

An Ethical Analysis of a Conflict in Seller-Buyer Relationship in the Marketplace: An Aristotelian Perspective

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Abstract

The overlapping concerns of business and professions are increasingly becoming commonplace because more and more business considerations pertaining to for-profit are entering into the working of professionals and professional organizations. Earlier business considerations in the practice of professions were confined to, for example, engineering and media organizations but with the passage of time such considerations have also entered into the provision of certain medical facilities and educational institutions. With the result, the possibilities of ethical conflicts in the working of businesses and professional organizations are not only on the rise but appearing to be more and more a cause for problem-situations. The reason being the primary ethical obligation in business is owed to the owner or the shareholders whereas in professional organizations such an ethical obligation is owed to the client or the community. The difference in primary ethical obligations leads to various possibilities of ethical conflicts.

One of various ethical conflicts may arise in the relation between a professional salesperson and the buyer in the marketplace. The ethical conflict in the relation may arise particularly when the professional salesperson is well expected to share the required information about the product or service and provide an expert advice to the client or the buyer but at the same time he may be unsure about the extent of information and the manner of advice that he ought to provide to the buyer. I state and analyze the possibility and nature of such an ethical conflict in the working of professional salesperson in the course of professional-client or seller-buyer relationship from a philosophical perspective that is to say from an Aristotelian virtue-theoretic approach. I argue and suggest that the salesperson may overcome such an ethical conflict by way of adopting a virtue-centric moderate approach in the disclosure of information and in the manner of giving an advice to the buyer.

Keywords

Business, Professions, Ethical conflicts, Seller-buyer Relationship, Aristotelian Virtue-theoretic approach.

1. Introductory Remarks

Historically speaking, business as an activity of buying and selling goods or services has come into existence much before profession, which pertains to acquiring and providing an expert advice rather than things that is vital to the organized functioning of a society. (Bayles, 2003, p. 57) Business as an activity has traditionally appeared in the exchange of goods or services for profit. And the profession as a practice of giving an expert advice, to begin with, in the field of medicine or law, had started in an informal way and that too by learning about such a practice under the guidance of an experienced professional. With the passage of time, business has turned out to be a complex set of activities in providing goods or services that are centered on making more and more money even though government approved regulations at national and international level of such a complex set of business activities regularly keep track of truth and fairness in the exchange of goods or services.

Correspondingly, profession, medicine or law for example, appears to be distinct and advanced than a mere occupation. The reason being every profession is an occupation but not the other way round because profession as of today involves intellectually dominant extensive training with an orientation to provide an important service in a society. The credibility of extensive training is increasingly being judged by way of certificates, diplomas, degrees that happen to convey approvals and assessments of professionals and government and non-government agencies in the field. Moreover, a professional during the course of practice gets to learn about the objectives of his or her profession, for an example, during the practice of law a lawyer should be using his acquired expertise to make use of law and facts but not at the cost of speaking the truth in the court of law. And alongside, he gets to realize that to achieve such an objective he should retain his or her autonomy particularly in the delivery of an expert advice to the client. (Ibid.)

In view of the above, I shall inquire into the overlapping concerns of business and professions to understand the nature and resolution of an ethical conflict in seller-buyer relationship. I propose to look for the resolution of an ethical conflict in virtue-centric approach of a business professional particularly when he as a professional sales person interacts with his client as a buyer.

2. Assessing Overlapping Concerns of Business and Professions

Over a period of time, it has been observed that business and professions have come close in their areas of operations. In fact, there has been a professionalization of businesses on the one hand and an increasing business orientation in the practice of professions on the other. It is no longer possible to run businesses in a simplistic fashion as it requires the professional training to understand and manage complex business activities particularly in the areas of, just to name the two, human resource management and marketing. The professions on the other side have undergone the change into running as businesses as for instance engineering and media and in the ever expanding list of such changes in professions health and education have also joined and being run as businesses in many parts of the world. (Rowan and Zinaich, 2003, pp. 166-167)

With the result, we get to see many overlapping concerns of business and professions. The concern of hiring a person in the running of an automobile company for instance brings in the need to look for a person who has acquired intellectually dominant extensive training in the relevant field. If the field is electrical engineering then the person has to have some specialized knowledge and skill in the area and if the field is sales then accordingly the person has to have some professional training in the field of sales.

