Cheryl Eckard: Model of Ethics & Whistleblower Tactics at Glaxo Smith Kline

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Abstract

The ideals of ethics serve as the framework for how individuals lead and prosper in the world of work. Leading ethically is sometimes a challenge brought on by an adverse working environment or a challenging situation. Cheryl Eckard of Glaxo Smith Kline, PLC Pharmaceuticals (GSK) was an ethical leader, while “whistleblowing” on her former employer. Eckard’s actions in sum embody all that ethical leaders are. They have a strong foundation in what they see as right, they are willing to work with others in the context of a certain accord of values, and draw others to act ethically. Eckard did all these things, despite facing a significant amount of hardship in the process of reporting her former company to the FDA for improper factory management. This act of whistleblowing launched a full investigation of GSK by the FDA in 2003. Cheryl Eckard’s persistence and commitment high ethical standards proved that blowing the whistle was the correct action to take. She was duly rewarded for it in December of 2010 after the case’s settlement was finally reached. Because of Eckard’s decision to act out, she serves as an example for other middle managers of high corporate businesses to stand up and speak out against corrupt company policies.

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Introduction

In October of 2010, Cheryl Eckard, formerly employed by Glaxo Smith Kline PLC (GSK) Pharmaceuticals, was awarded 96 million dollars, the single largest payout received by a “whistleblower” in the history of American business. Eckard was a global quality-assurance manager observing operations at numerous GSK drug manufacturing plants. On one assignment, in 2002, she was asked to visit a company branch in Puerto Rico to assess the viability of a struggling plant. Upon her arrival, she was appalled to see the conditions in which workers were formulating GSK’s pharmaceutical products. After consulting with the plant managerial staff, Eckard made the decision to halt all immediate production of all goods coming from the Cidra, Puerto Rico plant. However, Eckard’s supervisors failed to acknowledge her request to stop operations; they were preoccupied with proposals for new drugs to the FDA. Eckard continued to consult with the Cidra plant into 2003 to change plant operations, but her position was later “terminated” between the lines of the final merger of Glaxo Wellcome and SmithKline Beecham PLC a few years earlier. Eckard’s removal from GSK was strategic at this juncture to somewhat cover up her findings in the Puerto Rico plant. Despite losing her job, Eckard later filed her findings with the FDA and proved what she knew to be a failure to operate within the boundaries of her company’s principles.

The following paper will illustrate Cheryl Eckard’s commitment to a strict model of ethical leadership in a position of management, the process of her whistle-blowing towards GSK, and the implications for future top managers who may be called to “blow the whistle.” Eckard was hired to measure and evaluate situations like the exact one for which she was quietly fired. However, her persistence to implement a change was unprecedented in that she continued to fight for an injustice even though she was no longer a full stakeholder within GSK’s mission.
Eckard’s actions resemble those displayed in several facets of leadership ethics. She was a leader in an unethical business situation and later became a whistleblower to call attention to an unresolved problem at GSK. This paper provides an application and analyses of views and general theories on ethical leadership as they are related to Cheryl Eckard’s recent case with GSK. Eckard’s actions reaffirm the existence of a “Choiceless Choice” that exists in any whistle-blowing predicament according to C. Fred Alfred, a leading scholar and researcher on the act and nature of whistleblowers. She utilized the authority from her leadership position to make a resolution to an extremely hazardous situation in the face of great adversity. Additionally, Eckard serves as a primary example of the good that can come of being a whistle-blower. The decision to speak out against one’s associate entity may harm a reputation, or potentially cause a loss of employment for that individual; these are outcomes the whistle-blower faces evaluating a flaw in any case of ethics in the professional world. Lastly, Eckard’s decision will be evaluated within the realm of ethical leadership and the concept of whistle-blowing in addition to its precedence set for future business leaders.

Holding ethics to the highest regard amidst a crisis within her company, Cheryl Eckard demonstrated what was needed to be done in order to salvage GSK’s name as a provider of health care products. She properly administered the steps as to how an ethical leader should approach a testy situation. As the stakes rose in the case of the Cidra plant, Eckard made the call to “blow the whistle”; she did so in the realm of proper etiquette, outside the situation with all the facts. In this way Cheryl Eckard serves as a contemporary model for ethical leaders and whistleblowers alike.
Ethical Leadership

Ethics is generally defined as the common plane where human beings move and shuffle their values, morals, and beliefs around to cooperate appropriately in any physical or metaphysical exchange. Leadership is the dynamic process and relationship between (a) leader(s) and (a) follower(s), who share similar direction, values, culture, and norms, all in an effort to accomplish a common goal (Northouse, 2007, p. 341). In combing the two, ethics and leadership, there exists a significant amount of interchangeable overlap. Values, morals, and beliefs serve as the congruent parts, but leadership enhances ethics with its engine of process between groups. It could be argued that the two are inextricably intertwined as well. Moreover, working in conjunction with one another, ethics and leadership exist to meet a goal or challenge while functioning in a proper environment.

