EVOLUTION OF UNETHICAL PRACTICES IN THE SALES ENVIRONMENT:

A macro story of pharmaceutical industry in Pakistan

Irfan Ameer*, Doctoral candidate
&
Aino Halinen, Professor, D.Sc. Econ. & Bus. Adm.
Department of Marketing and International Business
Turku School of Economics
University of Turku, Finland.
Email: irasam@utu.fi

ABSTRACT

Objective
The objective of this study is to investigate the evolution process of unethical practices in the sales environment. The focus is on describing the role of key actors, activities and events in this evolution process in context of Pakistani pharmaceutical industry.

Methodology
This qualitative study is mainly using narrative approach which is ideal to explore any complex process phenomenon. A theoretical sampling and a snowballing technique have been used to identify sales and marketing professionals as informants for 17 interviews. The micro stories of informants are combined into a macro story at the level of the industry, supported with various secondary data.

Findings
Our findings reveal that unethical practices in the sales environment evolve in a sequential and partly overlapping process, with four identifiable stages: Early development, chain reaction, adaptation, and revision. We describe the key characteristics and triggering events for each stage and indicate that interaction between business and other network actors is the potential mechanisms for the spread of unethical practices.

Contribution
The study provides understanding of the evolution process and the role of specific events and actors in shaping unethical practices in the sales environment. It extends existing knowledge of sales ethics by studying unethical practices as socially constructed evolving phenomena. The study also sheds light on the dark side of business relationships. Our findings reveal that unethical practices in the sales environment evolve through interaction and relationships with both company-internal and external actors over time.

Key words
Unethical practices; sales environment; sales ethics; narrative research; pharmaceutical industry; business relationships; relationship marketing

Paper type
Work in progress
INTRODUCTION

Unethical sales practices have been the main headings of print and electronic media (see Roland 2013; Daily Mail 2014). Recently, world top pharmaceutical firm GlaxoSmithKline (GSK) was facing a bribery scandal where Chinese police accused its sales staff of using US$490 million through travel agencies in order to facilitate bribes to doctors and other influencing officials with the aim of boosting drug sales (Hirschler 2013; Wall Street 2013). The company’s sales in China slumped to 61% within just a quarter and several large hospitals in China shut their doors for GSK sales representatives (Hirschler 2013). This is not the single incident, but several reputed MNCs have faced similar type of charges in the past (Shobert & DeNoble 2013). During 2012, GSK faced US$3 billion, Abbott US$1.6 billion and Johnson & Johnson US$2 billion fines for unethical sales practices under US government’s so-called whistle blower law (Thomas & Schmidt 2012). In today’s environment, firms cannot afford this type of scandals since bad reputation is quickly spread all across the world through media, NGOs and other pressure groups. Scandals may result in sharp decline in sales and growth. Therefore, understanding and controlling unethical sales practices are the primary concern for both academic and industry professionals.

How such unethical practices evolve in the sales environment? Despite its relevance and prevalence, it has been a neglected topic in sales research. Sales researchers have focused on the ethical decision making and studied empirically both individual factors (e.g. age, sex, education, experience, ethical values) and organizational factors (e.g. management, rewards, punishment, training, code of ethics) that affect individual sales person’s decision making (Ferrell & Ferrell 2009; McClaren 2000). Several interconnected individual and organizational factors guide sales persons to make decisions on whether or not to perform unethical practices. Some sales researchers have also focused on explaining ethical climate and culture of sales organizations (see Ferrell, Johnston & Ferrell 2007; Ingram, LaForge & Schwepker 2007). Overall these studies create understanding of the organizational context of sales ethics and inform about management strategies to control unethical sales practices. However, they offer little information about the broader external environment where sales interaction occur and ethical or unethical practices are actually performed. Selling is a complex process which requires direct and indirect interaction and relationships with several company-internal and external actors. As the GSK example shows, several actors e.g. management, sales persons, doctors, external influencing officials and travel agents are involved in the emergence of sales related unethical practices and may either intentionally or unintentionally facilitate unethical practice evolution.

Very little is known about the emergence of unethical practices or the transformation of ethical practice to unethical practice or vice versa in the broader sales environment. We argue that this lack of understanding is due to two main reasons: first, lack of focus on the company external ethical sales environment, which is important to provide both economic and sociocultural underpinnings; and secondly, the scarcities of historical analyses, which are necessary for mapping out evolution process of unethical practices. Thus the purpose of this study is to describe the evolution process of unethical practices in a sales environment. More specifically, we are interested in two key questions: How and why unethical practices evolve in the sales environment? And, what is the role of different actors and events in the evolution process? By exploring the ethical sales environment of pharmaceutical industry in Pakistan, we trace the changes in unethical practices, and the role of actors and events in these changes retrospectively.
The unethical sales practices in pharmaceutical sector are common in developing countries which have been challenged by academics (see Civaner 2012; Verschoor 2006; Parker & Pettijohn 2005), media (see Roland 2013; Daily Mail 2014) and NGOs (see Consumers International 2007). Health is a global concern and basic right of every individual and these unethical practices cost patients in terms of their health and wealth. Realizing both the theoretical and practical significance, we selected pharmaceutical sector in Pakistan as a context of this study where both setting and participants can help to explore the evolution process of unethical practices in the macro sales environment. As compared to many other industries, a wide range of actors in drug sales environment exist in pharmaceutical sector of Pakistan (e.g. junior and senior sales /marketing staff, health professionals, pharmacists, distributors, government officials, NGOs and competitors). Moreover, one of the authors of this paper has relevant experience and links to drug industry of Pakistan and knows the local languages.

