

Ethics in Organizational Leadership

OL4300 – Organizational Development and Change

B2E Case Study 7 “Maid in China!”

B2E plans to contract with a third party manufacturer, Wong Industries in China. They will manufacture fabrics that B2E will then import to the US for the final stage of production. Mr. Biggs has sent his capable younger sister, Tina Biggs to Guangdong to visit Wong Industries for needs assessment purposes. This is Tina’s first big assignment for B2E and she is excited to be a part of the project.

When she arrives in China to visit the factory in Guangdong province, she discovers shocking labor conditions! In this city, some workers average eighty hours per week, at up to 11 hours per day, with no days off. They are often not paid overtime, though Chinese law requires it. While the law stipulates that wages are to do better than keep up with inflation by setting wages at 40-60% of the average wage of the locality, many workers are being paid far less.

Many of the people are migrant workers who have come from the countryside and Pacific Rim countries to work in urban factory jobs. She learns that many work long hours for six and even seven days a week. She discovers that some are under the age of 16- the legal working age, are paid under the minimum wage, and some organizations actually have two sets of accounting books, to cover up this practice.

When Tina is back at B2E she presents her report. She says that the Bureau of International Labor Affairs (ILAB) has started a list of companies and their goods that they have reason to believe are being produced in violation of these international standards. Mr. Biggs says that it should be expected that- when operating in developing countries- standards for working conditions, sometimes do differ from that of the US. He says that all the big corporate names are already over there. But Donna replies that, just because others may be turning a blind eye to Human Rights, doesn’t mean that B2E should. She reminds him of the elevator video that was part of the Strategies for Success Training.

Tina tells them that she wants to create working conditions and standards that they will use to regulate workers rights in workplace of the suppliers’ who produce raw materials for B2E in developing countries. What should these standards include? What stumbling blocks might they anticipate? What goals and values should B2E espouse and require of their global partners?

In order to create a shared vision of International Organizational Development, *what should B2E do?*

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