Surviving in Africa: the response of multinational corporations to institutional deficiencies and their broader moral implications

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Surviving in Africa: The Response of Multinational Corporations to Institutional Deficiencies and their broader Moral Implications

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Abstract

Developing a lasting strategy to survive in the African business landscape would be incomplete without careful considerations of the role of culture and corruption in the region. This chapter aimed at understanding how multinationals operating in the Nigerian pharmaceutical landscape in the last fifty years have responded to corruption in the region. By conducting eleven in-depth interviews with managers from across different levels of two major American pharmaceutical multinationals, the research uncovered a dominant bureaucratic culture of compliance. From this culture emerged five different response strategies employed by these multinationals in responding to the institutional deficiencies in the region. This paper concludes by discussing the likely impact of these on employee moral capacities.

Keywords: Corruption, Africa, Multinational Corporations, Morality, Bureaucracy.

Introduction

Economic, Social and Institutional Environment

Nigeria has a population of over 170million people, out of which 20million live in Lagos (Central Intelligence Agency, 2013). Lagos state is also the busiest commercial center of the nation where most multinationals across all industries are headquartered. The potential for economic prosperity in Nigeria has been particularly celebrated globally as Africa's largest economy (Robinson, 2015). Yet amidst this huge prospect, Nigeria's business landscape still faces many challenges. The purpose of this paper is to uncover these contextual challenges, how multinationals claim to respond to them as well as the likely moral ramifications of their responses. This focus is essential in the light of an increasing necessity to combat systemic deficiencies especially corruption at all levels of society for which multinationals are major stakeholders, whose activities can either make or mar this course. More interesting is the critical role multinationals can play in shaping the moral consciousness of their employees who can become useful beyond the walls of these firms. For this, we adopt two American firms as case study.

Research Methodology

A case study research design was adopted in this study. A crucial advantage of this approach is the closeness it offers the researchers to both the context of the study and participants who tell their stories. The Nigerian pharmaceutical industry offered the context within which this study investigated the phenomenon of corruption and the strategies employed by multinationals in responding to issues arising from the context. The choice of the Nigerian pharmaceutical industry as the context of this study was predicated on its well-documented, recurrent history of scandals and corruption (NAFDAC, 2015) alongside a proven long-term operational presence of foreign multinationals in the industry (UNIDO, 2012).

Three broad categories of players make the Nigerian Pharmaceutical industry namely: Western, Eastern and indigenous firms (IMS Health, 2012). Amongst these, Western firms, comprising firms from Europe and America have the longest historical presence in the Nigerian pharmaceutical landscape, dating over fifty years (UNIDO, 2012) and were therefore the focus of this study. More specifically, this study focused on American multinationals amongst the possible array of Western firms for two reasons: First, they granted the researchers easy access, which others did not give and second, they met the ethical standards employed in this study. Due to the sensitive nature of the pharmaceutical industry, anonymity of all participating firms and their employees was crucial at the design stage. Given that only British and American firms have an excess of three major players within the context, they were the only subsets for which anonymising data was more realistic since data containing specific, sensitive information might be easily traceable to its source. All British firms approached denied participation in this study, whilst two American firms granted access to conduct the study with the assistance of internal leads (employees of these firms within the professional network of the researchers).

Upon gaining access, a mix of stratified and random sampling methods was employed. First potential participants within the internal lead's network were assigned to a group called 'lead's network' from which simple random sampling followed in selecting part of the final sample. To control bias and ensure greater data reliability, participants from outside this network were also randomly selected. Overall, eleven employees across low, middle and senior management took part in the study. Six of these were within the lead's network and five were outside this network to control bias.

