Merck and river blindness essay

Business, Company

\n[toc title="Table of Contents"]\n

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Introduction And Situational Analysis

The debate concerning social responsibility by corporate bodies has been there for decades and will most likely persist into the future. It is argued that, corporations just like individuals, are morally obligated to contribute to the society that upholds them. For this reason, companies should always strive to make their profits in the most ethical way. However at times a corporation may be faced with a tight ethical dilemma that requires a lot of critical thinking. An example of this situation is the ethical dilemma that once faced Merck . The ethical dilemma in the Merck pharmaceutical company was to whether pursue a research on River Blindness which may have resulted in minimal or no profit but help cure many people suffering from the deadly and detrimental disease or to play safe by not doing the research since it was not an economical endeavor. River blindness is a devastating disease that affects more than 80 million of poor people living in remote villages of Africa and Latin America (Singh, 2010, p291). It is a parasitic roundworm that is transmitted to human beings through a bite by a certain black fly. Once the roundworm is buried in an individual's skin, it grows into a circular shape which could reach up to an inch in diameter before reproducing into millions of microscopic bacteria known as microfilia. These bacteria writhe the individual's body causing a lot of itching, lesions and eventually leads to blindness (River blindness). These itching were so intense that at times could cause the infected person to commit suicide. Though most of the villagers fled the areas around the river, they eventually had to go back from the surrounding land was not fertile enough to sustain their basic needs.

In 1979 , A research scientist working for Merck pharmaceutical company , Dr. William Campell, discovered that one of the company's animal drugs could be used to eliminate the roundworm that caused river blindness. Dr. Campbell and his research team appealed to the management of the company for financial support so as to develop a human version of the drug. The management analyzed the situation and had the following findings: The research and development of this medicine would cost the company more than $200million but the chances of making good profit out of it since their clients would be the impoverished people in Africa and Latin America who could not afford the drug (Singh, 2010, p291). Another finding was that, the distribution of this drug to the affected areas would require a significant level of investments into the infrastructure and distribution channels. In addition to the two findings , they still had the fear that in case the drug did not work as expected, there would be negative publicity about the company that would injure its reputation and consequently lead to lower sales in the animal version of the drug. Besides this three constraint facing them, a

Congress had been prepared to pass the Drug Regulation Act , This piece of legislation would make the competition in the drug industry too shoot up through shortening of patent life. Given all these limitations, the managers of Maerck corporation were hesitant to fund the research project. However, without the drug, millions of people would lose their lives to river blindness or live with an itching effect, partial or complete blindness.

Stakeholder Analysis

During this dilemma, there were various parties with a stake in the organization's actions or performance. These parties had a major impact in the decision that would be made in regard to the river blindness dilemma by the Merck pharmaceutical company. The major stakeholders involved were the shareholders of the company, the people suffering from the disease, governments of these patients, World health organization and perhaps the company’s competitors. The shareholders primary intention in any company is to invest their money with an expectation for profit. Since the research was not viable in terms of returns-to-investment ratio, the idea was not appealing to the shareholders of the company. However the witty chairman of the company, Dr. Roy Vagelos, son of the founder of the company George Merck, told the press and the shareholders at large that “ never try to forget that medicine is made for the people and not for profits, profits follow” His stand to be socially responsible led to the commencement of the project. If the shareholders had disagreed with their chairman, the ugly consequence of this disease would still continue to devour impoverished people in various parts of third world countries.

Merck company was expecting a major setback from the respective nations with people suffering from this disease. They knew that these countries would not be able to afford the drug for its people. The patients would not also be able to buy for themselves this drug. These two stakeholders would have been negatively affected by this dilemma if the company opted for profits instead of social responsibility, the people would suffer and their respective government's would feel the negative impact too. Merck's assistance with this issue is a priceless sacrifice since the drug business is a risky and expensive venture which has to protect its capital so as to invest in a lot of research and development.

Among the shareholders that were ready to work with Merck was the world health organization (WHO). Long before merck discovered the drug, WHO was actively involved in the issue and was making intensive efforts to eradicate the Black fly that causes river blindness. The program by WHO had already enabled farmers to return to their lands. " The discovery of this drug is an answered prayer to the third world" Senator Edward Kennedy(Democrat-Massachusetts) said in a past news conference. " Merck's gift to WHO is more than a breakthrough in the medical field, it is a triumph of the human spirit's". The other probable stakeholder was the company's competitors. Merck was very cautious about investing in a non profitable project that would make their competitors have a niche above them. But surprisingly, after Merck corporation volunteered to donate this drug to the helpless citizens, their success motivated their competitors to follow suit. In 1996, Glaxo Wellcome donated Malarone which for prevention of malaria, in 1998 SmithKline Beecham also donated Albendazole for the cure of a filarial parasitic disease (Schwartz, 2011, p 62). Therefore, the ethical dilemma which had hit merck and the courageous step they took in risking a huge part of their finances for the society, sets the precedent for others and we are still enjoying their fruits.