At the epicenter of scholarly beginnings in ethics, Immanuel Kant posited in his Categorical Imperative that “individuals should do what is morally right no matter what the consequences” (Johnson, 2001, p. 103). This approach to thought and decision-making posed by Kant is the best example of deontological ethics. This camp of thought finds an ethical basis on the fact of making decisions upon general truths. Contrasting the position of deontological ethics is teleological ethics, which provides a foundation for decision making upon the results or outcomes of a situation. No higher truths govern teleological ethics, but rather decisions to act or not to act dictate whether an individual’s decision is for better or for worse. Under the teleological camp, two subsets of ethical forms of conduct trace back to teleological theory. First, ethical egoism promotes good through individual actions for one’s own benefit (Garofolo and Geuras, 1999, p. 59). Second, utilitarianism came about through the late philosophers Jeremy Bentham and John Stuart Mill of the early and middle 19th century respectively. This
teleological theory aims to create the greatest amount of good for the greatest number of people; henceforth, allowing a social capital to subsist at minimal social expenses to stakeholders (Johnson, 2001, p. 100).

The Eckard’s Ethical Environment

To best perform her duties, Cheryl Eckard strove to create an acceptable ethical climate or her company to function in. As a manager of global quality assurance she provided GSK with the best evaluation services to ensure GSK’s vast product quality. Her commitment to GSK and its mission is evident in the nine year tenure she secured working to “…improve the quality of human life by enabling people to do more, feel better and live longer” (GlaxoSmithKline). Eckard obviously had a large stake in the outcome of her decision to close the Cidra plant. Despite this decision, she knew it was the right one based upon her obligation to serve as an extension of entire company’s mission. Eckard took ownership over the mission to ensure that consumers of GSK’s products would not bear the negative consequences of these mishaps or the oversight of improper distribution chains. The downfall of the GSK supervisory staff was ignoring their company’s values and guidelines which serve as the cornerstones to all of GSK’s operations.

Eckard served as an ethical leader through multiple attempts to contact her supervisory staff in the United States to inform them of the plants inefficient practices. She was obliged to not let this wrong continue to discredit the name of her employer and harm millions within GSK’s consumer market. Through this extreme form of persistence Eckard displayed Kant’s Categorical Imperative. She sought to do right, disregarding any and all consequences that would potentially affect her career’s future. Putting an end to the mishandling, poor
measurement, and mislabeling of GSK products was Eckard’s duty in the deontological sense. Based upon the higher mission that governed the company’s quality assurance, Eckard could not be put in the wrong for attempting to stand by a “truth” that should have been upheld by all employees involved in managing the Cidra plant operations. She stuck herself out on the line for doing her job. If Eckard had not spoken out regarding flawed manufacturing, she may have lost her job anyhow for improper inspections and filing reports. Furthermore, her supervisory staff acted with negative ethical egoism as they worked to produce a new product for the advancement of their company. This staff was supposed to be working in conjunction with Eckard on developing a solution to Cidra’s escalating problem, yet chose to continue research on an extremely profitable drug instead. This shows an element of misguidance in the mission of GSK’s top employees.

Two years past Eckard’s initial evaluation of the Cidra plant, she continued to press the large scale problems facing GSK products shipped out of Puerto Rico. Finally, Eckard had to admit to her superior that she could no longer associate with a company that does not follow through with its mission; "she would not participate in a cover-up of the quality assurance and compliance problems at Cidra," according to her lawsuit (Wall Street Journal, 2010). Eckard was fired from GSK in 2003. However, she was relentless in the fight to defend her staunch beliefs to do make the right decision. Eckard continued calling her former co-workers and department heads to try to sway them in taking action to shutdown productions in Cidra. Unfortunately, her efforts to incite a response about the malpractice at Cidra were not enough to grab the attention of her former colleagues to stand up and take action. Finally, in late August of 2003, Eckard filed a claim with the FDA in San Juan, Puerto Rico. The phone call was over two
hours long, and a year later the FDA launched a full investigation of GSK Cidra (Wall Street Journal).

