

Nike corporate social responsibility challenge

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



1. In referring to the opening profile and the closing case for this chapter, discuss the challenges regarding corporate social responsibility that companies in the apparel industry face in its supply chains around the world? In 2005, Nike released reports of multiple audits it conducted in its supply chain. Said report brought to light serious unethical violations. In half of the shops visited, workers were being poorly treated. The victims have little or no access to water and restrooms during work hours; they work more than 60 hours a week for wages below the legal minimum. Moreover, workers are literally being forced to work overtime and those who still refuse are severely punished. Nike is trying to change the ethical environment in these countries. However it cannot flat out refuse to do business with them as this would dramatically impair its ability to compete in the global marketplace. Instead, they are working with the government, the labor ministries and civil society in an effort to better the working conditions in the factories.

2. Discuss the meaning and implications of the statement by a Nike representative that " consumers are not rewarding us for investments in improved social performance in supply chains." Faced with widespread corruption and abuse in the foreign factories they subcontract with, Nike is trying to make things right. However, they are forced to realize that " consumers are not rewarding [them] for investments in improved social performance in supply chains." In other words, they face the wrath and possible boycott of buyers when engaging in sweatshops practices. But when they do their best to ensure that workers in foreign factories get treated fairly and honorably, they get no preferential treatment from those same consumers. Buyers in this particular industry have not learned to reward

socially responsible firms yet, which makes it harder for the few trying to do the right thing to stay competitive. The only possible solution for firms like Nike is to raise the bar and force the competition to meet the same standards.