Walmart Subcontractors

[Name of the Writer]

[Name of the Institution]

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Walmart and Old Navy are the global retailers with huge revenue and strong supply chain networks around the globe. They are highly profitable and expanded its operations in different countries in the world. They have subcontractors in various countries where the products are produced at a lower cost. Here we will discuss some unethical issues with the subcontractors of Walmart, and the unethical practices and approach of Walmart towards its subcontractors. Walmart outsourced and subcontracted its production in the developing countries where the basic standards are not followed by these companies. It is the responsibility of Walmart to ensure before going to subtracting the standard of the subcontractors. Some of these subcontractors are not following the basic industrial laws regarding the work environment, child labor, and minimum wages. The standard of life of the labors in these factories is below the standard. The monthly salaries are lowest, and child labors are employed there, moreover, the factory premises have no safety and security parameters. In case of emergency, there are no emergency exits, fire extinguishers, and other basic facilities. In Bangladesh in 2012 one of the Walmart's subcontractors Tazreen got fire and there were hundreds of labor died, and injured. Walmart didn't compensate the affected families through Walmart claims that it cares about its people. According to the theory of Virtue Ethics, the business should develop good characters such as fairness, the wellbeing of its stakeholders, help the community for good lives (Huq & Stevenson, 2018).

Ethics is one of the most important requirements for the success of business in the current era. The retail industry cannot be an exception to this trend. The large corporations are supposed to set a benchmark for small businesses in the trend of following ethics and work according to the ethical theories. The organization and its subcontractors are part of the same business with the same stake and objectives. The large corporations like Walmart and Old Navy should uphold its subcontractors in the developing countries. They should not exploit them and try to provide them the sources of better lives. According to the theory of Deontology, the businesses should focus on their ethical duties and actions which should be ethically right. This theory argues that there are certain actions which should be avoided even though these maximize the total utilities for the business (Shafer-Landau, 2012). In the case of Walmart and Tazreen, Walmart knew about the factory premises, child laboring, and pay of the labors, however, it ignored these practices for maximizing its utility.

Most of the large corporations focus to raise its revenue and produce more profit for its shareholders, however, they do not invest in their people to uphold their standard of life. According to the utilitarianism theory, businesses increase there a total utility which is produced in the society, however, they do not distribute the utilities among the members or stakeholders in the society (Arzu et al., 2010). They analyze every project and opportunity in terms of their cost and benefits analysis. Walmart has refused to compensate the affected people of Tazreen and denied that Tazreen is their subcontracting. Moreover, after a year another subcontractor in Bangladesh Simcoe had collapsed, it was fulfilling the Walmart's orders itself and through other firms. However, Walmart did not take any action against the company's unethical practices and did not provide them enough fund for the improvement of their work environment. It is the ethical responsibilities of Walmart to provide them grants to improve their work environment and pay them sufficient amount to hire staff with good salaries. Moreover, Walmart should ensure that there is no child labors and other unethical activities in their subcontracting firms.

References

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