

Two important of ethical dilemmas by nike



Ethics is to manage good conduct are the moral criteria of Ethics. To acknowledged serve as good business practice should be acting ethically in business insist in daily contact with the world. Other than that, ethics can define as philosophy with the purpose is concerned with human behavior, especially the individual conduct in social. Ethics is inspecting our ethical judgment of the reasonable grounds and also it research what is correct or incorrect, justice or injustice in morally.

After that, from environment of business the inspection of all kind of problems that can be happen and how the corporation can deal with employees and management with ethically. Ethical behavior and CSR can bring large advantages to a company. For instance: to catch customers' attention to the firm's products, accordingly increasing the sales and profits; employees may still want to work with the company, to reduce the labor mobility and thereby increase productive forces and so on. " A creative and well managed corporate and social responsibility programmed is in the best interests of all our stakeholders - not just our consumers - but also our shareowners, employees, customers, suppliers and other business partners who work together with us." [Cadbury Schweppes Corporate and Social Responsibility Report 2002]

The unethical behavior will ruin business reputation, company image and business relation. If the company acts unethical behavior, the customers will not easily put out of their mind about how the company act unethical behavior. Bad morally behavior may result in the loss-making enterprises and embarrassing disgraces. [Frank Navran, quoted on Onlineethics. org, 2004].

According to Greek mythology, Nike is the winged goddess of victory. Nike was founded by Bill Bowerman and Phil Knight as Blue Ribbon Sports on January 25, 1964. On May 30, 1978 formally became Nike, Inc.

Nike products including, Nike Golf, Nike Pro, Nike+, Air Jordan, and Nike Skateboarding those are under its own brand. Other than that, the subsidiaries consist of Cole Haan, Hurley International, Umbro and Converse. Nevertheless, on year between 1995 and 2008 Nike owned Bauer Jockey (Nike Bauer). Around the world Nike sponsors high-profile to sportsperson and sports teams, with the highly recognized trademarks of “ Just Do It” and the Swoosh logo. Next, more than 700 shops around the world that Nike has contracted. Most of the factories located in Malaysia, Pakistan, China, Taiwan, Thailand, Vietnam and so on.

Nature of Business of Nike is retail. Nike, Inc. is occupied in the design, growth and worldwide marketing and selling of accessories, footwear, tools, clothes, and services. In United States via a mix of autocephaly distributors and it sells its products about 18, 000 retail accounts, close to 200 countries of licensees and subsidiaries in. The Nike products also including, wear for casual or leisure purposes and not only the sporty footwear designed products. Nike top categories selling products are including, running basketball, cross- training, women’s and also children’s shoes. Other than that, Nike also designed shoes for outdoor activities. For instance: tennis; golf; baseball; football; hiking and so on.

Nike is the retail industry. The current industrial practice in ethics is be green, recycling-friendly, fair-trading, and others.

An ethical dilemma is a circumstance wherein moral commandment or moral responsibility clash in such a way that any probable solve program to the dilemma is morally have no patience with. In other words, an ethical dilemma is a circumstance with indetermination about what is right to carry out from an ethics or moral principles perspective.

To determine the each stakeholder's level of interest or participation in a given project and also how the participation can impact the project that is management step. Stakeholder involves owners and investors, for instance: managers, suppliers, employers, customers and community.

Nike is a corporation known as international for its sport products. Nike began the developing of its soccer balls by subcontracting it to the local firm SAGA sports in year 1995. Pakistan is the in particular big scale use of child labor in domestic with export parts. Nike and its subcontractor earn a lot of profits by using low wages of child labor for sewing soccer balls.

In May 1996, it was disclosed in Indonesian child labors who work for 70 hours working for a week to production Nike shoes is only 12 years old. In this situation, Nike just acts nothing and does silent. Other than that, in Pakistan each person income is \$1, 900 per year and is mean that nearly \$5 per day a typical people survives. Not only that, the traditional culture of Pakistan is one person earn money had to feeling 10 mouths; and with the high rate of inflation it becomes more not easy for a low income population to continue to exist.

Since they have many children, the parents think it's normal to let their children to work as this way to earn money, because their parents no money

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to feed them. If they cannot be saved, the work in the Nike factory will cause no enduring dedication to their economic well being, and they will simply return to rural poverty [NikeWatch, n. d.].

