

A case study of the h.b. fuller case on honduras essay



**ASSIGN
BUSTER**

As the CEO of the H. B Fuller Company. I have a great grade of first-hand cognition and can candidly state that when it comes to concern moralss. few American corporations have a better image than the H. B. Fuller Company of St. Paul. Minnesota. We are a prima maker of industrial gums. coatings and pigments. holding won assorted awards. awards and inclusion in a assortment of socially witting common finacess. all of which attest to our standing as a good corporate citizen. Recently. nevertheless. its handling of a obstinate image-staining job has tainted our repute. Specifically. there was illegal maltreatment of its shoemaker's gum by stateless Cardinal American kids who became addicted to the product's intoxicating and unsafe exhausts (Henriques. 1995. p. 1) . By disregarding this really serious issue we are indirectly stating to concerns and stakeholders. the community and society in general that we are concerned with fiscal addition at the disbursal of people's safety.

Such perceptual experiences. nevertheless. are in direct contrast to our vision statement and it is of the extreme importance that we make all necessary alterations to reconstruct the religion of both the populace and private sectors. One of the ways that this can be accomplished is through a series of commercials that address the fatal affects of " huffing" gum and which will wipe out the coupling of our trade name name to drug usage. In concurrence with assorted subsidised drug consciousness plans. we can salvage costs in battling our recent negative promotion. reconstructing our net incomes and. more significantly. salvaging lives. A first measure will be to add a warning label or disclaimer straight to each tubing of gum that may be harmful if inhaled.

An extra and well-documented program is to add oil of mustard to the merchandise. which will do it less attractive to inhale. In add-on. for about one twelvemonth a part of our returns will be reinvested into plans that will supply reding to kids about the dangers of drug maltreatment. Furthermore. we plan to work with the local authorities to educate locals about fiscal chances in their country. the deficiency of which is the primary cause of flight and overdosing. The overriding and primary program will be to implement a good thought out CSR (corporate societal duty) program. the foundation of which has been outlined above. Our vision statement ought to function as our usher.

Vision StatementH. B. Fuller's following vision statement includes our intent and mission to be a leader in our industry every bit good as our committedness to our stakeholders: Our intent is to present value to our clients utilizing knowing people and the best engineerings.

Our mission is to be a prima worldwide formulator. maker and seller of technology-driven forte chemical merchandises and related services and solutions.

We are committed to the balanced involvements of our clients. employees. stockholders and communities. We will carry on concern ethically and productively. and exercise leading as a responsible corporate citizen.

Our committedness is to continually: Enhance our capablenesss ; Expand our presence in bing markets and our trade name individualities ; Extend our range geographically and through new concerns ; Execute our schemes with urgency and subject ; Stimulate our employees by making a civilization that
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recognizes public presentation. values parts. celebrates success. and respects work-life balance (H. B. Fuller. 2006. p. 1 - 2) .

H. B. Fuller's environment. wellness and safety attempts are guided by the undermentioned missionstatement: " We will be a responsible company with regard to the environment. wellness. and safety by operating in a mode that protects our clients. employees. stockholders and communities.

We will supply the resources and engineering to develop. implement. and maintain environmental. wellness and safety plans that support the accomplishment of company goals" (H. B. Fuller. 2006. p. 1 -2) .

Harmonizing to our vision and mission statements we are basically responsible for the manner we do concern. " and the company's imperfect and proactive environment. wellness. and safety attempts reflect this philosophy" (H. B. Fuller. 2006. p. 2) . One of our primary ends is to continually come on toward cut downing. and where possible. extinguishing. the release of substances that cause environmental harm by the usage of " periodic introspections of fabrication workss which help the company place hazards and exposures that may be or develop. so that best direction patterns can be proposed and implemented" (H. B. . 2006. p. 2) .

