Anti-corruption initiative essay sample

Government, Corruption

Bribery and corruption too often go hand in hand with business transactions. Some people will seize the opportunity for personal gain at any cost, committing unethical, immoral and illegal acts by accepting bribes and other gifts, beneficial only to themselves and their corporation and damaging to others. The dictionary defines corruption as " impairment of integrity, virtue and moral principle…a departure from what is pure or correct" (corruption, 2009) from which we can derive that corruption is morally wrong and fighting corruption is morally right. Alan Boeckmann, CEO of Fluor, a top Fortune 500 company, has taken a pro-active stand against corruption and furthermore has encouraged other companies to join Fluor in its efforts. What is Alan Boeckmann's most important initiative to ensure ethical contracting at Fluor and what is its likeliness to success? I will furthermore examine his initiative using the theory of normative ethics using utilitarian and deontological reasoning.

Alan Boeckmann is a veteran in his line of work. Starting as a young engineer he has worked his way up the ladder to become Fluor's CEO. Over the course of his career he has first handedly witnessed bribery committed by co-workers, business partners and third parties. Corruption, which is especially high in the construction and engineering sector, has negated the fair acquisition of contracts and has resulted in loss of millions of dollars, in short it has made for extremely bad business for companies playing by the rules. This has lead Boeckmann to take a stand and pro-actively approach the fight of corruption. Fluor has become an industry leader in terms of anti-corruption initiative by not only following what is required by law but by implementing programs to go above and beyond. Conducting extensive field

research about how corruption has personally affected its own employees has given Fluor the basis needed to put together an effective training program. The principle behind it is simple: Knowing and understanding what the employees are faced with on a daily basis can help educate them on how to respond in a corrupt situation.

The training combined with the leadership's strong conviction sends a powerful message of zero-tolerance for corruption to all its employees. " Executives promote an open-door policy and a hot line for reporting crime-as well as though penalties for violators…" (Kimes, 2009). The approach seems to be successful as the company's call to an ethic hotline more than doubled from 2005 to 2006 according to an article by Kimes (2009) in Fortune.

Boeckmann's initiative gained even more success when he decided to reach out to other major corporations to join him in the battle against global corruption; these partnerships have lead to the founding of the World Economic Forum's Partnering Against Corruption Initiative (PACI) in 2004. " PACI is the only global business-driven, anti-corruption initiative; it commits corporate leaders to action" (World Economic Forum, n. d.) . Membership is open to all businesses in the world and signatory companies, over 140 at this point, commit to a zero-tolerance towards bribery and must work on establishing or improving their anti-corruption program and within two years are required to complete a self-assessment of the program's effectiveness. Boeckmann continues to support anti-corruption by continuously educating his employees, collaboratively working with other companies and providing financial support. Due to his dedication he has become the honorary chair of

the American Society of Civil Engineers' (ASCE) Global Anti-Corruption Education & Training Program (ACET).

Alan Boeckmann has worked hard to eliminate bribery within Fluor Corporation. His accomplishments are many and statistics indicated that he has been very successful in reducing bribery within the company. I believe this success stems from several intertwined initiatives- training, open-door policy, hotline and PACI- that make up a very successful anti-corruption program; however, alone their success would be limited.

For example, what good would training be if management wouldn't back up an employee standing up to bribery during a business deal? Or what is the point of a hotline or an open-door policy if the superiors are unwilling to listen and take action based on information and complaints provided? It is Boeckmann's demand for transparency and his ability to instill a sense of accountability in all Fluor employees that has made the program a success, that, in my opinion has been his most important initiative.   He has sent a very strong message to all his employees and has backed it up with very powerful actions. His employees are completely aware of the consequences of participating, actively or inactively, in corruption. Boeckmann has refused to turn a blind eye to corruption within Fluor and expects his employees to do the very same. His involvement and passion has and will continue to make his initiative a success. Although he is not able to completely eliminate bribery within Fluor, he will exhaust all means to try.

In order to justify an action, applying normative ethics, one must ask " what ought to be done?" The final answer may vary depending on which

approach is used. The utilitarian approach demands that the only acceptable action to take is the one that yields the greatest benefits to the majority in the long run. It is based on consequentialism, which is broken down into two categories, utilitarian and ethical egoism. In order to find out if Boeckmann's initiative is based on utility or disutility we must understand the nature of corruption and bribery.