Even after Eckard was removed from GSK entirely, she remained steadfast in standing up for what was right. She was looking out for the collective, the group, society. In the greatest terms of ethical leadership, Eckard went beyond the confines of both positive ethical egoism, and utilitarianism. Eckard acted in the extreme form of altruism within ethical leadership during the final months of her uphill struggle to report Cidra. Altruism is defined by selfless motives done in the best interest of others, even if those motives diverge from a leader’s own self-interests. Eckard stated, "This is not something I ever wanted to do, but I felt I had no choice because of the safety concerns" after her case settlement in 2010 (Wall Street Journal). These safety concerns were not for her well being, or the current staffing of GSK; they were for the general public. This statement shows that Eckard was committed to her company in the most self-sacrificing way until resolution was finally established.

The Whistle-Blower and the Process of Whistle Blowing

According to a 1998 article by Terry Dworkin and Melissa Baucus from the Journal of Business Ethics, the whistleblowing process has four stages: a triggering event occurs, an employee undergoes decision making, the employee exercises a voice by “blowing the whistle", and lastly, organization members react to and possibly retaliate against the whistleblower (Dworkin and Baucus). This is a brief look at whole process. Dworkin and Baucus explain several factors related to the whistleblower process. This process of defining an ethical dilemma stemmed from business analyses to create a composite view of the commonalities between multiple cases. Examples of hypotheses from the article include, females are more likely to
report business transgressions through internal channels compared to males who report externally. Employees holding longer tenure in an organization are more likely to blow the whistle internally. Unfairly fired external whistleblowers most often have greater evidence than those reports coming from internal whistleblowers. Lastly, external whistleblowers more often achieve greater effectiveness in resolving a firm’s former business malpractices (Dworkin and Baucus, 1998). In conjunction with several other hypothesis factors, an analysis was compiled from whistleblower cases across the United States. Dworkin and Baucus proved the previously stated hypotheses in finding that: gender difference did not account in the mode of reporting, employees with longer stints of employment are more likely to report internally, those who report externally and were fired unjustly have better evidence to support their claim, and finally, whistleblowers already outside the firm initiated investigations, a positive response, or adjustment in company operations.

While at GSK, Cheryl Eckard experienced the four stages of the whistle-blowing process. She observed a triggering event at the Cidra plant. After deliberating with plant managers Eckard processed her evaluation of operations to make a final decision. She exercised her knowledge and authority as a global quality control manager to report Cidra to the corporate supervisory staff. And finally, GSK retaliated by not recognizing Eckard’s findings as valid. With regard to Eckard’s case specifically, she matches the profile for these specific hypotheses put forth by Dworkin and Baucus. With gender turning out to be a neutral factor, she fulfilled the other hypotheses in her actions as a long-tenured employee. She was an external whistleblower after reporting to the FDA; her large amount of evidence began a campaign for GSK to revise and reevaluate global business operations.
By comparison, Eckard was fortunate in her act of whistleblowing for not receiving any direct abuse or retaliation for speaking out against her company. Eckard obviously felt comfortable and confident in her work environment. It is apparent that Eckard felt she knew what would be acceptable by GSK’s standards in terms of accepted managerial reporting. She was probably shocked to hear that her administrative liaisons lacked a significant amount of ethical conduct in positions of leadership. In contrast to Eckard’s experience, whistleblowers are consistently swept up in contractual agreements to keep silent about certain business procedures. These illegitimate agreements between a malfunctioning organization and its employees are not conducive to the ethical environment of ideal business. This fact further drives the point home that Eckard’s firing was deliberate within an attempt to cover it up.

Among the healthcare and pharmaceutical industries, notions focused on the net profits in the developments of services and medical products create an unethical environment for silenced workers and potential whistleblowers. By remaining quiet, while observing a problem creates an unethical business environment and only adds to the corruption of corporate America. Eckard went against the grain of common trends and set out correct a serious wrong.

Conclusions

Cheryl Eckard, by the nature of the case filed against GlaxoSmithKline, was a whistleblower in the truest sense of C. Fred Alfred’s definition of “those who speak out against illegal or unethical practices within the organizations they work for. Speaking out may involve going public, or it may just involve going to the boss’s boss. The practices about which they speak, must involve harm to others, not just the whistleblower” (Alfred, Whistleblowers and
Ethics, 2001). She is a testament to what establishing a working code of ethics in leadership can bring to a business facing a serious crisis.

