Coherence between discourses and practices of sustainability in the pharmaceutical multinational companies in Brazil

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Abstract

Through documental and field research, verify the attributed interpretation of managers and his/her direct employees of the sustainability term; investigate and analyze if there are contradictions between the organization speech and the management practice inside the sphere of communication and sustainable management. As for the approach, it was used quantitative and qualitative methods. As for the goal, the exploratory procedure was implemented. The instrument for data gathering was two questionnaires, one for managers and one for the respective employees of these managers. The goals and objectives of the industries appear to be, by the answers, common knowledge. The individual and organizational goals, although diverse, are all aligned with the ends they want to reach. Our hypothesis seems not to be ratified, but the overall goal is. It is inferred that there is no contradiction between managerial discourse and practices, existing on the part of employees and managers understanding of what it is to have sustainable attitudes.

Key Words: communication; organizational discourse; management practices; health; sustainability; pharmaceutical industries

Business discourse and sustainability

The speech from managements within pharmaceutical companies about sustainability is directed to its employees and search to link environmental, economical and social practice to a positive company’s image. Several organizations have issues associating their discourses to their sustainable management. In other words, the permanent commitment of entrepreneurs to adopt an ethical behavior and to contribute to economic development, improving at the same time quality of its employees and their families, local community and society in general, to its own sustainability (Melo Neto, Froes, 1999, p.90).

Due to the diverse aspect of the manager’s discourse, sometimes ambiguous and conflicting about its focus (environmental, economical and social), the organizations’ employees may have imprecise understanding about what sustainability actually is and what kind of actions are expected inside and outside of the institution in order to be genuinely committed with sustainability.

Based on the diversity of speeches about sustainability within organizations, is rather sensitive to ask about the understanding that the individual attributes to the term and the factors that influence their understanding. Thereby, this research intends to identify if the three dimensions of sustainability defined theoretically are a part of the individual interpretation, verify what elements influence the interpretation of the concept of sustainability and what kind of phenomenon interfere positively for the good practice of sustainability inside organizations’ speeches.

The research was chosen to be about pharmaceutical industries for three reasons: ascertain how they have invested in the social sphere, since they are on the rise, with increasingly economical potential; how the social corporative responsibility has been dealt with; how intensively they act in relation to their employees to not cause them damage in promoting health and well-being.

Our hypothesis

Incompatibilities between the organization speech of pharmaceutical industries and the actual management practices regarding sustainability affect the comprehension of employees about the term and, consequently, the quality of processes and the results expected about this theme.

General objective

By documental and field research verify the attributed interpretation of managers and its direct employees of the term sustainability; investigate and
analyze if there are contradictions between the organization speech and the management practice inside the sphere of communication and sustainable management and if those incoherencies compromise the comprehension of the employees about the term.

Gathering of the theoretical reference

The growth of pharmaceutical industry

According to IMS Health, the company that audits the global pharmaceutical market, the industry grows consistently throughout the years, as well as the data about cost-effectiveness (financing), although the impact of the European economic crises have shaken the consumption structures of several nations, differently of emergent countries, that have shown themselves increasingly more representative in this sector. Besides Brazil, China, Russia and India, South Korea and Turkey also stand out. On the Brazilian side, some important components responsible for the expansion of the market are the advance of the generic medicaments – originated 12 years ago and responsible for 25.87% of the pharmaceutical sector in sold units – the support of National Bank for the Economic and Social Growth (BNDSES) and financial aids by the Health Ministry. In relation to the end of patents of popular medication, the commercialization of the correspondent generic register considerable increase, given the diminished price to the buyer.

Kinds of pharmaceutical products

• Branded Medicament: also known as reference medicament, these are new medications launched by the laboratories after big investments in research and development, testing exhaustive procedures and approval by the relevant governmental agencies. These products, when released, are guarded by patents, whose deadline may vary according on which category of invention and legislation of the country they are in (in Brazil, it is up to 20 years). In this prospectus, the definition of Branded Medicament refers to a reference medication on which is required medical prescription to sell, also known as an “ethical” medicament.
• Generic Medicament: Identic Medica-ment or Bioequivalent to their respective Branded Medicament in the form of dosage, effectiveness, security, potency, quality, performances’ characteristics, intended use, development after expiration, renounce or break of the patent of the Branded Medicament they are based on and using its formula. The difference lies on the name, brand and ways of advertisement. The Generic Medicaments are not guarded by patent because of the inferior costs on research, development and marketing and are sold, in general, for 30% to 70% less than the Branded Medicaments.
• OTC Medicaments (“over-the-coun-ter“): medications that not require prescription, used for the relief of a medical condition. This group includes drugs to the treatment of acute conditions easy to be self diagnosed, such as antacids, cough syrups and painkillers. These medicaments may be advertised in all mass media as well.