Then, in-depth semi structured interviews were conducted with all participants, each lasting an average of ninety minutes. Questions were structured to facilitate rich discussion on internal firm contexts as well as the broader industry and societal contexts in which the firm operated. Using clever 'how' and 'why' questions, further issues surrounding the responses of the firms to the challenges identified were discussed from which interesting insights into likely moral ramifications ensued. Gathered data were manually transcribed using a combination of software namely: Dragon speech dictator and InqScribed lasting an average of 4 hours per interview. Generated texts were imported into NVIVO within which data was analyzed using thematic analysis. Thematic Analysis (TA) is 'a method of identifying, analysing and reporting patterns (themes) within data' (Braun and Clarke, 2006:6). Hammerley and Atkinson, (1995) describe TA as aiming to generate descriptions of behaviours through identifiable themes and patterns in living and talk. Themes depicting both internal firm cultures, broader industry context and ensuing challenges were first observed. Then, other themes showing participants' opinions of how their firms are responding to these contextual issues were also observed followed by indications of broader impacts on the employees themselves. All these were coded into NVIVO nodes and explored critically in generating relevant themes and subthemes. Results and findings from this exercise are presented below.

Findings and Discussions

The core findings from this study showed that Nigeria has been plagued by weak institutions and a culture of corruption as defined by five critical features that emerged as central to the opinions of all participants in this study as follows:

Figure 1: Features of the Nigerian context

Source: Fieldwork

Illegal Processes

Nothing gets done unless the process is 'helped' or 'fast tracked' and following proper procedures is tantamount to a waste of time. Hence, to get things done such as securing a major contract, registering a company, clearing an import, and as many other activities as are covered in the gamut of the industry's value chain, people expect to their way through processes to get speedy response. Garuba, Kohler and Huisman, (2009) in a study of the Nigerian pharmaceutical industry reported that every aspect of the industry – registration, procurement, distribution and so on are susceptible to corruption by up to 89% of the times. As a respondent also retorted, '*In Nigeria, things are never straightforward*'. This has been accepted as the norm and the way business is done; hence different firms have their own ways of coping within such a context.

Corrupt government officials

An average government official has a feeling of entitlement and the widespread belief is that 'everyone has a price' hence can be bought over. For instance, labor officials are sent by the Federal Government's Ministry of Labor to check on employee welfare in organizations around the country to ensure employers comply with minimum labor conditions as stipulated by law. But this is hardly done. As an employee reported in her interview, " *I know of companies where government labor officials get hosted by their bosses, who give them branded goods and other gifts. Then they just ask the staff simple questions and never do anything about their real complaints*'. Yet, economic uncertainties in the country mean employees' choices are limited in securing other jobs; hence they remain at their jobs regardless.

Greed

There is also a widespread belief that an average citizen is never content and as such is always seeking quick money making means even illegal ones as the case may be. For instance, pharmaceutical representatives complain many doctors would not prescribe drugs unless they are compensated in some way and this pressures them into different unethical practices. A medical representative explained, "*Doctors are greedy. They put us under a lot of pressure. They demand money, sponsorship to international conferences, promotional materials, and some even ask that we equip their private clinics with satellite television*". As a result, it is common knowledge that some firms buckle under the pressure by putting some doctors on paychecks for prescribing certain volume of drugs monthly, whilst also obliging them in other ways.

Cutthroat competition

A lot of generic drugs have flooded the Nigerian market from different parts of the world. This is besides the already stiff competition amongst local and foreign pharmaceuticals currently doing business in Nigeria. A manager in one of the firms explained: " *The industry is flooded. For malaria alone, there are over 200 drugs that claim to be very effective in malaria curative and preventive treatment and other categories of ailments likewise have a lot of competing brands from established pharmaceuticals and generic brands*." All these force a lot of pharmaceutical representatives to engage outside ethical norms to meet their sales targets. The height of this is revealed when doctors pitch pharmaceutical representatives against one another to see who will pay them the highest for drug prescriptions without necessarily basing their judgment on the quality of the drug or the circumstances of their patients. Only multinationals with patented drugs enjoy a lot of immunity in this regard as doctors are forced to prescribe their drugs. Competition forces the game to be played outside of set rules as implied throughout out this study.

High Economic Uncertainty

In spite of anticipated prosperity, a large percentage of Nigerians still live below poverty line whilst the fears of economic dividends not trickling to the bottom abounds. This creates constant fear in the middle class who feels the pressing need to survive. Most participants expressed their fears about the economic uncertainty in Nigeria. In the words of one of the participants: " *The job market it tough. Things are tight out there and we really don't have a lot of choices so we have to hang on to what we have now and not lose out eventually*". With rising living costs as well as few jobs to match this pressing demand, the sense of insecurity has gripped many and kept them glued to whatever jobs they currently have for the fear of losing out altogether.