Accepting or paying bribes is to look at a situation and evaluate how it is most beneficial to one's self, regardless of how it will affect others.   The effects of corruption are only beneficial to a few individuals, the ones gaining personal advantage from the act. It is based on ethical egoism and is not supportive of anything but personal gain; hence it is impossible that it could be for the utility of the majority. There are valid arguments that support anti-corruption initiatives. " According to the World Bank, corruption is the single greatest obstacle to economic and social development. It cost more than 5% of the world's gross domestic product (GDP), or approximately $3 trillion." (World Economic Forum, n. d.) The economic, political and social ramifications of corruption are dire. A business environment free of corruption allows for fair bidding on contracts, requiring businesses to compete based on merit rather than bribery. It is crucial in creating a fair market, resulting in a thriving economy.

The US Department of State's Bureau of Economic Business Affairs states " based on information available from a variety of sources, we estimate that between May 1, 2003 and April 30, 2004, the competition for 47 contracts worth U. S. $15 billion may have been affected by bribery by foreign firms of

foreign officials. Although this represents an increase over last year's report of 40 contracts, the value of the contracts dropped, from $23 billion to $18 billion. US firms are known to have lost at least eight of the contracts, worth $3 billion." (United States Department of State, 2004) Politically and socially speaking, corruption creates mistrust in government and leadership.   It is a vicious cycle. "…Transparency International…estimates billions of dollars in development aid and foreign direct investment never reach their intended target." (Boeckmann, 2007) Corruption clearly has a negative effect on business and society as a whole.

The above arguments show that corruption hinders development, discourages investment and damages the general business climate for most. On the contrary, a business environment free of corruption (the result of anti-corruption initiatives) would create a free market based on competition, it would make corporations and governments more trustworthy and in turn create a happier society. Based on these facts it is safe to say using utilitarian reasoning, that Boeckmann's anti-corruption initiative is morally right because the consequence is of greatest benefit to the greatest amount of people.

Unlike utilitarianism, which focuses on the consequence of a decision, deontology' s focus is on the rightness of an intent based on duty. Deontology is not concerned with the outcome of a decision; it requires that rights are protected and obligations are met.

Bribery corrupts the recipient's opinion to gain a personal favor. The right to make one's own decision free of interference has been diminished by the use

of bribery, hence creating the duty to fight corruption. Based on deontological theory, it is not only Boeckmann's right to battle corruption but rather his duty.   Boeckmann has accepted that duty and extends it to his employees with his initiative to create transparency and demand accountability. Along with this initiative come both rights and duties. Fluor's Code of Business Conduct and Ethics clearly states that " Fluor is committed to countering corruption and bribery." (Fluor Corporation, n. d.)

Taking into consideration that the code is a part of the agreement between the company and its employees entered upon employment, contractual rights are created. Some of Fluor's rights as a company, amongst many others, are to conduct business without violating any laws, to maximize profit, to be informed of any incidents of corruption or bribery and to set an example for zero-tolerance. Correlatively, Fluor's employees have a positive duty to follow legal procedures, to work towards maximizing business profits, to provide information on any illegal activities and the negative duty to not interfere with Fluor's anti-tolerance " image".   The employees have a positive right to a safe work environment, the right to know how to react in the face of corruption and the right to confidentiality or anonymity when reporting corrupt behavior. Fluor, in turn, has the duty to provide a safe work environment; it also has the positive duty of providing training on fighting corruption and a way to report corruption in a confidential or anonymous matter.

It is safe to say that Fluor does all it can to fulfill their obligations to its employees. The company puts safety first, it provides training and has set-

up several ways to report corruption, all of which are confidential and some allow for anonymity. Based on the increased use of the hotline and Fluor's untarnished image, it can be derived that employees also are realizing their duties.

Although corruption and bribery are still very widespread in the business world, there's been growing discontent amongst major global corporations that has led to an increase in anti-corruption initiatives. Alan Boeckmann has been a major advocate of zero-tolerance against corruption successfully encouraging other corporations to join him in his efforts. Boeckmann's battle is in the best interest of Fluor, its competitors, other global corporations, the economy, the political system, the judicial system and society, which makes it utilitarian. Deontology doesn't require a consequence to establish that his initiative is ethical and right. The fact that corruption and bribery are morally wrong and unethical makes it Boeckmann's and all others' duty to adopt an anti-corruption stand. He does so while clearly protecting the company's as well as its employees' rights that come with such an endeavor.

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