Corporate Environment. Health and Safety ProgramWe have already implemented a corporate Environment. Health. and Safety plan. including a squad of experts who provide specialised expertness to all H. B. Fuller operations worldwide. " Standardized policies and patterns. frequently more rigorous than local ordinances. are implemented and managed by regional and local EHS specializers around the universe (H. B. . 2006. p. 2) . This <https://assignbuster.com/a-case-study-of-the-hb-fuller-case-on-honduras-essay/>

squad will be responsible for working with local drug bureaus to supply public service announcements. Harmonizing to Jeffrey. " the H. B. Fuller Company's employee net income sharing. corporate giving and support of a University of Minnesota chair in corporate moralss won it rave reappraisals from the Socially Responsible Investment (SRI) community and a listing in the book The 100 Best Companies to Work for in America" (1995. p. 1) . Elmer L. Andersen. laminitis and president of the H. B. Fuller Company which he bought in 1941. was a broad Republican who as governor of Minnesota pressed for new park land and human rights and helped turn Fuller into a Fortune 500 company (" E. L. Andersen. " 2004. p. 1) .

However. " South of the Rio Grande. this multinational with 1995 gross of \$ 1. 1 billion supplied the drug of pick to Latin American street kids seeking an flight from poorness. maltreatment and household decomposition (1995. p. 1) ? As such. it is of import that we instill in the kids the sense that their lives are non hopeless and that they do in fact have chances. Harmonizing to Henriques. " some kid public assistance advocators have demanded for old ages that the company add a noxious oil to its gum to deter maltreaters. The company had resisted that attack. perchance because it might cut down the glue's effectivity. perchance because the odor would be annoying to legalize users. " We have done all we moderately could to forestall maltreatment. But by some estimations. 10s of 1000s of Cardinal American kids sniff some kind of gum. These childs are frequently called resistoleros. a mention to Fuller's Resistol glue" (par. 1995. p. 1) . This is a unsafe association. which must be erased. By talking with local and national intelligence media. we can take a

firm stand that the media non mention to those who sniff our gum as resistoleros.

Although our chief consumers are cobblers and leather workers. a huge though unknown measure ends up under the olfactory organs of street childs. " The adhesive's exhausts go directly to the frontal lobes. the patchboard of the encephalon. and to encephalon countries that control emotions. Resistol turns off the brain's connexion to world. neutralizing emphasis. hurting and fright. taking the topographic point of parental fondness. Short-run usage can bring forth epistaxiss. roseolas and concerns. It can besides take to long-run usage because methylbenzene is psychologically habit-forming. Chronic maltreatment can do neurological harm. kidney or liver failure. palsy and death" (par. Jeffrey. 1995. p. 1) . There is no uncertainty that our gum was designed for places. non immature encephalons. and although we are non responsible for merchandise maltreatment. we do experience a moral and societal duty to rectify this state of affairs. ' We don't sell to street kids. We sell to legalize users who are fabricating a merchandise. ' says Dick Johnson. Fuller's executive frailty president for investor dealings. ' If people. kids or grownups. acquire it illicitly. that's a concern to us. but you've got to retrieve that's non our chief focus'" (Jeffrey. 1995. p. 1) . In contrast. militants argue that gum shapers can talk to the maltreatment quandary in the fabrication procedure.

In 1968. the U. S. based Testor Corporation became an industry theoretical account every bit shortly as it added mustard oil to its theoretical account aeroplane gum. Mustard oil made the glue hard to inhale. dramatically cut downing Testor gum maltreatment and gross revenues. Confronted with <https://assignbuster.com/a-case-study-of-the-hb-fuller-case-on-honduras-essay/>

lifting methylbenzene dependence ten old ages ago. children's militants in Central America requested makers to larn from Testor's instance. Militants did non believe that the additive would acquire rid of inhalant maltreatment. because hard-core users could turn to other substances. Alternatively. it was argued that additives would deter first-time users and make off with the most available inhalant. Glue shapers refused (par. Jeffrey. 1995. p. 1 - 2) . Consequently. the Honduran Congress passed a jurisprudence in 1989 that required the add-on of mustard oil to toluene-based merchandises to which we responded with a lobbying blitz. " David Calvert. an advocator for street kids in the Honduran capital. Tegucigalpa. stated that Fuller barraged cobblers with claims that mustard oil would jeopardize our wellness. a maneuver he called ' a run of lies'" (Jeffrey. 1995. p. 2) . In retrospect. the ternary underside line could really be greater with the added mustard oil because of the positive promotion it would probably bring forth. In add-on. by adding mustard oil. we can utilize this separating factor as a merchandising point.

