

Ethics Perception of Pharmaceutical Companies

Blandina Šramová, and Gabriela Kučeráková

Abstract—The paper is intended to declare and apply ethics, i. e. moral principles, rules in marketing environment. Ethical behavior of selected pharmaceutical companies in the Slovak Republic is the object of our research. The aim of our research is to determine perception of ethical behavior of the pharmaceutical industry in Slovakia by the medicine representatives in comparison with the assessment of doctors and patients. The experimental sample included 90 participants who were divided into three groups: medicine representatives of the pharmaceutical companies (N=30), doctors (N=30) and patients (N=30). The research method was a Questionnaire of ethical behavior, created by us, that describes individual areas included in the Code of ethics of the pharmaceutical industry in Slovakia. The results showed influence of professional status on ethical behavior perception, not gender. Higher perception was indicated at patients rather than doctors and medicine representatives.

Keywords—Ethics, corporate social responsibility, marketing, pharmaceutical industry.

I. INTRODUCTION

ETHICS as a philosophical discipline examining human morality has recently been one of the important, if not the most important, topics of marketing, medicine, advertising. Even the pharmaceutical industry, which is being precisely watched by professional as well as laic public, could not avoid it. Especially this segment is highly sensitive to how the principles of correct behavior are followed and declared by the public. Various authors indicate to differences in ethical attitude and behavior dependent on gender according to higher ethical standards of women rather than men [1], [2].

Ethics studies morally relevant behavior of humans [3]. In other words, it deals with moral principles, rules, agreements which according to what „is” tend to say what „should be”.

In the era of globalization of economic environment we can still see companies seeking appropriate ways to apply ethics in their activities. The marketers are led to this way of behavior in business mostly by realizing their responsibility for the future which is created at present. It is, therefore, evident that ethical behavior is becoming one of the main assumptions of successful company management by medicine representatives.

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Ethics is declared in the code of ethics where the basic values, norms and attitude of company are presented. The Code of ethics represents a set of rules of behavior by which the company regulates individuals, groups, as well as itself as an institution together with its given and declared norms. The Code of ethics is a set of norms that describe relations in the company and its behavior to the outside as well as behavior of an employee to another employee, as well as behavior of a manager to an employee. The company code is often demonstration of developed market environment, functioning entrepreneurial ethics and it is published and available to the public. The companies that do business in global economic environment usually have one code that is divided, decentralized and localized in various parts of the world. Except ethical principles the company code also takes into account the quality of labor, employees' loyalty etc. Some authors indicate that applying ethics in marketing not only reminds the employees of corporate social responsibility, it also helps them to solve dilemmas, problems and to prevent conflicts [4]. Economic loss caused by unethical behavior cannot be (if it is even possible) removed. The Code of ethics should be based on the principle of openness, honesty and responsibility. Not only it contributes to the positive image of the company it as well contributes to increasing loyalty of the company's employees who easier identify themselves with its philosophy when they know that they work in ethical environment. Social changes and pressure on keeping ethical norms developed even in clearly declared principles in pharmaceutical environment. On one hand the pressure on commercialization is evident on the other hand there is public health protection. Marketing of the pharmaceutical industry as well as the biotechnology industry must take into account the diversity of ethical challenges raised by the commercialization and marketing [5].

Social marketing has therefore become one of the important marketing tools which put the emphasis on keeping the balance between the profit of the company, customer's satisfaction and public interest [6].

Corporate social responsibility i. e. marketing intended on welfare of the society is in the newest theory called sustainability [7]. The main topic is to put the emphasis on world social issues as opportunity to build profit and simultaneously be helpful in solving them [7]. For this purpose there are various marketing tools of marketing – communication mix, especially PR and advertising [8]. We can meet many communication techniques in public health campaigns. In these terms especially interpersonal communication and communication in small groups focused on leaders' opinion is applied with the aim to stimulate healthy lifestyle [9]. Corporate marketing is thus becoming not

only representative of intervention but also of changes in behavior.

The pharmaceutical area is considered to be specific marketing environment considering legal regulations that are oriented on the application of marketing-communication mix tools [10] that result from keeping the code of ethics. Knowing and keeping the Code of ethics creates the basis of ethical functioning of medical system in the Slovak Republic.

