



## ORGANIZATIONAL ETHICS: MILLENNIAL VIEWS ON BRIBERY AND CONDUCTING BUSINESS IN EMERGING MARKETS

**Jet Mboga<sup>1</sup>**

The University of Bolton,  
Bolton Business School: Fulfillment of PhD,  
Deane Road, Bolton, BL3 5AB, UK

### **Abstract:**

Corruption is the core component that acts as a barrier for social and economic development in emerging markets. The examination of ethics within organizations that have entered emerging global platforms is essential to bring forth evidence of ways organizations are conducting in emerging markets. Research shows that organizations dress up the illegal bribes as the cost of conducting business; are these costs in violation of United States Laws? The secondary research examined if the desire of foreign exposure contributed to organizations involvement in unethical ways to capitalization on the rapid growth to remain sustainable.

**JEL:** D73, D23, F13, D23, D83, G38, K23, M14, M16, A13

**Keywords:** organizational ethics, bribery, emerging markets

### **1. Introduction**

Long are the days when organizations were totally dependent on their respective home country economy to increase their profits; today organizations broaden their horizons and have avenues to earn sturdier profits by tapping into emerging markets (Newman, 2011; Taylor, 2015). Corruption hinders social and economic development in emerging markets (Aaeshi, Rajwani & Adegbite, 2015); there is evidence of economic growth and employees, leaders, and investors who overlook the unethical practices of fraud and corruption for sake of attaining higher growth return on their business prospective

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<sup>1</sup> Correspondence: email [jmboga2003@yahoo.com](mailto:jmboga2003@yahoo.com)

(Newman, 2013; Turner, 2013). Evidence shows that as the organizations pursue emerging markets; bribery in the form of kickbacks, handing over cash, paying facilitation fees or other means to get favors; these actions have become rampant with both the organizations offering and the emerging markets taking or asking; notorious nations such as China that 80<sup>th</sup> in the Transparency international and others as shown in Appendix A (Selko, 2013; Transparency International; 2016; Winograd, 2013). The recipe for corruption is noted concisely by Shepard (2016) who shared that when individuals are poor they have bad institutions and with bad institutions there exist poor individuals; this is evident in the emerging markets as shared by Bloomsburg to include China; South Korea; Thailand; Peru; Czech Republic; Malaysia; Turkey; Chile; Russia; Indonesia; Columbia; Poland; Namibia; Zambia; South Africa; Mexico; Brazil; Hungary; Morocco; and Philippines (See Appendix B) (Bloomsburg, 2013; Shepard, 2016).

Shepard (2016) shared that corruption has become the recipe for emerging markets; clearly the emerging markets transparency is wretched with cases such as prime minister of Malaysia involvement in missing funds to Brazils gigantic corruption scandal termed as “operation car wash” and as reported by CBS News the involvement of 39 federal deputies; 24 senators; 3 state governors; one federal court minister; more than third of the senate; and 23 individuals from municipal, state, and federal levels (Banerji, 2017; Holodny, 2017; Long, 2017). The scoring for transparency in emerging markets remains low with a documentation by Transparency International (2017) that 81 of the 100 assessed multinational markets don’t have practices that disclose or prohibit bribes even in the form of facilitation payments and 41 organizations don’t have procedures for employees to report unethical conduct pertaining accepting or giving bribes (Chonghaile, 2016). Such incidents continue even in nations with policies that prohibit bribes; in the case of U.S. organizations, as they expand into global platforms they are aware of the Foreign Corrupt Practices Act (FCPA); a law enacted in 1977 banned American companies from paying any form of bribes to government foreign officials in efforts to gain or retain business in the respective country (U.S. Department of Justice, 2016).

Emerging markets have become attractive with multiple U.S. organizations now conducting business in foreign markets; foreign sales as reported by S&P 500 accounted for 47.82% in 2014; 46.29% in 2013; and 46% in each year from 2009 to 2012 (Silverblatt, 2014). In comparison, the growth in global platforms by big multinational U.S. firms confirmed by the 40% profit reported in the S&P 500 stock index from emerging markets such as Latin American, India, and China (Newman, 2011). Alternatively, another source confirms a 33% aggregate revenue in 2014 from S&P 500 from foreign sales; with 12% revenue from Middle East, Africa, and Europe (Ro, 2015).