The work is still in progress. The study will contribute to the research on sales ethics, in particular, but also more broadly to the relationship marketing and business marketing literature concerning the dark side of relationships. We see good possibilities to examine the data and the findings in the light of the IMP business relationship and network view (see Häkansson & Snehota 1995). The studies on the dynamics of networks and the role of relationships in spreading change would be particularly fitted (e.g. Chou & Zolkiewski 2012; Halinen, Salmi & Havila 1999; Smith & Laage-Hellman 1992).

**METHODOLOGY**

We are not developing or testing any hypothesis but to generate theory (see Marshall & Rossman 1990; Eisenhardt 1989) about the evolution of unethical practices in an industry. Our aim is to offer rich and insightful description of the phenomenon (evolution process) in its social context (Hackley 2003). Moreover, our study involves the role of different actors and their activities which make the evolution process a complex, interconnected and context-bound phenomenon for which qualitative approach is best suited (Mäläskä, Saraniemi & Tähtinen 2011; Halinen & Törnroos 2005; Cooper 1999; Tsoukas 1989). We adopt a narrative story telling approach and use it in data collection, analysis and reporting.

Several features of narrative research play a vital role in our study. Narrative research discovers and understands experiences through collected descriptions of events described in stories. The collected descriptions can be synthesized into a plot of a single or several stories by researchers (Clandinin 2006; Clandinin & Connelly 2000; Polkinghorne 1988). The story is generated by a narrator through in-cohesive experience by choosing different elements and integrating them into entity (Czarniawska 2002). The stories have some sequence and structure (i.e. beginning, middle and end) and follow some turning points or potential triggers (Makkonen, Aarikka-Stenroos & Olkkonen 2012; Creswell 2012). The stories could be the entire life stories or topic specific stories describing particular events (Flick 2009). The plot of the story connects events, activities, actors and context (Pettigrew 1992) and the story is always linked to a specific time and place (Paavilainen-Mäntymäki & Aarikka-Stenroos 2013; Hytti 2005; Flick 2000). Narrative approach considers narrative’s existence as a facet of relationships, not as a product of individual, but part of culture which is reflected in different social roles of individuals (Gergen 1994). Due to its unique features, narrative approach is ideal to explore any social process phenomena (Czarniawska 2004; Pentland 1999).
The objective of this study is to provide better understanding about the evolution of unethical practices in the sales environment of drug industry. The evolution is regarded as a social process where key events, actors, activities and context play a vital role over a period of time. We also expect that the evolution process involves some sequences and potential triggers or turning points which affect the process in a positive or negative way. Due to the interactive aspect of sales operations, business relationships and connections to other actors in the industry form potential channels or even a mechanism through which changes are transferred and transmitted from one actor to another generating the evolution in the whole industry. Role of actors and the nature of unethical sales practices may vary at different times (e.g. present, past and future) and places (e.g. within or outside the organization; among customers and suppliers or among other connected actors). This study follows the social constructivist world view which means that individuals construct social reality in interaction through the use of language and other social practices (Hackley 2003, 102).

**Data collection and sampling**

We set out to study ethical sales environment of Pakistani pharmaceutical sector in order to explore unethical drug sales practices. We began with relevant secondary data available on the websites of pharmaceutical companies, health ministry, newspapers and NGOs. One of us used his friendly contacts to four senior pharmaceutical sales professionals in Pakistan and held several extended informal discussions with them through physical visits and video conferencing during the period of June 2012–March 2014. These four main links also provided us more secondary data e.g. firms’ sales code of ethics reports, ethics training reports/ presentations, industry magazines, sales promotion materials and brochures.

We use purposeful sampling (Emmel 2013; Flick 2009) and focus on informed sales and marketing professionals in pharmaceutical sector of Pakistan. We decided to use social network (Facebook) and with the permission of our four contacts, we checked their friend lists on Facebook and found several sales and marketing professionals in different pharmaceutical firms. We sent them messages explaining the nature of the research and the interview, and requested them for an informal discussion. Through this snowballing technique (Miles & Huberman 1994, p. 28), we managed to get positive response from 27 drug sales and marketing professionals of several pharmaceutical firms in Pakistan. We developed friendly relationships with them by informal discussions about our study over Facebook and Skype chat which is also a part of data. We set interview date and time and the researcher visited Pakistan to conduct 17 interviews at 9 different cities during February–March 2014. Besides this, two days were completely spent on a field visit along with a regional sales manager in order to observe sales operations and interaction with different actors in the sales environment.