In a similar vein, a professional is well expected to learn the business skills in order to work as an employee in a business company. He has to learn to appreciate the need to generate profits, which is the primary concern of running a business even though providing goods or services happens to be in the forefront as the medium of generating profits. It may be noted in this regard that a professional may directly acquire business oriented extensive training, for example, in human resource management

or in marketing and be accordingly given the work assignment in the job. Or else, a professional may work in a hospital or educational institute as a doctor or as a faculty and still he may additionally be given some professional responsibility of administration in human resource management or marketing, for example, periodic assessment of employees for promotion or admission of new students. (Bayles, 2003, pp. 58-59)

3. Enumerating Possibilities of Ethical Conflicts in Business and Professions

In this scenario of overlapping concerns of business and professions the possibilities of ethical conflicts can always arise. The possibilities of ethical conflicts emerge from different sets of ethical obligations of business and professions. In case of business, it is well understood that the ethical obligations of all those who are involved in the business activities are owed to shareholders or owners. And in the practice of professions, the ethical obligations of professionals are owed to clients and community. This is one significant difference in the sets of ethical obligations, which brings to the fore the possibilities of ethical conflicts in the working of professionals in business organizations.

It is immaterial whether a professional is working as a professional sales person as a matter of primary work assignment in a business company or else he is employed as a doctor in a hospital, which is a for-profit business concern and in the hospital he is additionally given the work assignment of promoting the image and working of a hospital. The reason being, if at all one experiences a moral conflict in a given situation, for example, the conflict in sharing of information in a problem situation of seller and buyer, the nature of moral conflict or the experience of moral conflict will remain the same. Since, it is clear that either the professional in a given problem situation is engaged in the role of a seller as a matter of primary work assignment or he is engaged as a seller that happens to be an additional work assignment for him. The fact of the matter remains that he is in the problem situation as a seller.

The point of conflict that comes to the fore is that a person involved in any typical business activity as for instance selling an insurance policy or a music amplifier predictably looks after the profit margins of

shareholders or the owner in the company and on the other hand as a professional he is well expected to look after the welfare of his clients or community in general.

4. Understanding Seller-Buyer Relationship

There are a lot many business activities that go into the making of successful market transaction of goods and services in exchange for money. It goes without saying that marketing of goods and services is central to a whole lot of business activities because “marketing broadly conceived includes making decisions about what products or services to put on the market, who are the potential customers for these goods, how to reach the target markets and induce them to buy, how the price the product or service to make it attractive to these customers, and how to deliver the goods physically to the ultimate consumers.” (Boatright, Smith and Patra, 2018, p. 280) The marketing-oriented business activities thus are spread over critical areas of business namely, product, price, promotion and placement. Some thinkers even go to the extent of maintaining that marketing begins right at the stage of conceptualization of product itself.

This implies that the fundamental importance of marketing in a business company puts forth many key areas of successful market transaction of goods and services. The two parties in the market transaction that is to say the seller and the buyer enter into this temporarily established relation in the hope that both will be gaining something of value and the exchange is dependent upon not only the hope for value but also upon the readiness to opt for either product or money that one happens to assigns more value in the given context. A seller opts for money and a buyer opts for a music amplifier, for example. Both happen to accept the deal and the market transaction successfully takes place.

However, the market transaction in a simple exchange of product and money as mentioned above depends upon not only economic considerations but ethical considerations as well. Some of these ethical considerations assume the scale of relationship that may hold between a seller and a buyer. One extreme side of the scale of seller-buyer relationship may speak about one of traditional doctrines in business practices – “let the buyer beware – caveat emptor.” It states that the buyer has to be on the guard that is to say he should be well-informed about the

product before he enters into the seller-buyer relation to buy. The buyer is under an obligation to know about details of the product and he should also know that the seller may not inform him adequately about the product or may even try to mislead him. (Boatright, Smith and Patra, 2018, p. 281) This sort of business practice works fine so long as both the seller and the buyer are well aware of the rules of this practice and both freely enter into the seller-buyer relationship. (Ebejer and Morden, 2003, p. 181)

The other extreme side of the scale of seller-buyer relationship brings to the fore another traditional doctrine in business practices – “let the seller beware – caveat venditor.” Under this doctrine, the seller is under an obligation to share the information with the buyer about the product. Such an obligation assumes significance particularly when it is well assumed that the seller has better access to the information and the expertise about the product than the buyer himself. And it is also true that the seller can acquire this information at a cheaper cost than the buyer. (Boatright, Smith and Patra, 2018, p. 281) “Let the seller beware – caveat venditor” is basically conceived of on the basis of government paternalism.