The US firms with foreign sales include Walmart with Total revenue of \$420 billion of which 26% was directly from 5, 000 stores operating in 14 foreign countries, Exxon-Mobil revenue of \$342 billion with 45% from overseas operations, and General Electric's \$149 Billion in revenue with 54% from overseas operations (Newman, 2011). In addition, other US firms such as Fords with 51% of its \$129 billion revenue came from overseas; IBM's \$100 billion in revenue with overseas operation at 64%; Amazon's \$34 billion revenue had 45% from overseas; Nike's revenue of \$21 billion with 50% from overseas; and McDonalds \$24 billion of which 66% overseas stores focused on fitting into local culture in Europe and Asia (Newman, 2011). Other additional U.S firms with revenue from overseas include 20% from Bank of America's \$134 billion; 9% from McKesson's \$112 billion's revenue; 64% from IBM's \$100 billion; 41% from Boeing's \$64 billion; 67% from \$64 billion; 67% from Dow Chemical's \$54 billion; 84% from Intel's \$44 billion; and 16% from Marriot's \$12 billion in revenue (Newman, 2011).

In comparison to foreign sales documented in 2011, the top organizations in the United States in 2016 according to Fortune 500 reported top \$12 trillion revenues of which \$840 billion in profits, \$17 trillion of market value, and a total sum of 27.9 million worldwide employees. The top five organizations included Walmart's \$482.1 billion; ExxonMobil's \$246.2 billion; Apple's \$ 233.6 billion; Berkshire Hathaway's \$210.8 billion; and McKesson's \$181.2 billion (Fortune 500, 2016). The following five organizations included UnitedHealth Group's \$157.1 billion; CVS Health's \$153.3 billion; General Motor's \$152.4 billion; Ford Motor's \$149.6 billion; and AT&T's \$146.8 billion in revenues (Fortune 500, 2016). In contrast, Newman (2011) reported that some U.S. firms such as United Health Group with \$94 billion in revenue are solely dependent on the United States sales; while majority of U.S. organizations seek to capitalize on emerging markets. Research on secondary documentation to review and analyze organizations that conduct business in emerging markets to sought out evidence of unethical conduct by such organizations. Primary research was conducted on a sample of millennial participants; insights on the unethical conduct would broaden the existing research on the importance of ethics in our societies and global platforms.

## **2. Overarching Question**

Companies that enter and conduct business in emerging markets could be embracing bribery as a norm; is their involvement to capitalize on rapid growth ethical? The emphasis was to show the way some organizations are using bribery as their business model in entry and conducting business in emerging markets with 85% of managers for British companies who reported their involvement in bribery (Tovey, 2016). The

research focused on interviewing millennial sample participants to gauge their views on the use of bribery to entry and conducting business in emerging markets.

### 3. Literature Analysis

Conducting business in emerging markets documents evidence of unethical conducts that includes incidents that were gruesome yet the products made in those conditions are made available to consumers (Morran, 2014). Specifically, in 1980, 40% of latex used in the United States came from single plantations in Liberia; a nation that was in war with incidents such as cabinet members publically executed and country's president (William R. Tolbert, Jr.) slaughtered in his bed (Brooke, 1987; Morran, 2014). Firestone's unethical conduct is documented with an agreement to pay bribe of \$2.3 million; monies of which more than \$1.3 million was paid in cash and check), \$1 million in buildings and equipment and rice to Liberian warlord Charles Taylor (Hoffman, 2015).

The unethical conducts didn't cease, to keep the rubber farm in operation and ensure profitability during bloody civil in the years of 1990 to 1993 Firestone provided monies in the amounts of \$35 million (Rota, 2014). The funds were categorized as pension, labor settlements, shipment of rice, and rehabilitation of the rubber plantation; the sum of \$12.3 million was categorized as "miscellaneous obligations and expenses" (Rota, 2014; Titus, 2013). Firestone provided rubber to Liberian Warlord Charles Taylor officials who smuggled the rubber out of Liberia to be sold neighboring Ivory Coast (McCoskey, 2014; Rota, 2014). In summary, Taylor was taking in an approximation of \$75 million a year in unethical events that included illegal harvest of timber, smuggling diamonds or being in receipt of support from his surrounding compassionate nations that included Burkina Faso and Libya (Hoffman, 2015).

