

# [Cocacola and ethics](https://assignbuster.com/cocacola-and-ethics/)

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Coca Cola and Ethics Coca Cola is among the most valued brand s in the history of global business. Even so, financialcrises and ethical malpractices riddle the giant supplier of soft drinks and beverages. The failure to overcome its challenges has led to public displeasure and even resignation of some of its board members and staff. These, coupled with the recent global recession and increased competition results in low sales. Coca Cola’s unethical behavior encompasses four issues in racial discrimination, health concerns, anticompetitive behavior, and water usage and pollution.
Coca Cola has long been embroiled in competition with other beverage brands such as Pepsi. The company has marketing tactics that are largely anticompetitive. It is aggressive in its quest for joint ventures, mergers, and acquisition, in a manner that does not encourage perfect competition and sustainability in the market. It contravened European laws in its aggressive tactics through rebates and discounts to crowd shelves with its products (457).
Another issue is health concerns from contamination and pollution. There are reports of people becoming ill, specifically in Belgium, because of the consumption of Coca Cola products. The cause was the improper processing of a batch of carbon dioxide. The slow response to the situation, and its dismissal as a minor issue worsened the situation because of the public outcry on health concerns. There were reports in France about health effects of the company’s products, and later mold-contaminated products arrived in Poland (456). Health issues also include its relationship to obesity and claims that some of its ingredients contribute to cancer.
The company has faced court cases from African American employees on racial discrimination. The areas of discrimination, in the 1999 case, involved delayed promotion, pitiable remuneration, and performance evaluation. African Americans earned less than their Caucasian counterparts did in comparable jobs, regardless of qualification, skill, and work output. This came after its attempt corporate social responsibility to purchase most of its products from minority vendors. It had to spend millions to settle the claims and lessen public unrest about the racial diversity issues.
Coca-Cola has been accused of groundwater contamination and depletion. Research studies indicate that its bottling plant in India released pesticides that contaminated the water. It encountered a drop in sales because of the pollution saga. In addition, the public accused Coca Cola of contaminating groundwater with wastewater through sludge that had toxic levels. Surrounding areas complain of decline in availability of water in drought-plagued areas in India.
Evidently, Coca-Cola is not doing enough to address the ethical concerns it faces. There is a need to rise permanently out of the ethical problems that it faces, rather than the regular court battles and private settlements that it does. There is an urgent need to eliminate its ethical crises if it desires to attract, satisfy and retain customers. The multicultural society demands a dynamic workforce that tolerates, respects, and recognizes the efforts of people from different cultures. The company must be aware of all cultural and business laws covering different countries to enhance its appeal and recognition as a global brand. Corporate reputation is integral to building long-lasting relationships with governments and relevant stakeholders. Failure to address the ethical concerns results in loss of money in lawsuits, and loss of public confidence in its products.
Work Cited
The Coca-Cola Company Struggles with Ethical Crises.