

Case study: the nikkei corporation

Business



The Nike Corporation is the world's leading supplier of athletic shoes and apparel. The company takes its name from the Greek goddess of victory, and has fulfilled its reputation of being victorious in the sporting goods industry for over a decade. For several organizations Nike had become a symbol of the evils of globalization as the company became a target for accusations that products were manufactured in "sweatshops" using child labor, working excessive hours under hazardous conditions while being paid sub-standard wages. This paper, based on the case study Nike: The Sweatshop Debate authored by Charles W. L.

Hill In his book International Business: Competing In the Global Marketplace (2009) will analyze the legal, cultural and ethical challenges confronted by global business; examine the roles that host governments have played and summarize the strategic and operational challenges facing global managers at Nike. Legal, cultural, and ethical challenges has manufacturing factories in Indonesia, China, and Vietnam. Nike does not have full ownership of these factories they are subcontracted out to independent businesses that then employ local citizens.

Nike still carries omnipotent power in regulating how the companies are run in these countries. Globalization is a form of expansion for companies which can provide positive incentives for the local community. Ethics presents a challenge for Nike as these countries have a different perspective on what is ethical and acceptable when it comes to working conditions, wages and labor practices.

Laborers are anxious and willing to work long hours for a minimum wage that does not provide for the basic needs of an individual in an attempt to survive. Nikkei must question the legal, cultural and ethical implications of its global Rockford policies.

Working within the local customs and labor standards is not enough if Nikkei is genuinely concerned with the rights of the workers ability to earn a decent wage rather than just a public relations inconvenience. Roles of Government Governmental actions in foreign countries have a significant impact on Nike's global operations. During the sass Nikkei contracted with South Korea and Taiwan to produce shoes and apparel.

As a result of newly gained freedom to organize wages began to rise. Nikkei looked toward Indonesia and China where the government prohibits unions and controls the minimum wage (Hill, 2009, . 155).

Strategic and Operational Challenges the past decade It seems that Nikkei has learned an important lesson relevant to keeping an eye on their contract workers. Bad public relations notwithstanding, Nikkei must continue to monitor the companies, governments, and workers with whom they do business.

Strategic challenges include identifying global opportunities to conduct business Wendell nearing to tentacle regulations governing working controls Ana wages; continue to streamline distribution channels to ensure product quality across the globe and monitor and overseas contract manufacturing to ensure Nikkei policy implicate.