In comparison, few companies control banana trading in the foreign market that consists about 80% of the market with brands like Del Monte, Dole, Fyffes, Noboa, and Chiquita (Muhammad, Zahniser, & Fonsah, 2015; Reynolds, 2003; Shah, 2010). Focusing on Chiquita brands, the organization now includes Healthy Snacks, Salads, Other Produce and Bananas that posted nets sales of \$776 million in earned profits with \$502.2 million from bananas in 2015 an increase from \$537 in 2014 (Shah, 2010). The success of Chiquita brands comes years after the organization was accused of bribing Latin American government officials to get access to privileged treatment (Shah, 2010).

Chiquita in Columbia dated back to 1899, up to February 2000 tortures and killings were still taking place with warlords' confessions of about 50, 000 civilians' deaths (CBS News, 2011). Chiquita confessed to being blackmailed to pay the monies to the paramilitary groups as the cost of doing business; over seven years Chiquita made

over 100 transactions for a total of \$1.7 million (CBS News, 2011). Chiquita paid about \$20,000 and \$100,000 a month and was exposed by a company lawyer researching the guilty pleas was followed by Chiquita selling the Colombia banana operations in 2004 and paying \$25 million in fines in 2007 (CBS News, 2011; Maurer, 2009).

Global economic corruption costs up to \$2.6 trillion yearly; the strict enforcement by the FCPA prohibits bribery by U.S. organizations to foreign officials this law helps minimize this cost but other U.S. organizations overlook and proceed to offering bribes to enter emerging markets (Winograd, 2013). The U.S. industries that overlooked the FCPA and offered bribes as reported by Bloomsburg include Walmart; payment of up to \$24 million was disbursed to Mexico officials to retain construction permits an act that was approved by Walmart executives who attempted to cover their efforts (Schoenberg & Robinson, 2016; Winograd, 2013). Walmart reply to the bribery accusations was of deep concerns and would work to resolve the concern; how was Walmart able to open 365 stores in Mexico within 1 year in 2011; bribery of officials? (Ackerman, 2012). The investigation by the Securities Exchange Commission (SEC) and Justice Department resulted to Walmart hefty penalty for actions in defying the FCPA regulations; Walmart was ordered to pay \$600 million to rectify their involvement in their bribery to Mexico, China, and India (Schoenberg & Robinson, 2016). Follow-up publications by Bloomberg documented that Walmart is set to pay the sum of \$300 for their bribery allegations (Schoenberg, 2017).

Similarity, in efforts to gain access to valuable contracts with the U.N. oil and food program; General Electric (GE) bribed Iraqi officials with medical supplies, computer equipment, and cash (Ellis, 2010; Winograd, 2013). GE was accused by SEC for the bribery in sum of \$3.6 million to Iraqi Health Ministry and Iraqi Oil Ministry; the kickbacks were paid by GE's subsidiaries and 2 companies they acquired (Ellis, 2010; Goldfarb, 2010). The subsidiaries that remitted the bribes to Iraqi government were OEC-Medical Systems (Europa) AG and Marquette-Hellige in sum of \$2.04 million; Nycomed Imaging and Ionics Italba (both later acquired by GE) sum of \$1.5 million in bribes (Ellis, 2010; Goldfarb, 2010). The benefit of the bribes was contract value of \$8.8 million by Marquette, \$2.3 million by Ionics, and \$5 million by Nycomed as confirmed by SEC; these acts of violations were evidence that GE failed to closely monitor their subsidiaries (SEC; 2010; Goldfarb, 2010). GE didn't acknowledge or deny any wrong doing instead, they reemphasized that GE had highest commitment to doing business; the SEC confirmed the bribery occurrence in 2002 and 2003 (Ellis, 2010; Goldfarb, 2010). GE was fined \$23M for violating the FCPA rules; GE acknowledged the fine to the SEC allegations as reported by CNN Money (Ellis, 2010; Goldfarb, 2010).

