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Content Introduction	<p>Nike has been recognized as a successfully global company based on raising advertising and worldwide fame. Nike has captured the attention of the world's most "influential consumers" more than three decades (Bartlett, Ghoshal, Birkinshaw, 2004). Unlike other competitors such as Reebok and Adidas, Nike builds its sneakers empire with fairly wide range sales of footwear consumers in the world. Nike increased its benefits around 800 times in just ten years (Bartlett, Ghoshal, Birkinshaw, 2004). Phil Knight, the CEO of Nike, aggressive and energetic, concentrated on notable endorsements for establishing a high profitable brand of Nike. After engaging those athletes wear Nike's shoes, Nike's products became the one of the world's best known brands as well as a global symbol.</p>

The story

Nike's manufacturing empire was suffered a damage wave in the 1980s and 1990s. Nike was argued by a series of labor incidents: "underage workers in Indonesian, allegations of coerced overtime in China, dangerous working conditions in Vietnam" (Bartlett, Ghoshal, Birkinshaw, 2004). Therefore, Nike had become critical insistent by labor conditions and that did seriously hit the mainstream. At first, Indonesia became the desirable plant for Nike due to its low wages, obedient workforce and an authoritarian government who was willing for foreign direct investment. According to the *Far Eastern Economic Review*, Nike may save 50% cost than sourced from Taiwan and South Korea (Clifford, 1992). Nike started its manufacturing factories in Indonesia as a tough labor exploiter. The salaries of Indonesia's labors were hardly to meet their daily requirement for food and other necessities. A messy and careless workforce was causing the obviously problem to Indonesia's labor environment.

讀者的世界觀 **Nike's global labor practices; Xerox and Fuji Xerox Cases studies**

Jeff Ballinger, a labor activist, he was specifically concerned about the perverse gap between wage rates in developed and developing worlds. "In 1988, Ballinger was assigned to run the AAFLI office in Indonesia, and was charged with investigating labor conditions in Indonesian plants and studying minimum wage compliance by overseas American companies" (Bartlett, Ghoshal, Birkinshaw, 2004). Ballinger found Nike's irresponsible attitude on Indonesian labor practices. He knew that he must be very carefully to calculate all information about these unfair and aggressive events; otherwise, his reports would not be noticed and believed. He started to interview those Indonesian workers and realized that in order to encourage itself on a competed advantage, Nike pursuit the unrealistic production quotas. For several years Ballinger worked as a labor inspector in Indonesia, his reports became exclusive news,

either Indonesian government or U.S. firms had begun to judge this factor.

Of the early changes, “in January 1992 Indonesia raised the official minimum daily wage from 2100 rupiah to 2500 rupiah (\$1.24)” (Bartlett, Ghoshal, Birkinshaw, 2004). Objectively, the new wage still was not sufficient to meet laborers’ physical need and had no effect on wages. Moreover, many factories either ignored the new wage regulations or successfully petitioned the government for exemption. Therefore, the Indonesian governments responded at least more enthusiastically and critics continued their strikes and media attacks. In spite of the awareness of Indonesian, Nike insisted that there is no responsibility of independent contractors. Sooner, Ballinger published a criticism on Harper’s magazine; he made a comparison between Indonesian’s labor wages and Michael Jordan’s endorsement contract that successfully attracted public’s attention. After a huge amount of criticisms of News, magazines, foreigner labor activities and Presidential calling for developing acceptable labor standards for foreign factories; Nike established a Labor Practices Department in October 1996 to show its regard for fair labor practices. Obviously, the “anti-Nike campaign was just getting started” (Bartlett, Ghoshal, Birkinshaw, 2004).