The goal of our research is to find out how the medicine representatives of the pharmaceutical companies perceive the Code of ethics of the pharmaceutical industry in Slovakia unlike doctors and patients. At the same time we are interested whether gender develops in different perception of ethical principles according to higher ethical standards of women rather than men as it is declared in many surveys (e.g. [1], [2]). The medicine representatives of pharmaceutical environment who are directly in touch with doctors represent the key pillar of corporate social responsibility of the company. These employees are connected with the company that they represent and speak for with the professional public. Therefore understanding norms of ethical behavior (declared in the company code of ethics) and their application in working environment is a part of continuous training of given employees of the pharmaceutical companies. Legal and ethical responsibilities declared by the pharmaceutical company are critically judged by the professional medical public. Honesty and justice are the basic principles on which corporate social responsibility of medical representatives should be based. Legitimacy, sincerity and regularity of relations of the pharmaceutical company are sensitively watched by patients and rated by their attitude. They represent some kind of a mirror that is very sensitive to any disorders of declared principles of corporate socially responsible behavior made by the company. The medicine representatives communicate directly with doctors and indirectly with patients that is why we were interested in how the ethical principles are perceived by:

- medicine representatives
- professional public represented by doctors
- laical public represented by patients.

Selected target segments serve us to obtain a complex view of ethical principles perception in the pharmaceutical industry. From this view we can figure the emotional relation to them as well as implementing ethical principles into behavior of medical representatives.

II. METHOD

A. Measurements

The method of research was a Questionnaire of ethical behavior, created by us, that that described perception of individual points included in the Code of ethics of the pharmaceutical companies in the Slovak Republic (questions 6, 8, 9, 10 of the questionnaire) and questions extending selected areas of ethical behavior (questions 1, 2, 3, 4, 5, 7, 8, 11, 12) that resulted from the interviews made with medicine representatives, doctors and patients. The Questionnaire consists of 12 questions and the task of the participants was to indicate at a 7-point asymmetric unipolar categorical scale (1-

definitely yes, 7- definitely no) (Cronbach's $\alpha=0.698$)

Questionnaire of Ethical behavior

1. Would you agree with a professional public advertising for medicine prescribed by doctors?
2. Does a patient, in your opinion, have the right for professional information from different sources than the doctor or the chemist?
3. Do you think that professional articles about the medicine prescribed by the doctors should be available to the patients?
4. Do you think that the medicine representatives should have a certificate of professional end ethical capability to execute given profession?
5. Would you consider it right to regulate number of visits of the medicine representatives at the doctors?
6. Is it in your opinion right that the pharmaceutical companies give samples of medicine to the doctors? If yes, why?
7. Do you think there should be an official web page guaranteed by state institutions and professional companies focused on the issue of disease and therapy?
8. Do you think that a lecture on the same issue made by the same lecturer is the same at a competitive company?
9. Is it appropriate that the representatives of some company directly communicate with the lecturer about the content of the lecture?
10. Do you agree that the pharmaceutical companies invite doctors to international congresses?
11. Should the companies publish the names of the doctors invited to an international congress?
12. Do you think that there should be an independent committee that would decide about choice of the doctors invited to international congresses and that would be financed by the pharmaceutical companies?

Our aim is to find out to what level is perception of ethical behavior dependent from professional status (medicine representatives, doctors, patients) and gender of target segment. On the basis of the goal we set the following hypothesis:

- H1: We assume that perception of ethical behavior will be dependent on gender.
H2: We assume that perception of ethical behavior will be dependent on professional status of target segment.
H3: We assume that knowing the Code of ethics will be reflected by higher perception of ethics within the doctors unlike medicine representatives and patients.
H4: We assume that ethical principles of the pharmaceutical companies will be rated more ethical within the doctors rather than patients.

For verification of given hypothesis we used regression analysis and ANOVA (Post-Hot test). The calculation was realized together with the statistical program SPSS 18.

B. Participants

90 participants took part in the research including medicine representatives (N=30), doctors (N=30) and patients (N=30), of which 61 women and 29 men.

III. RESULTS

To assess influence of professional status and gender on perception of the Code of ethics we used multiple regression analysis. The results showed that perception of ethical behavior is not dependent on gender therefore we did not watch it in the following phases of the research. Hypothesis 1 is thus rejected.

Coefficient of multiple correlations R shows a slight relation between professional status and perception of ethical behavior of the pharmaceutical companies. (Table I). Represented model explains 10, 4% of variability of perception of ethical norms in accordance with professional status. Hypothesis about uselessness of all the predictors is rejected at significance level 0.01 therefore almost certainly we reject the hypothesis about independence between professional status and ethics perception of the pharmaceutical companies.

As Table II shows, perception of ethical behavior after application of indirect influence control can be predicted on the basis of reference to professional status ($\beta=0.306$; $p<0.01$). Consequently, these findings support hypothesis 2 (H2).

