

# Organisation: international business

Business



Introduction International business involves the exchange of services and products between different countries. Many nations engage in international business with the neighbouring countries and even the countries that are far away. International business has not started recently, it started long time ago. During the ancient times, the Silk Road was widely used. The Amber road also helped in the locomotion of goods between nations. Corruption has become quite prevalent in today's society. Such practices have also found way into international business in the world.

It is good to note that it is illegal to practice corruption in most nations. While this is so, it seems to have become the way of life for most organisations in different countries. Due to the pressure in the business arena, many companies are compelled to conform to these corruption practices. Company policies and corruption Many companies usually have policies that govern their participation in international business . They at least have a set of values that help the employees in their business transactions. There are organisations and companies that have values such as; performance driven.

This means that the entire organisation is working towards improving the performance of the company. Some companies have values like innovation. In such an organisation the employees and the entire management are encouraged to be innovative in their work. There are also other values that feature as the first priority in many organisations. These include enthusiasm, urgency, pride and passion. All these values are good and important in the business arena. A notable issue in these policies is that very few companies have policies that promote integrity.

The reason is that most companies and organisations at large think that this value is obvious and it encompasses the rest that are mentioned above. In international business there are corruption practices that are carried out by the companies involved. There are companies that feel that unless they conform to these practices then their competitors will simply out do them. Research shows that most companies do not stress on the issue of corruption. This has led to the companies promoting this practice since the management and the policies are silent about it .

So in other words the company policies are allowing the participation in corrupt practices. This does not mean that companies don't take the effort to instil values in their employees. In fact most companies do this by training the new employees. The only problem that exists, even if values of integrity exist in an organisation, is the implementation. Research shows that such values of integrity are never used by the employees as they make decisions in the business sector. It is like the management of the organisations are not bothered with how integrity is implemented in the day to day decisions made by employees.

They simply let things take their own course. Moral and ethical standards International business involves so many corrupt practices by the stakeholders involved. These corruption practices usually go against ones own moral and ethical standards. For example an employee may be compelled by the business environment to engage in UN ethical practices so that he or she makes profits as demanded by the company. For instance the employees may be compelled to overcharge individuals and even

organisations in order to achieve the set targets in the sales. This is quite unethical and very inhuman.

As an individual, the employee has his or her moral and ethical standards. These corrupt practices in the business world mostly go against the individuals desires. Implications of participating in corrupt business practices  
Quick profits Many organisations and businesses that engage in international businesses use corrupt means in their transactions. For example there are companies that use the illegal means to sell their goods and services to other nations. This means that they do not pay taxes to the importing country. Such things make the companies to get very quick and huge profits.

In fact this is what attracts or compels most companies to engage in corrupt practices in international business . Huge losses in long run Many companies that participate in corrupt practices in international business mostly end up losing. This is because when they get the he profits they are very enticing. They usually continue with these corrupt practices. In the long run they are normally caught up with the arm of law. They can be required to pay back the government or drastic measures taken against them leading to losses.  
Increased costs When a company participates in corruption, it leads to increased costs.

This is because the company will have to make very many illicit payments . There always the costs of negotiating with the relevant authorities and officials. All these sum up to large amounts of money that have to be paid.

Implication of not participating Inefficiency The companies that shun away from corruption practices usually suffer many consequences. For instance for

goods to be cleared at the ports very fast, the officials or the people concerned may demand bribes. Now if a company doesn't pay the bribe, then its goods are held up at the airport for quite a long time. This means that the goods are not handled with efficiency.

Example of corrupt practices Bribery at the ports One of the corrupt practices that occur in international business is bribery. For instance a company importing goods into the country has to pay bribes before the goods are cleared at the port. The people dealing with these imports may demand bribes before they dispatch the goods. If a company or individual fail to do so, then the goods may just 'vanish' or they are delayed at the port. If the bribe is paid the goods are released quickly. Non payment of tax International business has got rules and laws that govern the transactions.

It is a requisite by the government that the exporting company pays some revenue to the government. Most companies use the 'back door' to export these products without paying tax. The same means are used in the importing company such that tax is not charged on the imported goods. This is corruption that happens in international business. Ethical systems Religious system Nations that have catholic religion are the most corrupt in the world . According to the different religious faiths like Christianity and Muslim, integrity is a value that is highly emphasized. They teach that corruption is very wrong and it is immoral.

Research however shows that in as much as this value is taught and emphasized, it is never practised. In fact the religious teachers themselves are very corrupt. They teach against corruption but they practice it. It seems

that in today's world, the religious system is not incorporated in the day to day lives it is just seen as a separate entity. This is so because people are only 'holy' while in churches or the mosques. Philosophical systems According to philosophy, corruption is part and parcel of our day today lives. In the philosophical system there is freedom, democracy and pluralism.

In the philosophical system corruption is viewed as an attitude. This is where individuals or organisations act against the set rules and laws. In cases where there is too much freedom, people tend to violate the law. This is where one puts his or her individual interests first and then other people or the community last. Natural systems The natural systems of corruption are the beliefs that people are born to favour certain quotas when it comes to applying their duties. Today, businesses through research show that people know very well that corruption is wrong, yet they go ahead and engage in corrupt practices.

Because corruption has assisted many people have their things done the way they wanted, then it has become a common phenomenon and people may even grow up with it. Conclusion International business is very important as it opens up new markets for the companies. It seems that corruption has become acceptable in international business transactions. Many companies are engaging themselves in corrupt practices. In fact the policies in these companies do not emphasize on integrity. These corrupt practices may go against ones moral and ethical standards. There are various examples of corrupt practices carried out in the business world.

All these have got various effects on the organisation. I would encourage the management to put in place policies that discourage corruption. This includes policies that will promote integrity in the organisation. I would propose that the management of the company ensure the implementation of these policies. Employees that have good records without corruption cases should be rewarded. This will help solve the problem of corruption in international business. References Alesina, A. and Beatrice W. (2002): Do Corrupt Governments Receive Less Foreign Aid? American Economic Review vol. 92, no. 4; pp. 1126-1130 Androphy, J.

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