Concerned friends and household who care about their loved 1s would surely be more likely to buy a merchandise with the linear if they know it will discourage the enticement for maltreatment. In concurrence with anti-drug runs we can convey the epidemic of inhaling chemicals to the surface. Once this issue is acknowledged. we can partner off the additive with decreased degrees of maltreatment. As such. there would probably be a subsidy for our commercials. We could urge that people buy merely glue with mustard oil. such as our peculiarly. Our buttonholing run worked and a authorities committee decided that methylbenzene merchandises in Honduras do non

hold to incorporate any mustard oil. This resulted in contention and hapless media promotion. In 1992, a few years before NBC 'Dateline' was to tape a critical Fuller piece, we pledged to "discontinue its production of solvent adhesives where we are known to be abused" (Jeffrey, 1995, p. 2). In addition to this, any loss of net incomes could be remade by concerned people who do not desire their loved ones to be tempted by inhalants.

Honduras' economic system has a GDP per capita of \$ 2,050.00 (U.S.) per twelve months (1999). It has persisted to increase bit by bit but the sharing of wealth continues to be rather polarized; normal rewards are persistently low. Economic growth is about 5 per centum per twelve months. Nevertheless, several people stay below the degree of poorness. It is anticipated that there are over 1.2 million unemployed people. The rate of unemployment is 28 per centum. The World Bank and the International Monetary Fund recorded Honduras as eligible for debt alleviation. This debt alleviation was given in 2005 (par. Wikipedia, 2006, p. 1). Harmonizing to the Global Business Center, U.S. GDP per capita for 1999 was approximately \$ 30,200.00 and the GNP was \$ 8.083 trillion (GDP, 2001, p. 1). In addition, there is greater distribution of wealth among the U.S. population every bit good as a democratic signifier of authorities and free economic system.

In contrast, Honduras has a centralized authorities that shows small concern for the public assistance of its people ensuing in hapless economic growth and deficiency of stabilisation in that state. "Both the electricity services (ENEE) and land line telephone services (HONDUTEL) were run by

authorities monopolies, with the ENEE having heavy subsidies from the

authorities because of its chronic fiscal jobs. HONDUTEL, nevertheless, is no
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longer a monopoly. the telecommunication sector holding been opened after December 25. 2005..." (Wikipedia. 2006) .

Although there is a slightly overpowering and even incapacitated sense of unemployment rate in Honduras. there are in fact chances. Regardless of instruction. the touristry industry is dining and if the locals are educated about such chances. With the cognition of how to interrupt into the touristry industry. childs and adolescents who are more likely to be attracted to drug maltreatment may recognize that there are in fact other chances. Whether it be selling bangles to tourers. taking them on guided Tourss or other chances. touristry can offer people from Honduras a changeless flow of hard currency. With these chances the sense of hopelessness which breeds drug maltreatment in general and puffing of our gum in peculiar. will be greatly reduced. To implement such an educational plan would non be really dearly-won and could do a important difference in many people's lives.

The Honduran authorities started to actively promote touristry in the late sixtiess (Ritchie et al 1965) . Emphasis was placed on edifice three separate physical every bit good as cultural geographical countries which include the undermentioned: " the Mayan archaeological site of Copan. the beaches and colonial history of the North Coast. and the coral reefs of the Bay Islands (ibid) . La Mosquitia and the Rio Platano Biosphere Reserve were added as ecotourism became a popular universe tendency in the 1990s" (Rivas 1990) . In the 1980s. the authorities of Honduras established a set of Torahs that established particular " tourism zones. " These zones were helpful in pulling foreign investings by doing available broad revenue enhancement and import temptation. However. Article 107 of the Honduran Constitution <https://assignbuster.com/a-case-study-of-the-hb-fuller-case-on-honduras-essay/>

prohibits foreign land ownership within 40 kilometres of the Caribbean Sea and the Gulf of Fonseca every bit good as the international boundary lines of Nicaragua, El Salvador, and Guatemala.