This doctrine informally weighs in the virtues of seller paternalism, which are based on the protective stance of the seller. Herein, the seller because of his superior knowledge about the product plays a protective role and keeps in mind the well-being of the buyer. He happens to safeguard the interests of the buyer during the transaction. He doesn't even allow the buyer to buy some product if he happens to perceive that the buyer is making a wrong choice in the given context. He infringes upon the buyer's liberty of choice for the sake of buyer himself. (Ibid.) As for instance, a seller refuses to sell a music amplifier in his shop to a buyer despite the fact that he is willing to buy it because he notices a fault in the music amplifier. He asks him to come back to his shop after a week to buy the music amplifier of the same company or else he may go to other shop in the market to buy the same product. This instance of seller's behavior falls in the category of seller paternalism.

It has been observed that these two extremes in the scale of seller-buyer relationship always remain in the viewpoint of a market transaction. The seller or the buyer though in real business practices may not be interacting in such a way that they touch upon the extreme point of scale either in the stance “let the buyer beware” or in the stance “let the seller

beware.” Because, in real world, both the seller and the buyer have good economic reasons to either become informed in case of a buyer or to provide information as a seller about the product. (Boatright, Smith and Patra, 2018, p. 281)

Alongside this seller-buyer perspective, some thinkers argue for a buyer-initiated approach in place of a seller-initiated approach because “by handing over the power of information revelation to the customer, the firm ensures that she will inquire about the product's features in a way to ensure that it is of high quality. High-quality solutions are, of course, better for the customer as well.” (Bhardwaj et al., 2008, p. 1105) And in the course of discussion pertaining to conflict management strategies in seller-buyer relationship Bradford and Weitz contend that “...conflict management approaches signal the salesperson’s consideration of the buyer’s needs and a willingness to consider those needs in resolving conflicts. Further, the use of these approaches indicates a willingness to work together and a respect for the buyer's perspective. By accentuating the buyer's perspective and allowing business to progress in a manner consistent with the goals of the buyer, the use of these approaches can divert concerns away from the interpersonal incompatibility.” (2009, p. 28)

The point of contention is to look for an ethically agreeable point of acceptance in this broad scale of seller-buyer relationship. I wish to maintain that an ethically agreeable point of acceptance will help both the seller and the buyer to overcome an ethical conflict in the transaction of goods and services for profit. We may, I propose, go in the direction of an ethically agreeable point of acceptance by way of identifying an example of an ethical conflict in the seller-buyer relationship and arguing for ethically justifiable ways and means to overcome such an ethical conflict.

5. Identifying an Ethical Conflict in Seller-Buyer Relationship

It has been observed that the conservative professional considered seller paternalism that runs even at the cost of depriving the buyer his liberty of choice his justified stance keeping in view his superior knowledge in the given situation. A doctor for instance thought that it is his prerogative

to decide whether the patient's appendix needs to be removed. But modern professional practices acknowledge the importance of patient's informed consent.

The modern viewpoint demands that the patient should be informed about the available treatment options so that the patient himself can make the decision. This limited version of paternalism violates the freedom of buyer only to the extent that the buyer is not allowed to make uninformed choice in the given situation particularly when the ignorance of buyer can harm him in the bargain. The seller behaves in a parent-like manner but still he doesn't himself make a choice in place of the buyer. He lets the buyer to choose but before the buyer makes a choice he makes all efforts to inform the buyer about the product or service. He keeps in mind the need of the buyer and explains the qualities of the product or service so that the buyer can make a correct judgment whether the product or service will meet his need.

We may consider an example: A man approaches a professional sales person in an authorized agency to complain that his Laptop has stopped working and he asks him to replace the motherboard of his Laptop. The sales person in the course of examination finds that the Laptop motherboard is fine and Power IC of Laptop motherboard needs replacement. The sales person has three options. First, he can replace Laptop motherboard and collect five thousand and five hundred rupees. Second, he can talk to the customer and refuse to do as asked for but informs that all that is needed is to replace Power IC of Laptop motherboard and collect one thousand rupees. Third, the sales person explains the whole situation to the customer with all the relevant information about the product and his expert advice and then lets him decide whether he wants him to replace the whole Laptop motherboard or only the Power IC of Laptop motherboard.

The first option that anyway a lot many sales persons will follow implies that the customer himself has to be aware or in other words as mentioned above "let the buyer beware". The second option appears to be paternalistic in the conservative sense wherein the sales person deprives the customer of his liberty to make a choice himself. The third option goes in favor of an ethically agreeable point of acceptance that strikes the balance somewhere in between the first option and the second option. The sales person should inform the customer all the relevant facts about the Laptop motherboard and thereafter he should let the customer make

an informed choice. If the customer is rich and wants to replace the Laptop motherboard anyhow, then he may be allowed to opt for first option or else he may opt for the second option. The fact of the matter is that the sales person ought to consider the third option as an ethically correct option in the course of his understanding of professional responsibility.

