

Business



MNC and Child Labor MNC and Child Labor Multinational Corporations are established business entities that have many outlets in various countries. Most multinational corporations operate as conglomerates. The policies governing the operation of these businesses are mostly made by the parent company. These policies are formulated based on the environment in which the company is operating in. Moreover, the prevailing conditions will always play a role in the formulation of these policies. The same approach is applicable when dealing with issues of child employment. This will definitely vary among companies. Nevertheless, the company should maintain its hiring policy in relation to child labor regardless of the environment the business is operating in.

In every entity, the extent to which a business can make profits is limited by the ethical framework in which the business is operating in. Ethical concerns override the selfish ambitions of the company to make profits. When a company accepts to employ children in foreign countries against its policies portrays a bad image for the company. It shows the company is only focused on making profits without considering other issues that are of greater concern. Companies with high ethical standards have always excelled because ethics is non-current asset to the business. For instance, Ford Motors was named the most ethical company of the year in 2010 (Ramsey, 2011). An analysis of financial performance of Ford Motors shows that it is excellent. From a pretax profit of \$6.6 billion in 2010 to a pretax profit of \$8.8 billion in 2011, it shows the company's financial performance is growing steadily (Ramsey, 2011). This is interesting comparing how the company was struggling during the previous three years from 2010. The good financial performance is attributed to good public image. If a company compromises

and chooses to endorse child employment, it will only help to taint its long-term image. Therefore, any company with long-term goals to prosper should not gamble with this issue.

In addition, there are so many complexities that are leading many MNCs into child labor. One of the main reasons over time has been the level of competition. Stiff competition is driving many corporations to adopt unprofessional means of dealing with competition. One of these means is the direct cutting of operational costs of these companies. Corporations looking for lower operational costs are opting for child labor as a means of cutting down on costs (Pimpa, 2011). This is a bad approach by companies.

Whenever companies adopt direct means of reducing costs, it is an indication that there is no creativity and innovation in these companies (Suhasini, 2004). In a competitive environment, it calls for companies to be creative and innovative enough to come up with ideas that will enable the company survive in competitive markets. Creativity and inventiveness enables companies to have a cutting-edge in the market. Therefore, instead of companies resorting to child labor as way of reducing costs, they should hire young innovative individuals to manage these companies.

In conclusion, there are many factors that can be amended to make sure the company's productivity is not affected by competition. The basics to these are maintaining a good public outlook while encouraging creativity and innovation. These will ensure that the survival of the company is not in the hands of competitors. In leading this, the company should have a clear layout of priorities and strategies in achieving high productivity.

References

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