If we have a look at multiple comparisons in Table III, it is obvious, that ethical principles are perceived differently by the medicine representatives and by the doctors and the patients. Statistically significant difference between the medicine representatives (AM=3.147) and the doctors (AM=3.431) was not proven in our research which does not support the assumed hypothesis H3. Higher level of perception was proven within patients (AM=2.8) unlike doctors (AM=3.43). These findings does not support hypothesis 4 (H4). Patients statistically significantly evaluated ethics in accordance with ethical principles declared in the Code of ethics unlike the

TABLE I
 THE IMPACT OF PROFESSIONAL STATUS AND GENDER ON PERCEPTION OF ETHIC (REGRESSION ANALYSIS)

| Predictors | Gender | Status |
|----------------------------|---------|--------------|
| R | 0.056 | 0.322 |
| R Square | 0.003 | 0.104 |
| Adjusted R Square | - 0.008 | 0.083 |
| Std. Error of the Estimate | 0.792 | 1.01 |
| F | 0.275 | 9.787 |
| p | 0.601 | 0.002 |

medicine representatives.

In the next step of the analysis we were interested in what areas the views on ethical principles in selected segments were significantly different. By detailed survey we found

TABLE II
 ESTIMATION OF REGRESSION COEFFICIENTS

| | | Gender | Status |
|-----------------------------|------------|--------|---------------|
| Unstandardized Coefficients | B | -0.047 | -0.306 |
| | Std. Error | 0.171 | 0.098 |
| Standardized Coefficients | Beta | -0.028 | -0.319 |
| | t | -0.274 | -3.128 |
| | Sig. | 0.784 | 0.002 |

statistically significant differences within the look on ethical rules in the pharmaceutical industry with the selected participants (Table V). The differences were especially in the questions connected with required professionalism of the medicine representatives (question 4), regulated number of their visits at doctors (question 5), direct contact of the representatives of the pharmaceutical companies into the content of a lecture with the lecturer (question 9), inviting doctors to international congresses by the pharmaceutical

TABLE III
 THE PERCEPTION OF ETHIC BY PROFESSIONAL STATUS (LSD TEST)

| (I) status | (J) status | Mean Difference (I-J) | Sig. |
|------------------------------|------------|-----------------------|--------------|
| Medicine representatives (1) | 2 | -0.014 | 0.942 |
| | 3 | 0.617* | 0.002 |
| Doctors (2) | 1 | 0.014 | 0.942 |
| | 3 | 0.631* | 0.001 |
| Patients (3) | 1 | -0.617* | 0.002 |
| | 2 | -0.631* | 0.001 |

* The mean difference is significant at the 0.05 level

companies (question 10), publishing names of the doctors who take part at an international congress sponsored by pharmaceutical company (question 11), increased transparency of choice of doctors taking part at international congresses by creating independent committee for this purpose (question 12).

Patients better identify themselves with the statement that medicine representatives should have a certificate about professional and ethical capability to execute given profession (question 4) unlike medicine representatives and doctors who do not have strong attitude to this point. It is similar in assessing the regulation of number of visits of medicine representatives at the doctors (question 5). Patients are in this area more critical unlike doctors and medicine representatives who reject regulation of their visits at the doctors. Statistically significant difference was shown in assessing relevance of direct communication of the company representatives with the

TABLE IV
 ETHICAL MEANS AND STANDARD DEVIATIONS

| | N | Mean | Std. Deviation |
|--------------------------|----|-------|----------------|
| Medicine representatives | 30 | 3.417 | 0.555 |
| Doctors | 30 | 3.431 | 0.799 |
| Patients | 30 | 2.800 | 0.832 |
| Total | 90 | 3.216 | 0.788 |

Note: Lower score represents greater perception of ethics

lecturer about the content of the lecture (question 9) between doctors and medicine representatives in accordance with rejection of this interference by the doctors.

Patients highly reject inviting doctors to international congresses (question 10) unlike doctors and medicine representatives. Within evaluating the publishing of names of the doctors who are invited to international congresses (question 11) statistically significant difference was shown between selected groups of participants. Patients mostly agreed with the given task. Medicine representatives and doctors strongly rejected it. Nevertheless all the groups critically refused the possibility of independent committee that

TABLE V
 PERCEPTION OF THE AREAS OF THE CODE OF ETHICS ACCORDING TO SOCIAL STATUS (LSD TEST)

| Variable | (I) status | (J) status | Mean | Sig. |
|--|------------|------------|------------------|--------------|
| | | | Difference (I-J) | |
| Q 4: Do you think that the medicine representatives should have a certificate of professional end ethical capability to execute given profession? | 3 | 1 | -1.200* | 0.001 |
| | | 2 | -0.900* | 0.012 |
| Q 5: Would you consider it right to regulate number of visits of the medicine representatives at the doctors? | 3 | 1 | -1,833* | 0.001 |
| | | 2 | -1,200* | 0.033 |
| Q 9: Is it appropriate that the representatives of some company directly communicate with the lecturer about the content of the lecture? | 1 | 2 | -1.500* | 0.002 |
| | | 3 | -0.700 | 0.145 |
| Q 10: Do you agree that the pharmaceutical companies invite doctors to international congresses? | 2 | 1 | -0.833 | 0.075 |
| | | 3 | -1.100* | 0.020 |
| Q 11: Should the companies publish the names of the doctors invited to an international congress? | 3 | 1 | -2.033* | 0.001 |
| | | 2 | -2.333* | 0.000 |
| Q 12: Do you think that there should be an independent committee that would decide about choice of the doctors invited to international congresses and that would be financed by the pharmaceutical companies? | 3 | 1 | -1.767* | 0.000 |
| | | 2 | -1.767* | 0.000 |

* The mean difference is significant at the 0.05 level
 1 = Medicine representatives, 2 = Doctors, 3 = Patients

would choose the doctor for international congresses (question 12) statistically significant difference was shown in perception. Slighter refusal was shown in the group of patients unlike identical perception of the given point within doctors and medicine representatives.