The realm of ethical leadership in whistleblowing was evaluated on a macro level in this compilation of research. A micro level of analysis of ethics in leadership in relationship to whistleblowing would potentially reveal some corrupt aspects of the whistleblower. For instance, a whistleblower may find a mistaken fault within a company. That flaw was not meant to cause any unintentional damage. Yet, the whistleblower knew of this flaw and reported it to proper authorities. In the end this whistleblower capitalizes on another’s error. To an extent this camp of thought contributes to the aforementioned trend of the healthcare and pharmaceutical industries. These two fields hold such high stakes for their clients that sometimes it is viewed as “proper” to cut or cheat corners to remain afloat, while making significant profits.

Critics of Eckard in the GSK Cidra case dispute that she made the claim to receive benefits from the United States’ great government whistleblower payout system. In spite of this negative impression it is quite apparent that Eckard did what she was prescribed to do as a quality assurance manager. To a degree, knowing that doing the right thing will warrant a sizable reward will impact how one goes about “ethically blowing the whistle.” Cheryl Eckard worked with the system to implement change, worked outside the situation completely removed from GSK, and finally made the call to do what was best for millions of recipient’s of GSK pharmaceutical products. Moreover, Eckard reaffirmed her motives in a December 2010 interview with Scott Pelley on CBS 60 Minutes. She stated in response to doubters of her intentions for filing investigation that “I hope, and I pray that their mothers, and their brothers and their children have safer medicine today than they had before I filed that lawsuit, and I believe they will” (CBS). As evidenced by this quote, Eckard demonstrates a strong conviction
of ethical leadership. She had the core of an ethical mindset with the ability to apply her directives to her role as a managerial leader. Furthermore, she legitimized the reason for her actions in a utilitarian fashion and remained true to the mission of GSK even after being fired. Eckard worked for the greater good of GSK’s consumer nation to “improve the quality of life by enabling people to do more, feel better, and live longer” (GSK). Cheryl Eckard made a decision as an ethical leader with proper whistleblower etiquette. Her efforts stopped the production of dangerous combinations of drugs distributed to the public, allowed GSK to reevaluate its global plant protocols, and enabled her to be rewarded for making the right decision in the end.

In review, Cheryl Eckard served as a model for ethical leaders by embodying Kant’s Categorical Imperative, and Mill’s view of utilitarianism within the context of a corporate failure. She was persistent in her correspondence and fell into a functional realm of Dworkin and Baucus’ hypotheses about whistleblowers. If more corporate employees stood up for the betterment of what their companies truly value, then more cases like Eckard’s would rise to the surface. All too often, top financial advisors and investors are being sent to high court for laundering and malpractices. Cheryl Eckard is an example for middle managers to stand up to corporate staffing, and defend the company’s direction. American industry needs more quality assurance managers like Eckard to ensure that an ethical environment is kept, and a whistleblower can properly execute a course of action if necessary. To date, Eckard remains the highest rewarded whistleblower in American business.
References


Compilation of Alfred’s sit downs with whistleblowers and a formation of how they were perceived after taking actions against their associate organization.


Text on whistleblowers in the context of organizational management and leadership roles in within the workplace.


CBS 60 Minutes reporting on the GSK whistleblower case aired earlier this year. After blowing the whistle and losing her job this whistleblower was rewarded for calling out her company.


Canadian article on reasoning why one should hold others accountable.


Appears as a reference to federal employees on the Interagency Ethics Journal as a standard for employees to conduct themselves by.


Blog, specifically about the GSK incident and whistle blowing as it’s related to ethics within a corporate setting.

*Mission statement of GSK, PLC...*


Newspaper article about GSK incident describing Eckard’s trials and distress of dealing with a heavy load of responsibility.


Leading text on the popular leadership theory and practices as they relate to the business setting, specifically in the field of management.


University publications on the act of whistle blowing and how it should be encouraged in the workplace; furthermore reference provides a layout to construct a culture in which whistle blowing is expected if things go awry.


Journal article about the nature of whistleblowers and how they are attempted to be stifled in the realm of healthcare flaws and mishaps.

Discourse on the expectations leaders face in attempting to meet the needs and wants of followers while serving as ethical leaders.


Web periodical endorsing the culture of company and co-worker accountability.


Description of US laws protecting individuals that blow the whistle and leave them some breathing room if a situation is extremely serious.