

Business Ethics Case

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Corruption at Airbus Company

Corruption, for an extended period, tends to raise significant ethical questions. A substantial number of people usually associate corruption with government officials although, many cases of corruption have been reported in small-medium enterprises, including multinational companies (Udoudom et al., 2018). One of the most recent cases of corruption that perhaps shocked the world, was the case of the French company, Airbus (Transparency International). In the year 2020, Airbus, which is classified as one of the most successful multinational military and civilian aircraft manufacturers was accused of engaging in bribery as a means of securing business deals (Transparency International). According to this case, key stakeholders at the company were found guilty of engaging in corrupt business deals in about 16 countries (Transparency International). This case may be interpreted or understood differently depending on the concerned parties' perspectives on corruption. The question of whether this case demonstrates corruption as an outcome of a "bad apple," may arise, although there are multiple interrelated or interconnected factors that must be taken into perspective. First, it is imperative to appreciate that the contemporary business environment is highly complex. It involves a broad scope of players and complex decision-making processes. Decisions made in the current business environment are usually structured meaning that several stakeholders or parties are involved. Due to the competitive nature of the contemporary business environment, investors rely on different strategies to secure business deals, contracts, or business opportunities. This discussion explores the Airbus' corruption case, focusing on whether it is a function of investors' behavioral characteristics, including the associated ethical issues.

Literature Review

According to Transparency International, Airbus' corruption case involved several stakeholders. Even though the practice was instigated by key stakeholders at the company, certain government officials also played an instrumental role in its occurrence (Transparency International). Several European government officials were involved in the case, a factor that raised many questions with respect to government responsibility in preventing corruption. In its analysis of the case, Transparency International emphasizes that corruption is usually associated with certain fundamental negative outcomes (Transparency International). Governments that have the tendency to accept bribes from foreign or multinational companies are more likely to deliver low-quality services or goods to their constituents. In fact, many governments have wasted millions of financial resources trying to secure unproductive business deals through bribery.

According to Udoudom et al. (2018), corruption among multinational companies also raises significant questions regarding accountability, responsibility, and applicable legal frameworks. Each concerned party is usually expected to observe or play particular responsibilities. In this case, Transparency International appreciated the fundamental role that was played by the French government in holding the company responsible. The government's responsibility, according to this article was bolstered or supported by anti-corruption laws that were recently established. The other significant observation made in this case according to certain researchers is that the actions taken by affected parties must demonstrate a particular level of accountability (Transparency International). Even though the company was found guilty of giving bribes to certain government officials, key decision-makers refused to admit their involvement in such practices. The principles of accountability and responsibility play significant roles in the determination of how corruption cases are handled. Individuals, companies, or

investors found guilty of corruption should be held accountable. However, it appears that this can only be achieved if there are clear laws or anti-corruption policies that provide clear guidelines on how such issues should be addressed.

As a scholar, I must admit that the issue of corruption tends to attract divergent views. Corruption is usually condemned with many stakeholders arguing that it violates fundamental human rights. This explains why many governments have established elaborate policies and laws, governing how corruption cases are handled. I agree with the article that corruption generates fundamental negative outcomes or problems. Many modern-day researchers and human rights activists recognize the fact that corruption is one of the major causes of under-development in certain parts of the world. Governments, government agencies, and private organizations spend massive amounts of financial resources in corrupt business deals at the expense of taxpayers or ordinary citizens. Bribe as a form of corruption denies individuals their basic rights. It limits individuals' access to basic services, especially when they are not able to raise the required bribes.

One would also argue that corruption compromises the principles of perfect competition. Corruption, as demonstrated in the case of Airbus creates a conducive environment for market monopoly. It denies other upcoming and small-scale businesses the opportunity to compete fairly in the global market environment. Governments, worldwide strive to create a fair business opportunity for small-medium and multinational enterprises. This is usually achieved through the establishment of anti-corruption business laws as mentioned above. Compliance with these policies relies significantly on accountability and responsibility among concerned stakeholders. Governments on the other hand, maybe required to play oversight roles, ensuring that established anti-corruption laws, policies, or regulations are observed to the letter. However, in Airbus' case,

it seems certain key stakeholders have failed to assume their responsibilities with respect to preventing corruption among investors. In this case, the company is accused of giving bribes to certain European government officials as a way of securing business and contract deals.

Analysis of my position

Corruption essentially generates negative outcomes. Corruption among government officials, multinational companies, and non-state actors is the root cause of under-development. Corruption, among government officials, only benefits the officials. Airbus' corruption case was primarily triggered by the desire to maximize profits for the company while denying other small-medium enterprises the opportunity to enjoy the same (Colosi, 2020). Even though corruption cases usually attract mixed views or opinions, one must appreciate that corruption violates a broad spectrum of ethical principles. For instance, research indicates that corrupt practices, particularly among government officials fundamentally violate the principles of justice and fair resource distribution or distributive justice. Many corrupt dealings are usually driven by the desire to meet the interests of a few individuals at the expense of the general public.

