

# Case study debate

Business



The Nike brand is a household name that most individuals are familiar with. The Nike Corporation is approximately worth 10.7 Billion making this the largest and most profitable sporting brand in the entire world.

Nike sales have taken over the majority of sports teams and led the sportswear market for innovation and conformity. The mission statement is "To bring inspiration and innovation to every athlete in the world. If you have a body, you are an athlete" (Nike INC. 2012). Nike INC.

It is known for top sales, inspiration to push limits, and providing jobs around the world. As any respectable businessman knows when forming jobs internationally there are rules and regulations to follow. Although, Nike does follow the rules and regulations there is an ethical standpoint one must follow as well. In this case study an examination takes place of the questionable moralities, integrity, and scrutiny undergone inside Nike INC. During the early 1980s Nike INC.

Went under fire for outsourcing work to third world countries such as Malaysia, Indonesia, and Vietnam.

In parts of the world, such as these many young women and children work almost seven days a week for pennies per day never reaching the maximum salary owed. The environment in most third world manufacturing companies is intolerable and not suitable for any human being. The alternative for hundreds of thousands of women and children is prostitution, starvation, and death. This is a trap for many cultures in dire need.

In 1996 reporter for CBS and program 60 Minutes shined light on the abuse of women working in Nikkei manufacturing companies.

The reporter spoke to Indonesian women who endure verbal and physical abuse while making illegal wages and harmful working conditions. After the story went public Nikkei then took some responsibility by installing an auditing system but still standing by the fact they have not broken any laws according to Asian policies. "Nikkei's management established a code of conduct for Nikkei subcontractors and instituted annual monitoring" (Hill, 2009, p. 125).

Westerners are unimpressed by Nikkei's efforts and thousands of students and political benefactors came together in protest of the unethical practices of the Nikkei distribution company.

In 1997 Nikkei faces another public accusation and scandal, this time involving the U. S. Government. "It was revealed that workers in one of its contract factories were being exposed to toxic fumes at up to 177 times the Vietnamese legal limit" (Global Exchange, 2001).

Since this time Nikkei assures that shoe manufacturing companies will abide by the U. S. Occupational Safety and Health Administration (OSHA) requirements. OSHA requires that the air inside the buildings be ten times cleaner than the air outside. Other government laws enforced, increase in wage, safety guidelines, and protective equipment.

Now all business practices involve lawyers, global exchange policies, and human rights activists making demands while encouraging change.

Under constant surveillance and routine policies Nikkei faces some operational challenges. One major issue is abiding by foreign policies while instilling U. S. Moral obligations. It is challenging to know for sure the subcontractors are treating workers reasonably.

Nikkei Inc. Continues to face the scrutiny from media, government, and other protesters in relevance to the roomful practices of foreign workers.