

Example of case study on facilitation or bribery: cultural and ethical disparities...

[Business](#), [Company](#)



- Do any of the offices' actions violate the FCPA?

Yes, some of the office's actions are in direct violation of the FCPA. Although the FCPA allows payments that are meant to open doors and expedite the process, it does not allow those that intend to influence actions and outcomes. For instance, the Lima office offers kickbacks in order to get awarded contracts. These kickbacks are disguised as the commissions that are paid out by the sales people. This action directly influences that outcome of what would otherwise be a competitive bidding process. As such, these actions are not only in violation of the Geletex ethics, but also the FCPA because they amount to commercial bribery.

- Must a business adopt the ethical standards of a host culture in order to succeed?

A business must not necessarily adopt the ethical standards of a host country in order to succeed. However, it is important to familiarize with the ethical standards of the host country in order to establish areas where conflicts could potentially arise. It is true that ethical standards are not universal, and that they vary from country to country and one culture to another. Such areas can be ironed out through the help of international ethical advisory committees tasked by the company's hierarchy to strike compromises (Mitchell 18).

- Are all the actions in the various offices ethical?

Not all the actions of the offices are ethical. Some of the actions are in direct contravention of the company's code of ethics while others are in violation of the FCPA. As highlighted above, the kickbacks given in exchange of the contracts are in direct violation of the FCPA. The district manager in

Sweden's office employs the children of important people in the society in order to get awarded contracts. The district manager in the Bombay office has made several payments to the government and Indian officials in order to get some services earlier than usual. It is true that the FCPA allows payments that are done in order to facilitate and expedite the process.

However, the ethical line between this and offering bribes to get preferential treatments in terms of service delivery is very thin (Koehler 45).

- If you were Jed, what ethical standards would you develop for international operations?

If I were Jed, I would develop an ethical code for international operations that contained standards of financial accountability, transparency and due process. From the case study, it is apparent that financial impropriety was disguised under different voteheads. The standard of due process is very important as the need to take short cuts often creates the opportunities and justifications for unethical behavior.

- Does Jed's firm create any internal problems by allowing different conduct in different countries and cultures?

- The American Bar Association reports that there have been only 16 bribery prosecutions under the FCPA since 1977. However, thousands of others have settled voluntarily rather than go to trial. Is the FCPA necessary for international business operations? Does it impede U. S.

Even though there have been a limited number of bribery prosecutions under the FCPA since 1977, the FCPA is still very necessary for international business. If there have been few prosecutions, it is not because of the absolute nature of the law, but because of laxity on the part of the enforcers.

Over and above this, the law underscores the need for a code of ethics that operates universally, even if for a particular company. Corruption is rampant in many markets and countries. However, corrupt undertakings have detrimental effects on economic development and on a more particular scale can lead to serious lawsuits. As such FCPA does not impede the United States. On the contrary, it empowers its companies to make headway through the use of ethical practices (Deming 78).

Works cited

Deming, Stuart H. The Foreign Corrupt Practices Act and the New International Norms. Chicago, Ill: American Bar Association, 2010. Print.

Koehler, Mike. The Foreign Corrupt Practices Act in a New Era. , 2013. Print.

Mitchell, Charles. A Short Course in International Business Ethics: Combining Ethics and Profits in Global Business. Petaluma, CA: World Trade Press, 2009. Print.