The prevalence of these features makes the thought of doing ethical business almost impossible yet; several multinationals claim to successfully operate in this context. It would therefore be interesting to critically explore how these multinationals strategize to survive in Africa.

Case: American Firms: History, Culture, Practices and Scandals

American pharmaceuticals are amongst the strongest players in the Nigerian pharmaceutical industry in terms of size, market share, profit and historical presence (UNIDO, 2012). With over fifty years of well-documented presence in Nigeria, American pharmaceutical companies have generally been largely successful (IMS Health, 2012). They have at different times owned different drugs production and manufacturing assets locally, diversified into veterinary medicine, livestock feed production and so on (Livestock Feed, 2014). Such success in a corrupt environment may be commendable from a business perspective; however, it also raises curiosity about how these American firms have been able to handle the obvious institutional deficiencies identified within the context.

In this section, we examine the internal firm culture and practices of American Pharmaceuticals within the context. It is expected that external contexts should strongly influence firm culture and also leave clues as to the likely response of firms to the challenges of such contexts. Further, we argue that some of the current practices observed in most western multinationals within the region may not be entirely isolated from some historical antecedents, hence we attempt to link some of these practices with major scandals, for instance Pfizer’s Trovan scandal in Nigeria before exploring the broader implications of these.

Firm Culture and Practices

A few factors were observed as common threads in the cultural fabric of the understudied American multinationals. First, there is a very strong customary culture of compliance to set procedures. In fact, all understudied firms consider compliance and strict adherence to set standard operating procedures (SOPs) as the biggest ethic any employee must have to survive in them. So regimented are internal processes that there is hardly any activity without written procedures to them and as such employees are expected to follow these procedures in all executions. The strict compliance environment also implies employees caught transgressing any set procedure could lose their jobs depending on the level of atrocity committed. These features of the firms reveal the bureaucratic tendencies that exist in internal structures for the purposes of ensuring employees' activities are regulated and controlled by set standards as multinational enterprises desire to protect their brand reputations.

In practice, this culture of compliance is instilled through frequent, rigorous trainings, with a view to exposing employees to case studies that test their ability to effectively apply standard operating procedures (SOPs) to real life scenarios. We are however left to question whether rules can sufficiently cater for all possible challenges employees face in reality. Also, whether explicitly dictating moral reactions to employees who are meant to be fully mature in their cognitive moral reasoning (Kohlberg, 1971) does more good to them than harm in the long run. From another critical perspective is the issue of effectiveness of written codes, which has been reported severally in literature, could help moderate ethical behavior yet could also be cleverly employed as a cover to hide unwholesome practices.

Secondly, internal work environments are very structured yet very flexible, cordial and free. It was a common expression throughout this investigation in one of the American firms that ‘change is the only constant thing’ and therefore change agility is a crucial skill to have on the job. You could occupy a position today and the next it is gone leaving such persons to apply for other internal positions or leave the firm. Such is the flexibility of internal structures that it seems to create an environment of uncertainties and insecurities in some sense. Nevertheless, employees described work environment as ‘family’, ‘cordial’ and ‘open’ with all employees encouraged to ‘say it as it is’ with zero tolerance for disrespect of colleagues and any breach of compliance. Punishments for such are extreme and very harsh, hence as an employee, focus is on doing things right. Reviewing this seemingly friendly environment from a critical perspective, it can be argued that this kind of environment could create informal mechanisms for normalizing unethical practices and even distracting employees from the moral consequences of their actions since their focus would be on pleasing their bosses and other employees. In addition, these firms have some of the best welfare packages in the industry with employees receiving all possible incentives – new cars, high salaries, among others to give security and discourage any unethical practices on the field. However, these welfare packages could easily make employees feel indebted to the firms and would cause them to go all out to meet their sales target to justify such welfare packages.