“In May 1997, Doonesbury, the popular comic strip, devoted a full week to Nike’s labor issues; Nike was against by the unfortunate cultural milestone”

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(Bartlett, Ghoshal, Birkinshaw, 2004). This famous news encouraged the anti-Nike wars in public. In New Republic article, a writer who was fictional published the serious aspects on Nike's disingenuous behavior and ineptitude internal recommendation. Apparently, Nike's labor abusing incident was spread widely and effectively. Moreover, there is an issue of student's "*Survey of Vietnamese and Indonesian Domestic Expenditure Levels*", in which pointed out the workers' basic necessities are not satisfied as well as Nike could afford. Additionally, the survey demonstrated labors in Vietnam preferred to save wages for rice or cows to support their dependents. Furthermore, the criticism was getting more and worse.

Nike had met a series attack on its sneakers empire. Adidas was going rapidly to occupy Nike's marketing shares. The University of Oregon rejected Nike's contracts with school's demands until labor practices were rectified. Most of universities activists spread protests to against and persuade customers focusing on Nike's unforgivable labor practices. Most of students felt guilty of Nike's labor exploit causing unconscionable national fame due to their college T-shirts producing (Cleeland, 1999). After a plenty of protests, Phil Knight finally admitted that the "Nike product has become synonymous with slave wages, forced overtime, and arbitrary abuse" (John H.; Cushman Jr., 1998).

"Knight declared a series of sweeping reforms, including raising the

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minimum age of all sneaker workers to 18 and apparel workers to 16; adopting U.S. OSHA clean air standard in all its factories; expanding its monitoring program; expanding educational programs for workers; and making micro loans available to workers” (Bartlett, Ghoshal, Birkinshaw, 2004). The Apparel Industry Partnership (AIP), President Clinton’s initial task force on labor, began to corporate solution making within its members. The remaining cooperation of AIP was soon able to work together with an oversight organization known as the Fair Labor Association (FLA). It would support to require their members to pay workers the legal minimum wage in order to match the local live standard. “The minimum age of workers was wet at 15, and employees could not be required to work more than 60 hours per week” (Bartlett, Ghoshal, Birkinshaw, 2004). At this moment, Nike also enforced those requirements hardly.

Nike was trying to gather other companies to join this association for adjusting their labor practices. Over 100 colleges and universities eventually announced the issues to find a solution specifically those participants form the large state which held Nike contracts. Meanwhile, Nike was working on a training program of pushing its managers to learn native language of workers for realizing their needs. Within this process, Nike’s employees may understand culture differences and also would like to feel workers’ feelings that definitely helped found

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the tolerance between nations.

On the other hand, there are some observers argued that Nike still failed to deal with the minimum wages instead of raising minimum ages. Similarly, Jeff Ballinger stated that the company's reform record was mixed and complex that public may not be able to distinguish the truth. He believed that Nike had at least removed dangerous chemicals from factories, but he remained Nike still had no honest for solving fair wages among those developing countries such as Indonesia and Vietnam. Nike must try harder and engage itself to face this unavoidable event and be responsible for its overseas workforce.

The cooperation of Xerox and Fuji Xerox

Fuji Xerox started the joint venture with Xerox in 1990 and that became the most successful experience of American and Japanese companies' cooperation. Fuji Xerox had evolved into a fully integrated operation of Xerox's products in Japan. "Furthermore, Fuji Xerox supplied the rest of the Xerox Group with low-to-mid range copiers" (Bartlett, Ghoshal, Birkinshaw, 2004). Fuji Xerox had an advantage that could help Xerox find out those potential competitors in Japan. "We have excellent relationships with Fuji Xerox at the research, development, manufacturing, and managerial levels." Paul Allaire said, the CEO of Xerox. Because of this close relationship, there is a greater potential for conflict.

Over the years, Fuji Xerox understood that there were more and more competitors grow rapidly through exports. The terms of its technology licensing agreements with Xerox, however limited Fuji Xerox's sales to Japan and certain Far Eastern territories. As Canon, in particular, grew to challenge Xerox worldwide in low end copiers, laser printers, and color copiers, Fuji Xerox began to feel constrained by the relationship. It would be an exclusive and necessary challenge that both Xerox and Fuji Xerox have to face together (Bartlett, Ghoshal, Birkinshaw, 2004).

