

Moral change and the purchase-sale relationship: Critical analysis of Swiss and German companies

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ABSTRACT

This study examines the awareness and causes of moral change from the economic perspective in Germany and Switzerland. Based on an analysis of value research to date and interviews with experts in B2B sales, the manifestations of moral change are critically examined and recommendations for action are derived on an employee-specific and company-wide level.

Keywords: Moral change, purchase, B2B-sales, negotiation, Germany, Switzerland

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1. Introduction

Current research on changing values adequately covers the phenomenon across society as a whole. However, it hardly allows any conclusions to be drawn about how a change in values will bring about a change in morals in the longer term, which is on a metaphysically subsequent but superordinate level. The following research question was addressed to determine to what extent morals are declining in B2B business and which factors inhibit or promote this:

What factors promote or inhibit moral decay in B2B business from the viewpoint of sales staff and what strategies do they develop to cope with it?

An analysis of the literature on the subject of value research and changes in values was first carried out before the concrete factors could be dealt with in more detail.

Ronald Inglehart made the first prominent breakthrough in the field of value research with his observation of Western states in the late 1960s. Inglehart observed that economically

prosperous countries evolve from a materialistic to a post-materialistic society. Inglehart cites a deficiency hypothesis based on Maslow's hierarchy of needs as a reason for this. A society first aligns itself with materialistic secondary goals before dedicating itself to the gratification of post-materialistic primary goals (Leichleiter, 2016).

Like Inglehart, Elisabeth Noelle-Neumann also points to an increase in values of self-realization. In contrast to Inglehart, she does not rate the change positively; rather, she sees more of a parallel with a self-centered society (Leichleiter, 2016).

Further, Helmut Klage builds his theory of changing values on the conclusions of Inglehart. He agrees with them

insofar as the structures of society largely determine the changes in values. However, political, media-related, historical, and religious situations also play an important role for Klage, whereas Inglehart only uses economic factors as reasons for the changes in values. In addition, Klage also discusses the possibility of coexistence of different, contradictory orientations of values. Ernst Oldemeyer adds to Klage's theory that the dissatisfaction of individuals can cause a change in values, namely when proven problem-solving strategies can no longer be applied successfully. According to Oldemeyer, the development of new solution strategies is also accompanied by changes in value orientation (Leichleiter 2016).

2. Methodology

To close the aforementioned research gap, an empirical study was conducted in the form of interviews with experts in Germany and Switzerland.

Demographic Background of the Sample

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| <ol style="list-style-type: none"> 1. Number of participants (n) = 33 2. Region <ul style="list-style-type: none"> • Germany (19) • Switzerland (14) 3. Respondents' position <ul style="list-style-type: none"> • Managing director (n = 23) • Sales manager (n = 8) • Key account manager (n = 2) 4. Professional experience <ul style="list-style-type: none"> • 11–20 years (n = 11) • 21–30 years (n = 18) • 31–40 years (n = 4) 5. Company size <ul style="list-style-type: none"> • Large (n = 12) • Medium (n = 12) • Small (n = 5) • Not specified (n = 4) | <ol style="list-style-type: none"> 6. Industry <ul style="list-style-type: none"> • Automobile industry (n = 2) • Construction industry (n = 3) • Lighting technology (n = 1) • Consulting (n = 4) • Service industry (n = 5) • Creative industry (n = 2) • Wholesale (n = 2) • Consumer goods (n = 1) • Food industry (n = 3) • Metal and mechanical engineering (n = 3) • Medical technology (n = 1) • Conglomerates (n = 4) • Contract furnishing (n = 1) • Sanitary engineering (n = 1) |
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The study is characterized by a partially standardized guide with a narrative-biographical character. People who currently work in sales and have several years of professional experience in this area were surveyed. One of the main professional tasks of sales staff is conducting negotiations, which involves the use of functional, contextual, and interpretive knowledge (Kaiser, 2021). The method of qualitative content analysis according to Gläser and Laudl, is based on Mayring (Pehl, 2021) to draw comparisons during the later evaluation of the expert interviews.

3. Results

To answer the research question of this study, the information obtained from the interviews is presented below in a systematic manner.