IV. DISCUSSION

The present paper shows on the impact of professional status on the perception of the ethics of the pharmaceutical companies.

The study does not examine the impact of gender [1], [2] on perception of ethical behavior in pharmaceutical environment. We can therefore state that while professional status influences ethical behavior of the pharmaceutical industry, gender does not.

Ethics is more positively perceived by patient participants of the research who require from the medicine representatives:

- professionalism (connected with professional and ethical capability)
- regulation on the number of the visits of the medicine representatives at doctors
- publishing names of the doctors who are invited to international congresses by the pharmaceutical companies
- establishing an independent committee with the competence of decision about choice of the doctors selected for international congresses financed by the pharmaceutical companies.

Nevertheless the Code of ethics of the pharmaceutical companies in the Slovak Republic does not include regulations on the number of the visits of the medicine representatives at doctors the given area is positively perceived by patients unlike doctors and medicine representatives. Patients are more likely to connect the visit of the medicine representative at the doctor with the doctor's time that should be dedicated to the patient, as well as with a longer time of the patient spent in a waiting room. Nowadays the Code of ethics of the pharmaceutical companies in the Slovak Republic as well as any other act does not regulate number of visits of a medicine representative at doctors. The Code of ethics of the pharmaceutical companies does not include an act about identification of medicine representatives by professional certificate what would be welcomed by patients as well as doctors.

Negative attitude of doctors and medicine representatives towards publishing names of the doctors who are invited to international congresses by the pharmaceutical companies as well as towards establishing an independent committee with the competence to decide about choice of doctors for international congresses can be related to various aspects. Within both groups of participants (medicine representatives and doctors) negative attitude can be connected with interference to their professional competence with a fear of independence and possibility of envy. Even though the mentioned areas of ethical behavior are not explicitly given in the Code of ethics of the pharmaceutical companies in the Slovak Republic they are positively accepted by patients and can be connected with higher perception of transparency.

Inviting doctors to international congresses by the pharmaceutical companies showed as differently perceived by doctors and patients. Positive attitude from the doctors' side can be explained by their awareness in given area as well as defending their competence. The Code of ethics of the pharmaceutical companies exactly defines conditions for

inviting doctors by a company that specifies a selection of the destination, hospitality and the content of the program.

Applying socially responsible industry strategic approach of the pharmaceutical companies towards patients [11] is one of the recommendations that not only build but especially support loyalty and trust of target segment.

The final findings result in a need of higher level of communication with the public as well as improving ethics trainings within professional public represented by the representatives of the pharmaceutical companies as well as doctors. We agree with the statement "Ethics training is a good way to help employees put good ethics into practice" [7, p.70] considering the cultural system of the society [12] and the needs of society [13], [14]. Socially responsible marketing is an important object which future marketing personnel should be oriented towards during the preparation for practice [15].

V. CONCLUSION

Presented findings provide answer to the question: "Is ethics perception of the pharmaceutical companies dependent on gender and professional status of the participants?" The final findings showed that the first part of the question can be answered as "no", i. e. ethics perception in our case is not dependent on gender. The second part of the question can be answered as "yes", i. e. attitude to ethical principles declared by the pharmaceutical industry is dependent on the professional status.

Our findings show higher sensitivity (connected with expectations and wishes) of patients in perception of ethical behavior of medicine representatives and doctors in which morality prevails personal or business interests. Patients want to believe the pharmaceutical environment as well as medical personnel does not give them false information connected with their health. Higher ethical score was shown within patients in requirements on higher professional and moral capability of the medicine representatives of the pharmaceutical companies as well as in the limitations on number of visits of the medicine representatives at doctors. Patients would also welcome a higher rate of transparency within cooperation of the pharmaceutical companies and doctors (organizing, financing international congresses, etc.). Corporate social responsibility declared by the pharmaceutical companies should be one of the dominant principles of company's behavior that faces pressure of commercialization and increasing the company's profit rather than health of the population.

As a limiting factor of the presented research we consider a lower number of participants which should be increased in the future. We also recommend to have a look at ethical norms and behavior in the pharmaceutical industry through qualitative methodology (for instance by individual interview or focus group).

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