Along the same lines of bribery New Jersey based pharmaceuticals Johnson & Johnson (J&J) was fined \$70 million for bribing Iraqi officials and European public health officials to secure sales (Winograd, 2013). SEC documented that the bribes were part of what harmed public health in multiple European nations; J&J didn't hide from their bribery deeds but owned it their mistake and agreed to the SEC civil and criminal fines in sum of \$70 million (FCPA, 2011; Flannery, 2013; Harris, 2011). Similarity, Ralph Lauren scandal was associated to offering bribes to Argentinian customs from 2005 to 2009 to sidestep the customs process of obtain necessary documentation to clear customs, ship prohibited items and at times skipping the whole inspection (O'Toole, 2013; Winograd, 2013). Ralph Lauren was agreed to pay the set fines in sum of \$1.6 million and in a statement acknowledged their fault and their commitment of integrity and compliance (Flannery, 2013; O'Toole, 2013).

Pharmaceuticals have been caught up in bribes and paying fines; Pfizer's (world largest drugmaker) paid bribery to Russia, China, Kazakhstan, and multiple European markets in effort to obtain approvals and product sales contracts the bribes were to regulatory and purchasing committees for government doctors and hospital administrators (Clarke, 2012; Kelton, 2012; Winograd, 2013). Pfizer voluntarily told the Justice department of their wrongdoing that violated the FCPA and had paid bribery of more than \$2 million to government officials between 1997 to 2006 (Kelton, 2012). Pfizer agreed to pay the set \$60.2 million in fines (Kelton, 2012). Similarity pharmaceutical organizations that have paid bribes include GlaxoSmithKline in sum of \$3 billion and \$237 million in 2008 for 2 cases; Bristol-Myers were fined the amounts of \$389 million in 2008; AstraZeneca were charged \$266 million in 2003 and \$520 million in 2010 (Kelton, 2012).

More pharmaceutical companies caught in bribery scandals were Eli Lilly for paying government officials in China, Poland, Brazil, Russia in the effort of winning new businesses; the company was charged fines in the amounts of \$29 million for civil charges (Lynch, 2012; Winograd, 2013). The bribery incidents occurred between 1994 and 2009; SEC charged Eli Lilly for knowing of the FCPA violations within 5 years and didn't acknowledge or address the corruption; Eli Lilly agreed on paying \$29 million and 60-day review of FCPA compliance and internal controls (Lynch, 2012). Similarly, Novartis illegal payments to China's health care providers for the effort of boosting sales in global platforms; the bribery costed fines in amounts of \$25 million to settle charges for FCPA violations (Silverman, 2016). The details of the violations were done by Novartis from the range of 2009 and 2001; the subsidiaries provided entertainment, vacations, gifts, and money all actions that violate FCPA regulations (Silverman, 2016).

Halliburton and KBR (Houston based engineering firm) fraudulently covered their bribery scandal of bribing Nigerian officials to obtain construction contracts; \$182 million were given to government officials with no documented ramifications for accepting the bribes (Iriekpen, 2010; Winograd, 2013). The bribery incidents occurred between 1994 and 2004 to secure contracts worth \$6bn to construct in Niger Delta; U.S. fined Halliburton and KBR \$579 million and was in process of being investigated by Switzerland and France (Iriekpen, 2010; Smith, 2010). Similarly, Oracle was fined \$2 million for their Indian subsidiary stealing money from government contracts to nonexistent vendors and later using the funds to criminal purposes (Wall Street Journal, 2012; Sullivan, Winograd, 2013).

Universal Corporation and Alliance One International paid \$5 million in bribes to Thailand officials and other countries for the benefit of obtaining tobacco sales contracts; SEC penalties were in sum of \$28 million (Becker, 2010; Winograd, 2013). The bribery incidents occurred from 2000 to 2003; settlement of civil complaints as charged by SEC was agreed up but the companies didn't admit or deny the bribes (Becker, 2010; Yu, 2010). Another bribery incident was with Siemen for giving bribes to Bangladesh; Argentina; Venezuela; and Mexico to win government contracts; the fines imposed by SEC were in amounts of \$1.6 billion to settle all the bribery related charges (O'Melveny & Myers, 2001; Winograd, 2013). The bribery incidents were from the range of 2001 to 2007; the total sum of \$1.4 billion in bribery fees to government officials for the benefit of \$1.1 billion in profits (O'Melveny & Myers, 2001). Siemen acknowledged that the bribes were for staying competitive in the global platforms and keeping the business alive and sustainable (Siri & Miller, 2008).