Thirdly, in engaging doctors on the field, American MNEs adopt a common practice of sponsoring a select few doctors to international conferences and subscribing to medical journals on their behalf as contributions towards increasing awareness of global medical trends. However, concerns were raised as to the influence these gestures have on doctors who may feel indebted to the firms and respond by continually prescribing their sponsor’s drugs. But, the American firms claim they insist all doctors sign an agreement that their acceptance to be sponsored for a trip abroad is not in any way an inducement to make the doctors prescribe company products. They go as far making them declare that these gestures are for their professional development only and that they still maintain full discretion to prescribe drugs they feel will help their patients the most. The documentations and processes involved are also quite long and tedious for obvious reasons and many doctors have been reported to complain bitterly about the processes involved thinking it is almost an insult on their pride. Thus, only few are able to wade through the maze to get the prize. The effectiveness of signing agreements for such favors remain contestable especially since the favor is expected to have induced the doctors in ways beyond any written document, yet many claim not to be involved in any form of inducements. But as a participant explained, it is an unwritten rule that after doctors benefit from such sponsorship, they will go ahead to prescribe such company's product more. This then raises the tension about the capricious nature of relationship between what can be gift giving as different from bribery.

Finally, In contrast to the above, this is an acclaimed zero tolerance to all forms of bribery and corruption by these firms. Also, they claim to lay a lot of emphasis on how profit is being made over and above the profit itself even if it is at the expense of bottom-line. However, it is interesting to note that in spite of these norms and practices, a lot of emphasis is still placed on meeting set financial and sales targets as performance is largely based on meeting the figures. As profit making entities, the motive is quite clear, and running at a loss would not be an option in Africa's largest market. This therefore gives rise to the question of how MNEs can achieve the delicate balance of pressing employees for financial performance in a highly competitive and corrupt market whilst expecting them to be completely ethical in the process. Also, whilst the strict rule adherence culture may look great on paper, it also raises a few practicality issues: can employees always follow set rules in the face of harsh realities on the field? More importantly, are the strict rules really aimed at ethical conducts or are clever alibis by the firms to exonerate themselves from any scandal, whilst still allowing for some dirty play in the field by their employees? Looking back at history, we argue that regardless of the ploy by these firms either to really want to do ethical business or just to cover up their tracks whilst doing business as usual, a few factors may be responsible for this culture. One of such is a historic scandal that rocked Pfizer in 1996 in the Northern part of the country and has since left the company trying to recover. After years of legal battle, it can be argued that part of the response of Western multinationals to the scandal in addition to foreign regulations governing their activities was the tightening of internal processes through rigorous standard operating procedures (SOPs). Yet the full motives and effectiveness of this practice is highly debatable.

Pfizer Kano Scandal

In 1996, following the outbreak of cerebral meningitis in Kano, a northern city in Nigeria, Pfizer reportedly moved in first hand inside few weeks of the outbreak to administer a drug, Trovan on infected children. Trovan was in its last stages of development and a test on human specimen would validate its potency as a potential 'blockbuster' drug as had been predicted in Wall Street (Stephens, 2000). However the clinical trial was soon riddled with lots of controversies including the death of many children and the deformity of several others. Arguments surrounding Pfizer's actions have generally been categorized as either a genuine move to save lives or a greedy drive to make profit, with evidences skewing more towards the later than the former. First, Trovan had been predicted would generate $1billion in revenue (Brichacek, 2001). Given the huge sums that go into drug development often spanning ten years of more, a real time epidemic offered the perfect platform to test the drug, get final approvals for global deployment and make predicted profits. Further investigations soon also revealed Pfizer had falsified consent letters to carry out the trial, that they had administered lesser doses than required by law and that the parents of the victims were not properly informed before their children were administered the unregistered drugs (Abdullahi, 2002). A parent famously retorted, '*The Americans and some local doctors gave Anas this evil drug*' (Murray, 2007).

