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Protect and Prevent: Neutralizations and Unethical Sales Behavior

Laura Serviere-Munoz, PhD and Michael L. Mallin, PhD

A realtor’s name is her brand, which is a cue for trust, due diligence, empathy, referrals, and success. A realtor understands she has to maintain her “brand equity” by reinforcing the “assets” that support a positive brand identity, and limiting the “liabilities” that detract from her brand. A liability many salespeople overlook might be *neutralization*, or an excuse used to justify unethical behavior.



Neutralizations are present everywhere, from adolescents who argue “everybody does it” to police officers who display higher loyalties towards “one of their own.” A recent survey conducted by Inman News uncovers that there are many practices that are both questionable and unethical among realtors. More importantly, the survey highlights the fact that attitudes about unethical practices are split, and many realtors see certain unethical practices as “acceptable” (Carter 2011). Neutralizations are relevant in the real estate context so agents and agencies understand how to protect their brand and prevent unethical sales behavior.

What Are Neutralizations?

Neutralizations are the excuses employed when someone engages in questionable practices or behavior. Neutralizations are used because of the power they have to mute or block any guilt, shame, or discomfort that one could experience when exhibiting unethical behavior. Originally introduced in 1957 by Sykes and Matza, neutralizations have become one of the leading theories used to explain and address deviant activity. People typically use neutralizations to deflect guilt or shame by denying anyone got hurt by a behavior, shifting blame to another party, or even denying wrongdoing occurred. People can turn to neutralizations to justify activity before or after it occurs, although most research suggests people usually turn to neutralizations to rationalize behavior before acting.

There are five general neutralization techniques that can be used to justify one’s actions:

<u>Neutralization</u>	<u>Definition</u>	<u>Example</u>
1. Denial of Responsibility	Individuals negate personal responsibility	<i>“It was not my fault”</i>
2. Denial of Injury	Individuals deny that any injury or harm was caused as a result of their actions	<i>“No one got hurt”</i>

<p>3. Denial of Victim</p>	<p>Individuals accept personal responsibility for the behavior but feel it is acceptable to engage in certain practices because the “victim” deserved the injury</p>	<p>“He had it coming”</p>
<p>4. Condemning the Condemners</p>	<p>Individuals repress the wrongfulness of their acts by blaming those who critique or disapprove of their actions</p>	<p>“Who are you to judge me? I know you do worse things than I do”</p>
<p>5. Appeal to Higher Loyalties</p>	<p>Individuals tend to explain that they did not act unethically for themselves, but for a higher purpose (such as family or an organization)</p>	<p>“I had to do it. I have my family to think about”</p>

Source: (Sykes and Matza 1957)

When Do Neutralizations Happen In Sales?

Our research explores three areas to determine whether salespeople employ neutralizations, and if so, which neutralization techniques are employed. Our study looks at three sales behaviors: *sales promoting behaviors*, *customer relationship-building and maintenance behaviors*, and *behaviors towards the sales organization*. In the real estate context, these sales behaviors might take shape when entertaining clients or documenting travel expenditures (*sales promoting*), seeking out new clients and maintaining relationships after a sale (*customer relationship-building and maintenance*), and building the real estate office’s visibility by assisting other agents with open houses (*behaviors towards the sales organization*).

By using a cross-industry sample of sales professionals (n=157), the results show that when neutralizations are employed, an individual’s ethical judgment and ethical intention may become incongruent; that is, salespeople acknowledge their behavior is wrong yet they continue to behave questionably.



First, *denying injury occurred*, salespeople may believe that no negative outcomes occur as a result of their actions, and might perceive their behavior as “part of doing business.” This neutralization might also be employed due to of the nature of the job and industry competitiveness or as salespeople deal with role conflict or job stress. For example, salespeople might attempt to justify not following policies or turning-in inaccurate expense reports because they feel time pressured to engage in selling behaviors.

The second most prevalent neutralization, *appealing to higher loyalties*, was present when salespeople engaged in sales promoting and customer relationship-building and maintenance

behaviors. Salespeople put their families, organization, or personal interests first and justify unethical behaviors based on their loyalty. For example, a listing agent might mention to potential buyers that a home “has offers pending” when none actually exist to make sure she earns enough money to support her family that month.

Our study found that a third technique - *denial of responsibility* - was also common. Different than the other two neutralizations, though, salespeople who employ *denial of responsibility* alter their overall ethical judgment and ethical intention; that is, when a salesperson denies responsibility for his unethical actions, he might not experience any remorse or conflict since his ethical judgment and intention are so greatly impacted.

Protect Yourself from Ethical Dilemmas

It is clear that marketplace demands have the potential to make salespeople engage in neutralizations to mask unethical behavior. *So how does a real estate sales professional protect himself and/or his sales team?*

Here are some principles to apply in your personal and professional practice:

- 1. Do not let it happen.** Yes, it sounds very straightforward, yet most of the attacks that an individual’s brand suffers are self-inflicted. Try to objectively observe your behavior and assess whether you are engaging in any of the five neutralization techniques.
- 2. Admit it and fix it.** If you discover you are employing neutralizations, do not point fingers. Rather, take responsibility for your actions and address them. To fix behaviors in your real estate practice, consider scheduling training sessions so your entire team can identify and understand unethical behaviors and the resulting implications. Allow training to be interactive and non-judgmental, where everyone’s participation is valued. Make your team members active participants in finding ways to prevent neutralizations from masking questionable behavior.
- 3. Do not allow top performers to succumb to neutralizations.** If an individual is performing well, her sales record may overshadow the fact that she might be engaging in questionable behavior, such as failing to follow company policies. If an individual is generating profits by justifying unethical actions, then the individual’s real value to the organization should be questioned.
- 4. Establish clear consequences.** Make it clear to your sales team that unethical behavior and practices are unacceptable, and may result in dismissal from the role.
- 5. Live your brand.** Your brand represents you, your family, and everything that you have built personally and professionally. Actively promote ethical sales behavior where excuses and neutralizations are not tolerated.

- 6. Create an anonymous reporting mechanism.** To help team members self-manage questionable behavior, you must empower employees to safely and anonymously report unethical behavior. An anonymous comment box or an ombudsman may help your team feel more comfortable with presenting questionable activity to management.

Conclusion

For real estate professionals, neutralizations are of great relevance. A sales role presents challenges and pressures that may sometimes cloud good ethical judgment. Given the knowledge of neutralizations and the principles presented, real estate brokers and agents can begin to develop the awareness and strategies necessary to prevent neutralization from tarnishing one of their most important assets – their brand.

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Laura Serviere-Munoz received her PhD in Business Administration - Marketing from the University of Texas-Pan American and is currently serving as an Assistant Professor of Marketing at the University of Dallas. Her area of research includes Professional Selling and Sales Management, Entrepreneurship, and Consumer Behavior. She has published over 15 refereed publications, one of them in the *Journal of Personal Selling and Sales Management* (a top 20 marketing journal). She also has over 20 papers accepted at numerous conferences, including the American Marketing Association (AMA), the Association of Consumer Research (ACR), the Academy of Marketing Science (AMS), and the National Conference of Sales Management. Furthermore, she has presented three times in the National Conference of Sales Management as part of the Best Teaching Practices sessions and is an active reviewer for national conferences. She has received awards for her student support and research activities. In

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