# 

**CARDOWN PLANT NEGOTIATION GROUP TASK**

**Table of Contents**

[Introduction 3](#_Toc132466668)

[Key issues 3](#_Toc132466669)

[Multinational Enterprises’ Responses to External Influences 5](#_Toc132466670)

[Assessment of MNE’s Activities 6](#_Toc132466671)

[Proposed compromise resolution 7](#_Toc132466672)

[Conclusion 9](#_Toc132466673)

[Reference list 11](#_Toc132466674)

# Introduction

Kojo Furoa, a Japanese MNE based in Northeast England has been facing stakeholder relations issues with UK institutions. The stakeholders include the Regional Division Manager (Company Executive), Board Member (Shareholder Representative), Labour Union Representative, Supplier Consortium Representative, Environmental Activist Collective Representative, and Local Councillor (Local Government Representative). This report provides an analysis of the key issues, potential solutions, and a proposed compromise resolution that is deemed acceptable to all representatives. Considering the scenario of the case of Kojo Furoa, the task at hand is to simulate a stakeholder negotiation exercise that addresses the concerns of various stakeholder groups regarding Kojo Furoa's plan to offshore manufacturing and potentially close down the major UK plant. The negotiation agenda of the group task is to focus on finding compromise solutions to address the concerns of all the stakeholders in attaining a stronger position in the market. Each member of the representative of the group is likely to have presented different concerts and priorities ensuring the perspectives of the negotiations.

Based on the scenario, the possible objectives and goals of the negotiation exercise are to formulate the potential ways of reducing the costs without closing down the major UK plant, exploring alternatives to offshoring manufacturing, ensuring that local labor and suppliers are protected, and address environmental concerns. In the preparation of the negotiation exercise, relative information about the concerns and priorities of each of the stakeholders, as regards the current market factors of Kojo Furoa's plan to offshore manufacturing, have been identified in the formulation of the negotiation strategy for the stakeholder's compromise. At the end of the negotiation exercise, the stakeholder groups have reached a compromise position that addresses their concerns while enabling Kojo Furoa in attaining a stronger position in the market. The compromise position should be documented in writing and communicated to all stakeholders to ensure that everyone understands the agreement that has been reached.

# Key issues

As the Regional Division Manager of our company, I understand the importance of taking a collaborative approach to address the issues raised by the labor union, supplier consortium, an environmental activist collective, board members, and local councilors. The contemporary global business environment is highly dynamic, and multinational enterprises like ours face a range of external influences that must be navigated carefully. The concerns raised by the labor union, an environmental activist collective, and local councilors are valid and require our attention. At the same time, we have a responsibility to our shareholders and suppliers to ensure that our business remains profitable and sustainable (Eskerod, 2020). Considering the case of Kojo Furoa's current market positions and international business, the key issues identified for the group assessment on the negotiation of stakeholders include labor relations,k environment impact, supply chain management, and the supplier consortium representative. Based on the group tasks of the negotiation, the labor union has expressed concerns about the company's policies as regards the employment of workers temporarily and lack of job security. Another contextual issue relates to the closure of the major UK plant of Kojo Furoa and the offshoring of manufacturing in another country with the resulting job losses and negative impact on the local community and economy (Cunningham, 2019). Even the rising concern related to the domestic supply chain management about the foreign entry of competitors, decaying infrastructures, and increasing tax regime provides tension for Kojo Furoa in the international market of operation. The Supplier Consortium Representative has raised concerns about the company's supply chain management, including the use of suppliers with questionable labor practices.

The Environmental Activist Collective Representative has expressed concerns about the company's impact on the environment, particularly about the disposal of waste. There have been arguments that the company should prioritize and make stress environmental concerns over profitability. Even the increased competition from international competition from Kojo Furoa has also contributed to the declining financial performance of the company (Friske *et al.* 2020). The local councilor has also raised concerns related to the company's compliance with the relevant laws and regulations ensuring job creation and economic development. Another contextual issue that arose in the negotiation group tasks included the holistic cost of the Cardown plant while serving the interests and respects of the concerns of the involved stakeholders in the business operation. The company recognizes the significance of the concerns raised by the various stakeholder representatives present in this negotiation, and we are committed to addressing them in a manner that is both economically feasible and socially and environmentally responsible. In this regard, the negotiation understands and validates the concerns raised by the labor union, environmental activists, and local councilors for ensuring the business's profitability and sustainability. The negotiation in this regard provides potentially acceptable solutions with evidence-based practices taking into account the best stakeholder theory and international business operation.