All interviews were recorded except one where informant showed his reservations. Interviews were conducted in the local languages (e.g. Urdu, Punjabi and Sarieki) mostly at informants’ homes, quiet restaurants and public places except of two interviews which the informants wanted to arrange in their offices. We aimed to ensure maximum variation (Creswell 2013; Chase 2011) in the sample e.g. with respect to the number of unethical sales practices, experiences and perspectives. For this purpose, our sample consists of a variety of sales and marketing professionals having 1.5-42 years experiences at different sales and marketing roles in different firms. Altogether, informants have 277 years of experience in 31 different drug firms ranging from small to large, and from local to multinational companies.
Realizing the sensitive nature of our topic, we paid particular attention to our interview structure and guide. The stories of informants who have actually experienced the process can provide valuable insights (Pentland 1999). Narrative approach requires an interview structure in a way that facilitates respondent to generate narratives rather than just answering questions (Flick 2009). However, not all informants are good in telling their stories (Czarniawska 2011; Flick 2009). This is more evident in an organization setting where few individuals use narratives as their main mean of expression and most of them lie in the category of “Non narrative, episodic” (Czarniawska 2011, p. 342). Realizing this, we used episodic interview technique which captured several short stories rather than a single long story and enjoyed the advantages of both narrative as well as non-narrative data such as question-answer responses in an interview (see Flick 2009; 1994).

The social networking and access discussions greatly helped to build trust to informants and encouraged them to open and informal discussion. We began interviews with non-narrative, introductory and background questions. This factual information about the respondents (e.g. their academic, professional background and job nature) helped us to understand the context of informant’s life (Creswell 2012). On the other hand, it made informants at maximum comfort level and developed a friendly atmosphere where they were ready to generate stories about sensitive issues. At this phase, questions were mainly revolved around informants’ experiences and perceptions about key unethical practices in pharmaceutical sales, their progress and developments, role of different actors, key events and turning points. In order to explore the experiences of informants about unethical practices, the researcher consistently moved into four different directions: inward, outward, forward and backward (Clandinin & Connelly 2000, p. 50). Inwards referring to questions about internal conditions of informants e.g. feelings, hopes, moral dispositions and aesthetic reactions of informants about unethical practices in drug sales; outwards referring to questions about existential conditions e.g. context of ethical sales environment, role of actors and their influences, and forward and backward meaning that the questions were structured around present and future or the past issues in order to understand the evolution process and progression of unethical practices in drug sales (Clandinin & Connelly 2000, p. 50). In addition, the interviewer also asked clarifying questions of subjective definitions (see Flick 2009) such as “what do you mean by ethics in your profession?”.

Table 1: Profiles of informants

<table>
<thead>
<tr>
<th>Current position</th>
<th>Academic background</th>
<th>Experience (years)</th>
<th>Experience in No. of firms</th>
<th>Current firm</th>
<th>Interview duration (Minutes)</th>
<th>Place (City)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales promotion officer</td>
<td>BA</td>
<td>03</td>
<td>02</td>
<td>small local</td>
<td>56</td>
<td>Multan</td>
</tr>
<tr>
<td>Area sales manager</td>
<td>College level</td>
<td>26</td>
<td>05</td>
<td>small local</td>
<td>47</td>
<td>RY khan</td>
</tr>
<tr>
<td>Regional sales head</td>
<td>MBA</td>
<td>15</td>
<td>03</td>
<td>small local</td>
<td>62</td>
<td>Hyderab</td>
</tr>
<tr>
<td>Managing director</td>
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<td>42</td>
<td>06</td>
<td>small local</td>
<td>72</td>
<td>Bahawalpur</td>
</tr>
<tr>
<td>Sales &amp; marketing head</td>
<td>MBA</td>
<td>18</td>
<td>01</td>
<td>Medium local</td>
<td>84</td>
<td>Multan</td>
</tr>
<tr>
<td>Marketing head</td>
<td>Doctor+MBA</td>
<td>14</td>
<td>06</td>
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<td>72</td>
<td>Lahore</td>
</tr>
<tr>
<td>Regional sales head</td>
<td>MBA</td>
<td>21</td>
<td>05</td>
<td>Large local</td>
<td>48</td>
<td>Bahawalpur</td>
</tr>
<tr>
<td>Product manager</td>
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<td>13</td>
<td>04</td>
<td>large local</td>
<td>55</td>
<td>Karachi</td>
</tr>
<tr>
<td>Area sales manager</td>
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<td>07</td>
<td>02</td>
<td>large local</td>
<td>82</td>
<td>Bannu</td>
</tr>
<tr>
<td>Product manager</td>
<td>MBA</td>
<td>07</td>
<td>03</td>
<td>large local</td>
<td>47</td>
<td>Karachi</td>
</tr>
<tr>
<td>Area sales manager</td>
<td>MA English</td>
<td>12</td>
<td>04</td>
<td>Multinational</td>
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<td>Peshwar</td>
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<tr>
<td>Product manager</td>
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<td>05</td>
<td>01</td>
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<td>78</td>
<td>Lahore</td>
</tr>
<tr>
<td>Business unit head</td>
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<tr>
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<tr>
<td>Sales executive</td>
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<td>Business unit head</td>
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<td>05</td>
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<td>Lahore</td>
</tr>
<tr>
<td>Medical representative</td>
<td>BSc pharmacy</td>
<td>1.5</td>
<td>01</td>
<td>Multinational</td>
<td>63</td>
<td>Lahore</td>
</tr>
</tbody>
</table>
The episodic interviews together with other sources of data (e.g. field observations/notes, chat on social networks, reports and published material on websites of drug companies, health ministry, NGOs and newspapers) were analyzed for both the comprehensive understanding of evolution process and the data triangulation (see Elliot 2005; Flick 2004; Polkinghorne 1995).