When asked which values are particularly important for sales staff in B2B business, respect, appreciation, fairness, reliability, and mutual trust were most frequently mentioned. A change in the status quo manifesting as a reduction in the occurrence of these values in communication and handling in B2B business was consequently assessed as the basis for a moral

decline. The interviews revealed that all experts agree on the existence of moral change. Nevertheless, their opinions sometimes differ significantly as to what extent this should be viewed negatively as a decline in morals or positively as an appreciation of morals. The modes of manifestation that are associated with a general decline in morals before presenting elements that can be understood as an appreciation of morals are discussed below.

According to various experts, the way negotiations are conducted and the extent to which agreements are honored to have changed significantly. Negotiating situations are sometimes purposefully designed to be immoral so that the other party feels uncomfortable. They very often must wait in unlit rooms. In the German automotive industry, in particular, immoral negotiations with suppliers are not uncommon. Some elements that can be associated with unfair competition were also highlighted as immoral. The increase in the deliberate spreading of misinformation is a sign of unfair competition in many areas of the economy. This includes the manipulative dissemination of false information that helps specific parties put themselves in better-negotiating positions.

However, the direct relationship, mostly but not exclusively between key accounts and their suppliers, is most frequently classified as immoral. This includes failing to meet payment targets promptly or not meeting them at all.

“The customer does not honor an existing contract and says they are welcome to use; their legal department currently has a lot of time to spare.” (Managing Director in the service industry)

In addition to the aforementioned elements, which point to a general decline in morals, observations were also made that The results are summarized in figure 1:

can be understood as an appreciation of morals. In this context, the reduction of incorrect claims was primarily addressed. Incorrect claims, which go hand in hand with phenomena such as nepotism and corruption, have become much rarer. The same phenomenon has similarly been observed with immoral behavior such as sexism and alcoholism. Overall, there has been an increase in professionalism. The explicit expression of gratitude in trade relations was also established for the first time.

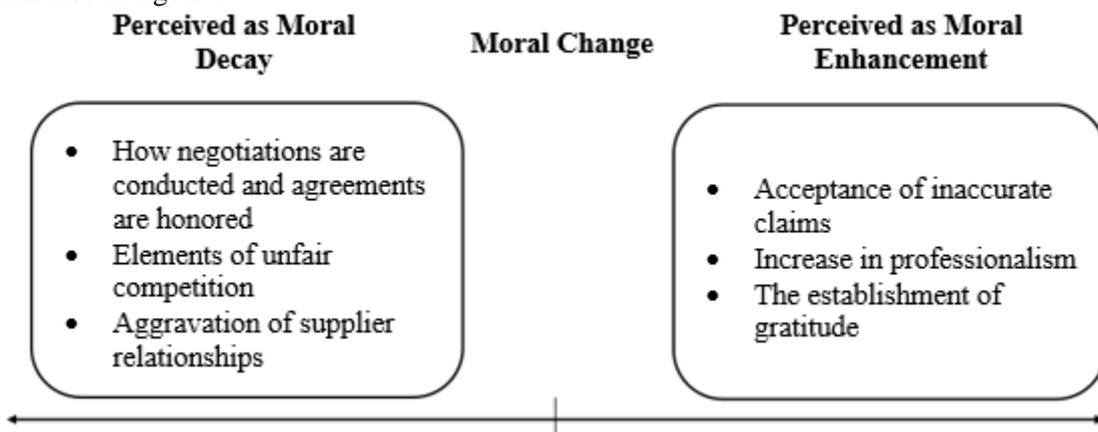


Figure 1: Modes of Manifestation of Moral Change

After presenting how moral change manifests itself, this study examines what causes a change in morals in more detail. These can be subdivided into “internal and/or negotiation situational factors” and “external and/or environmental factors” and can either promote or inhibit moral decay. At the beginning of the study, factors that cause a change in morals were defined as internal or negotiation situational factors, which stem from the individual relationship between different parties and act as a respective microsystem on a change in morals in society. Overall, two factors have been identified as having the greatest influence on moral change: power structures and partnerships.

When examining the effects of the respective power structure within relationships on moral decay, it was observed that there were differences of opinion among the experts on the extent to which the power structure in B2B business particularly burdens one side. The individual status of the partnership between buyers and sellers was identified as a further, internal, negotiating situation factor that can cause a change in morals. It can be said that both the power structure underlying an individual relationship

and the long-term nature of a partnership can affect the manifestation of morals.