Furthermore, a World Bank report in 2002 ascribed the scandal to the repressive and corrupt military regime of the era, which had weakened all institutions, including the drug regulatory agency in Nigeria, rendering it incapacitated to carry out its statutory duties of protecting lives (World Bank, 2002). This made it possible for Pfizer to obtain 'quick' permissions from the authorities without any delays, although it can be argued that the urgency of the matter could have contributed to this. Initial response to the epidemic by a charity medical organization in the region was administering another antibiotic, which was reported, had some success (Murray, 2007). But it was the allegation that Pfizer kept the children on their drugs even when improvements were not observed that further accentuated their motive in the trial. Pfizer, (2007a) in response to accusations claimed Trovan reduced mortality rates from 20% to 10% and that they sought oral consents due to low literacy in the region using interpreters to communicate their intentions to parents. Pfizer also claimed to have sought appropriate consent from regulatory authorities and insisted that 'Trovan helped save lives' (Pfizer, 2007b:1). Finally, Pfizer denied that Trovan was responsible for the death of the children in question but that the disease killed them coupled with the fact that they had supported the state government with 18million Naira in contributions and support towards the epidemic.

Whilst Pfizer would not claim responsibility for the children's deaths and insisted their actions were 'ethically justifiable' the company suppressed every attempt to allow a fair hearing of a lawsuit leveled against them in the United States until 2008 when a $7 billion lawsuit filed by the Nigerian government led to Pfizer's indictment (Goldacre, 2013). Pfizer's actions and responses opened up several debates but what is of more interest in this study is the real motive of the firm and whether opportunistic behaviors have been at the foundation of their success in Nigeria in the past. In retrospect, had the trial gone smoothly, the firm would still look great on paper as an ethical firm doing good business in the region, yet this one scandal brought to light the real issues. Interestingly also, Pfizer diversified all its investments in Nigeria in 1997 and reduced its activities to merely marketing and distribution in the region. The coincidence of this divestment with the Kano scandal must not be ignored because in 1997, the scandal was about to gain global attention and as such it can be argued that the divestment was a move by Pfizer to play safe knowing fully well the like consequences of the drug trial on its reputation when it gained global attention. Yet, completely pulling out from the region was not an option knowing fully well the potential impact of the Nigerian market on firm's bottom line. Thus, if survival in Africa would include such opportunistic behaviors, the use of brand power to buy corrupt government officials amongst other unwholesome practices, it can be argued that every other firm culture in place today as earlier discussed may just be mere facades masking the real issues or may simply be defense mechanisms aimed at protecting the firm from any legal troubles but does not position the firm for consistent ethical behavior within the context.

Therefore, given the capricious business environment previously described and the cultural traits, practices and scandal explored in this section, we are able to further appreciate the nature of the complex relationships that exists between multinationals and the corrupt contexts of host countries. Whilst there may not be a singular potent tactic able to help firms make decent profit ethically from a highly profitable market, the adoption of the dominant stringent SOP tactic still does not completely protect them from falling prey to traps of the system, at least for firms willing to do business ethically. Yet, on another note is the reality that contrary to the claims of several multinationals in the industry that they conduct business ethically, their acclaimed response strategies may simply be mere propaganda.

Responses to the Institutional Landscape and broader Moral Implications

Following from the previous section, there are five major ways American firms claim to respond to the aforementioned institutional challenges in Nigeria based on their strong culture of compliance as follows:

Avoidance

Employees are instructed to select the people and places where they profitably do their business to meet their targets with little or no efforts. As a result, representatives are expected to know hospitals and clinics that are loyal to their brand and will prescribe company brands with little or no persuasion. By this they are expected to know and avoid problematic and corrupt doctors in their territories.

Firmness

Even when probed to bribe, many employees have said they have stood their grounds on the fact that they don't in any way feel the doctors are doing them a favor but vice versa. The doctors have a primary objective - to save lives and when this is achieved, it is great for their image. That objective is what the pharmaceutical companies are also out to help them achieve.

Brand Power

With patented drugs in the market, American pharmaceuticals have a strong bargaining power when they have the only drug in the market able to cure particular diseases in certain ways. With this, the doctors have no power to ask for bribes and representatives are asked to leverage this in doing business. However there is a possibility of firms leveraging this power excessively as has been experienced in South Africa, where pharmaceutical giants have been accused of suppressing of bills that would grant local manufacturers the right to produce generic versions of cancer drugs, thereby making them affordable for the masses (Rutter, 2014). Similarly, in the Trovan case earlier described Pfizer leveraged on its power to gain quick access to the disease ravaged part of a country for the clinical trial and also leveraged the same for the subsequent suppression of lawsuits brought against it. However, the critical issue is how firms choose to use their brand power in any given context.

