

Case Study of Indian Factories Supplying Major Brands



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Part 1

Theoretical Frameworks of Business and Management

In B100, I studied several theories, concepts and ideas that have significantly increased my understanding of business and management. Some of the most important aspects that I found were Drucker's business theory, motivation theory, and Digital Marketing. Peter Drucker, often called the inventor of modern management, invented the theory. The theory has significantly allowed me to broaden my understanding of business and management. According to Tennent (2020), the theory enables the implementation of a sustainable and nourishing workplace that can enhance the worker's performance as well as appreciate the role of moral and ethical integrity within one's own self. The theory has also changed my point of view to focus on long term results, empower employees and serve the common good rather than just corporate objectives, which will help me going forward.

Serrat (2021) states that the Motivation theory, introduced by Michael Jensen, focuses on motivating employees to achieve their best performance and increase their satisfaction with work. The theory has shown me many benefits of motivation as it can significantly increase productivity, change negative behaviour amongst employees, develop skills and talents and boost engagement. The theory presents a method to evaluate employees and understand their motivation. After studying this theory, I understand that building trust, recognising hard work, providing feedback, and solving concerns is essential for productivity, growth, developing competencies, creativity, and setting meaningful goals. This understanding will allow me to perform efficiently in a managerial position, as Dathe et al. (2022) suggested.

In this ever-developing and digitalising world, Digital marketing is becoming more important for expanding the market base, according to Singh and Mishra (2018). Digital marketing is often described as utilising the internet, online platforms, numerous social media apps, websites and other digital services to reach a wider audience for the marketing of a product or service. Jackson (2018) stated that digital marketing is vital for the survival of a business in the modern-day due to the vast amount of advantages it provides, such as reaching a wider audience, low cost, effective targeting of customers, increased engagement and quantifiable results. Through studying this, I came to understand the importance of an effective marketing technique that can efficiently gather and expand the company's market base. As a project, I marketed my friend's restaurant on social media, and as a result, we saw the number of customers increase.

Part 2

Application of Theoretical Framework on Ethical Issues

In the case study by Vaidyanathan (2020), several ethical issues can be observed, such as low wages, worker exploitation and overtime, as well as abusive and unethical behaviour.

Deontological Ethics

Developed by Immanuel Kant, Deontological ethics or deontology is a moral philosophy that states that a person's actions and their consequences are entirely separate and independent of each other in a moral sense. It insists that the ethics and morals of action should be judged via a series of regulations instead of the consequences of the action. Deontological ethics holds that at least some acts are morally obligatory regardless of their consequences for human welfare (Shizaka et al., 2019).

Consequentialist Ethics:

Consequentialist Ethics, introduced by Jeremy Bentham, is an ethical theory that identifies right and wrong actions by analysing the consequences of the action. An action that brings about more benefit than harm is good, while an action that causes more harm than benefit is not. The theory insists that an action is only ethical if it creates the most happiness without causing any pain, while actions that cause more pain and less happiness are unethical. Two renowned types of Consequentialist ethics are utilitarianism and hedonism (Kaur et al., 2019).

Justice Ethics

Many identify justice as one of the most important ethical, moral, political, philosophical, and legal aspects. Justice is a complex ethical principle that has been observed to mean different things to different people; however, the basic understanding is to provide everyone with fair treatment or what they deserve (Alam and Butt, 2018). Within the case, several unethical behaviours were performed by the Indian suppliers to the major supermarket UK chains. First, the employees and workers of the Indian factories were being utilised exploitatively. This was apparent as workers described that they would often work overtime and sleep in the factory, then wake up to perform another full day, Vaidyanathan (2020). Under Deontological, consequential

and justice ethics, this can be termed unethical behaviour as the exploitation is not serving any greater good, will negatively affect the workers and is unjust.

Secondly, low wages are being given to the workers and employees even after working overtime. This is unethical behaviour under all the three theories of ethics due to similar reasons mentioned above (Uglitskikh et al., 2020). Thirdly, the employees are experiencing unethical and abusive behaviour from their employers and managers. This is highly unethical behaviour and is not allowed under any theories of ethics. The workers are undergoing constant verbal abuse and threats of violence and job loss which cannot be justified under any ethical theory, according to Serrat (2021). Due to widespread corruption, which the brands of Mark & Spencer, Tesco and Sainsbury's and Ralph Lauren are all engaging in order to hide such activities, which is also a highly unethical and illegal act, they often are not held accountable (Tennent, 2020).

Outsourcing And Offshoring

Outsourcing and offshoring are often used synonymously. However, the terms, in fact, have two very different meanings and implications, as Dathe et al. (2022) state. Outsourcing is defined as a business practice in which a corporation hires another company or a third party to perform certain tasks and services that are usually performed or managed within the corporation by their employees is being outsourced due to various reasons, which is more than often a method undertaken for cost-cutting measures. However, offshoring is defined as the transferring or relocating of a business or a specific business process to a country other than the country they offer its services (Singh and Mishra, 2018).

The most prominent reason for employing either of these services is usually a cost-cutting measure; however, each of these methods performs this in different ways, according to Jackson (2018). There are several key differences between the two. Outsourcing can be performed to local, regional or international workers and businesses; however, offshoring is specifically limited for companies to outsource work to another country. Outsourcing is often done by businesses to focus on core activities of the company or due to time constraints; however, offshoring is performed mainly due to low labour costs in other countries. Offshoring provides more control to companies over production, while outsourcing is usually an independent and less controllable process (Shizaka et al., 2019).

In the case study, the process of UKs corporations utilising small businesses in India for the manufacturing process is an offshoring practice. This is clear due to the fact that the corporation of Ralph Lauren, Tesco and others mentioned in the study are UK based corporations that are utilising Indian based manufacturing factories which is offshoring, according to Alam and Butt (2018). The process is also being performed in order to save cost as manufacturing in India is much cheaper than in the UK. India also has much more relaxed laws and cheaper labour costs. It is also being done purely for economic reasons and not to free up time for the corporation to focus on its core aspects (Kaur et al., 2019).

Risks of Offshoring

Over the years, due to numerous events and research, several risks and downsides of offshoring have been uncovered. As stated by Uglitskikh et al. (2020), corporations are often criticised for utilising it. Some of the most prevalent downsides are project failure due to poor communication and lack of equipment for communication and time differences, cultural and language barriers in operations and communication, lack of proper quality control, theft of property and security, political unrest, lack of trained personal and unforeseeable changes in the policies of national or regional government as well as corruption according to Jackson, (2018). The case study shows that the supermarket chains and Ralph Lauren have experienced several of these issues, as seen in the case study. If these brands can be trusted when they say that they did not know of these practices, then it can be stated that the companies are facing issues in communication and a lack of oversight of these factories (Singh and Mishra, 2018).

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