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The Collapse Of Carillion - A Case Study In Corporate Governance

December 2022

DOI:[10.5281/zenodo.14715176](https://doi.org/10.5281/zenodo.14715176)

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Abstract

It caught most people involved by surprise when Carillion underwent rapid organisational disassembly and dissolution. Employees, contractors, suppliers, customers, governments, and society in general, would be forgiven to assume that a company grounded in exacting engineering standards to execute its construction business, stringent government procurement scrutiny it needs to adhere to, and the demanding citizen services it is tasked to fulfil would approach the governance and management of its business with a level of discipline and integrity aligned with the essence of its main business proposition. Carillion's fall became a cautionary tale of how neglect and corruption from just a few stakeholders within its governance structure can trigger disastrous outcomes for the business. But the argument of this essay relates to factors and responsibilities of managing agents and stakeholders that were either neglected or were deliberately fraudulent. This enabled corruption at the highest level despite the defined corporate governance required from a leading and publicly listed corporation in the UK. This paper will examine a brief outline of the circumstances and surrounding environment in which Carillion operated. We take stock of the opportunities it pursued and the constraints it had to manage in addition to corporate governance factors that precipitated its decline. Next, we will map and correlate corporate governance realities and failings with the corporate structure and behaviours to understand the theories that were relevant. Finally, we conclude with the crucial investigations and learnings derived from Carillion's downfall, especially from the perspective of the UK government which was its most crucial customer as well as future engagement regarding the provision of critical infrastructure and services that the wider society relies upon.

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The Collapse Of Carillion

A Case Study In Corporate Governance

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A paper conducted under:
Birkbeck, University Of London
Business, Political Economy & Society

14 December 2022

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This essay has two main objectives. Initially, I specify the relationship between neoclassical theory and the property rights regime on which that theory rests. In this portion of the argument I show that the property rights consistent with neoclassical theory are inconsistent with those of a monetary (or capitalist) economy-the economy the theory purports to explain. Further, I specify several ... [\[Show full abstract\]](#)

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