

# Kellogg's ethics assignment

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Kellogg's MGMT 301 April 16, 2008 Kellogg's Overview The Kellogg's company shows a serious commitment to ethics. In 2007, they were the top U. S. company for ethics in the food and beverage industry; third globally. [1] Their role in the food and beverage industry has been maintained for over 100 years, and they produce their products globally, spanning 180 countries. They produce food items such as cookies, crackers, cereal, baking needs, and many other snack items commonly consumed. Ethics is a large part of the Kellogg's organization; they firmly believe in social responsibility, as well as maintaining their employee's satisfaction.

They have strong core values as a whole which they relay on their website as their K Values???. These values are very important to the company because they strive for customer satisfaction balanced with employee satisfaction, all while providing quality, nutritious food across the globe. Setting a High Standard for Ethics The K Values??? that are practiced company wide from high management, to factory labor workers, are the manual for Kellogg's business practices. These core values include integrity, accountability, passion, humility, simplicity, and results.

The first value, integrity, refers to a strong commitment to ethics, having respect for diversity, and speaking positively of coworkers even when they are not around. Accountability puts an end to people diverting blame. If people are accountable for their actions, results become the primary focus. Passion is one of the values, and is practiced by employees having pride in their brand, as well as passion to continually improve and innovate. Humility is a very important value in that it stresses the importance of admitting to

mistakes, realizing that there is constant room for learning, and be willing to be taught.

Simplicity puts an end to slowing processes that have no added value, and avoid hidden agendas in the workplace. Then finally, there are results. Companies are in business for a reason, to make a profit. This value is about celebrating wins, and improving on losses, all while keeping a positive attitude, and providing feedback. These entire values combined make Kellogg's an exceptional company to work for, and therefore explain their remarkably low turn over. Other ethical practices by Kellogg's are their newest efforts to end unfair marketing to children.

They have created a " Nutrient Criteria" guide that sets the standards for what is and what isn't healthy for children to consume, or over consume. Their products that do not fit these criteria are immediately ceased from marketing to children under the age of 6. Such Kellogg's products that fall under this category as " unhealthy" are Pop-Tarts???, Froot Loops???, and Apple Jacks???. All of these products fall under Kellogg's top sellers, and no longer marketing these to children may take a toll on the profits.

Assuredly, Kellogg's is aware of this, yet still they continue to set standards in the food and beverage industry by being one of the first companies to show a dedication to the cause of childhood obesity. Traditions in Ethics Moral traditions are made by long term ethical attitudes and behavior. Family values go hand in hand with ethics and moral traditions. People get more involved with their company if they believe that it has a strong commitment to the community, and is ethical. Ethical people want to work

for ethical companies, as it gives them high intrinsic rewards. 2] Kellogg's believes they have a highly ethical team working for them. They try to make the working environment close to a family environment because, the more a company strives to have a family like atmosphere in their organization, the more people it attracts for longer periods of time. Since the family is the initial place values are learned, simulating this atmosphere gives a certain level of comfort to people. This theory explains Kellogg's remarkably low turnover rate. Stephen Feldman decided this after dissecting over 22 companies and viewing their ethical practices.

The relationship between moral leaders and the effect on their employees is also very important. Ethical leaders have certain influences over the ethical atmosphere of the organization. It is believed that the leader of an organization lays the ground work for the ethical attitudes carried through the organization. This is largely important because they are who all in the organization are supposed to look to. When an employee has higher moral values than the leader, it is very discouraging and leads to higher turnover. 3] There is also the belief that the younger the organization is, the stronger the moral beliefs and values must be because it is what holds the organization together in the beginning. When a company first starts up, many are uncertain of the future and where the company is going; with strong values, the employees are more assured of this. Kellogg's claims to have had high moral standards all along; claiming to be the key reason they have grown so much in the past 100 years, and explaining the reason they are still in business today.

Taking Heat in Today's Advertising Kellogg's has faced some scrutiny from today's society in the wake of childhood obesity. They have marketed many of their snacks and breakfast items as "good for you" and helping children "grow." [4] Well more children seem to be growing width wise as opposed to length, and this problem is at its worst, reaching record levels. In fact, food is the second highest product marketed to children next to toys. This is because food items are an area in which children have the potential to sway their parent's decision. 5] Knowing this fact makes it easier for advertisers to target children, as well as their parents. They target children by using cartoon characters, and showing children having fun while eating. Parents are targeted by these advertisers by using the approach that their products are healthy and nutritious, when maybe they are to a certain extent. However, with the sugar content on most cereals and snacks, these foods are not meant to be eaten in excess. Many parents simply feed their children when they are noisy or cranky as opposed to solving the issue at hand.

#### Kellogg's Ethical Shortcomings

My first suggestion for an area of improvement would be putting an end to marketing to children by stopping the animated characters in commercials. These characters are certainly trademarks making their brand recognizable; however, bringing them to life seems unfair because it attracts children. Childhood obesity is a large problem because parents now are not around as much as they used to be, therefore giving children whatever they want to make them happy. Kellogg's has made some efforts in this area, which is commendable; but certainly not as much as they could.

By improving their marketing techniques with children, Kellogg's would receive more positive publicity by showing they have a commitment to this serious problem. Another suggestion for improving the ethics at Kellogg's remains in the same area of marketing to children; coming up with a new product line that has healthy options for children. They have products that target adults trying to be healthy and lose weight, why not develop a line similar to this for children? Way more young children eat breakfast than do adults.

It would make more sense to come up with more product lines for children that target a healthy lifestyle. Eating habits are learned early; therefore teaching young children what they should be eating now is pivotal to correcting future obesity problems. As a whole, the Kellogg's company is quite ethical. They have set standards and values that are clearly relayed to all of their employees. Their efforts remain the highest in their industry, and they are constantly looking to improve. While they make many good faith gestures and donations; giving \$4. million to united way, or \$25 million donated in money and products to end hunger, and support disaster relief; there is always room for continuous improvement. I look forward to seeing which direction Kellogg's decides to take its products in the future.

————— [1] " 2007 World's Most Ethical Companies," Ethisphere (May23, 2007), [www.ethisphere.com/2007-worlds-most-ethical-companies](http://www.ethisphere.com/2007-worlds-most-ethical-companies) (accessed April 7, 2008). [2] Stephan Feldman (2007), " Moral Memory: Why and How Ch? Ah'.? 6? h kh'.? 5? h k5? h? hompanies Manage Tradition," *Journal of Business Ethics*, 72(4), 395 - 409. [3] Mike Schminke, Maureen Ambrose, and Donald Neubaum (2005), " The Effect of Leader Moral

Development on Ethical Climate and Employee Attitudes," *Organizational Behavior and Human Decision Processes*, 97, 2: 135-151. [4] Dov Seidman, "You Are How You Eat," *Forbes*, June 26 2007, [www.forbes.com/opinions/2007/06/25/seidman-kelloggs-image-oped-cx\\_ds\\_0626seidman.html](http://www.forbes.com/opinions/2007/06/25/seidman-kelloggs-image-oped-cx_ds_0626seidman.html) (accessed April 7, 2008). [5] Catherine Holahan, "Is Online Marketing Making Kids Obese?" *Business Week*, May 17 2007,