Creativity

With lots of competing generics, employees in American MNEs are rewarded for ingenuity and innovativeness in approaching the market to do clean business. Some of the ways they have done this include developing special screening schemes in partnership with state governments after which the treatment of infected persons are paid for. Sponsorship of conferences both local and international, supply of medical journals to doctors and hospitals etc. Essentially exploiting the gift giving culture of the country with loyal clients with the claims of adding value to the knowledge of the medical professionals.

Relationships

Medical representatives thrive a lot on long standing relationships with medical professionals over the years such that they keep recycling business as a result. Even when such representatives change jobs to other companies, they attempt to leverage on those relationships to sell their new company's products.

Thus, in adopting these strategies, firms feel safe navigating through the difficult business terrain, yet, there are some broader moral implications these strategies raise. First, whilst it seems clear that the purpose of the firms is primarily to make as much profit in the region, the corrupt context also seems to place a demand on corporations to help mold morally responsible citizens, if they are truly to be worthy examples of good corporate citizens to their host country. In principle, this may be farfetched and creating a strict compliance culture has been proven could be doing more harm than good to the moral development of employees (Ferrell and Skinner, 1988; Weber, 1990). We explore this further in the next section.

Impact on Employee Morality

Organizational rules including code of ethics are a part of the formal structure in organizations. They could help define relationships and guide activities thereby creating sets of mutual expectations as well as reducing uncertainties (Zhou, 1993). Organizational researchers have highlighted the tendency of huge multinationals, to avoid and reduce uncertainty especially those operating in heterogeneous task environments (Henisz and Delios, 2002; Ghoshal and Nohria, 1989) and environments with uncertainties (Das, 1983) by using formalized rules as is the case in this study. They could also be used as tools in creating compliant employees enforced by rewarding obedience and punishing violations. From an ethics perspective for instance, rules could be very useful in shaping moral capacity in employees and have often been argued to grant organizations more control over the ethical behaviors of their employees (Ferrell and Skinner, 1988). Ferrell and Skinner, (1988) in their study concluded that formalization explained the most variance in ethical behavior with the existence of an ethical code as the major factor explaining the variation. In affirmation, corporate policies, usually codes of ethical conduct have also been linked to increased ethical conduct (Ferrell and Weaver, 1978; Fritzsche and Becker, 1983; Hunt, Chonko, and Wilcox 1984). Also, Tsalikis and Fritzche, (1989), Murphy, Smith and Daley, (1992) concluded in their studies that corporate ethics inhibits unethical behavior and that employees in these organizations were less aware of unethical or illegal activity in their organizations. But whilst this could be a positive, the fact that moral awareness is reduced is a major point of criticism, whereby employees' individual moral agency is replaced by rules thereby limiting their capacity to recognize moral issues and ability to make sound judgments. Therefore, this has often raised concerns about the presence of code of ethics being a mere façade to mask the real ethical issues and struggles in organizations.

However, in practice, formalized rules have also been reported to activate role conflict among professionals because of the discrepancy that exists between their personal norms and the organization's (Organ and Greene, 1981). This is also known to create a moral tension between employees and their organization. Merton, (1968) further explained that often times the presence of formalized rules implies the need to strictly adhere to those rules, a behavior called compliance. He then argued that the impact of compliance on employees is that following the rules becomes an end in itself and could cause them to lose focus of the bigger goals of the organization or the moral consequences of their actions especially where such rules are used by firms towards unethical ends.

