

Case Study of Ethical Aspect in Nestle Company

Posted on September 30, 2019

Abstract

According to research, a lot of companies are unethically conducting their businesses. Their only concern is making profits. The said companies do not take into account the opinion of the community at all in their activities. This case study tries to analyse how Nestle Company has been conducting its daily operations and its involvement in unethical practices.

Introduction

Over the past few years, unethical and ethical behaviours in the business atmosphere have been facing rapt attention all over the world, especially on media platforms. By definition, ethics in a business setup are norms that a given business organization has to adhere to in its daily business transactions. Society, on the other hand, perceives business ethics as the right or wrongs that occur as a result of organizations operating in the community. Organizational ethical practices include how a firm interacts with the outside world and, at the same time, how employees relate to each other in their workplace (Brunk 257). However, according to research, it is evident that most businesses are set up with the primary aim of making money.

Few organizations care about their practices and are ready to make compromises on their ethical roles. In most cases, the top management forces the rest of the workforce to do whatever it takes to realize the target profit. However, there are still a few businesses that are not driven by money and are willing to try their best to undertake their activities while at the same time taking into consideration the well-being of society (Brunk 260). To these businesses, it is more important to observe proper ethics and not just to gain monetary value.

Additionally, according to studies, many global corporations employ poor business ethics and frequently face criticism from clients around the world. An excellent example of a company with poor ethical behaviour is Nestle Company. The firm is known for its cocoa business. However, a typical unethical practice that casts the company in a bad light is the use of underage employees in its business activities. According to Brunk, children are used during the harvest period to perform labour in cocoa farms (260). The minors are usually exploited and have to provide labour for extended hours while pocketing minimal, if any, salaries. The company knows that there is no union for working children; hence, it is easier to pay them little money that is not commensurate with their labour.

Nestle is using risky and ambiguous strategies that promote harmful food practices and, at the same time, violate human rights. Therefore, the firm's unethical behaviours have barred the company from being rated highly among other companies, such as Pepsi and Solae, that have gained a good reputation for their ethical norms. The two firms have continuously ranked highly among the world's most ethical organizations in the food and beverage industry. Some of the factors contributing to their success include their high regard for healthy and highly ethical behaviours, as well as their respect for society.

Analysis

The analysis of the case study aims to understand some of the factors that have led to the undesirable rating of the firm among the all-time most unethical companies in the food industry. Nestle is a global corporation that should acknowledge the importance of employing the right ethical behaviours for the realization of its universal dream. However, the firm does not consider society and is thus set to make profits without considering the ethical implications of its practices. The following analysis shows how Nestle Company has been unethical in its business practices.

Exploiting Children

In 2001, Nestle Company faced an ethical issue when people learned that the firm was using children in Ghana and other parts of West Africa to harvest cocoa. According to reports released by the BBC, children were bought as slaves and made to work in cocoa production farms. Furthermore, most of the children forced to work in the cocoa production farms were aged between 11 and 13 years old. The practice is still predominant to this day. Most of the children develop illnesses, and instead of being relieved of their duties, they are beaten and accused of being lazy.

According to numerous human rights organizations, children at that tender age need to be in school and should not be working in manual labor sites such as cocoa farms (Kelly 38). Mistreating children is unethical. It is worse when the children are not given proper food and are unfairly paid. Nestle Company was criticized after the BBC reports hit the headlines. The company feigned surprise at the news and claimed that it was unaware of the unethical practices (Kelly 50). However, the firm never denied that most of its chocolate was derived from [child labour](#). Nevertheless, multiple non-profit organizations around the world were concerned with the revelations and criticized the organization.

Union Busting

The Nestlé company is known to have influenced the collapse of its workers' union in 2001. According to studies, it is unethical for an organization to intimidate its workers with threats of being fired if they decide to form or join an employee union to safeguard their rights and voice their concerns. Research shows that eight members of the company were assassinated in Colombia just because they formed a

union named Sinaltrainal. In fact, at some point, the company forced its Colombian workforce to denounce their membership in the union. Employees who did not comply were forced out of the company (Zutshi, Andrew, and Amrik 52). This was unethical. Instead of employing crude measures, the corporation could have been lenient enough to negotiate terms with its workers instead of firing them because of their stand.

Promoting Unhealthy Food

Recently, Nestle has been in a war of words with UK consumer associations because of new revelations that the company's cereal products contain high fat, salt, and sugar levels. Consumers often complain that when they ingest Nestlé's products, cereal lovers can develop obesity. Furthermore, the company is accused of denying and ignoring its social role in face-lifting its products (Zutshi, Andrew, and Amrik 44). Nevertheless, Nestle is incorporating reforms that are meant to uplift the firm's reputation despite the continuous criticism from the public.

Recommendations

I am of the view that Nestlé ought to have considered the origin of their cocoa right from the beginning, while being picked from the farm. If the firm strives to be an ethical organization, it has no option but to ensure that it evaluates its practices, right from production to the origin of the cocoa beans. Nestlé should make sure that it eradicates child labour in its business. This is the only way the firm can regain public acceptance and goodwill. Alleviating child labour appears to have taken too much time than initially anticipated. In my opinion, it is prudent for the organization to improve its ethical behaviours by seeking public views on sensitive matters (Kelly 58). In fact, the company should make ethical behaviour a top priority for it to compete with other businesses, such as Pepsi, which is known for its outstanding business ethics. It is widely acknowledged that companies such as Nestle are on the verge of failing if they do not eliminate minors from their workforce. Crucially, money should not be the driving force for the firms as it makes them ignore basic ethical practices in society.

Conclusion

In summary, it is vital to acknowledge the fact that core business values are critical in today's business world as organizations strive to serve clients and handle their requirements and ideas. As the case study has demonstrated, an organization's prosperity is heavily dependent on its morals and ethics, as they determine the reputation of both the organization and the industry. Sadly, the analysis of Nestlé demonstrates that ethics has no place in the organization's long-term strategy. This reality has substantially adversely affected the organization's reputation and has also destroyed its global standing in the food and beverage industry. Therefore, the idea of ethics has stood out amongst the

most critical management obligations.

Works Cited

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