

Nike Ethical Concerns

1. Did the CEO strategically respond to this situation out of an ethical concern or instead a reputation management concern?

The CEO, Mark Parker, strategically responded to this situation out of a reputation management and ethical concern. While they did the immediate actions of holding individuals accountable, accepting resignations, and addressing the issue publicly, the decision to grant severance packages raised a few questions about the sincerity of the actions. The severance pay towards Trevor Edwards was needed to maintain good relations and prevent legal actions against the company for wrongful termination. Although, the amount of the severance pay valued at \$9,525,000 in total might be seen as too large of a payout to justify. It is also in question whether Parker knew about the gender discrimination or had it skillfully hidden from him. Without knowing that detail, it is hard to determine if the response was purely ethical.

2. What opportunities does Nike's HR Department have for improvement?

To enhance safe and fair internal investigation channels, reporting and investigation procedures can be strengthened. Choose to introduce or strengthen confidential third-party hotlines/ombudsmen to handle harassment or discrimination complaints, regularly inform complainants of the status and results of investigations under prompt and continuous investigations and regularly conduct anonymous climate surveys to identify problem areas, ensure that all employees can speak up, and increase transparency. The company also needs to strengthen education and training, provide continuous and regular training for all employees (including senior leaders), and clearly and frequently communicate the company's anti-harassment education. While improving employees' overall awareness and understanding of anti-harassment, the company also strengthens its emphasis on ethical standards and employee dignity.

3. Why is it important for Nike to resolve this issue at all levels, and how do you feel that the organizational structure (or processes) be affected as a result?

Nike must resolve this issue at all levels because it is a systemic cultural failure, not just an HR problem. Failing to act could lead to higher turnover, damage to consumer trust, and potential legal risks. Employees must feel safe and valued, or Nike would be at risk of losing top talent to competitors. To prevent future issues, Nike should establish an independent HR oversight board to review misconduct cases, enforce zero-tolerance policies, and increase leadership diversity to promote inclusivity. Leadership accountability must become a performance metric, ensuring ethical behavior is embedded in corporate culture. Rather than reacting to crises, Nike must take a proactive approach to preventing misconduct, reinforcing a workplace built on trust, accountability, and fairness.

4. How might the CEO then respond regarding Nike own succession plan?

Trevor Edwards' resignation, along with ten senior executives, challenged Nike's succession planning. Parker should concentrate on developing a diverse pool of senior leaders by advocating for individuals such as Kellie Leonard and proactively addressing unconscious bias through thorough training initiatives. Analysts caution against the impulsive promotion of internal candidates, highlighting the considerable time needed for new hires to reach the performance levels of those they replace. Parker is determined to achieve ambitious growth objectives, aiming for \$50 billion in revenue by 2022. As CEO, he is focused on maintaining stability while strategically rebuilding the executive team and crafting a robust succession plan.