

Hitting the wall: nike and international labor practices

[Business](#), [Company](#)



It is ironic to see how an organization like Nike would response to its negative labor practices in quite an immature way, especially when it carries a big brand image in the industry and has a lot on stake to lose; with respect to its loyal clientele and future growth opportunities. In my opinion, Nike's approach was almost prohibitive, specifically for the initial few years.

I agree, later on in May, 1998 Knight announced a series of sweeping reforms however; what is shocking to me, it took Nike roughly 18 years to realize that some serious steps are needed to address the allegations and their future steps must go beyond and over than what they had committed themselves to. Nike was pressed by the circumstances to think this way as their bottom line had truly started to suffer.

Evidently, since 1980's the corporation had been plagued by a series of labor incidents and public relations nightmares but what has astounded me is " despite the criticism; they insisted that labor conditions in its contractors' factories were not — could not — be Nike's concern or its responsibility". Initially, Nike was moving quite fast from one country to another just to accomplish their low cost manufacturing agendas.

It is quite relevant, applicable and fair for any organization to outsource where they can save cost but it should not be on someone else expense where the organization is violating human rights and/or the labor is not even making enough to meet their bare minimum necessities. All these bad business practices of Nike got them in mainstream where they were not able to come up with innovative ideas to be in command of this bad publicity. As

the matter was heating up Nike did try to address many issues which are surely commendable but the major issue of workers minimum wage was never resolved up until 1998.

This is exactly where Nike was getting benefited from (low-wages). In response to the entire kiosk, Nike did draft a series of regulations for its contractors; they also tried to be cooperative with government made organizations, hired an outside firm Ernst and Young in 1996 to audit its suppliers manufacturing facilities, created another labor practices department to keep checks and balances, hired a civil rights leader to do an independent evaluation of their code of conduct and so on so forth.

Doing this gave birth to another problem: All these were on Nikes pay roll which dilutes the purpose in itself. In the end Nike's initiatives were becoming self contradicting. Where Nike has done an awesome job is, when Knight almost surrender Nike and accepted indirectly that their company has been a part of slave wages, forced overtime and arbitrary abuse and also showed his true commitment to abolish all these from Nike's business.

It was not just words at this point but some fundamental changes have been made in their existing policies and also many further effective steps were taken which were relatively appreciable. Nike's becoming a part of FLA (Fair Labor Association) was the right step in right direction but of course at very later stages. No doubts, Nike could have done many things differently. First, they should not have made a rough statement at early stages that Nike has nothing to do with what goes in their vendor's facilities.

Second, they could have hired a complete NGO to check and evaluate their labor practices overseas. Third, they should have taken the full responsibility right from the beginning for their wrong doing acts instead of defending their image and keep executing their same old policies. Basically, what Nike has done in the end by almost confessing its all wrong doings, is what it must have done way earlier in the game. Doing this should have given a positive spin to the entire situation and must have helped Nike to save its image while making its remarkable name in the industry for using good business practices.