Data analysis
We narratively analyzed the data on the basis of process theory logic (see Makkonen et al. 2012; Pentland 1999; Pettigrew 1997; 1992) and social constructivist world view (see Creswell 2013; Hackley 2003). The events, actors, their activities and context are key elements of any process phenomenon (Pettigrew 1997; 1992). Events are outcomes of human acts or changes caused by nature which may slow or fast the process and act as turning points or triggers in the evolution (Hedaa & Törnroos 2008; Makkonen et al. 2012). The actors relate to events and activities, and construct the story which has some logical sequence e.g. beginning, middle and end (Pentland 1999; Flick 2009). Process theory explains the interplay and mutual dependency of these three key elements in terms of how and why the sequence and interaction of events, actors and activities form some process in a particular context over a period of time (Van de Ven & Poole 2005; Van de Ven 1992). The constructivist world view emphasizes that the process of unethical practices in the sales environment is an outcome of interaction, use of language and social practices (see Hackley 2003, p. 102; Creswell 2013).

We followed five types of narrative analysis in process research: identifying key events/actors in the process; seeking triggers and reasons for process; construction of a new narrative; relating and comparing micro stories to a macro story; and analyzing conflicting evidence (Makkonen et al. 2012, p. 294). First, we started with basic level analysis and identified key actors, activities and events that were relevant and shaped the process of unethical sales practices. We then found the main triggers and reasons for evolution process. These two basic level analyses helped us to construct four different thematic plots and new narratives (see Elliot 2005) forming the stages of evolution process. These four stages are used to describe the evolution process over the period of almost 67 years, not to propose a deterministic life cycle of the process. We then constructed a macro story by combining the micro stories from each stage into a comprehensive evolution process. In order to complement the story and its structure, we also used secondary data (Paavilainen-Mäntymäki & Aarika-Stenroos 2013). By constantly relating micro stories to each other and comparing them with the emerging macro story, we ended up with an empirically-based account of the evolution and its advancement from one stage to another.

THE EVOLUTION OF UNETHICAL PRACTICES IN THE PHARMACEUTICAL SALES ENVIRONMENT OF PAKISTAN
Our findings reveal that unethical practices in the drug sales environment evolve in a sequential process having four different stages: Early development, chain reaction, adaptation, and revision. These stages may partly overlap, i.e. the transitions from one stage to another are not clear-cut. In this section, we will discuss key characteristics of each stage by describing the role of key events, actors, activities and context. For better understanding and coherence, we have reported our findings in the form of a constructed macro story focusing on pharmaceutical sales environment of Pakistan.

Early development stage
Story starts from 1947, when the biggest British colony (subcontinent) got independence and two new states came into the map of world as India and Pakistan. At the time of
independence, Pakistan had no pharmaceutical industry as Indian based traders were mainly responsible to import medicines. Due to huge population and lack of resources, there was a huge demand for medicines. During that time government and local private entrepreneurs set up their distribution channels and imported medicines mainly from US and Europe which was costing a huge foreign exchange reserve to the government. By the time some distributors also started manufacturing generic medicines in Pakistan. Pharmaceutical industry remained non-existent till mid-1970s.

The unethical practices in pharmaceutical sales were very low at this stage. The sales force was the main source of information for customers (doctors). Demand for medicines was very high and competition was low. Few drug firms were providing valuable information to doctors through their sales force.

Interviewer: How was ethical environment when you started your job?

Interviewer: I can still recall that golden time when I started as a sales representative in 1971. It was a noble profession at that time. Hahhhhhh.... Believe me, doctors used to receive us at the railway and bus stations with full protocol. They offer us tea, coffee and meals. Though, I never requested but many times, doctors also arranged my accommodation for free when I was on a visit to another city. If someone is giving you so much respect, you should also return it. How can you imagine cheating them?

Interviewer: Can you recall some of the unethical practices at that time?

Interviewee: Well, I don’t think too many but sometimes, I had to give more samples to doctors if they requested me :-). It was against the policy of my firm to give more than two samples but I did many times.

Interviewer: why?

Interviewee: Because I need to develop relationship with them which is my main job. After all, I am doing this for my firm’s benefit....... Sometimes you need to divert company’s policy. For example, I also use to give samples to a poor security guard of a hospital who was unable to afford that medicine. I know it’s wrong from my firm’s perspective but right for humanity.

At this initial stage, actors performed unethical sales practices in a secret way mainly in individual capacity with no or low involvement of other actors as they may face resistance from them.

Interviewee: Looking back to early days of my career, these unethical practices were not common. I am not saying they were 0% but we had at least feared because not everyone was doing this. If I am doing anything unethical, I cannot share this with anyone who is not doing this. Yes, but I can share this with someone who is also doing this and can maintain my secrecy.

Actors had more guilt of being caught, punishment and social boycott.

Interviewee: I had fear when I was young medical representative, not only of being caught but also a sense of inner guilt in my heart. You will not find it anymore in our profession now days. You know why? Because you have to meet sales targets at any cost and when I am saying any cost, I mean it. :-(
Actors involved in the sales environment had low exposure towards unethical sales practices. During the field visit along with a sales manager, a doctor also shared his early memories.

*Doctor:* Looking back to 1980s, we as doctors had fear that if we will write an unrecognized firm's low quality medicine, our seniors and colleagues will ask for justification and angry with us. I mean these unethical practices were not common in those days and it was really news for us if some doctor was doing this.

