

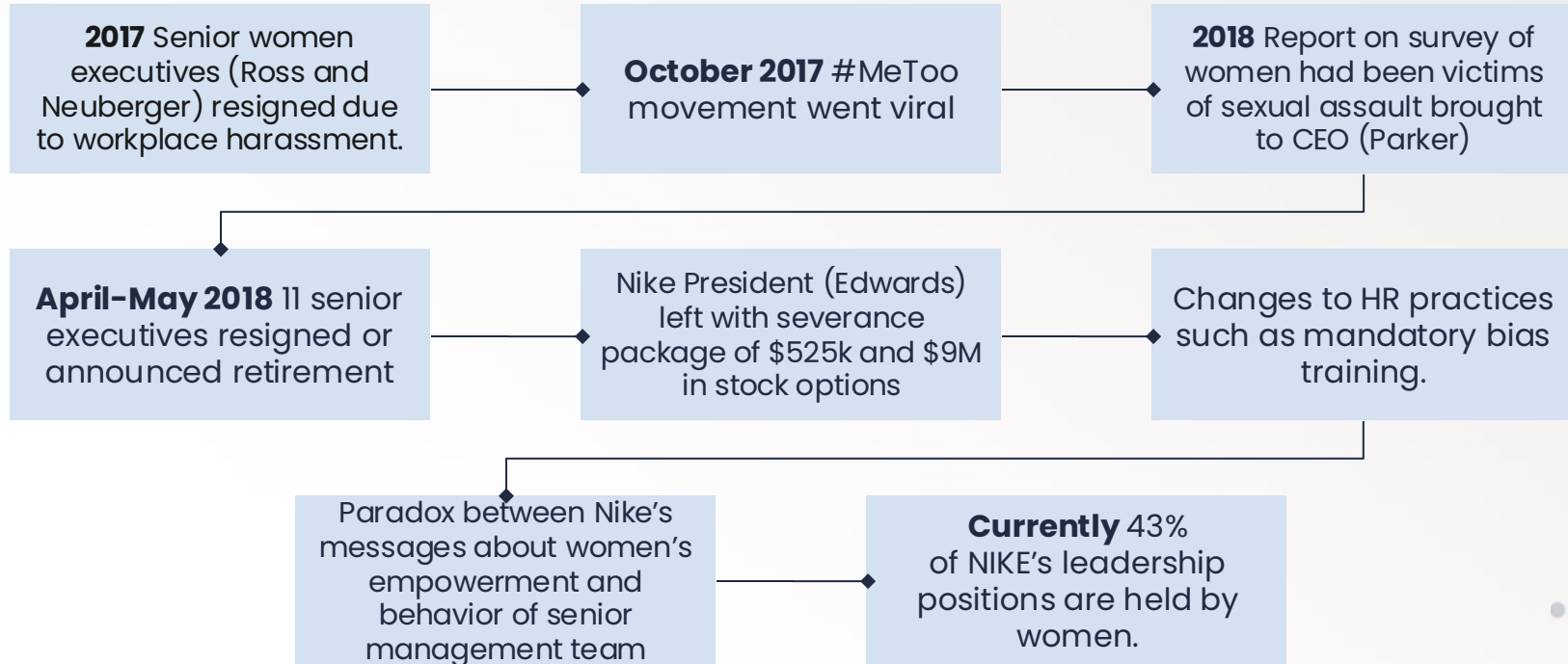


# Nike and Ethical Concerns

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# SITUATION OVERVIEW



# ORGANIZATIONAL CHANGE



## Bechard Formula

Change = (D x V x P) > R

Requirements for change: dissatisfaction, compelling vision, and process overcoming resistance



## Compelling Vision

Future vision where women are treated equally as men and bring women's opinions and input towards expanding Nike's women products and even other product departments, Increasing women's product category revenue.



## Dissatisfaction

Overall view that Nike has a "frat boy-like" organizational culture.  
Many women expressing personal experiences involving work-place harassment.



## Process

See the following...