## **4. Method**

### **4.1 Purpose and Procedure**

Bribery is evident in entry or conducting business in emerging markets; the old ways of giving money in envelopes have evolved to assigned agents that collect 'facilitation fees' to help the organizations have a smooth transition in securing their prospective business deals (Tovey, 2016). Case analysis was conducted to capture the primary data from a sample of millennial participant's age range 18-34 in Northern New Jersey and New York regions. The focus on millennials is essential as they are projected to dominate the workforce by 2020 (Hyder, 2016); their insights on the unethical conduct would broaden the existing research on the importance of ethics in our societies and global platform.

The researcher's objective gauge millennials view on bribery and conducting business in emerging markets with evidence of 85% of managers for British companies reporting involvement in bribery (Tovey, 2016). The research focused on answering the overarching question: Some companies that enter and conduct business in emerging markets are embracing bribery as a norm; is their involvement to capitalize on rapid growth ethical? The research questions in Appendix C were utilized to answer the overarching question; with 46 participants being surveyed and 29 interviewed by the researcher in person. The data was coded as Ethics and Bribery 1 (EB1) to EB75 for the total 75 participants; the cleaned data was uploaded to NVivo10 for analysis.

## 4.2 Research Findings

**Interview Question 1:** Bribery to enter and conducting business in emerging markets; Walmart bribes to Mexico and Johnson & Johnson to Iraqi officials; what are your views, is their involvement ethical? Participants shared that any form of bribery to enter and conduct business emerging markets was unethical and shouldn't be part of business model; participant EB04 shared *"I think it's a bad thing because all the people and business have to obey the laws, they shouldn't break the law, that could cause a lot of problems for the business."* Participant EBI12; EBI18; EBI46; and EBI50 shared *"the actions are totally wrong, because they broke the law"*; participant EBI58 shared *"ethically, it is not a good thing but it can create competition and improve the national market;"* participant EBI64 shared *"for me it's not a good thing, a company needs to be transparent, if they do whatever they want it won't be good;"* and participant EBI71 shared *"it's a bad way to enter your business in a different county, because it is illegal."*

**Interview Question 2:** What motivates the personnel choice to offer bribes as part of organizations business model? Millennial participant shared that employees and management have different elements that motivate the decisions to offer bribes as an organizational business model as they enter and conduct business in the emerging markets. The interview results included participant EB22 *"the huge amount of bureaucracy on those inside markets,"* participant EB39 shared *"the motivation is to earn more money and grow as a business company,"* and participant EB47 shared *"maybe they do it because they save time, or maybe because they don't comply with the laws of the county."* Other millennial participants EB49; EB51; EBI63; EBI68; and EBI70 shared *"growing the company internationally,"* and participant EBI75 shared *"maybe they don't give them something, such as license thus then they decide to give bribes."*

The conclusive participant results confirmed that the choice to offer bribes is correlated to employees or executive's fear of losing business prospects or greediness to grow their market shares. The participants agreed that regardless of the organizations'

code of conduct such employees and executives took the choice of not honoring the code of conduct and governing laws so that they could meet their set targets. The participant findings confirmed that the organizations that offer bribes to enter or conduct business in emerging markets have a choice to make; carry themselves ethically or be involved in unethical conduct by offering bribes or paying bribes when asked to. In our competitive markets, there is always a cost of conducting business; being ethical could entail waiting longer periods to gain approval to start your business prospective in emerging markets or taking the route to offering bribes to get fast approvals to avoid loss of prospective business (Selko, 2013). These elements are both essential and play part in individuals' ethical moral standards; those organizations that stand behind their reputable image of honesty avoid giving bribes and in the long run no other establishment would ask them for bribes (Selko, 2013).

**Interview Question 3:** Would you follow your executive authorization to offer bribes for benefit of entering emerging markets and business prospective or deny the executive direction? Research results from millennial perspectives on executives giving authorization to offer bribes for access and conducting business in emerging markets were mixed; 10% shared no to offering bribes if directed by their executives, 10% shared maybe if the action wasn't illegal, and 80% shared they wouldn't take direction from executive to offer bribes. Specific participant results include EB03 shared *"I wouldn't approve to offer bribes because maybe in future I could be in jail for breaking the laws."* Participant EB18 shared *"I would deny the managers direction to offer bribes because it's not ethically right sine it breaks the law;"* participant EB146 shared *"he is my manager, he is the boss, I will;"* EB68 shared *"maybe, because it is the only way to stay in this country;"* and EB72 shared *"if that decision wouldn't affect nobody negatively, I would, but am most likely to not doing it."* The ethical path can be stemmed down to the executive teams that concur to unethical practices of authorizing the bribes (Selko, 2013).