**Chain reaction stage**

In 1976, Pakistani government made drastic changes in health sector. Drug act was introduced and government suspended all existing medicine import licenses except essential lifesaving drugs which were not produced locally. This encouraged local manufacturers to invest in production facilities. Local manufacturers still had lack of expertise and technical skills for manufacturing. Therefore, initially joint venture and collaboration between local and foreign firms were mostly adopted. Several MNCs also entered into Pakistani market during this period. Over a period of time small and medium local firms grown to self-sufficient large firms producing generic products. These large firms were now not only meeting domestic requirements but also started exporting medicines to Middle East, Africa and East Asia. By early 1990s, Pharmaceutical industry was well established and highly profitable industry with more than 150 registered firms which was quiet high number.

Chain reaction, we mean a stage where unethical practices in the sales environment rapidly proliferate in an industry just like a chain reaction or snow ball. Both the number of actors and their unethical activities start to multiply and accepted among different actors with a rapid pace. Role of some events, actors and their activities triggered the evolution process. In early 1990s, high growth attracted more firms to enter, resulted in competition/ selling pressure, and together with weak government control ignited the evolution process in pharmaceutical sector of Pakistan.

*Interviewer:* In your view, how these unethical practices in drug sales started to rise?

*Doctors did not had enough time to listen to hundreds of thousand sales people so companies started to offer lucrative gifts and favors to doctors in order to boost their sales volume.*

*Interviewee:* I think this all started in 1990s when pure profit oriented businessmen and politicians realized that there is a huge margin in this industry. They entered into this business without realizing the ethical sensitivity of this business and did whatever they could to raise their profits.

As the government control is always weak in health sector, the internal actors in the drug firms mainly initiated unethical sales practices. They invented and adopted new and unique unethical ways to increase sales.

*Interviewee:* MNCs first started unethical sales practices by sponsoring doctors on expensive medical conferences in foreign countries. What do you think, they send all doctors? No. They only send to those doctors who in return prescribe high amount of their medicines otherwise they will not get sponsorship again. Now result was that local companies are also sending doctors on foreign trips and offering them high value gifts.
Interviewee: I can tell you about a local firm who introduced a new unethical fashion to boost its sales in 1996. Before that, companies were sponsoring doctors to attend local and foreign medical conferences. This local company started to send doctors on pure recreational trips. When other local companies followed it, this firm also included doctors’ families in its package. Within just 10 years, this firm is among top 20 in terms of sales volume. The more sugar you will add, the sweeter taste will be.

Interviewee: It was difficult for small, medium and relatively unrecognized new firms to survive in this highly competitive environment. So they started offering commission/ prescription to doctors. For example, if one doctor prescribes 200 packs of a medicine, he will get 10% or 20% on it. Now even large local firms are doing this.

The actors had more exposure to unethical sales practices as compared to earlier stage. Slowly and gradually, the external actors also understood to manipulate their position and role. Actors also tried to collaborate with other actors who can facilitate their unethical interests. In this way they developed and enhanced strong unethical relationships and networks to perform unethical practices in drug sales.

Interviewee: I know one sales representative who was outstanding in meeting targets. He was not only meeting his own territory’s target but also calling sales staff of other territories to send all their stocks to him. How is this possible to sell 20 million in your territory when maximum consumption is just one million? It was also not possible to sell this stock to another territory as we had different bar codes for each territory. We only came to know when he left the job and started his own business. He actually found some links and sending all this stock to Afghanistan.

Interviewee: You will always find pharmacy near doctors who are doing private practice. You know why? Because these pharmacies are either owned by doctors/ their relatives or they have links with doctors. Doctors instruct their patients to buy this medicine from only that pharmacy. They also influence pharma. sales staff to provide medicine at discounted rates otherwise they will not write your company’s medicine.

Interviewee: Pharma. firms provide medicines to government hospitals at special discounted rates because they purchase in a bulk quantity for a longer duration. However, mostly medicines are not available in the public hospital’s pharmacy. These medicines are sold to the private pharmacies with the help of hospital administration and distributors.

Interviewee: it is not easy to get a big order from a government hospital. Purchasing committee consists of senior doctors, politicians, health ministry bureaucrats and finance members. Your offer is only considered when they all are happy ……. Mostly this order goes to a firm which is fully or partially owned by any of these influencing decision makers…….. I also worked in a medium firm which was owned by the son of the sitting prime minister at that time. Their product’s quality was not good and price was also higher than competitors. No one take their medicine except large public hospitals.
Adaptation stage

By adaptation stage, we mean that unethical practices in the sales environment are fully diffused or matured in an industry. A wide majority of internal and external actors fully understand and adopt their unethical role. New and unique ways of unethical practices are fully matured and adopted among huge majority of actors. As compared to the previous chain reaction stage, relatively less new and unique options of unethical sales practices left but their adaptability and acceptability among internal and external actors is very high. In recent scenario, we find evidences of adaptation stage in pharmaceutical sector of Pakistan.

Interviewer: Can you recall such type of any real unforgettable incident faced by you?

Interviewee: There are many but I would like to share my first encounter with a pure bribery case with you. Before that, I never faced such a blunt and unethical demand. In 2002, I was in a large local firm as a product manager. One of our valued customers (doctor) suddenly stopped writing our product. I decided to meet him as he was not meeting with our sales representatives and regional manager for more than two months. When I meet him, he straight away demanded 20,000 rupees every month for this favor.

Interviewer: Then what was your response?

Interviewee: I informed my boss.

Interviewer: What your boss said?

Interviewee: He just said Hmmmm.