By the late 1960s, Fuji Xerox dominated the high-volume segment of the Japanese copier market. FX managers were already aware of efforts by several

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Japanese firms to develop plain paper copiers. In order to solve this threat, the CEO of Xerox decided to transfer the manufacture of copiers from Fuji Photo Film to Fuji Xerox, and in this way combine manufacturing and marketing activities under one roof. (Bartlett, Ghoshal, Birkinshaw, 2004). “Fuji Xerox had to develop its own manufacturing capability. It had built up a good marketing organization, but had no assured source of supply. That left the company vulnerable” McColough, the CEO of FX described (Bartlett, Ghoshal, Birkinshaw, 2004). It became the most arduous time for Fuji Xerox. Yoichi Ogawa explained why Fuji Photo Film remained a passive partner after 1971: “According to Fuji Photo Film’s agreement with Xerox, the company, as a shareholder, could collect information from Fuji Xerox, but it could not use it in its own operation. In addition, a technology agreement between Fuji Xerox and Xerox provided that any technology acquired by Fuji Xerox from outside sources could be freely passed on to Xerox” (Bartlett, Ghoshal, Birkinshaw, 2004). Probably, the relationship between these two companies might start to conflict on an unequal stage.

Fuji Xerox operated with a Total Quality Control program in the 1970s.

Fuji Xerox used this efficient process to update its manufacturing system and management profit. “Fuji Xerox’s New Xerox Movement had three primary aims: to speed up the development of products that matched customer needs; to reduce costs

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and eliminate waste; and to adopt aggressively the latest technologies” (Bartlett, Ghoshal, Birkinshaw, 2004). From then on, Fuji Xerox found that the development on US way was too time consuming. It had no longer to be limited by a step-by-step process; Fuji Xerox was going to create its own plants as soon as possible.

In the 1990s, Canon became the biggest competitor to Fuji Xerox and Xerox. A grew from \$2.9 billion to \$9.4 billion and a growth rate of 14% per year of Canon that specifically hit the benefit wall in the copier market. Fuji Xerox had developed its technological capabilities further in the 1980s and it became the executive advantage of FX and Xerox. Fuji Xerox increased its design and sales rate about 64% in the end of 1980s. “FX and Xerox intensified their cooperation on research, product development, manufacturing, and planning” (Bartlett, Ghoshal, Birkinshaw, 2004). These top management summits led them to be more flexible and implementable in the business coordination.

“It is an attempt to combine American ingenuity with the manufacturing skill soft h Japanese. Xerox had excellent basic research and software capabilities, and Fuji Xerox is good at development and hardware design” Bill Spencer said so (Bartlett, Ghoshal, Birkinshaw, 2004). Either Fuji Xerox or Xerox should work together rather than fight alone. There are a variety of high-potential employees of FX involved in Xerox; they would be a profitable asset of top innovation. To insist

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the trust between these two companies, it enables one to take on short-term costs in the interest of long-term gain for the group. Fuji Xerox continued to be the agent for change because they have notable corporate vision for identifying the needed investment (Bartlett, Ghoshal, Birkinshaw, 2004).

Fuji Xerox wanted a symmetric relationship with Xerox. Fuji Xerox did a joint venture with local partners in South Pacific even though Xerox refused their recommendation of entering Australia before Canon. Fuji Xerox drew a local management talent successfully. Fuji Xerox attempted to get the worldwide market for the low end. Xerox wanted to spell everything out, identify all of the alternatives, and leave the final decision to top management. Both of them had developed a more symmetric relationship between each other. Both companies were trying to get full profit out of it, even though the margins were slim. "Fuji Xerox's policy was to mark up costs; Xerox's was to get an acceptable gross profit" (Bartlett, Ghoshal, Birkinshaw, 2004). They all desired to earn highest benefit, but they did in different way and that might cause their broad framework to damage.

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