# Multinational Enterprises’ Responses to External Influences

Kojo Furoa being an MNE has strategically responded to the various external range of business factors which shaped the business environment. The business has outlined the various elements that affected Kojo Furoa in keeping competitive in the foreign market with the high tax regime and the increased competition from various external pressure and environmental concerns. One of the key responses by Kojo Furoa is related to the offshoring to manufacturing to cut costs. The company has strategically integrated this aspect for lowering labor costs and production of the company in other international countries. This decision has been significant in the company's operations in the UK with the increased disruption, job losses, and labor loss (Gigliotti *et al.* 2022). Kojo Furoa has even strategically responded to the external business environment with effective stakeholder negotiations including local labor, suppliers, government, and the environmental authorities. By incorporating and collaborating with all the stakeholders, the company identifies the interests of each of the group members that positively impact the business operations. Even by responding to the environmental impact of its business operations, Kojo Furoa has integrated strategic efforts into the external business environment. Considering the concerns of various protests of the labor and environmental organizations have contributed significantly to the company's effort to conserve natural resources and attain sustainability.

**Figure 1: Kojo Furoa ‘s external influences**

(Source: Self-created)

Kojo Furoa's responses to external influences reflect the challenges faced by many MNEs operating in a globalized economy. The company must balance its need to remain competitive with the interests of various stakeholders, including local communities, labor, suppliers, and the environment (Garg and Gupta, 2022). By engaging in stakeholder negotiations and considering the impact of its operations on the environment, the company is taking steps to address these concerns and find a way forward that benefits everyone involved. In this regard, the company’s CSR strategies prove to be effective for the articulation of the various local environments and communities. It is also important to consider the broader global context of the company's operations and how its actions may affect global issues such as climate change and social inequality. This may involve considering the United Nations Sustainable Development Goals and the company's alignment with these goals.

# Assessment of MNE’s Activities

Considering the global business operations, Kojo Froa's activities can be assessed in the context of the company's interest in international business interests and socio-environmental impacts. As the company has a responsibility toward the stakeholders, it also showcases its concerns related to the ethical and sustainable aspects of the business. Based on the business operational activities, Kojo Furoa is a successful international organization with a large business presence in Cardown, England. In terms of business activities and operational performance, the company has strong and effective business relations with the local authority and stakeholders (Lehr, 2019). The Cardown plant in the UK has been recognized as the most successful among all other plants with its standardization of working conditions and participation in effective corporate social responsibility initiatives. Despite the contextual decline in profitability and business performance due to the increased competition and pressures, Kojo Furoa also demonstrated higher quality manufacturing practices in the Cardown plant which makes the company remain the most successful in the workplace of the UK region.

**Figure 2: Kojo Furoa’s key activities**

(Source: Self-created)

In the context of analyzing the socio-environmental activities of Kojo Furoa, the company has been involved in several criticisms and conflicts of interest among the various stakeholders. Various environmental and labor activists have also raised concerns related to the company's ethical considerations while only focusing on profitability and expansion. The company faced the most contentious local issues which are related to the former supplier of the Cardown factory (Guter-Sandu, 2023). The issue involves that the enterprise went bankrupt and then Kojo Furoa acquired the enterprise. Though the decision proved to be effective in preventing job losses as regards the business's mismanagement before the takeover. Apart from the decision, Kojo Furoa has also strategically taken the initiative to expand its business to the international market with a large proportion of production in the abroad countries. In this regard, the company has taken the initiative to wound up its existing plants in reducing costs and the most related example is the Cardown plant wound up in the UK. As per the strategic initiatives of the COO, the company's driving offshore of manufacturing, the decision could have harmed the business's performance with the contextual reduction in the economic activity and larger community involvement. Considering the business' highly skilled labor force about the current tax regime and the marketing concerns, the Cardown plant proves to be the optimal site for the production of offshoring for the company. So the overall business activities of Kojo Furoa in the various activities and socio-environmental aspects, the company has shown effective initiatives and a successful impact (Bradford, 2020). Though there have been several criticisms and conflicts associated with the balancing of the business interests. As the company outlines for future business development and growth, Kojo Furoa must integrate and take into account the various stakeholder groups including labor, suppliers, government, and environmental institutions in the formulation of the most related business operation for attaining a stronger position in the international business.

# Proposed compromise resolution

As the Regional Division Manager, my perspective is focused on the long-term sustainability and profitability of the company. However, I also recognize the importance of considering the interests of all stakeholders involved in our operations. Our goal is to find a resolution that meets the needs of all parties and allows us to continue operating in a socially and environmentally responsible manner (Menkel-Meadow *et al*. 2020). We understand that there may be concerns from some stakeholders regarding our impact on the environment, labor practices, and supply chain management. We are committed to addressing these concerns and finding solutions that align with our overall business strategy. The proposed compromised resolutions from the negotiation consider the potential impact on the company's workforce, supply chain m engagement, and loyalty to the various rules and regulations. They documented a compromised resolution with the facilitation of open and constructive dialogue among various stakeholders involved in addressing their concerns enabling the company in attaining a strong market position.in the formulation of the proposed compromise resolution, every aspect of the company's objectives is valued and integrated ensuring the reduction of costs, offshoring manufacturing, suppliers' protection, and environmental concerns (Ay *et al.* 2019). The involved stakeholder groups identified in this group tasks are identified as local labor, suppliers, government, and the environmental movement. The negotiation agenda should focus on finding a compromise position that addresses the concerns of stakeholders while enabling the corporation to attain a stronger position in the market.