**Interview Question 4:** Rules in the form of code of conduct exist in markets to govern and prohibit fraudulent behavior; in the U.S. fines are imposed for organizations that bribe yet bribing still exists; what else should the government do to ensure adherence of laws? Participant EB14 shared *"the government should make the business pay a high amount of fine,"* participant EB38 shared *"the government should get it stricter by means of losing the company,"* Participant EB41 shared *"maybe if the catch a company bribing they can put temporary and punishment, like 1 month without operations."* Participant EB48 shared *"increasing the fines,"* and participant EB69 shared *"try to solve the opportunities on the laws that the big companies can use."* Participants shared that in most countries there exists codes of business conduct that are documented to forbid bribery of any sort; specifically, the participants noted they were aware that bribery in the U.S. was illegal

under the FCPA that was enacted in 1977 (Selko, 2013; U.S. Department of Justice, 2016).

**Interview Question 5:** What strategies as a millennial who will dominate the workforce by 2020 take to ensure acts of bribery aren't part of your business model? Participant EB20 shared *"I would control the people and if someone does it I would get away, I wouldn't take part in bribery,"* participant EB26 shared *"being aware of all the country's laws;"* and participant EB40 shared *"I will always be transparent, so the people know what am doing;"* Participant EB68 shared *"control my own company and follow my own strategies,"* and participant EB74 shared *"I would award dedication within my organization and steer away from bribery."*

Training employees on the code of conduct and standing behind honest practices while punishing those employees who are involved in unethical practices (Selko, 2013). The training can be done yearly to ensure that employees are up to date on new and updated policies and procedures. Paying close attention to employee culture and leadership, participants shared that they had knowledge of multiple organization leaders who were behind and even approved the use of bribes and other unethical conduct. The culture and leadership is essential in honest practices; this can start from the hiring process to select individuals that embody moral individual conduct (Selko, 2013). Ethical leadership from the top executives would be key in keeping the organization ethical; thus, zero tolerance should be the motto to be used by all organizations in accordance with allowance of whistleblowing for when things don't sound or smell right (Selko, 2013). Ultimately, the behavior of executives and employees on use of bribes as their business model is what sets the tone unethical conduct in emerging markets; such behavior will continue in the future if minimized by shining spotlight on their unethical conduct and making examples of those companies or personnel engaged in bribery incidents (Selko, 2013).

## 5. Limitations

Employees and leaders are required to embody integrity, honesty, and be transparent as they conduct their daily duties and work to sustain their businesses. Organizations set code of conduct in place to deter inappropriate behavior that could include not meeting operation standards, embezzlement, and being deceitful among others (Vitez, 2017). In the U.S., the FCPA is set to hold employees and executives accountable for their actions to ensure no bribery as they enter and conduct business in emerging markets. Why do organizations still use bribery as their business model and what are the millennials perspectives on use of bribery? The research was limited to a qualitative

study that was limited to millennials participants ages 18-34 who were willing to take part in the survey or who gave consent for interview. The sample population in the research to gain perspectives on the use of bribery as part of their business model to gain entry and conduct business in emerging markets was limited to a sample size of 75 participants. Millennial availability and willingness to partake in the research contributed to the limited number of participants; future research could interview a larger population of the millennials to increase validity of the existing research.

## **6. Conclusion/Discussions**

The researcher's objective gauge millennials view on bribery and conducting business in emerging markets with evidence of 85% of managers for British companies reporting involvement in bribery. The focus on millennials age range 18 to 34 was essential as they are projected to dominate the workforce by 2020 (Hyder, 2016); their insights on the unethical conduct would broaden the existing research on the importance of ethics in our societies and global platform. Research findings confirmed that any form of bribery paid to enter and conduct business in emerging market was unethical; the motivation to offer bribes was for self and respective company fulfillment such as growth. Organizations have increasingly followed growth into global platforms; the ability to expand globally allows rapid growth and stronger profits in emerging markets than being only dependent on besieged U.S. economy (Monga, 2015; Matthews, 2012; Newman, 2011). As the organizations enter the emerging markets so does the increase in bribes; the United Kingdom (UK) Telegraph documented that 85 % organizational managers take the choice of giving bribes and their deceitful practices occur with authorization from their executives (Tovey, 2016).

