

A Corporate Social Responsibility View on Bribery Control in Business Relationships

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Abstract : Bribery control in developing countries is the biggest challenge for multinational enterprises (MNEs). Bribery practices are socially embedded and institutionalized, and therefore may achieve collective legitimacy in the society. MNEs often have better and strict norms, codes and standards about such corrupt practices. Bribery in B2B sales relationships has been researched but studies focusing on the role of firm in controlling bribery are scarce. The main objective of this paper is to explore MNEs strategies to control bribery in an environment where bribery is institutionalized. This qualitative study uses narrative approach and focuses on key events, actors and their role in controlling bribery in B2B sales relationships. The context of this study is pharmaceutical industry of Pakistan and data is collected through 23 episodic interviews supported by secondary data. The Corporate social responsibility (CSR) literature e.g. CSR three domain model and CSR pyramid is used to make sense of MNEs strategies to control bribery in developing countries. Results show that MNEs' bribery control strategies are rather emerging based on the role of some key stakeholders and events which shape bribery strategies. Five key bribery control strategies were found through which MNEs can control both demand and supply side of bribery: bribery related codes development; bribery related codes implementation; focusing on competitive advantage; find mutually beneficial ethical solution; and collaboration with ethical stakeholders. The results also highlight the problems associated with each strategy. Study is unique in a sense that it focuses on stakeholders having unethical interests and provides guidelines to MNEs in controlling bribery practices in B2B sales relationships.

Keywords : bribery, developing countries, CSR, narrative research, B2B sales, MNEs

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