**Figure 3: Proposed resolution for Kojo Furoa**

(Source: Self-created)

Considering the analysis of Kojo Furoa’s activities and international initiatives, the proposed compromised resolutions in the group negotiation are presented as -

**Labor relations:** Based on my role as a Regional manager of the company, the proposed resolution identified for the company's labor relations has been employed in various practices with the considerations of the collaborative approach of the business' stakeholder participation. The company should focus on the commitment to the retention of the current labor forces in the Cardown plant. Kojo Furoa commits to retaining and avoiding any large layoffs of the Cardown plant employees (Pedersen *et al.* 2022). Labor representatives agreed to the consideration of the minor salary and benefit concessions in supporting the company's financial positions. The company commits to providing employee training and development activities for enhancing the productivity of the workforce. Adhering to the local regulatory authority and government representatives will improve the worker's condition and health requirements. Increasing employee participation in decision-making, Kojo Furoa agrees to better employee relationship development. The company even agrees to establish clear and effective grievance resolution mechanisms for the workers. The company further agrees to recognize and engage various trade unions in fostering the most effective and constructive worker relations management in the Cardoon plant (Akila and Sarna, 2022). The proposed compromise resolution as regards the interests of labor and workers with the consensus of other stakeholders of the company will ensure the effective implementation of the resolution. Kojo Furoa and its stakeholders by participating in the proposed solutions of the negotiation would maintain a productive and sustainable workforce ensuring the company's financial performance and increased global market operations.

**Environmental impact:** Considering Kojo Furoa's socio-ecological analysis, the proposed compromise resolution for environmental impact identifies the key areas of improvement. By creating a joining committee, Kojo Furoa will establish greater relations with the representatives of the company, local regulatory organizations, and various officials. This committee will be effective in formulating the key ways of reducing the company's environmental impact with the assurance of greater profitability and company competitiveness (Tien *et al.* 2019). Kojo Furoa agrees with the development of a plan for the sustainable practices of the company in achieving the Cardown Plant's reduced carbon footprint and improved energy utilization. Even investment will be initiated in green technologies for the mitigation of the plant's environmental impacts which may include solar panels, upgradation of equipment, and recycling approaches. Engaging with the local communities of Kojo Furoa will improve the sustainability approaches of the company seeking out improved performance. Kojo Furoa should conduct an environmental impact assessment to identify areas of improvement (Pidun *et a*l. 2021). The company should develop a comprehensive waste management strategy and consider investing in sustainable technologies to reduce its environmental footprint. the proposed compromise resolution with the involvement of various relevant stakeholders would be effective for Kojo Furoa in achieving greater environmental efforts with the alignment of community needs and governmental regulations in building a business of sustainable and environmentally friendly.

**Supply chain management:** Considering the negotiation resolution with the participation of the stakeholders, Kojo Furoa aims to promote sustainable practices throughout the entire supply chain management. The proposed resolution identifies the stakeholders involved in strategic management considering the ethical practices of the business. The compromised resolution agrees to conduct a comprehensive review of the supply chain with potential improvements including labor practices, environmental impacts, and social responsibility. The company even commits to the engagement of suppliers with clear expectations and guidelines for responsible and sustainable practices in progressing the performance of the business operations (Wang *et al.* 2020). The proposed resolution for Kojo Furoa will implement a most contextual and responsible supply chain management strategy with due diligence to its suppliers and terminating any kind of relations that may be considered for the engagement of unethical practices in business operations. It further recognizes the importance of systematic monitoring and auditing the supplier practices regarding the rules and regulations for the standardization of sustainability and business operations. Kojo Furoa agrees to provide incentives and encourage suppliers in the context of prioritizing sustainability and responsible practices in business operations for effective supply chain management (Torelli *et al.* 2020). The stakeholders even identified the importance of regularly reviewing and assessing the effectiveness of the supply chain management system making the possible adjustments for the contextual improvement in the sustainability and CSR initiatives. Kojo Furoa and its stakeholders by participating in the proposed solutions of the negotiation would maintain a productive and sustainable workforce ensuring the company's financial performance and increased global market operations.