However, it may be noted that the sales person happens to be under no obligation to reveal to the buyer that the same Laptop motherboard is available across the road in other shop for five thousand rupees! This may appear to be fourth option but not an appropriate option. The sales person as an expert is expected to share all the relevant information about the product with the buyer and the cost of product is an external piece of information that any non-expert can find out on his own. (Ebejer and Morden, 2003, p. 182)

6. Arguing for Moral Justification of Conflict Resolution

At this stage, a question may arise regarding the moral justification of third option that the sales person happens to make in the given situation of seller-buyer relationship. I wish to consider Aristotelian Virtue-theoretic approach in the way of moral justification. The sales person, I maintain, acts on the strength of his virtues that he has cultivated to adhere to the ideal of professional responsibility. The ideal of professional responsibility is one of the ideals that he wants to fulfill as a good sales person and his understanding of a good sales person happens to follow from his understanding of a good human being. (Rowan and Zinaich, 2003, pp. 43-44)

A good human being, according to Aristotle, is a being who is able to act rationally, which is the distinguishing function of a human being. The distinguishing function of acting rationally defines the criterion of a fulfilling human life in the world - a typical human life that is geared towards realizing the telos or purpose of being human. The telos or purpose of a human life in Aristotle's viewpoint is conceived of as eudaimonia or happiness. He contends that "the good for man is an activity of the soul in accordance with virtue." (Aristotle, 1976, p. 16) The latter part implies that acting rationally is the distinguishing feature of virtues because virtues are human excellences or dispositions "to choose that is in a mean relative to us and determined by the right

reasoning of the wise man.” (Urmson, 1990, p. 36) A human being, for example, is able to cultivate the virtue of fairness on the strength of his exercise of reason in the world. He practices to act and feel in the right way in order to be fair. That is to say, he practices to act and feel neither in excess nor in deficiency. He knows that acting or feeling in excess or in deficiency is a characteristic of being irrational and will result in the cultivation of vices. Norman maintains in his articulation of Aristotelian virtue-theoretic approach that, “Just as a good sculptor or a good carpenter is one who succeeds in performing the proper function of a sculptor or carpenter, so also we can determine what a good human life is by looking for the function of a human being.” (Norman, 1998, p. 32). In fact, excelling in living a life of a human being complements excelling in living a life of a sculptor or a life of a carpenter. The reason being living a virtuous human life gets translated into living a virtuous sculptor’s life, for example. In this regard, Rowan and Zinaich contend that,

“Aristotle was concerned primarily with the human function, but in the professions, we can carry the idea forward and say that a morally good doctor, for instance, is one who performs his function well as a doctor one must first fulfill one’s function as a person before one can understand and fulfill one’s function as a certain professional; things cannot work the other way around.” (2003, p. 44)

In a similar vein, a good professional sales person cultivates the virtue of fairness for the sake of realizing the ideal of professional responsibility in a seller-buyer relationship. The reason being, “Fairness or justice is a central concern because it is a basic moral requirement of any market transaction—and the result of successful marketing is always a market transaction.” (Boatright, Smith and Patra, 2018, p. 281) He does realize in the example given above that as far as rationally identifying virtue of fairness in his actions and feelings is concerned, the first option is ethically a deficient stance and can be categorized as a vice and the second option is ethically an excessive stance and can again be categorized as a vice. This is why; he happens to opt for third option and lets the buyer decide himself because he understands that this option can be ethically classified as a virtue. He knows about his true position as a rational being that this stance goes well in the way of putting across an ethically agreeable point of acceptance in seller-buyer relationship.

As far as fourth option is concerned the sales person considers this option alongside second option that is ethically an excessive stance. In other words, he gets to realize that such a stance reflects an excessively protective parent-like stance and comes in the way of buyer's freedom to make an informed rational consumer choice in the matter.

7. Concluding Remarks

It has been observed that with the passage of time the concerns of business and professions are overlapping as professional practices are required for in the running of businesses and business practices are entering into practices of professions. Alongside, since people in both business and professions owe a different set of ethical obligations to shareholders and clients respectively, the possibility of an ethical conflict is always open. It is inferred on the basis of an ethical conflict in seller-buyer relationship in a marketing transaction that the professional sales person ought to consider the ethically agreeable point of acceptance while sharing information and his expert advice about a product or service with the buyer. The professional sales person may avoid both the extremes of not at all sharing information and his expert advice on the one hand and not permitting the buyer to make a rational consumer choice on the other. Instead, the professional sales person as a virtuous sales person while taking a clue from his understanding of a good human being acts in a fair manner and adequately shares information and his expert advice with the buyer and thereby helps him to make his own rational consumer choice.

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