Interviewer: So what he did then?

Interviewee: I never asked from my boss about this but I am sure he paid that.

Interviewer: Why you are sure?

Interviewee: Because that doctor started writing our product

This stage is very critical as actors have low guilt or fear of their unethical acts because huge majority is involved in these unethical practices.

Interviewee: We had a product which was aimed for the treatment of mental sickness. After 6 months, we checked the sales targets and came to know that one of the doctors was prescribing a huge quantity of that product every month. This was a surprise for us because there were not too many mental sickness cases in that area. But any way this doctor was giving us a good business so I decided to visit him. I meet him in his private clinic and just as a token of thanks, offered him a free conference tour which he accepted with a lot of greet. In the meantime, a patient came into his clinic. He had some minor injury on his head because he was not wearing a helmet while riding his bike. Doctor finished his dressing and then wrote our mental sickness drug along with some pain killers.

When patient left the clinic, I asked: why are you writing mental sickness drug to him?
He replied with a laugh: Because he is insane that’s why he was not wearing a helmet.

He again laughed and said: probably, you also need a dose of this. Why you are asking these silly questions? Your company is getting a good business so keep silent.

Actors think that everyone is doing this that’s why it is ethical. Actors’ decisions and behavior is highly contextual and they treat these unethical practices as a normal professional way.

Interviewer: Do you think this is ethical?

Interviewee: Well, It a famous saying: do in Rome as Romans do.

Interviewee: If you will not do this then you will be out of market very soon.

Interviewee: If a doctor has same 10 products of different firms which are almost equal in price and efficacy. Which one of them he will choose? It is a common sense that you need to give something extra to doctor so that he may prescribe your product.

The external actors are mainly initiators of unethical sales practices at this stage because they are habitual of these practices. The game shifts from the hands of internal actors to external actors. Even if internal actors do not want to perform unethical act, they are not in a position to resist.

Interviewee: You cannot imagine the situation now days. When we go to the doctors, they show us their busy schedules: this firm is sending me France in May; this firm is sending me Italy in June; this firm is sending me Thailand in July. I am fully booked. Now apart from these trips, what else you can do for me. Their demands are everlasting

Interviewee: If you are thinking that it only happens in local firm. No, it’s wrong. Even MNCs also manipulate. Before this firm, I was in a reputed MNC and we were not allowed to entertain doctors’ personal benefit requests. One doctor called me and requested to arrange a vehicle and accommodation in another city for four days. Now, I knew that he was going on vacation along with his family. Even then I was not in a position to say no to him because tomorrow, my boss will say you don’t have good relations with clients. I informed my boss and he also knew the worth of that doctor and our firm’s codes. He approved that request, so in our records doctor was on an official drug awareness tour. Room and vehicle was booked with doctor’s name. Who knows doctor was alone or along with his family in company provided car and room.

If the industry touches the adaptation stage, it may take a very long time to minimize its impacts. A huge majority of internal and external actors who have developed strong unethical links over a period of time can fail every effort against them and show strong resistance.

Interviewee: We MNCs invest a huge amount on developing a drug. Therefore our price is relatively high. Local firms copy our drug and sell low quality at cheaper price. When we take legal action, these firms use their all unethical and illegal links with politicians, drug inspectors, judges and bureaucrats. Courts take years
to resolve counterfeit drug cases. Even if their counterfeit drug is banned, they launch it with a new name and/or firm. Registering a drug firm or medicine is as easy as opening a retail store. More than 65,000 drugs are registered in Pakistan. Even USA has only around 1,000 registered drugs.

Interviewee: I can recall a good verdict by chief justice of Pakistan in early 2000. He took initiative that no doctor from a public hospital can be sponsored for a family foreign trip by drug firms. Tell me who will tell at the airport that I am a doctor of a government hospital sponsored by drug firm. Only pharmaceutical firms know or doctors know so it is still going on.

One of the most dangerous characteristics of this stage is that actors having better ethical sales practices find no way to survive and may leave the market. Within last few years, several large pharmaceutical MNCs (e.g. Johnson & Johnson, Bristol-Myers Squibb, Merck Sharp & Dohme and Searle) left Pakistani market due to unethical environment (Bio Spectrum 2013). The number of drug MNCs nose-dived from 36 to 22 within just 12 years (Business Recorder 2014).

Interviewee: In early 1990s, more than 45 MNCs were leading the sector with 65% market share. However, within the past two decades, half of the MNCs stop their operations and their share slumped down to just around 24% now. Our MNC is still surviving because we have the largest market share and we sell the complete solution of products and services. We focus on highly technical products such as cancer treatment products. These products require a lot of continuous long term feedback at every stage of treatment. Local firms are not good in research so we have the advantage.

Revision stage
From the adaptation to revision stage, the journey might be very long and hard. It is extremely difficult to change the well-established unethical practices of different actors in the sales environment. It requires lot of time, consistency and energies of both internal and external actors. Decline stage is possible, if actors realize their ethical roles and develop strong ethical relationships and networks against unethical practices. The more, actors will adopt ethical practices, the more graph of unethical practices will go down. The biggest motivation for internal and external actors is that unethical practices do not pay in terms of profitability, reputation, satisfaction and trust in the long run. From the internal actors’ perspective, following other actors and competition to fulfil unethical demands has no end.