Performance of the pharmaceutical sector

Brazilian Branded Medicaments and OTC sales represent, respectively, 53% and 26% of the total drug sales in 2011. The remaining 21% are represented by Generic Medicaments, which have significantly raised their share of total sales. The pharmaceutical sector expects doubling its sales in the next five years, according with IMS Health.

The sector has reached the billing of R$49.5 billions in 2012, growing 15.8% compared to the previous year. Generics also had a positive development in the same period of time and its billing reached up to R$11.1 billions, pointing a growth of 26.8%.

Considering the whole market of medicaments, weighing the volume in unities commercialized in 2012, the growth reached 10.6% while the generics reached 16.7%, both compared to 2011.

According to IMS Health, in 2015, Brazil will be the sixth biggest consumption market of medicaments in the world. This rise is fostered by, amongst other factors, increasing modifications in the sector by the uprising class C, which boosted internal consumption along all segments, including the pharmaceutical products. In 2005, the Brazilian market ranked tenth in that market.

The monetary power of this new middle-class contributed to the growth of sales in the pharmaceutical industry in Brazil, but, besides that, the creation of generics is considered to be significant to the sector. Specialists state that the combination of these two conditions provoked a big change inside the market.

From January to October 2013 the drug sales add up to R$48.3 billions, an increase of 17% regarding the same period of 2012, according to IMS Health. At the same period of time, the sales considering only generics reached R$11.3 billions, an increase of 24%.

There is still a big area to cover as the participation of generic medicaments can greatly vary from state to state. In São Paulo, for instance, the consumption of this kind of medicament is very high, but on the north and northeast regions, this segment has a much smaller share, even with government aid. In Acre and Amapá, sales are almost nonexistent.

Keeping an eye on this new market, laboratories specialized in generics invest on expanding towards North, Northeast and Midwest. This movement
interferes directly in the job market in those regions that lacks specialized health personnel.

Even though the growth of economy in 2013 was timid, the pharmaceutical sector will grow the equivalent to five times the Gross Domestic Product (GDP), according to the president of the Syndicate of Pharmaceutical Products in the State of São Paulo (Sindusfarma).

**Brazil’s expenses on health**

The Brazilian government spends less than the global average on the health of its citizens. Data released in May 2013, by the World Health Organization (WHO) in Geneva, indicate that the country has indeed advanced on the last decade in relation to health investments.

This result, however, still points that Brazil has inferior investments compared globally. Nowadays more than half of health necessities of a Brazilian citizen are paid by the own citizen and not by public services.

These information were released a week before the Global Health Assembly, in May 2013. WHO also pointed the discrepancy existing between Brazil’s and the global average percentages in relation to the public budget invested in health. According to WHO, 15.1% of the world’s public budget goes to health – in the country, the percentage was 10.7% in 2010; amongst other emergent countries, 11.7%. Ten years before, the Brazilian government spent only 4.1%.

According to WHO, annually, the Brazilian government covers 47% of a citizen’s expenses on health. This number is higher than the 40% observed in 2000. This means that Brazilians are spending, in percentage, less money from their own pockets to pay for their health.

Over the last ten years, Brazilians have increased the amount of money spent on health. Adding private expenses and investments from the State, each citizen invests today US$ 990 each year on its own health. On 2000, this amount was only US$ 265.

According to the data, world’s public expenses on health of each citizen would reach up until US$ 571 each year in 2010 (last amount available in a world scale). This expense per capita added US$ 466/year in Brazil.

WHO highlights that, in a decade, the budget of the sector has grown four times. In 2000, the government spent US$ 107 per citizen. However, it was not enough to bring Brazil closer to the richer countries.

**Pharmaceutical industries: a high-cost market**

The Health Technology Assessment (HTA) is one of the areas in which is necessary to unify an exact science (able to produce quantitative expressions) as Mathematics, to an inexact science such as Medicine. Most of the professionals that integrate this sector have medical, pharmaceutical or economics formation, being the primary characteristic of this segment group work. Is fundamental to unite all parts and then elaborate a single project that considers everyone’s characteristics because this is a multidisciplinary task.

