variables may have influenced the sales managers' responses. First, the sales managers' responses may have been influenced by their style of management. Some managers may be prone to a punitive style of leadership while other managers may be more supportive in their behavior toward subordinates. O'Reilly and Weitz (1980) found that assertive managers were more willing to fire an employee or give a written reprimand. Managers who were more cooperative in their relations with subordinates were less likely to take severe disciplinary action. Future research needs to address if a causal relationship exists between a sale manager's style of leadership and the use of discipline.

Some of the managers' responses may have been based on the lack of a clear, organizational policy addressing unethical behavior in their companies. Without clear guidelines on how to discipline salespeople for unethical behavior, managers may have been reluctant to take certain disciplinary action. Future research should investigate how the presence or lack of a corporate policy addressing unethical behavior influences the use of disciplinary action.

Conclusions

The sales manager must make a decision about what type of disciplinary reaction will control unethical behavior among the sales force. Will a verbal warning be considered a "slap on the hand?" Should a salesperson be terminated for an act of unethical behavior? These are difficult questions that the sales manager needs to address.

Firing a poor performer for unethical behavior (regardless of its consequences) may provide the sales manager the chance to eliminate legitimately an "under-achiever." Firing the best performer for unethical behavior, however, may have some negative and positive consequences for the sales manager. Firing the best performer may impact adversely the sales manager's performance. The sales manager can probably anticipate a temporary decrease in sales for the district. Firing the best salesperson, nevertheless, may send a clear message to other salespeople that unethical behavior will not be tolerated. Whatever decision the sales manager makes will have an important influence on the behavior of the sale force.

Appendix

Scenario 1 (Deceiving Customers)

Larry Bauchman is an industrial sales representative. Larry has been very successful using a certain sales technique. Larry tells his customers that the product's price is 10 percent more than the actual price. He then discounts the price by 10 percent, making customers think they are getting a discount. However, when Larry tried this technique on one of his smaller accounts, he was told to leave and never come back. The company learned from a competing sales representative that Larry was lying about the actual price. Larry is the best (*poorest*) salesperson you supervise. The loss of this account will have a significant effect (*will have no effect*; *has led to a lawsuit being filed against your company which your company will probably lose*) on your district making its quota.

Scenario 2 (Lying to a Customer)

Ken Erickson is employed as a salesperson for a toy manufacturer. Ken accepted an order from a retailing store for the newest toy in your company's product line. The owner of the store told Ken that the order had to be delivered by a certain date to be ready for the Christmas season. Ken made the sale knowing that it would be difficult for the plant to meet the requested shipping date since the plant was operating at capacity. After accepting the order, Ken called the plant manager who told Ken that it would be very difficult to meet the customer's desired shipping date and to inform the customer of this fact. The plant manager said he would try to expedite the order but would make no promises on the shipping date. Ken believed he would lose the sale if he told the customer of this information. Ken had hoped that somehow the plant could move up the shipping date and, therefore, did not tell the customer of this development. Unfortunately, the order was shipped after most consumers had done their Christmas shopping, causing the store to be "stuck" with the toys. The owner of the store says she will never do business with your company again. Ken is the best (*poorest*) salesperson you supervise. The loss of this client will have a significant effect (*will have no effect*; *has led to a lawsuit being filed against your company which your company will probably lose*) on your district making its quota.

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