

Hbs – foxconn technology group essay sample

[Business](#), [Company](#)



Foxconn was founded in 1974 by Terry Gou as Hon Hai Precision Industry Company Ltd. Foxconn Technology Group was the largest and fastest growing multinational company in the EMS industry. Terry Gou designed the factory and housing to exploit cheap land and labor in Shenzhen, a major city in Southern China's Guangdong Province, north of Hong Kong, and China's first Special Economic Zone. Mr. Gou demanded intense loyalty, telling employees that the company's benefit was more important than their personal benefit. He was famous for his 16-hour work day and believed in discipline in his management team. More than 1,000 security guards were employed to keep order and shield the plant from outsiders. Mr. Gou created intense and brutal working conditions to keep product output at a peak, paying no mind to the detrimental effects his tyrannical working conditions took on his employees.

Despite the meager pay and harsh conditions Foxconn was one of the best places to work for low-skilled workers. The employees were provided with legal contracts, got subsidies for housing, meals and insurance, and could choose to live rent-free in company dormitories. What happened at the Longhua plant in 2010 focused everyone's attention on the conditions of low-skilled labor and migrant workers. Allegations of employee mistreatment appeared as early as in 2006, when the UK newspaper The Daily Mail criticized Apple for using Foxconn, as a sweatshop supplier. Only fans were installed, so workers often felt suffocated during the hot and humid summer. A poor smell persisted and nobody cared about cleaning the common place. Workers referred to the dormitory as "the garbage dorm." On each floor, a public shower and restroom were shared, but workers were not allowed to

wash their own clothes. Instead, they were required to participate in a factory-managed laundry program to prevent them from consuming too much water.

Security guards were on duty 24 hours in each dormitory building to make sure that workers swiped their cards to enter the buildings, so workers could not freely go to other dormitories or bring friends to their own places. However, security guards were not responsible for safety issues, and theft was rampant. Frankly it's surprising that there were not more suicides caused from living in these conditions. The mental and psychological toll of brutal and dehumanizing living and working conditions is destructive to a person. Apple's Foxconn problem and Nike's sweatshop problem both reflect the vast and often troubling differences in workplace standards between China and the U. S. Apple's issues with Foxconn haven't received coverage either of the scale or the intensity that Nike dealt with at the height of the sweatshop scandal. To be fair, there are important differences between the two.

The conditions described at the Nike factories 20 years ago were considerably worse, even by Foxconn's unpleasant standards. Also, Apple clearly learned some important lessons from how Nike executives dealt with their issues in the media. It took several years for Nike to present a united front in the face of criticism, where there was originally equivocation and aloofness. More damaging was the company's repeated insistence that, since the factories in question weren't owned by Nike, Nike bore no real responsibility for the conditions there. Apple has been far more proactive in

investigating working conditions at Foxconn and making demands of its most important production partner. Regardless, both companies exploited the use of cheap labor in developing nations and unfortunately some workers paid with the ultimate price: their lives.