According to professionals of this area, the main challenge still lies on continuing education. It is crucial to form more and more people to develop and evaluate studies and researches about medicaments. Besides, differently than seem ten years ago, Brazil’s health economy is seen today as a necessity and criteria of selection to guide financing medicament’s coverage. This coverage is not only based on standards of effectiveness and security (registry) but also on cost-effectiveness (financing). It is necessary to understand the relations between government, assessing the industry with relation to the public channel processes and health plans. This professional must have a systemic vision of the market because he needs to be agile. Between other differentials is knowledge of different players and stakeholders, strategic notions to the business and versatility to be aware of competition. It is necessary well-capacitated human resources to all positions inside the pharmaceutical industry.

**Human factor in organizations**

According with Chiavenato (1999), the human factor has been responsible for the good performance of well-succeeded organizations; that is why it is so important in the era of information. The biggest differential, the biggest competitive leverage of companies is gained by mediation of the people that work inside them.

There are still organizations on which the maintenance processes are deficient because they are built on patronization: people are treated as patterns of generalization and personal competencies and characteristics are ignored.

To Chiavenato (2002, p.73), “The organizations depend on people to provide them the necessary planning and organization to drive and control them to make them work”.

Fiorelli (2000) says that:

A person brings to the work context a “psy-chological baggage”, knowledge, characteristics, prejudice, previous experiences. The individual affects the organization and receives its influence, modifying the behaviors, attitudes and vision of the world, as consequence of role-playing and experience shared along many interactions. (112-113)
Taking in consideration the aspect of diversity, it is known that information may have different meaning. To Barnlund (1980):

man is not a passive receptacle, but an active agent that gives meaning to the sensations. The signification that any situation acquires is consequence as much as what the preceptor add up as the raw material he receives. Terms such as “personal constructions”, “social schemes” and “perceptive plans” have been used to identify cognitive processes in which men make its experience intelligible. (16)

Such perceptive biases, taken jointly, constitute what is called the supposed world of the individuals. The world men have inside their heads is the only world they know. It is this symbolic work and not the world where they comment, dispute, discuss and make fun of. It is this world that impels them to cooperate or to compete, to love or to hate.

**Communication and humanization**

Even though the secular term humanization may hold a Manichean trace, its historical use consecrates it as something that remembers recovery movements of forgotten human values, or weakened in times of ethical laxity. At this historical moment, when post-modern society goes through a review of values and attitudes, humanization blunts once again. It is not possible to think humanization inside organizations – mostly the ones that operate on a health sphere – without analyzing the most recent economical, political and social scenarios.

To Rios (2009, p. 11) "to humanize is to refer to the acknowledgment of human nature in its own essence and to elaborate cooperation agreements, ethical conduct guidelines and professional attitudes that are agreeing to agreed human values.

Humanization focuses on communication. Agreed with (Mumby, p. 26), "communication is not simply the means to which thoughts, feelings and ideas are transmitted, but what makes them possible. Our world is linguistic mediated". Thus, communication is a social act, a human act, the contact between two or more personalities, involved in the same situation that debate signification.

A humanized company can take different meanings, but its core lies on people. To Vergara and Branco (2001, p. 222) a humanized company is

the one aimed to its employees and /or to the environment and adds values not only targeting maximization on results to shareholders. This type of company performs actions, promote improvements on life and work quality, aim the construction of democratic and just relationships, alleviate inequality and ethic, sex and religion differences as well as contribute to the development of people under the physical, emotional, intellectual and spiritual aspects.

**HR Management to knowledge management**

A diverse number of factors that contribute to knowledge management to be in fact put into practice must be considered. Knowledge management can be described as the ability an organization has to create, acquire and transfer knowledge, modifying its behavior so this new knowledge can be used on products, services and systems. Terra (1999) presents a model to knowledge management in seven dimensions: strategic and roles to the high administration, culture and organizational values, organizational structure, human resources administration, informational systems, measurement of results and learning along the environment.

In this research is considering HR as a strategic partner of the whole organization, being observed by Ulrich (2002) as one of the most important HR roles. In other words, focus on the means between their strategies and practice with the global strategy. In this sense, Schuler & Jackson (1987) also agree that is fundamental to have an alignment between the strategy chosen by the company and their HR practices.