# Conclusion

The negotiation exercise presents Kojo Furoa's stakeholder relations issues as regards its operating in the Northeast England Cardown plant in terms of its sustainability and cost-effectiveness with the various contextual issues. This compromise resolution of the negotiation addressed the concerns over offshoring manufacturing and the potential closure of Kojo Furoa's major play in the UK. The objectives of the negotiation are well delineated about the business aspects of the company which includes reducing costs without closure of the plant, exploring the potential alternatives for offshoring abroad, protecting the labor interests, and addressing the most contextual environmental aspects for achieving greater sustainability of the business activities. The concerns raised by the labor union, environmental activities, and local councilors are valid as regards the activities and operations initiatives of Kojo Furoa which thus must be addressed with the responsible concerns for achieving long-term business profitability and viability in the international business with evidence-based practices.

The stakeholders have reached a compromise position that addresses their concerns while enabling Kojo Furoa's attainment of a stronger market position, which should be documented and communicated to all stakeholders. By addressing the issues and concerns, the negotiation of the group involving different stakeholders proposes compromised resolutions in a manager that is economically feasible and socially and environmentally responsible. The stakeholder groups have reached a compromise position that addresses their concerns while enabling Kojo Furoa to attain a stronger position in the market. The compromise position should be documented in writing and communicated to all stakeholders to ensure that everyone understands the agreement that has been reached.

# Reference list

**Journals**

Aguilera, R.V. and Grøgaard, B., 2019. The dubious role of institutions in international business: A road forward. *Journal of International Business Studies*, *50*, pp.20-35.

Ali, F. and Haapasalo, H., 2023. Development levels of stakeholder relationships in collaborative projects: challenges and preconditions. *International Journal of Managing Projects in Business*, *16*(8), pp.58-76.

Ay, S.Ç., Keskin, H.K. and Akilli, M., 2019. Examining the Effects of Negotiation and Peer Mediation on Students' Conflict Resolution and Problem-Solving Skills. *International Journal of Instruction*, *12*(3), pp.717-730.

Bradford, A., 2020. *The Brussels effect: How the European Union rules the world*. Oxford University Press, USA.

Cunningham, K.G. and Sawyer, K., 2019. Conflict negotiations and rebel leader selection. *Journal of Peace Research*, *56*(5), pp.619-634.

Eskerod, P., 2020. A stakeholder perspective: Origins and core concepts. In *Oxford Research Encyclopedia of Business and Management*.

Friske, W., Nikolov, A.N. and Hoang, P., 2020. CSR reporting practices: An integrative model and analysis. *Journal of Marketing Theory and Practice*, *28*(2), pp.138-155.

Garg, A. and Gupta, P.K., 2020. Mandatory CSR expenditure and firm performance: Evidence from India. *South Asian Journal of Business Studies*, *9*(2), pp.235-249.

Gigliotti, M. and Runfola, A., 2022. A stakeholder perspective on managing tensions in hybrid organizations: Analyzing fair trade for sustainable development. *Business Strategy and the Environment*, *31*(7), pp.3198-3215.

Guter-Sandu, A., 2023. Accounting infrastructures and the negotiation of social and economic returns under financialization: The case of impact investing. *Competition & Change*, *27*(1), pp.205-223.

Lehr, A.K., 2019. Fiduciary duties for a globalized world: Stakeholder theory reconceived. *Geo. Mason L. Rev.*, *27*, p.81.

Menkel-Meadow, C.J., Schneider, A.K. and Love, L.P., 2020. *Negotiation: Processes for Problem Solving*. Aspen Publishing.

Onkila, T. and Sarna, B., 2022. A systematic literature review on employee relations with CSR: State of art and future research agenda. *Corporate Social Responsibility and Environmental Management*, *29*(2), pp.435-447.

Pedersen, S., Bogers, M.L. and Clausen, C., 2022. Navigating collaborative open innovation projects: Staging negotiations of actors' concerns. *Creativity and Innovation Management*, *31*(2), pp.306-321.

Pidun, U., Reeves, M. and Knust, N., 2021. How do you manage a business ecosystem. *Boston Consulting Group & BCG Henderson Institute. Letzter Zugriff am*, *21*, p.2021.

Tien, N.H., Phu, P.P. and Chi, D.T.P., 2019. The role of international marketing in international business strategy. *International journal of research in marketing management and sales*, *1*(2), pp.134-138.

Torelli, R., Balluchi, F. and Furlotti, K., 2020. The materiality assessment and stakeholder engagement: A content analysis of sustainability reports. *Corporate Social Responsibility and Environmental Management*, *27*(2), pp.470-484.

Wang, Y., Hong, A., Li, X. and Gao, J., 2020. Marketing innovations during a global crisis: A study of China firms’ response to COVID-19. *Journal of business research*, *116*, pp.214-220.