There exists laws that govern the use of bribes, for example, the FCPA responsibilities include regulation of financial handling between U.S. business entity that trades on the U.S. stock market to be involved in direct or indirect bribery of monetary and or value with foreign officials for political outcome or securing or achievement of business (U.S. Department of Justice, 2016). The Firestone and Chiquita cases both indicate that the companies violated the FCPA law by paying bribes to gain privileged treatment to foreign officials in emerging markets. The proceeding specific example is contrasted to show how organizations can indirectly fund inequality and war in emerging markets. Minerals that are used in our so popular electronic gadgets include minerals such as colton, wolframite, and cassiterite; the mining done in the Republic of Congo contributed to 5.4 million people's deaths since 1998 (Heath, 2016). Mining had no rules and a change for the worse happened in 2008 when the armed

military took control of the mine; miners worked 24 hours, were beaten up and their minerals taken, and some died of fatigue with working conditions of slavery. The funds contributing to the struggles and deaths in Central Africa came from worldwide purchases of the popular PC, phone, and electronic gadgets that contain the minerals (Heath, 2016).

Although the organizations were not directly providing funds to gain advantage in the emerging market to get the miners minerals; the worldwide purchases contributed and prolonged to the brutality of Republic of Congo residents (Heath, 2016). January 2014, judges passed for electronic organizations to be transparent and disclose conditions on how the products are manufactured overseas to ensure conflict free mining (Heath, 2016). To put an end to the brutality, tech giants have vowed to clean up the supply chains that provided the conflict minerals that funded war to kill millions of people. The major companies that include Apple; Dell; HP; Intel; Microsoft; Nokia; AMD that use minerals have since started to clean up the supply chain (Heath, 2016). Specifically, Intel travelled over 250, 000 miles to 21 countries to do personal visits to 80 plus smelters to ensure that the supply chain wasn't involved in conflict; efforts to ensure conflict free mining (Heath, 2016).

Participant's findings confirmed that the enacting stringent anti-bribery laws like the UK bribery act that was enacted in 2010 to reemphasize the UK law on bribery was essential. The UK bribery act mandates organizations to show evidence of the implemented strategies to avoid bribery and documents the stern policies on those leaders and employees who conducts act of bribery (Chonghaile, 2016). The findings also confirmed that use of bribery was heavily dependent on the corporate culture with minimal cases of whistleblowing. Cases of whistleblowing employees are scared to report acts of misconduct for fear of being fired; in the case of GE; Huffington Post reported that a former Iraq executive was terminated for raising concerns that GE was in violation of the FCPA (Baram, 2010) the former GE executive (Khaled Asadi). This happened in close proximity to the 2010 bribery and payment of \$23 million to settle the FCPA violation (Baram, 2012).

In the U.S. FCPA and UK act of 2010, clarify what organizations are prohibited from doing as they enter or conduct business in global platforms, yet organizations get involved in unethical conduct business in global platforms. The participants acknowledged their familiarity of rules in the form of code of conduct that exist in markets to govern and prohibit fraudulent behavior. The strategies shared by participants to combat use of bribery as a business model are in relevance to existing research analysis that include offering yearly training of the organizations code of conduct and emphasizing the ultimate compliance to the set policies (Selko, 2013). The

zero tolerance in use of bribes starting from the top executives and use of whistle blowers to report the unethical conduct (Selko, 2013); would minimize the use of bribes to enter and conduct business in emerging markets.

### **Acknowledgement**

The researcher is gratitude is extended to Director of Research: Dr. Chris Bamber of The University of Bolton for the review, feedback, and reconstruction of the research topic. Mr. Scott Whitman for his ingenuity in the research topic and the participants for their time, ability, and willingness to participate and their tangible perspectives shared in this research.