' Stephen Chapman' from Libertarian newspaper argues that " But why is it out of all reason for a poverty country to permit child labor? The income per-capita for Pakistan labor per year is only \$1, 900 which mean that a typical person survive on just about \$5 per day. Is it a revelation - or a crime - that some parents willingly send their children off to work in a factory to survive? Is it cruel for Nike to give them the chance?" [Stephen Chapman, n. d.].

Nevertheless, Nike has been accused of using child labor in the manufacture of soccer balls. Although Pakistan has law prohibit child labor, but the government only taken very little action to attack it. Nike paid child labor with low wages and Nike using child labor in very bad condition in year 1996. Nike didn't stop using child labor in the manufacturing of soccer balls although Nike has the full knowledge of the favorableness conditions. Other than that, base on the research of CNN World, about 7, 000 children between 5 to 14 years old have no time to school because they work for fulltime manufacturing soccer balls, and they only earning about 50cents for each ball they produce. Every kid's goal is to score but in America. In Pakistan, because the goals is to survive the child labor sew soccer balls for per hour six cents [Sydney H. n. d.].

Nike has severely damaged its image and brand, because they using child labor. Nike action is irresponsible and inhuman. Nike child labor issues are

affecting the customers purchase decision. Customers boycott Nike because of alleged labor abuses.

Customers can state their pay attention about the ethical actions of corporations by means of ethical buying and consumer behavior. Morally consumption like the buy of a manufactured good that be concerned about a particular moral problem. For instance: human rights, environment, labor conditions and etc. and is chosen smoothly from an individual customer, defined by Doane. [Doane, 2001].

Customers can tell their morally care by boycotting products for their negative qualities. For example, Customers they don't want to purchase on Nike's products, because some of their products are made by child labors. Customers are able to choose to think about one or other morally attributes when buying goods.

Other than that, Nike using child labor also is affecting the authority of government. This causes an influence on the image of that especially country towards the tourists of that country. The living standard also reduce as the wages of families is not much and the terrible reputation of nation.

There are a lot child labor forced to work for overtime, and there are a lot of abuse and corporal punishment [Anon, 1996]. There are happening that the employees have been abused by the employees of Nike factories and furthermore low wages to those children as labor. According to the interviews, there don't have safety and protections for the 80% of the employees in their jobs. While their working there had many accident will

happened. Employees had lost their human right, but no else dare to protest about this case.

Nike faced the criticism for using of child labor in Pakistan and Cambodia in factories it contracted to produce soccer balls in year 1990. After investigation by Australian Channel 7 news in 2008, they will get corrective action to make sure the continuous misuse does not happen Nike has since stated that. Nike takes these matters sincerely and included a code of conduct that all contract factories should sign and insist on, as well as a firm rule on age restrictions and working term and conditions.

Mr. Philip Knight in May 12, 1988 announces about Nike's policies on working conditions in its supplier factories [Philip Knight, 1998]. The announcements received favorable dealing from the journalists, by a New York Times editorial recommendation with the purpose of Nike's new improvement " set a standard that other companies should match". After that, Nike's detractors are even more cautions, signifying pay attention that Knight's commitment delegated try to sideline their require for decent salary as well as strictness factory supervise and take the place with a significantly weaker reform program.

One of the commitments Knight's made is the minimum age for Nike factory workers will be increased to 18 year old for footwear factories and apparel factories will be 16 year old. Mr. Moore said that compliment Nike as well as Phil Knight on the courageous verdict to rise the minimum age of factory workers [Mr. Moore, n. d.] In year 1996, because of child labor issue Nike was harshly feel embarrassed on, when a most important story in Life magazine

featured a photograph of a very youthful Pakistani boy stitching a Nike soccer ball. Testimony continues to spring up child labor of age under 16 employed in Nike contract factories. Nevertheless, in their society economic expansion under circumstances, on the other hand, does not include the children from factories possibly will compel them to the even more degrading and dangerous work. Global Exchange think of that payment of an income wage to adult employees would be by far the mainly valid means of favorable children in regions in which Nike's goods are made.

In addition, the second commitments made by Knight are Nike will develop its worker learning program, making free of charge high school equivalency lessons offered to all employees in Nike footwear factories. The learning program has widespread, but wages paid in Nike factories are so low that the great most of employees can't burden to give up overtime wages with the purpose to take one of the classes. Payment of a living wage would give Nike employees with eagerness in accomplishing a high school education the time and the means to do so.