Interviewee: We have paid the price for what we started many years ago. Pharmaceutical industry is no more highly profitable. Sales promotional budgets are rapidly increased in the last 15-20 years. Imagine that as a regional manager, I am allowed to spend 20% of sales on the promotional activities in my area. Most of the times, I have to spend even more than 20% because competitors are spending more. I need to follow them to retain customers. So our firm’s overall budget for all marketing activities is around 55%. This is the situation of the whole industry.

Interviewee: If you want to be successful drug sales professional, you must have no ego. You need to kill your emotions and always ready for disgrace.

Interviewee: I was meeting a pharmacist client. A person came inside the pharmacy along with his prescription. When pharmacist provided his medicines,
he refused to take one of the medicines and requested to give some alternative medicine of some other company. Pharmacist asked, what is wrong with this medicine? Customer replied that this firm is a cheater as many patients died due to their low quality cough syrup. You should not keep the medicines of this company.

We also find some evidences and positive signs of revision stage in Pakistani pharmaceutical industry. Some MNCs and large local drug firms have adopted good ethical sales practices and have introduced corporate social responsibility (CSR) initiatives in drug sales. They provide acceptable ethical solution for all stakeholders involved in the sales. They ensure that their main objective is health of patients, and their benefits must be passing on to the end users (patients) through ethical practices.

Interviewee: We realized that most of the doctors treat foreign medical conferences as a holiday vacation. Their participation is just a formality and they are not learning too much from them. It was also very expensive for us so we stopped sending doctors on foreign conferences but to send them main findings of the conferences in the shape of CDs and reports. We knew that other firms use unethical ways so we may face sales loss. In return, we convince doctors to arrange medical camps for poor patients where we will provide free drugs and even their consultancy fees on behalf of patients. Our sales teams arrange and monitor all camping activities along with doctors. Now many doctors are happy with us and so the patients. In this way, we develop strong relationships with doctors and patients both. Patients go to the same doctors, if they are again sick which improve doctor’s clientele and also prefer our medicines in pharmacies. This good ethical move is spreading from our MNCs to other MNCs and large local drug firms which is a good sign.

Interviewee: we decided to focus on large orders which are mutually beneficial for most of the stakeholders. We know that government is only spending less than 1% on health from its limited budget. We talk to government and health ministry officials and signed a contract to provide financial and technical support to open cancer wards in five public hospitals. Our only condition was that government will only use our cancer drugs at reasonable rates in all its public hospitals for 10 years.

Interviewee: We focused on developing ethical relationships with doctors and patients and find better results. We have a help line for poor patients. If they cannot afford their treatment, they can call us. We refer deserving patients to assigned doctors and pay their consultancy fee and medicine expenses.

Interviewee: We try to collaborate with public hospitals, patients, NGOs and health ministry officials. With the collaboration of them, our sales and marketing team arrange a complete program of treatment for patients. Our sales and customer services staff check the financial condition of patients and then arrange funding for the treatment of deserving patients through NGOs, government and our own resources. We find that such ethical relationships are more lasting.

Interviewee: We provide small gifts and free meals to patients rather than doctors.
From external actors’ perspective, profitability, growth, reputation and trust also matter. Government, politicians and doctors may face pressure and motivation to perform in ethical way. In January 2012, more than 150 heart patients died due to contaminated drug supplied to the country’s reputed government cardiac hospital (Judicial inquiry tribunal 2012; BBC 2012). Supreme Court ordered a judicial inquiry involving criminal negligence of the doctors who approved and continued to use this medicine, the supplier and manufacturer who provided the medicine. In another 2012 tragic incident, 36 consumers died in Pakistan within two days due to drinking a cough syrup (Jaffrey 2013). Such types of deadly incidents raise the fingers towards internal and external actors. Politicians, government officials and doctors lose their trust and reputation. Government officials and politicians need to boost the economy and health infrastructure, and if they fail in doing so, the whole health system may collapse and they may lose power, trust and reputation. Therefore, government has taken some initiatives to tighten health regulations and their implementation. Public, NGOs and media can play their role in pressurizing internal and external actors.

CONCLUSION
Our findings from the Pakistani pharmaceutical industry reveal that various unethical sales practices get manifest in different forms. At early development stage, unethical practices (e.g. unauthorized and over use of samples) were identified. These practices were mainly performed by few actors’ group e.g. sales representatives in individual capacity with low or no involvement of other actors in unethical practices. Actors had more fear of inner guilt, punishment and social boycott. Moreover, actors had less exposure towards unethical practices. We find some key chain of events, activities and role of actors which ignited the evolution process of unethical sales practices towards chain reaction stage. For example, government decision to cancel import licenses, although a good decision but exploited by other actors during selling pressure in a negative way. Non-professional businessmen with no knowledge about ethical sensitivity of drug sales entered into business and started offering attractive commission and personal gifts to doctors on drug sales. Management in MNCs and local firms started sending doctors on medical and recreational trips in order to influence their prescriptive ability. Both the number of unethical practices and role of actors started to rise rapidly. Actors started to form unethical relationships and networks (e.g. sales force, management, doctors, pharmacists, health ministry officials, drug inspectors and politicians) to perform unethical practices for mutual benefits. Actors developed new and unique ways of unethical practices. Slowly and gradually, huge majority of internal and external actors adopted unethical practices. New and unique unethical practices were not common at this adaptation stage but their acceptance rate among actors was high. Actors treated these unethical practices as a professional and formal way. At adoption stage, huge majority of actors developed strong unethical links and tried to fail every effort against them. External actors at this stage were more power full and started to manipulate internal actors openly with low fear of punishment or inner guilt. Some events, role of actors and their activities showed some motivation signs of revision stage in the data. For example, internal actors (management and sales force) realized that unethical gifts and rewards to doctors are no more effectively working. Unethical demands of external actors had no end which resulted in a huge promotional cost. Sales force was demotivated and felt their profession as highly unrespect. Some firms revisited their promotional strategies and ensured end user (patient) benefit. They find some CSR initiatives to benefit all actors through ethical sales practices. Some events (e.g. deaths of heart patients and MNCs leaving Pakistani market) lead towards revision stage as external actors (e.g. politicians, doctors, health ministry decision makers) realized their ethical role. Media and public played their part in putting pressure on these actors. Unethical
practices do not pay in the long run in terms of profit, growth, loyalty and reputation. When actors realize this, they find motivation to adopt ethical practices and form strong ethical relationships and networks to fight against actors performing unethical practices. This may lead towards revision stage.

