

Ethics in Multinational Management

B2E Case Study 11 “Child’s Play?”

B2E has finally made the decision to expand into the China market. Because B2E’s Chief Executive Officer Mr. Biggs will be in Chicago attending a big conference on International Human Resource Management, Donna, the Executive Director at B2E, is making a trip to Chenggong Corporation in Guangzhou to meet with managers. She is also excited to be visiting with an old college roommate, Connie Chung, who lives there.

Tina, the Junior Marketing Director, Donna, and Mr. Biggs meet in Mora’s office to discuss the trip. Donna tells them that her 10-year old son Shawn loves soccer and will be in soccer camp the week that she travels to China.

Mr. Biggs tells Donna that she will meet with Zu Jun Yi, the Vice President of Chenggong Corporation. Tina reminds her that she should address him as Mr. Zu, since surnames are placed before given names in China. Mr. Biggs tells Donna to note any possible human rights issues that B2E might have to address. Donna agrees, and says she’ll look forward to hearing what he has learned at the conference when she returns.

Donna’s meetings at Chenggong Corporation proceed without a hitch. She is very impressed with the quality of their products as well as the fast completion of orders. Her host takes her on a tour of the Chenggong facilities in Guangzhou. She is astonished to see that the physical plant takes up an entire city block.

As Donna tours the plant with her host, she becomes aware that several of the workers seem very young. She sees one boy who appears to be as young as her 10-year old son Shaun, which troubles her. She shares her concern with her friend Connie when they have dinner later. Connie tells her that it is not uncommon to see child labor violations in China for a number of reasons.

Connie explains in regard to child labor, it is important to remember that monitoring suppliers doesn’t always end child labor violations or any other human rights abuses because unethical people will always cheat. She tells Donna companies cannot afford to be complacent regarding child labor. She counsels Donna that the entire manufacturing supply chain, down to raw material sources, should be scrutinized as well. Connie advises Donna that B2E should have an aggressive, zero tolerance approach regarding child labor violations.

Donna reports this information to the B2E group when she returns. She tells them that aggressive vigilance will be necessary to avoid bad press in the future. She wonders out loud how can they operate in China with integrity and at what cost?

What would you say? What would you do? How could you be most effective?