Aware of this barrier, in 1990 the Honduran National Congress passed Decree Law 90/90 to allow foreign belongings purchases in specific touristy countries, recognized by the Ministry of Tourism. This was done to build ceaseless or holiday places (Tourism as a Geographical Phenomenon, 2006) Regions all along the North Coast and the Bay Island were among the most well-liked for investing. Sustained rushing up of these “ neoliberal” fiscal policies took topographic point during the 1990s in peculiar with the formation of Tourism Free Zones in 1993 (Decree Number 98-93 1993) . Tourism investors were give the same benefits as the private Export Processing Zones. This includes 100 per centum “ foreign ownership of belongings, federal and municipal revenue enhancement freedoms, revenue enhancement free imports for any stuffs needed to foster the industry” (Decree Number 98-93, 1993) .

Within the get downing five months of 1995 the touristy industry in Honduras produced \$ 90 million US dollars, a 62 per centum addition from 1994 (Duron, 1995) . The Bay Islands made up about 25 per centum of this sum. Harmonizing to Maria Callejas de Duron (1995) . Senior Commercial Military officer for Honduras, in 1995 touristy ranked 5th in the gross coevals for the state, but it did non make its full potency. Despite the tourer attractive forces offered by the continuously warm conditions, it was believed that the state still lacked auxiliary motive in the countries in which the flow of foreign visitants was the highest. “ Nevertheless, with the <https://assignbuster.com/a-case-study-of-the-hb-fuller-case-on-honduras-essay/>

establishment of the Tourism Free Zone Law. ecotourism plans. and the national demand for extra touristy undertakings. she felt touristy had the possible to go the country's prima industry (Duron 1995) .

By 1997 touristy ranked 3rd in foreign exchange net incomes (US \$ 143 million) behind java (US \$ 330 million) and bananas" (US \$ 239 million) (Tourism as a Geographical Phenomenon. 2006) .

Social Conscience Fuller claimed that that mustard oil was itself a toxic substance which cause injury to the respiratory system and mucose membranes saying that it did non do sense to add toxic chemicals to our merchandises when our end was to cut down overall toxicity. When asked about the Testor determination. Fuller responded ' that possibly 50 per centum of our gross revenues of glue went down when we added oil of mustard. Were we merely selling to abusers' (par. Jeffrey. 1995) . 'The Fuller experience provides a casebook illustration of the thorny moral equations that lie beyond the simple arithmetic of the bottom line (Henriques. 1995) . Did we leave themselves unfastened for onslaught? Or does this instance stress the importance of a corporation to populate up its self-created image? " Fuller does repeatedly show itself as a good citizen. Year after twelvemonth it sprinkles its one-year studies with statements proclaiming that it has a applaudable corporate conscience" (Henriques. 1995) . Fuller must populate up to its " good citizen" image if it wants to last.

" A September 1995 survey by the Washington. D. C. based Social Investment Forum (SIF) found that \$ 639 billion. or one out of every 11

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professionally managed investing dollars. is held in a fund topic to some sort of ethical screen. More than 1. 000 members of SIF. which includes big institutional investors. proficient analysts. foundations and single investors. pledge to put responsibly by using ' honest. thorough and persevering methods of research and evaluation' to investing choices. Interviews with SRI houses. many of which are bullish on Fuller stock. propose that this pledge is easier to take than to practice" (Jeffrey. 1995) .

We are non the lone company guilty of overstating its attachment to its " good citizen" rules. In add-on. glue-sniffing is non a new issue for the shapers of solvent-based adhesives. ' The Testor Corporation added a noxious ingredient to deter maltreatment of its avocation gum in July 1969. And Henkel. a German chemical company that competes with Fuller. stopped doing certain toxic gums in Central America...in 1994? (Henriques. 1995)

We excessively plan excessively add a similar additive to deter such maltreatment. However. our company dominates the Cardinal American market with its Resistol trade name of gum and it seems to hold been singled out. If we had a lesser repute we would be less of a mark (Henriques. 1995) . Finally. Fuller's board adopted a declaration in 1992. " For old ages. the managers had been under force per unit area by a loose confederation of kid protagonism groups concerned about the jeopardies of glue-sniffing among the stateless kids of Central America. Then. on July 16. 1992. the board suddenly but nem con voted to halt selling Resistol adhesives in Central America.