# KEY ISSUES

## 1. Company Culture

Nike was known for having a “frat boy-like” culture where women were being ostracized and harassed. When reported, those part of “F.O.T (Friends of Trevor) did not face any consequences.

## 2. HR Overhaul

Nike's HR department was often hasty in handling complaints, failed to provide safe and fair internal investigation channels, and even treated employees unfairly or affected their performance appraisals. Many women came forward with their complaints and were sidelined.

## 3. Management

Leadership faced an accountability crisis, choosing to respond only when the issue became public. Although they acknowledged their responsibility upon resigning, they fell short of admitting liability, leaving those impacted without any compensation for their losses.

## 4. Brand Growth

Women's sports apparel is a fast-growing category, and Nike was falling behind compared to companies such as Under Armor or Lululemon. Revenue was not growing per their expectations, as women's apparel only made up 1/5th of their revenue.

# SOLUTIONS

## 1. Company Culture

Nike should strive to treat women and men equally. Change can start by listening to minorities' issues and complaints and taking them seriously. People should be held accountable for their comments and behavior towards others.

## 2. HR Overhaul

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.

## 3. Management

To address Nike's leadership accountability crisis, they should create an independent oversight committee to manage misconduct. They should also compensate, and support employees affected by harassment or discrimination.

## 4. Brand Growth

Nike should actively rebuild its reputation by publicly committing to long-term workplace reforms, ensuring transparency in addressing workplace misconduct. Strengthening internal policies will not only improve employees trust but also enhance Nike's appeal to customers who value ethical business practices.

# IMMEDIATE ACTION PLAN (0 – 3 Months)

## **TASKS**

Hire an external firm to conduct a thorough investigation into the harassment and discrimination allegations  
Public statement taking accountability.  
Outlining action plan

## **DELIVERABLES**

Launch of a confidential reporting system  
Launch mandatory ethics & bias training  
Summary of findings

## **OUTCOMES**

Employees feel heard and supported  
Educated & accountable leadership  
Complaints are handled impartially and confidentially

# MID TERM ACTION PLAN (3 – 6 months)

## **TASKS**

- Implement leadership accountability metrics
- Increase oversight on misconduct investigations
- Increase diversity in senior leadership

## **DELIVERABLES**

- Ethical performance standards
- Fair & consistent policy enforcement

## **OUTCOMES**

- Trust and respect between superiors and subordinates
- Inclusive & representative workforce
- Clear, enforceable policies are in place





# LONG TERM ACTION PLAN (6 – 12 month & 1 year +)

## TASKS

Track and publicly report workplace progress  
Embed ethical values into company policies  
Foster a cultural shift toward transparency and inclusivity

## DELIVERABLES

Measurable progress & transparency  
Institutionalized ethical standards  
Long-term employee engagement & retention

## OUTCOMES

Nike is a global leader in workplace culture and Diversity, Equity, and Inclusion  
Employees feel safe, respected, and empowered to innovate.  
Nike's brand reputation is strengthened, attracting top talent and customers.



# Important Assumptions

to ensure success of the program

## Leadership Buy-In

The CEO and Board will fully commit to driving cultural change and holding themselves accountable

## External Perception

Stakeholders, including investors, customers, and the public, will support Nike's efforts to address workplace issues and improve its culture

## Employee Participation

Employees will feel safe to participate in surveys, report issues, and engage in cultural transformation initiatives

## Long-Term Commitment

Cultural transformation is a multi-year process, and Nike is prepared to invest in sustained efforts rather than quick fixes

## Resource Allocation

Sufficient resources (financial, human, and technological) will be allocated to implement and sustain the program



# Major Program Risks And Mitigation Strategies

## **Resistance to change from leadership**

Engage leadership through workshops and training to emphasize the importance of change

## **Inadequate HR capacity**

Invest in hiring and training HR professionals to handle complaints effectively.

## **Lack of trust from employees**

Demonstrate commitment through transparent communication and visible actions.

## **Failure to sustain momentum**

Establish clear metrics and regular progress reviews to ensure accountability.