In addition to the internal or situational factors, there are external/environmental factors that promote or inhibit moral decay. External/environmental factors are those that result from the environment of the buyer or the company and which the company cannot or can hardly influence. All in all, three factors that promote moral decay can be identified from the interviews:

1. *Digitization:* The COVID-19 pandemic in particular has given digitization a further growth spurt leading to its increased presence in communication. Many of the participating experts viewed this as a catalyst for immoral behavior.

2. *Company size:* It was found that many experts tend to see moral decay in larger companies/groups rather than in medium-sized companies.

3. *Competitive pressure:* The greater the external pressures that a company is subjected to, the greater the likelihood of unethical behavior. In highly competitive industries, in which people often must work with narrow margins, there is an increased risk that companies or buyers will act immorally.

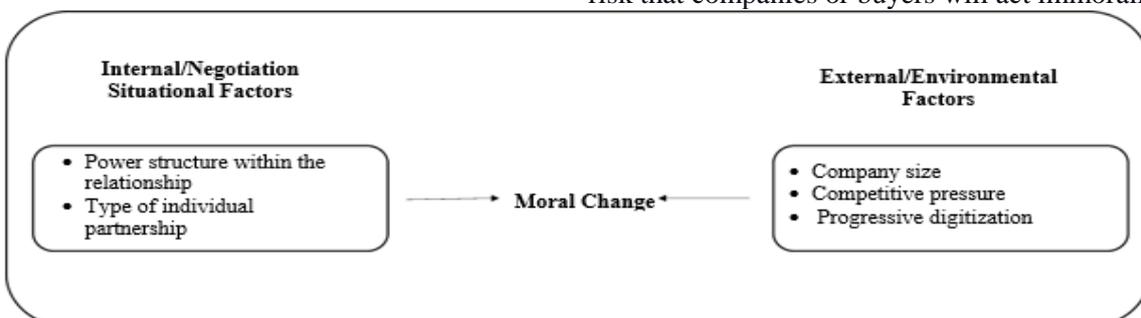


Figure 2: Causes of Moral Change

Source: Created by the author

4. Discussion

In this section, the findings of the empirical study are interpreted and classified about current research. The aim is to answer the research question.