As the company explained in its 1992 one-year study: ' Faced with the realisations that a suited replacing merchandise would non be available in <https://assignbuster.com/a-case-study-of-the-hb-fuller-case-on-honduras-essay/>

the close hereafter and that the illicit distribution was going on. the Board of Directors decided that our Cardinal American operations should halt selling those solvent-based Resistol adhesives that were normally being abused by children” (Henriques. 1995) . Unfortunately. “ by October 1992. the advocates had learned that we had not stopped selling Resistol in Central America — and did not mean to. It no longer sold the gum to retail merchants and small-scale users in Honduras and Guatemala. but it did sell big batches and barrels of it to industrial clients in those states. and to a broader list of commercial and industrial users in neighbouring countries” (Henriques. 1995) . Consequently. we have since taken other steps to turn to the maltreatment. We have “ changed the product’s expression. dropping the odoriferous but extremely toxic dissolver methylbenzene and replacing the somewhat less toxic chemical cyclohexane. It has tried to develop a water-based gum. which is non elating. It has studied the issue ‘ thoroughly and carefully’ and has contributed to community plans for stateless kids in Central America” (Henriques. 1995) .

Many of our critics and experts in concern moralss have accused the company of image smoothing but “ the company has been praised for a high degree of corporate philanthropic gift. including giving 5 per centum of its net incomes to charity in each state where it operates” (Henriques. 1995) . Nevertheless. “ on Jan. 3. 1995. Mr. Hendler and a co-counsel. Michael Brickman of Charleston. S. C. . filed a wrongful-death claim against Fuller in province tribunal in Dallas which was finally dismissed. We stopped administering solvent-based gums in Latin America on November 30. 1999.

We spent the better portion of the past decennary seeking to do our solvent-based gums harder for kids to obtain and less attractive to inhale. while at the same clip developing water-based options (par. Kokmen. 2000) .

Industry spectators. nevertheless. suspected that our alteration in policy may besides hold to make with displacements in Fuller direction. The president and president retired and I was brought in to head the house.

Another theory is that the company pulled out of Latin America for fright of judicial proceeding and hapless gross revenues due to the alteration in the expression (par. Kokmen. 2000) .

ConclusionAfter neglecting to maintain our initial heralded promise to retreat abused adhesives. we finally pulled our gum off the market. “ Even with such adept direction. another company might non hold been able to get away farther examination. But Fuller has a command advantage: Its good name. its dollars. and its employees are woven so profoundly into local political relations. concern. media. and nonprofits that to tug at its repute means to rend large holes into the cloth of Minnesota Nice. In add-on to its web of community and concern connexions. Fuller has taken advantage of a cardinal rule of corporate dealings: Get your narrative out first. and your critics will bear the load of rebuting it. That’s how the glue issue could be defined as a “ blemish” on an otherwise spotless repute. instead than as one of the jobs created by a big. transnational chemical company” (N’Kauoa. 1993) . “ The solution is non for Fuller and other companies to halt selling toxic gums. but instead to assist acquire kids off the streets and into productive lives. Fuller has said antecedently that its end is to assist acquire kids off the streets in Central America.

It donates 1000s of dollars each twelvemonth to children's groups helping in that effort" (Kurschner. 1995) . Like Central America and the Honduras. the US besides has societal issues such as illicit drug usage and homeless kids. Fuller and other companies should utilize their resources for bettering the quality of life for the citizens of the US and Central America. And we have the money to make merely that. Harmonizing to Shah. Fuller's planetary adhesive grosss grew 13 % for its financial first one-fourth ended February 2005 and our gross revenues were strong in Europe. every bit good. during the one-fourth (Shah. 2005) . We plan to assist kids by presenting them to chances such as touristry ; this will hopefully let them to recognize that there is in fact hope for the hereafter. In partnership with anti-drug runs. we can raise consciousness of the dangers of a inhaling gums and the benefits of purchasing lone merchandises that contain mustard oil and which are at the same time less harmful. In short. we will convert and turn out to the populace that our merchandise is safer and less likely to be abused.

Mentions

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