

case 1-428-826  
January 10, 2010

## Russell Athletic Tries to Keep the Shirt on Its Back (A)

*This is a toxic company...If the university is serious about encouraging human rights, then we could not keep Russell as a licensee.*

**Leigh Wedenoja, University of Michigan senior and member of the President's Advisory Committee on Labor Standards and Human Rights, as quoted in The New York Times<sup>1</sup>**

On February 6, 2009, University of Michigan Professor Adrian Starr was sitting in a meeting of the University of Michigan's President's Advisory Committee on Labor Standards and Human Rights. On the table before him and the nine other committee members were stacks of reports and articles pertaining to the recent labor rights controversy surrounding Russell Athletic, one of the university's primary providers of collegiate athletic clothing. Russell had been a trustworthy and responsible supplier to the university for years, but the committee was very concerned about Russell's decision to close a manufacturing facility in Honduras, a move that had received severe condemnation from some labor rights groups.

The Russell Athletic senior vice president of human resources, Tony Pelaski, director of social compliance, Stan Blankenship, and senior vice president of licensed products, Matt Murphy, were on the phone with the committee. The committee members queried the Russell representatives regarding how they planned to remedy the labor rights debacle at the plant and another in Honduras. The executives closed the conversation by stating that Russell was fully committed to the process of remediation outlined by the Fair Labor Association (FLA) and indicated that they were developing a model that would emphasize freedom of association rights throughout the supply chain. They noted that a grievance policy, open door policy, and hotline to report any problems were already in place, but that they planned to step up managerial education and aimed for greater corporate social responsibility.<sup>2</sup>

After the conference call, the committee discussed whether or not it should recommend to the university that it terminate its contract with Russell Athletic. At that point, eleven schools had already severed their contracts with the company, including Duke University and Pennsylvania State University, and the committee knew that Michigan was seen as a leader in the steps it had taken toward responsible sourcing. Its decision could have cascading effects across the collegiate licensing industry, so it could not be taken lightly. Starr wondered about the complexity of issues that had led to the plant closing, what role he and the committee played in affecting change within such companies, and how he should cast his vote.



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