Other way regards the HR role on the growth of competencies and commitment of employees. HR practices must consider the following points:

a. To buy competencies: there must have a rigorous selective process with internal or external hiring options in search of competencies and accepting diversity. External hiring consider the integration a candidate will have not only with the job, but with the institution (Terra, 2001, Pfeffer, 1998; Von Krogh et. al, 2001; Goshal, Bartlett, 2000; Ulrich, 2002);


**Perspective based on the resources of a company**

According to Becker and Gerhart (1996), the perspective based on a company’s resources (Barney, 1991, 1995) establishes that they can develop competitive advantages, creating value on a rare and difficult way to the competitors to imitate. The authors
refer that even though traditional sources of competitive advantages such as natural resources, technology and scale economy do create value, these sources are everyday easier to imitate if compared to human resources management systems as complex social structure.

To Delery and Shaw (2001), the perspective based on a company’s resources has earned general acceptance as primary theoretical framework to investigate the relationship between practical human resources management and company’s performances. In the scope of this theoretical framework, a resource is considered a competitive advantage source if it is scarce, contributes in a substation way to the company’s results, not being easily replaceable or susceptible of imitation.

**Sustainable management**

The studies performed by Hunt and Auster (1990), as well as the ones by Nonaka and Toyama (2005) regarding the integration of sustainability in this context, note that frequently is the middle management that take the first initiative when the organization faces social and environmental problems, many times without the express support of higher levels, until a certain maturity in corporate thinking is reached. However, efforts are successful especially on cases when high administration is fully committed and supportive about the efforts to improve environmental quality of processes.

Therefore, performance of high command is fundamental to realize and modify sensibility regarding social and environmental problems, either on the company’s external environment or internal. In this sense, new approaches have been showing up so that proactive companies reinforce by high administration a commitment with sustainability (Sanches, 2000).

Level of education, or the highest degree of formal education of an employee, can positively affect the understanding of sustainability (Alirol, 2001, Gliessman, 2000). The education of an individual reflects the time devoted to studies and contact with broad topics on sustainability. These topics are essential for the understanding of this term, among them are related to other economic performance, social responsibility, quality of life, environmental impacts caused by human activities.

**A new behavior is essential for sustainable management**

In this research, sustainable management in organizations is conceptualized when the human element is considered as part of the environmental dimension, because humans influence and are influenced by environmental conditions in which they are inserted; we evaluate its value parallely to the economic factor.

The belief that there is no new administration without managers’ transformation also implies that sustainability hinges on awareness of the role and the very core of its work: the human factor. With a look from management sciences, it is identified a more relational context, brought in a special way by the underlying control model of corporate social responsibility and reflects in the organizational context, provoking a deep review of values. The ongoing transformations require new configuration for the leading role and impose new challenges. A leadership that transforms itself first before demanding others to do so searches continuously the full implementation of ideas, oversees the enthusiasm and meaning that people put in what they do and accept the contradictory as a natural part of the company. A new context confirms that, in fact, the existence of a living and not mechanical organization, as the genesis of management sciences believed for a long time. Acknowledging these elements, a conscious businessperson allows the flow of forces required for sustainable management.

**Delimitation of the sample**

From a total of 60 national and multinational companies contacted to participate in this research, took part six multinationals, with 10 to 17 members each. Only one of them was not located in São Paulo, but also in the Southeast. This number respects the minimum of 10% of the population of contacted pharmaceutical companies. The selection of participants was made by the industry that agreed to participate. In this final result of six industries, we have 84 responders - 35 managers and 49 employees.

The variables analyzed were the academic training of managers and employees; whether they knew of the existence of a guide or manual communication; if they knew the concept of sustainability based on the Triple Bottom Line; whether sustainability was incorporated into business strategy; which content related to sustainability is published by the organization; if employees participate in the decision-making process; if there is the exercise of dialogue between management and employees and if one can state that managerial discourses are aligned to their practice.
Results

Figure 1 Undergraduate degree obtained

Figure 2 Does the organization have a communication guide or manual?
Figure 3 Do you know the sustainability concept based on the Triple Bottom Line?

![Pie chart showing responses to the sustainability question for managers and employees.]

Figure 4 What sustainability-related content is disclosed by the organization?

![Pie chart showing the percentage of disclosed content by managers and employees.]

- Economic
- Environmental
- Social
Figure 5 Are the organizational discourses of various areas aligned with managers and employees taking part of projects?