Analysis Based On Ethical Theories

Cultural relativism is the concept that revolves around the facts that different groups have different standards in determining what is morally right or wrong. The view that the rightful moral action yields ‘ the greatest happiness’ is what drove merck pharmaceutical to undertake this immense financial risk and donate their drugs to the people as a way to alleviate suffering among humanity. The opinion as to whether an action is right or wrong morally differs from one society to another. Mercks move of putting the welfare of the people above profits is a morally right action that is acceptable by every society. They had the option to ignore the whole situation since it was not favoring their business financially but since it was morally wrong, they opted to go beyond making profits. Though cultural relativism enables different cultures to coexist by differently determining what is morally right or wrong, critics of this type of relativism argue that though the moral practices may differ, most of the underlying fundamental principles do not and for instance, a practice which is morally wrong would be regarded as wrong irrespective of which society. Therefore, when analyzing the case of Merck ethical dilemma, arguably all the societies concerned would term their move as commendable and morally responsible to society.

When analyzing an ethical system, the system is usually broken down into three major categories, teleological, deontological and the ethical virtues.

Teleological and deontological are action based theories of morality that focus purely on the actions that a person performs. If these actions are based or judged morally right because of their consequences, it is callesd teleogical or the consequentialist ethical theory. Thuis in order to make the right moral choice, we have to understand the consequences that would result from our choices. Just like how the management of this pharmaceutical company effectively analyzed the situation at hand and came up with three probable consequences for their action but still went for social responsibility. On the other hand, daentological appears when moral actions are judged based upon how they conform to various sets of duties. Merck pharmaceutical company and River blindess is a great example for consequentiolist and utilitarianism theorys because the actions they took on the issue resulted into much happiness for both the company and the people. There existed a mutual satisfaction between both parties. Dr. Roy Vagelos said that he was very happy because of their act of trying to alleviate suffering among the impoverished people and people will remember that it was Merck that helped them.

The virtue theory is a theory which is fully based on virtue ethics that involves human beings. To be an effective one must acquire various characteristics and habits that fellow human beings can term as praiseworthy. Despite the company's loss, the company was morally obligated to undertake the seven years research that costs the company almost $200 that would lead to the discovery of the animal version of the drug. This was a great way by which this company sets the trend for other companies in upholding the virtue of ethics among business corporations that are now fully focused on maximizing profits and sidelining the welfare of the people. It is not unusual to see a company deliberately destroying the environment through the emissions of harmful gases to the atmosphere or directing harmful effluents into rivers and water catchment areas. They only wait for the government to regulate their behavior, this trait contravenes the ethical virtue.

Conclusion and Recommendations

Proper analysis of facts and consequences is vital to any corporation faced with any type of a dilemma, whether, ethical, production or human resource dilemma. Merck company had been faced with an ethical dilemma and regardless of the decision they would have made it would still result to the immense impact to their existence as a drug company. After carefully looking at the pros and cons of the situation, Dr. Vagelos and his management team concluded that their moral obligation to the suffering fellow human beings outweighed their slim chances of making profit. Later that year he approved a budget that saw the commencement of the seven years research on the development of the drug.

This morally right and ethical move by Merck pharmaceuticals led to the discovery of a single pill that has to be taken only once per year and could eliminate parasites that caused River blindness. What if they chose not to produce the drug? Probably people would still be losing their lives to the disease or leading life as blinds. Merck decided to donate the drug to the remote villages in Africa, Middle East and in Latin America. With the help of the World Health Organization (WHO) Merck financed an International Committee responsible for improving on the infrastructure so as to enable them deliver the drug to the infected people. By last year, the drug has relieved 60million poor people who previously underwent intense suffering and complete blindness.

In the ideal business world, things work out perfectly and all the involved parties always do the right thing, unfortunately, in the real world things do not work out as always as planned. There are instances when one ethical dilemma is a common happening in the workplace. So. how do you resolve an ethical dilemma? When faced with an ethical dilemma, I would recommend one to follow these guidelines in order to effectively solve the problem without causing any injustices as a result of their decision.

- Analyze the consequences

If there exists a variety of options, one should consider the range of the pros and cons in each situation. Who will benefit from your final decision? Who will be hurt?

- Analyze the Actions

The individual or business organization that has been faced with an ethical dilemma should at this point consider all the available options at a totally different perspective without thinking about the consequences. Instead, concentrate strictly on actions. You should determine how it measures up against moral principles like fairness, equality and the dignity of others.

- Make a decision

Do the actions that you are considering contravene any ethical principle? Does it cross the line in terms of simple human decency? This is the part that requires one to make the final decision based on the facts and analyses of probable actions.

Corporations have different cultures, some stresses on profits above everything else, But according to Merck Pharmaceutical company, life is more important than anything else. The company has over time become an epitome of ethical practices allegiance. When asked about his opinion as to why the company invested heavily in a product that wouldn't even be bought, Dr. Vagelos replied that, once accompany realized that it had a solution to a certain problem affecting the people, the most ethical option is to produce or develop it (Schwartz, 2011, p 70). This philanthropic act of donating river blindness drugs that Merck did will always remain a legacy and in the memories of many human beings and a great example of ethical social responsibility among corporations.

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Top of Form

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Top of Form

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