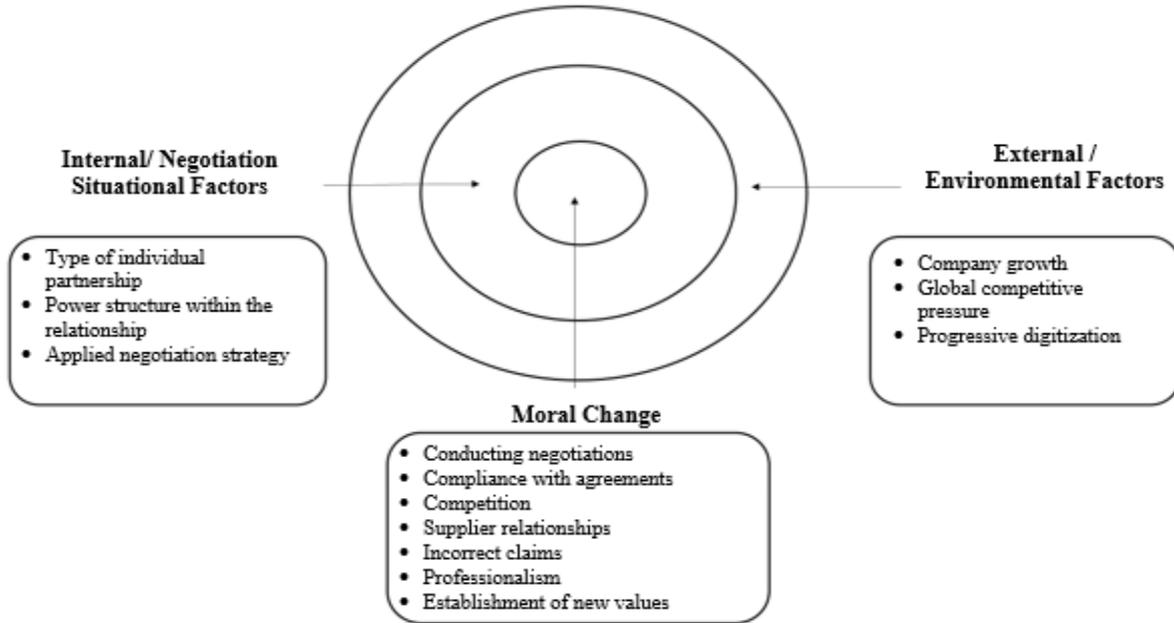


Figure 3: Moral Change and the Factors Affecting It

Source: Created by the author

The question of how the culture of values has changed can only be answered based on indicators. The frequent occurrence of immorality described by the sales personnel allows for the conclusion that values are neglected. Development expert Doris Dull (2022) raised the question “Does Germany need a different culture of conduct?” Organizational companies are being warned that language and tone in their own company shape corporate culture and leave a social footprint. The increasing writing of agreements indicates a decrease in the value of trust. The analysis of the Swiss and German markets is interesting in this respect:

“That is how much one’s word is worth in Switzerland. The behavior and relationship between the customer and supplier are much more human, more understanding, more pleasant.” (Managing Director in the service industry)

At the same time, companies are increasingly emphasizing their values in so-called corporate social responsibility statements. There have also been reports of a reduction in nepotism, corruption, sexism, and gaffes in general, as well as an increase in the importance of compliance.

Thus, it can be argued that, according to the experts, there is a change in morals. However, to what extent morals have developed for good or bad seems to be a more subjective question. Irrespective of this, clear internal and negotiation situational factors that promote or inhibit a change in morals can be determined.

In this context, the two factors “power structure within the relationship” and “type of individual partnership” could be identified. In addition to external factors, the power structure also depends on the personality and the situation of the buyer in the company. If the buyer feels pressured by the company, they may

try to meet their need for personal security by using immoral negotiation methods. The perceived power structure also depends on how important the seller’s company is to the buyer’s company. If there is no dependency here, buyers may be more inclined to take advantage of the seller to secure the lowest price. The nature of the individual partnership is influenced by the buyer’s negotiation strategy. Long-term partnerships tend to use “soft” negotiation tactics and one-off deals tend to use “harder” ones. These are sometimes perceived as immoral by the sales staff. In long-term partnerships, however, these are used less frequently. Therefore, it can be said that long-term partnerships create trust and security. Such partnerships can therefore inhibit moral decay in the B2B business.

Digitization, company size, and competitive pressure were identified as external factors that can promote moral decay. Digitization was identified as a factor by a clear majority of the experts. However, an interpretation of this should be viewed with caution as it is a recent phenomenon accelerated by the COVID-19 pandemic.

There are currently two possible explanations. As Kreggenfeld (2021) and Preußner (2021) describe, digital and real communication differ significantly from each other. For example, informal parts of a conversation or body language are largely or completely omitted. This is followed by a shift from the personal to the factual level, which is accompanied by greater anonymity. A second possible explanation would be the current lack of digital competence. The company size factor can be interpreted such that large companies usually have more power and are therefore more inclined to exploit it. This is part of everyday business and is ethically justifiable as long as it remains compatible with the model of an honorable businessman.

The competitive pressure factor can be explained by the logic of human nature. In extreme or pressured situations, people often act differently and sometimes more irrationally than they normally would.

Strategies and Recommendations to Deal with Moral Decay

Strategies and recommendations for dealing with moral decay were derived from current research and expert interviews.

It must be noted that a distinction was made between avoiding potentially immoral behavior on the part of the negotiating partner and the specific procedure in the event of being affected. Based on this, prevention and coping strategies could be implemented, which serve as guidelines for employees and managing directors.