The social contract has advanced over time, in particular with the increase of particular importance groups for instance Fair Labor Association (FLA) object to the use of child labor particularly in the Third World to get back the right of employees. In addition, Person for instance Californian Marc Kasky had gone anti Nike by suing business under California consumer protection law unreliable about its perform that they already cleanse its subcontractors. [Milchen, 2003].

Nike Companies that found in the expansion country are hiring a low wage of child labor and as well lack of human rights appeal and labor union group as there is such a giant quantity of population but only little jobs are available, consequently, nobody will grumble about the low pay of wages and the rules of law. The public attentions to the uprising violations of labor rights and child labor, Nike finds their reputations at stake as they are attempting to avoid these things from happening once more which Nike then manages stitching centers where there is no child labor.

D. Joseph; Knight-Ridder; Tribune said that a department with the trustee to set up to monitor and continue to improve the working conditions of employees in the subcontractor's factory. [D. Joseph; Knight-Ridder; Tribune, 1996]. For salary rates, Nike estimated "equitable" salary [MallenBaker, n. d.]. Nike is making effort to alter for an improved reputation of the corporation.

Egoism is the philosophical theory, be regarded as the main driving factors of their own interests [Encarta, 2009]. In child labor case, Nike only think of self interest can be earnings for more revenue. This can involve to child labor as all they concerning is cut down costs as well as rising sales to raise earnings not human rights of kids. This deduces that they be self excitation by self interest therefore following the egoism theory.

Nike unethically correct movements are those somebody consequent maximizes advantages to the person expression them sustain child labor in growth nation, it's since the children accomplish monetary reliance through their parents and also have a opportunity to make money to reach what they

like than concern their children, the egoistic theory hence supports child labor in developed nation where the child benefits and also the parents whose financial burden is reduced, in developed nation where children work to support their family it is ethically right to hire children in such employment opportunities but it must be annotation that child labor cannot go against their rights to education and also over working them.

The 2012 Fortune/Money Starbucks was involved in ' Top 100 Best Employers to Work for". Starbucks' employee management is very particular. Starbucks has put into practice the " Employees First, Customers second". The aim of Starbucks is to connect first with employees and the second will be its customers as they trusts that when workers are treated well and that's why are happy, then those clients will also be treated well by employees.

In addition, Starbucks admission the truth that its competitors perhaps capable to replicate its products they cannot replication the talent, ingenuity and knowledge of the person that serve its produce to the clients. In 2006, Michelli said that the business average of Starbucks workers turnover rate is 250% lower. [Michelli, 2006]

Besides, Starbucks also given a lot of benefits to its workers, regardless of you are full time or part time workers. Starbucks' workers can also get discount on those goods if their want to purchase, and Starbucks given the benefits of full healthcare to their employees.

Lastly, Starbucks built it brand first with their employees and the second are customers. It is because Starbucks trust that the best methods to satisfy and
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overstep consumer's expectations are to employ and cultivate great employees, Starbucks is invested in works. [Howard Schultz, n. d.].

Here, virtue ethics theories are that dispute ethically right operations are those underway by actors with virtuous characters. Other than that, virtue ethics demonstrate that business can't be separated from society, because everybody is part of the whole society.

Nike is not practice the virtue ethics in their company, because Nike didn't care about their employees and Nike using child labor in Pakistan. Nike pay lower salary to child labor and they earn on it. There don't have safety and protections for the 80% of the employees in their jobs. While their working there had many accident will happened. Employees had lost their human right, but no else dare to protest about this case.

In addition, Nike should no minimum salary, and provides the suitable working conditions to their labor let them to have good working conditions, or provide enough health and safety (buy insurance) for their labor.

At the end of this report, as a human through a mind of yourself, you recognize what is correct and incorrect. Although there are living example while making the choice to do what is ethically right can be not easy, in particular when your option can influence your business or lifestyle. Knight's made is the minimum age for Nike factory workers will be increased to 18 year old for footwear factories and apparel factories will be 16 year old. Next, Nike should learn from Starbuck. Starbucks built it brand first with their employees and the second are customers. It is because Starbucks trust that

the best methods to satisfy and overstep consumer's expectations are to employ and cultivate great employees, Starbucks is invested in works.