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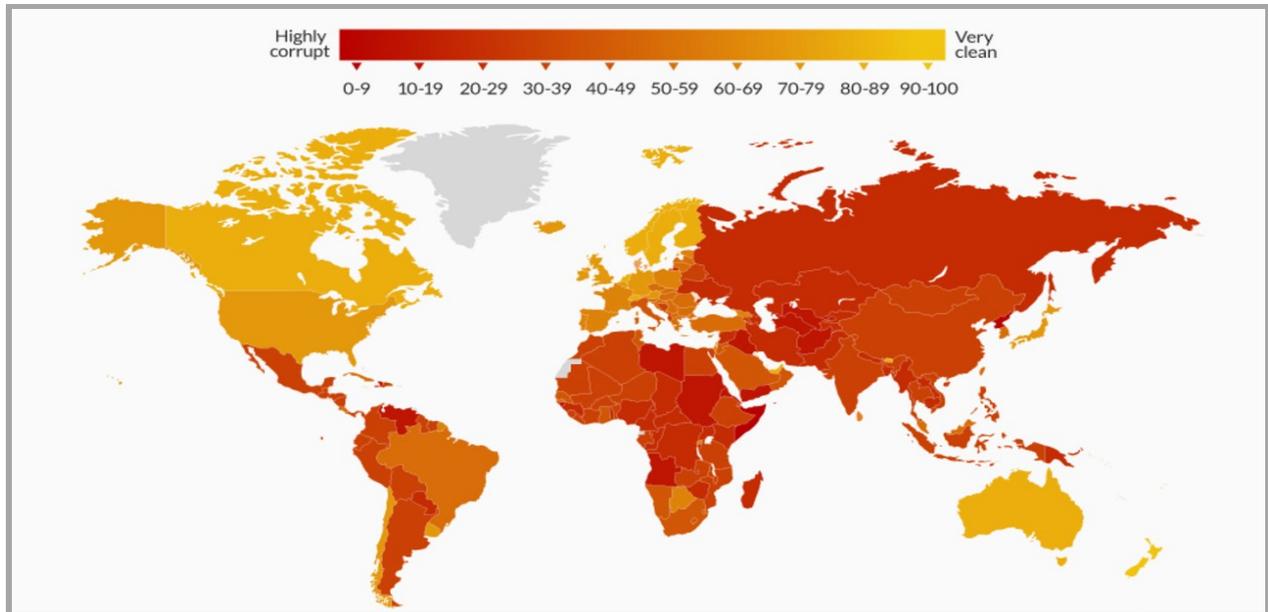
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## Appendix

### Appendix A: Corruption across the World Visualized



**Source:** Transparency International

### Appendix B: Top 20 Emerging Markets

S/N	Emerging Market	GDP Growth % (2013 to 2017)	Inflation Rate %
1	China	45.9	3
2	South Korean	22.9	2.9
3	Thailand	25.9	2.7
4	Peru	27.4	2.1
5	Czech Republic	21.2	2.2
6	Malaysia	21.8	2.5
7	Turkey	21.2	5.4
8	Chile	24.2	3
9	Russia	26.6	6.5
10	Indonesia	31.3	4.6
11	Columbia	21.9	3
12	Poland	21.2	2.5
13	Namibia	22.3	5
14	Zambia	31.3	5.3
15	South Africa	19.9	4.9
16	Mexico	17.5	3.1
17	Brazil	22.3	4.7
18	Hungary	15.6	3.1
19	Morocco	27.7	2.5
20	Philippines	20.4	4.1

**Source:** Bloomsburg (2017).

### **Appendix C: Interview Questions (Survey**

1. Bribery to enter and conducting business in emerging markets; Walmart bribes to Mexico and Johnson & Johnson to Iraqi officials; what are your views, is their involvement ethical?
2. What motivates the personnel choice to offer bribes as part of organizations business model?
3. Would you follow your executive authorization to offer bribes for benefit of entering emerging markets and business prospective or deny the executive direction?
4. Rules in the form of code of conduct exist in markets to govern and prohibit fraudulent behavior; in the U.S. fines are imposed for organizations that bribe yet bribing still exists; what else should the government do to ensure adherence of laws?
5. What strategies as a millennial who will dominate the workforce by 2020 take to ensure acts of bribery aren't part of your business model?

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