

Federal regulations and federal agencies

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Federal regulations and federal agencies December 19, Federal regulations and federal agencies Political, legal, and social forces are some of the major factors to an organization's external environment and may operate independently or have interaction effects. This suggest that even in the absence of legal factors, social factors such as moral principles can regulate organizations and I believe that in such an environment, pharmaceuticals would consider ethical manners for quality service delivery and for competitive advantage.

The pharmaceutical industry identifies intense competition and its companies ensure measures for competitive advantage. Banerjee (2009) explains that despite research being the basis of the industry's product development, pharmaceutical companies still spend more than twice on marketing as much as they spend on research and development. This establishes a motivation into ethical manners such as corporate social responsibility that is likely to develop associations with consumers and establish a competitive edge into profitability. Consumers would appreciate the responsible initiatives and prefer organizations' products for their social actions and increased sales volume, into higher profits, over competitors would be the consequence. The fear possible and unfavorable legal regulations should organizations fail to act ethically is another reason for my belief that pharmaceutical company would consider ethical manners, even in the absence of legal rules. Legal regulations may induce mandatory cost of compliance that would otherwise be avoided. Failure to comply with legal regulations, even if it is accidental, may attract monetary policies, unlike failure to comply with moral rules and in order to avoid possibility of such

finances and possible deregistration, pharmaceutical companies would prefer to operate ethically (Lamb, Hair, and McDaniel, 2011). Profit motive and the need to avoid legal regulation would therefore dictate ethical manners.

References

Banerjee, S. (2009). *Corporate social responsibility: The good, the bad and the ugly*. Northampton, MA: Edward Elgar Publishing.

Lamb, C., Hair, J., and McDaniel, C. (2011). *Essentials of marketing*. Mason, OH: Cengage Learning.