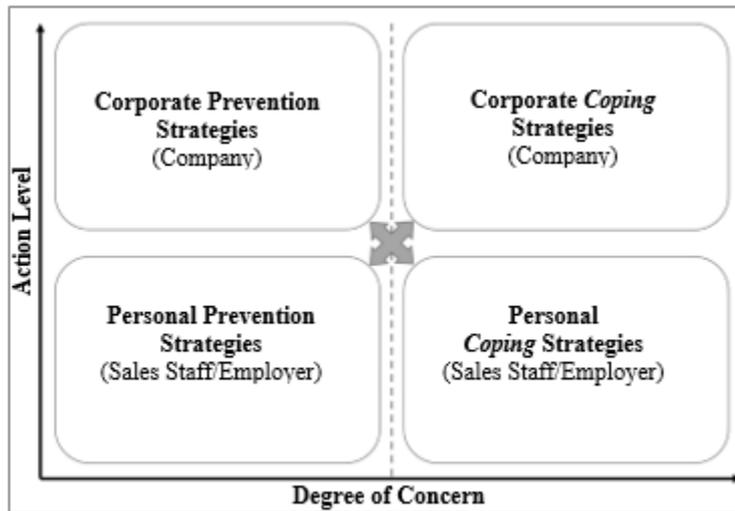


Figure 4: Prevention and Coping Strategies

A personal prevention strategy can be used by every employee and managing director in the company. On a personal level, it involves such factors as treating each other with respect, impartiality, and fairness. In addition, there is generally good preparation for a negotiation. Accordingly, the authors suggest attending specific politeness and communication training courses and studying the negotiating partners closely about their habits, practices, and interests.

Companies can also use prevention strategies to counteract immoral behavior. However, the strategies for this differ from sector to sector. Nevertheless, the actual tactics should be reconsidered. Offers should only be obtained if there is actual interest. Furthermore, it is advisable not to become dependent on one or a few key accounts. In this respect, it is important to build a good reputation as a company and to offer individually combinable products. The risk of a defaulting customer about the monetary fulfillment of the contract can be counteracted by a positive leap of faith. This causes a leverage effect, which also allows the customer to act with confidence.

In addition, coping strategies are of particular importance. First, it is important to ask the other person to be on an equal footing, that is, to restore balance by clearly showing boundaries.

“As is often the case, fear is the wrong adviser. The willingness to forego such a business relationship, in extreme cases, must be supported by all levels. The trust that this requires must be earned.” (Managing Director in the consulting industry)

It is therefore important not to get involved in immoral behavior, but to actively address grievances and insist on their elimination. The sales employee’s intuitive feeling for the situation is also required to decide at which point the business relationship with a specific buyer or customer should be

unilaterally terminated. It is also certain that the better sales staff know their customers, their processes, strategies, and numbers, the more effectively and purposefully they can defend themselves against immorality, and any imbalance can be rectified.

Finally, there are two smaller coping strategies at the company level. Depending on the industry and the number of competitors, it can be helpful to organize with them interest groups to stabilize the power imbalance between individual companies and large corporations. Many of the above recommendations for personal action can also be institutionalized at the corporate level, for example, through codes of conduct, training, or role models for managers.

Conclusion

A change in morals, including moral decline, is increasing in the customer–supplier relationship in certain areas, but by no means manifests itself across sectors. It is identifiable that generally accepted, traditional conventions are disappearing from the B2B business.

The main reason for a perceived moral decay can be the varying degrees of power distribution of the actors involved (e.g., in the automotive supplier industry). Large companies are more likely to use it to their advantage when dealing with medium-sized companies. Meanwhile, companies with strong brands do not see any changes in the way they deal with their customers, as they have developed a strong market position. What is interesting in this context is the indicated distinction between German and Swiss markets. The principles of the honorable businessman seem to be enforced regardless of the power imbalance in Switzerland.

A key finding of this work is the relevance of stable partnerships. These can have an inhibiting effect on immoral behavior and even bring about mutual advantages in times of crisis. For new customers, the experts emphasize extensive documentation and contractual bases. In particular, new business

relationships are primarily pecuniarily focused and impersonal, and the trend toward customer loyalty is declining.

In addition, the prevention and coping strategies demonstrate that communication in negotiations has a decisive influence on the success or failure of the business relationship, whether short- or long-term. Targeted training on the sales and purchasing side and more intensive maintenance of customer and cooperation partner files using digital tools can sustainably support the negotiation climate and the development of successful business relationships.

From the results of the study, one can indirectly derive a call for a new culture of respectful coexistence. Even if there was disagreement among the study participants regarding a perceived decline in morals, they all point to a perceived change in morals as a result of the social developments of modernity. This shapes corporate culture, which influences motivation, health, and, in particular, the loyalty of employees to a company. This raises the question of who can allow themselves to be subjectively associated with immoral behavior in the face of increasingly fierce competition for qualified employees.

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