Furthermore, Kohlberg's cognitive moral development theory offers key insights into the moral ramifications of the rule-based morality. According to Kohlberg's, (1971) typology of cognitive moral development, rule based morality places individuals at the pre conventional level of moral reasoning. At this basic level of moral reasoning, morality is defined in terms of avoiding to break the rules (Colby and Kohlberg, 1971), beyond which every other concern is obliterated. Employee orientation would be on reward, punishments and obedience only. However, Kohlberg's categorizations suggest higher levels of moral development, that is the conventional and post conventional stages are more adequate in resolving significant moral dilemmas (Kohlberg, 1975) than the lower pre-conventional level. Therefore, Kohlberg's theory argues that at the pre conventional level firms with strict rules expect employees' orientation to be towards keeping set rules, a reasoning level that renders them incapable of making critical moral judgments. Whereas, anyone reasoning at the higher stages could for example recognize a moral issue and make a decision to leave the job based on the violation of some higher moral principle they hold in high regard. As such Kohlberg's theory would presume from a moral standpoint that strict rule compliance in organizations creates a false conscience and a rule based moral code that keeps employees bound at a lower level of cognitive moral maturity. Hence, moral capacity to see moral issues and make autonomous moral judgment is significantly curtailed.

This position has been substantiated by some empirical studies. For instance, Weber, (1990) in his study of moral reasoning among managers in response to three distinct moral dilemmas discovered that managers typically reasoned at the conventional level, implying they thinking is done at the level of conformity to organization norms without consideration for broader moral implications. Weber, (1990) also discovered in his study that managers that worked in large organizations reasoned as a considerably lower level than those working in small self-employed firms thereby validating the role rules play in limiting moral capacity of employees. Also in a review of ethical decision making literature by Loe, Ferrell and Mansfield, (2000), seventeen studies were found to have understudies the role of code of ethics in decision-making. Results varied from those who found code of ethics as useful to the improvement of ethical behavior (Weaver and Ferrell, 1977) to those who discovered it increased a sense of awareness and subsequent reporting of unethical incidents (Trevino and Youngblood, 1990; Valentine and Barnett, 2002) and to those who concluded it was less effective in helping ethical behaviors (Bruce, 1994; Glenn and Van Loo, 1993). However, Beneish, and Chatov, (1993) opined the contents of code vary according to industries and this could explain the variations in the findings. Ultimately, the ends for which rules are created is the critical factor in determining their success in organizations.

Summary and Conclusion

This study has explored the difficult business terrain of Nigeria and the response of firms to the context in different forms. Whilst it was clearly established in the course of this study that the nature of business environment makes it almost impossible to do ethical business, it was also quickly established that most firms might be playing to the gallery by claiming to have the best practices of doing business in the country. Exploring this further, the Pfizer scandal shed more light into the likely unethical practices that may be happening behind the scenes within the organizations and we argued that the prevalent firm practices might simply be clever strategies to mask the moral lapses of these firms. Whilst there may not be clear-cut solutions to doing clean business in Africa giving the difficult terrain, a few critical thoughts come to mind: Are multinational firms actually exploiting contextual weaknesses to fatten their bottom lines and if not, is it possible to do business in such an environment without getting involved in the corruption at all levels? Whilst we may not be able to exhaustively answer these questions in this study, yet another interesting point is the thin line between the gift-giving culture in Africa and bribery. At what point can a gift be termed a bribe?

Though within the pharmaceutical industry, the ethical problem of 'inducing' doctors and other potential business sources has been a bone of contention, some multinationals believe in securing their businesses first before any exchange of gifts takes place. Any form of gift giving to doctors by the multinationals in the form of subscription to medical journals, sponsorship to international conferences, giving free drug samples etc. can be argued already secures the goodwill of that firm with the doctors such that it takes perhaps a far greater treat from another company to convince the doctors otherwise. So prescription of drugs may no longer be based on the science of such drugs. And if financial muscle is anything to go by, multinationals stand the better chance of winning doctors over coupled with their already established brand name amongst other key factors. These are some of the grey issues that also typify the Nigerian business landscape. However as also discovered, corporations could endeavor to make raising morally responsible citizens a priority by shifting the focus of their response strategies especially using strict rules not only to cater for their profit needs but also in deliberately molding morally responsible citizens able to think independently and respond properly to moral issues. Also, barring greed, which is yet another major issue in capitalist economies, western pharmaceuticals can and should leverage their brand power to set positive examples for how ethical business can be done in the region.

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