Based on the findings, it is possible to derive a preliminary evolutionary path of unethical practices in pharmaceutical sales environment of Pakistan (Figure 1).

![Figure 1: Evolution of unethical practices in the sales environment](image)

We conclude that unethical practices in the sales environment evolve through a gradual, sequential and partly overlapping process having four main stages: early development stage; chain reaction stage; adaptability stage; and revision stage. By describing the key characteristics and role of actors at each stage, we have explored the evolutionary path of unethical practices in the studied drug sales environment. Table 2 further explicates the key characteristics of each stage.

### Table 2: Evolution of unethical practices in macro sales environment: Key features

<table>
<thead>
<tr>
<th>Stages</th>
<th>key characteristics</th>
<th>Selling pressure</th>
<th>New ways of unethical practices</th>
<th>Adaptability among actors</th>
<th>Profit &amp; growth</th>
<th>Reputation &amp; Trust</th>
<th>Guilt/ fear for practices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actors</td>
<td></td>
<td></td>
<td></td>
<td>Short term</td>
<td>Long term</td>
<td></td>
</tr>
<tr>
<td>Early development</td>
<td>Few</td>
<td>Low</td>
<td>Few</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Chain reaction</td>
<td>More</td>
<td>High</td>
<td>Most</td>
<td>High</td>
<td>Higher</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Adaptation</td>
<td>Most</td>
<td>Highest</td>
<td>More</td>
<td>Highest</td>
<td>Down</td>
<td>Lowest</td>
<td>Low</td>
</tr>
<tr>
<td>Revision</td>
<td>Few</td>
<td>Low</td>
<td>Few</td>
<td>Low</td>
<td>Down</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

**THEORETICAL AND PRACTICAL IMPLICATIONS**

Our study provides the bigger picture of unethical practices in the sales environment through four different stages. Through a thick description of the phenomenon (Miles, Huberman & Saldaña 2013), we have provided better understanding of the evolution process at the industry level and the role of actors and events in shaping the unethical sales practices. Past empirical research on sales person’s individual factors and organizational factors affecting the ethical decision making provides a micro perspective on sales environment. These studies gives the impression that unethical sales practices among sales individuals are the outcome of ethical decision making and consequent behavior, and that this behavior is influenced primarily by individual and intra-organizational factors. We call for more attention to the broader ethical sales environment, where sales people operate in interaction with various types of customers, distributors, competitors, and both firms, individuals and organizations, as a way to explain unethical sales practices and their evolution.
Our findings indicate that the network perspective with its key concepts (e.g. actors, activities and connected relationships) could be used to explain the evolution and the mechanisms of change involved. The process research and process research methodologies used in the IMP research could also be used to strengthen the study.

Relationship marketing and business relationships also in the IMP view do not only have positive impacts but also the negative impacts. Network research indicate that relationships may be burdens for business parties and the network may function as a transmission mechanism for negative developments (References coming later). However, most of the existing research in sales and marketing focus on the positive impacts of relationships e.g. customer satisfaction, trust, loyalty and commitment, and relationship marketing has even been regarded as an inherently ethical marketing strategy (see e.g. Murphy, Laczniak & Wood 2007). Our study specifically explores the dark side of interaction and relationships in the sales environment. Our finding reveals that unethical sales practices get different shapes and evolve through interaction and relationships with internal and external actors over the period of time.

We also extend the existing research knowledge of sales by describing unethical sales practices as a socially constructed phenomenon. Sales research commonly uses surveys and quantitative methods and perceives sales ethics as an objective phenomenon, often also from the organization’s (not form the sales person’s) point of view (see Ingram et al. 2007).

Besides the theoretical implications, our study also has practical implications for firms and government officials to understand social, dynamic and interactive ethical macro sales environment. We especially consider our study context an important contribution for health and pharmaceutical industry’s decision makers and regulators in developing countries. We do not insist for generalization of our findings in a strict sense but it is reflexive and potentially transferable according to the context of any industry or country.

**LIMITATION**

We acknowledge that a longitudinal study conducting interviews at different phases of evolution process could provide better understanding of unethical sales practices. However, it was not feasible because evolution process may last over many decades. The retrospective approach adopted in this study also has weaknesses. Yet, we maintain that we have lessened them significantly by using various secondary materials to support data triangulation and the depiction of the evolution process.

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