Figure 6 How could you improve your performance at work?
There are multiple backgrounds of managers and employees. Administrators, pharmacists and biochemists, communication experts, biologists, physicians, engineers, psychologists, accountants, designers, logistics and other experts that generate discoveries, ideas, solutions, processes etc., in a context in which the clash of opinions is permeated by ideologies, beliefs and different values. The challenge faced by the direction of this industry is efficiently manage the variety of knowledge and opinions to produce what is required, with competitive cost advantage. The higher the proportion of people with different perspectives, better the possibility of finding creative and constructive ways to equate complex problems such as teamwork, searching for solutions and results, which requires specific knowledge and experience of each professional.

In this scenario, it is possible to infer that there is a concern for managers and employees with the upgrade of academic science, being a predominant agent to monitor the development of the organization and the dynamics of the highly competitive and active pharmaceutical market.

The communication in the context of sustainable management

Most managers and employees do not follow a pattern of communication based on a guide because a significant amount is not aware of its existence or is unaware that this tool would facilitate the understanding of the values and vocation of the organization; the understanding of the heterogeneity of its stakeholders; understanding the habits and behavior of individuals as consumers or as citizens is the result of a number of complex factors. Fundamentally would be a way to raise awareness of an individual’s consciousness, focusing on behavior change towards more sustainable attitudes, which would help to align the speeches of the managers and employees of various sectors of industry. It can be inferred that communication flows empirically.

Regarding knowledge of sustainability concept based on the Triple Bottom Line we understand that in order to acquire corporate sustainability, financial capital, human capital and environmental capital, they should be integrated and balanced:

(... development of sustainable business on a long prompt must be expressed inside an environment that influences the quality and availability of human and natural capital associated with the financial and industrial capital. As a result of this new business practice originated the concept of Triple Bottom Line (3P), which indicates the interaction between financial, enviromental and social outcomes in measuring corporate sustainability (...) (Michels, Grijo, Machado, 2012).

According to Brandão (2012), sustainable management is a management capable of meeting the needs of a society without compromising the ability to meet the needs of future generations. The tripod of sustainability, Triple Bottom Line, known as the three Ps - People, Planet and Profit - is a concept that can be applied both in general (country, the planet) as a particular way (company, home, community).

The number of managers who ignore the concept of sustainability based on the Triple Bottom Line is pretty much the same of those who do know the concept and the number of employees who do not know is very significant: 62%. We believe that the concept is applied experimentally, because according to the answers, it is part of the tactics of the business industry.

Variable most disclosed by the industry

Managers and employees seem confident that the majority is environmental. The second would be the social and economic would be less used. We consider the answers perfectly consistent with our definition of sustainable management, where the human element is considered as part of the environmental dimension since it influences and is influenced by environmental conditions in which it is inserted in; we assess its value as a parallel to the economic factor.

Alignment between speech and practice

Given the high percentage of managers and employees who assert that there is an alignment of managers’ speeches with employees from different projects, within different organization areas, we confirm in this sense that the theoretical thought "the first mode is the HR's performance as a strategic partner of the organization as a whole", being observed by Ulrich (2002) as one of the most important HR roles, that is, concentrate on adjusting their strategies and practices to overall strategy of the organization. In this sense, Schuler & Jackson (1987) also agree, “it is essential to align the strategy chosen by the company and its HR practices and also claim that each HR practice should respond to a specific aspect of the business strategy, in order to create capacity organizational facilitating the achieve-ment of strategic objectives”.

Thus, we believe that management is embedded in the HR role, since it is its function as regarded the adequacy of strategies and practices. If not, they would fall into disrepute by employees, losing their trust. There would be much skepticism about the actions in process, and the goals and objectives of the organization.
Final considerations

We can infer that the surveyed industries suffered partly to the absence of a communication guide, but this was not impediment for the information to flow efficiently. This would be a Communication Plan document, but we believe that there is internalization of the basic elements of communication, standards and procedures for the implementation of strategies by both the managers and the employees, allowing processes to occur effectively. Of course, this communication should vary from one organization to another.

The conversation assumes the existential reciprocity and this presupposes the difference and similarity, since it is due to the difference that can enrich with communication. The dialogue broadens the horizons of the requirement of thought, because to respond and argue the ideas we have to make use of reasoning. There seems to be great consistency between practices and attitudes of respondents, since answer are completely aligned, which are favorable for the sustainable management.

Acknowledgements

This article resulted from post doctoral research, with six multinational pharmaceutical companies, done by the Escola de Comunicações e Artes of Universidade de São Paulo, funded by Conselho Nacional de Desenvolvimento Científico e Tecnológico (CNPq), from December 2011 to January 2014.

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