According to Immanuel Kant's utilitarian principle, an action is considered ethically appropriate if it generates maximum benefits for the greatest number of people (Colosi, 2020). This, therefore, raises the question: Does corruption generates benefits for the largest number of people? As outlined earlier, corruption among multinational companies only benefits a few individuals, mainly investors or shareholders in these companies. In this regard, one realizes that corruption does not meet the standards of an ethical or moral act in accordance with the utilitarian principle, making it an immoral act. There are also legal frameworks, policies, or laws that have been established to prevent corruption. Governments assume a central role in ensuring that investors and other individuals or members of the public adhere to these laws. In France, for

example, the government has established anti-corruption laws prohibiting multinational firms such as Airbus Company from giving bribes to secure contracts. The French government plays an imperative oversight role, ensuring that companies involved in corrupt dealings are held accountable for their actions. With the existence of anti-corruption laws, one realizes that the act of giving out bribes as seen in the case of Airbus is fundamentally illegal. It does not only compromise the spirit of perfect competition but also jeopardizes efforts geared towards established business ethics.

According to certain scholars, corruption continues to present fundamental problems for many governments worldwide (Colosi, 2020). In fact, many human rights organizations recognize the fact that corruption is the root cause of human rights violations. Corrupt leaders are often focused on pursuing their personal or self-interests at the expense of the public. There are many cases of corrupt leaders, particularly, those involved in unscrupulous business activities who have been accused of violating human rights just to pursue their business objectives, goals, or desires (Colosi, 2020). Ostensibly, many multinational companies have been accused of corruption. The case of corruption at Airbus simply gives a sneak peek or brings to the fore the manner in which such companies despite their massive financial successes continue to perpetuate corrupt practices to advance their business objectives. While these actions may be beneficial to such companies, they tend to deny other small-medium enterprises the opportunities to pursue or advance their business objectives. Many scholars have also noted with great concern that corruption involving government officials and private investors accounts for the many cases of substandard services or delivered to target beneficiaries (Dávid-Barrett et al., 2020). Research has also demonstrated that corruption, especially the practice of giving bribes between stakeholders in the multinational business environment is one of the major reasons for the

emergence of business monopolies (Dávid-Barrett et al., 2020). Successful MNCs have been accused of giving out bribes to policymakers as a means of encouraging the latter to formulate rigid business policies.

Opposing views

Despite the widespread understanding that corruption is an unethical act, there are many people who may argue otherwise. Interestingly, a significant number of people may rely upon certain ethical theories to justify corruption as an ethical act. Using the deontological theoretical perspective, it is likely that many stakeholders may argue that corruption is not an unethical act because it generates positive outcomes. The deontological theoretical perspective emphasizes that an action is considered morally appropriate if it generates positive outcomes (Dicriyani & Dewi, 2019). This means that provided an action generates benefits, key actors may not emphasize the process through which such outcomes are generated. In this regard, many scholars would argue that the corruption scandal reported in Airbus was not unethical because it benefitted the company. It created a vital opportunity for key stakeholders to maximize profits for the company by securing business contracts with various governments across Europe.

Still, on the consequentialist theory, there are many people who relied on ethical egoism to support the actions of the Airbus Company. According to ethical egoism, an action is considered ethical or moral if it permits individuals to pursue self-interest (Fang & Slavin, 2018). In fact, ethical egoism has been used by many modern-day multinational business corporations to support their involvement in corporate social responsibilities. A substantial number of investors believe that CSR fundamentally creates a vital opportunity for companies to pursue their interests by establishing a strong relationship with policymakers, target beneficiaries, and other

relevant actors (Fang & Slavin, 2018). Consequently, it is highly likely that certain actors could consider the corruption case at Airbus Company ethically appropriate given that it did not cause direct harm to members of the public.

Conclusion

Corruption among MNCs or any other form of business continues to attract significant attention among many scholars. Business practices deemed to be corrupt usually attract mixed views or opinions although many are usually negatively criticized. The process of preventing or handling corruption is often guided by particular ethical guidelines, procedures, and regulations. As mentioned earlier, governments assume a central role in preventing or handling corruption among their agencies and in the private business environment. The corruption case at Airbus is perhaps one of the major corruption scandals that shook the world in 2020. In February 2020, the company was accused of giving bribes to certain government officials in Europe to secure business deals or contracts. Despite these accusations and the penalties imposed on the company, key stakeholders at the firm denied the accusations, arguing that the company upholds the highest level of integrity. However, such cases often attract significant attention, especially among individuals who believe that corruption presents formidable problems for governments that aspire to create perfect competition in their markets. According to the utilitarian principle, the act of giving bribes as seen in the case of Airbus is ethically inappropriate. This is because it does not generate maximum benefits for the greatest number of people. That is, corruption, according to the utilitarian principle only benefits a few investors, making it an immoral act. Besides, there are multiple anti-corruption laws that are usually violated when investors give out bribes to secure business deals. Despite this understanding, certain key actors could argue that

Airbus was driven by the desire to pursue its business goals or interests. As such, the act of giving out bribes may not be unethical.



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