

# Treating foxconn workers as machines



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Foxconn Technology Group is a multinational anchor company of Hon Hai Precision Industry Company Ltd., a Taiwanese company that is the world's largest leading of electronic manufacturer. Foxconn is the largest exporter in China which has a workforce of 90, 000 workers all over China. Its well-known clients include Apple, Dell, Nokia, and Microsoft and so on, which take comparative advantages of labour cost and production resulting in profit maximisation (BBC, 2011). For satisfying rapid and huge demand on iPad, Foxconn has promised Apple Company to boost the productivity to fulfil their orders. Unfortunately, Foxconn did not be concerned on the employees of job stress due to intensive manufacturing process. According a report from Student and Scholars Against Corporate Misbehaviour (SACOM) (2010), it stated that 14 frontline workers died from suicides between January and August 2010, due to excessive working quantity and depressed emotion. It reflected that the boosting productive management would lead the workers as dehumanized machines and the deterioration of dignity and well-being. In respond to the tragedy incidents, then the CEO Terry Gou Tai Ming advised that the workers signed the commitment of all kinds of suicides disregarding as the company's responsibility. He also attributed the suicides to personal problems, such as bad socialisation and financial debts, in order to obtain the grant amount of compensation offered by the company. Although the company initiated the action for the recovery of job satisfaction, the harsh management methodology was eventually not changed to contribute to job stress and burnout. For instance, the action invited counsellors to the factory, negotiated to make higher wage, established the hotline and Employee Care Centre, held an anti-suicide assembly and organised the activities for inspiration, but it is useless for reduce in job stress.

Despite to carry out the emergency decision-making, there is a close relationship between poor wage and accommodation, harsh management and lack of health and safety protection (Chamberlain, 2011). First, the raised wage was slightly increased CNY 100 compared to the minimum wage (CNY 1250 per month) set by local government. This improvement is insufficient for living condition especially in Shenzhen where the monthly living wage should be CNY 2293 (Students & Scholars Against Corporate Misbehaviour, 2010). In addition, each crowded dormitory can accommodate 24 workers and observer was told by a worker who was forced to sign “confession letter” after illicitly using a hairdryer (AM 730, 2011). Second, excessive and involuntary overtime is an apparently serious problem led to job stress and burnout. The report of SACOM (2010) revealed that workers had to work 10 hours and 6 days per week which means overtime adding up to 84 hours during the midst of series of suicides. The premium should generally be 1.5 or 2 times weekend hourly wage conformed to Labour Law, yet there is no bonus for overtime during weekend. Then, the frequent change of work shifts may be irregular that probably arrange the day and night shift in a day, are changed 2 to 3 times a month. The workers would not allow talking at work. Finally, the employer has responsibility to provide a safe work place and the effective protection and training the employees on occupational health by Occupational Disease Law of China. Unfortunately, 3 workers were diagnosed with leukaemia and 1 worker is anxious related to the harmful chemicals. Meanwhile, no personal protective equipment liked goggles and gloves would be provided when the workers operated a drill on his duty. The victims even need to pay medical fees themselves.

An assistant of CEO explained to the criticism of anti-suicide commitment becoming over intensive and to the prohibition of talking during working in order to enhance the quality of productivity (The Liberty Times, 2011).

## Introduction

While Economy becomes booming period, employer would make generous incomes by fulfil the demand. For example, the manufacturers would like to use existed production machines and a number of workforces in order to complete the orders and satisfy their clients. Responding to accomplishment of goals and targets, management may underestimate the front-line employees' job difficulties and anxieties that results in turnover or potential negative outcome. This purpose is to analyse the threats of employees' health and safety in Foxconn and to research the implication of leading organisation.

## Job stress and Burnout

Job stress is defined as a relationship between employee's mental or physical distress and working environment (Kahn & Boysiere, 1994). Other definition may allow stress for improving performance that is the interaction of work conditions and employee personality with changing psychological functions (Beer & Newman, 1978). However, the workers in Foxconn would not contribute to this improvement, the tragedies occurred under stress and harsh management instead. The main three stressors are job quality, relationship, and physical quality that yield to job burnout. Job burnout refers to a result of job stress that develops from the sustained situation that employees are unable to deal with the excessive demand resulting in

physical, emotional and cognitive exhaustion (Hu & Cheng, 2010). The degradation of job quality in Foxconn may compose of low wage and excessive work hours. The workers could not receive the compensation on overtime; even there is no internal (mental) or external (monetary) reward. It would damage the job security and relationship between the employer and workers, then the company would be decreased the labour force due to the increasing resignation of workers. Another stressor is a lack of physical quality that results from irregular work hours and work-life imbalance. Consequently, the company should face the potential loss of revenue and take the responsibility of turnover.

### Emotional Labour

Emotional labour plays a significant role in daily work life for employees and direct or indirectly influence to the company. For instance, the employees become emotional exhaustion and cognitive withdrawing from the job, and then finally resigned. Emotional labour is the regulation of emotion and emotional display at work that interact with customers, co-workers, and the public (Chau et al. 2009). The emotional labour consists of two categories are surface acting and deep acting. Surface acting refers as suppressing one's emotional and pretending to the desired emotional expression, while deep acting involves modifying actual one's feeling to show proper emotional display. Chau et al. stated that the surface acting would relate to the negative outcomes, such as turnover, or withdraw behaviour, due to emotional dissonance and internal exhaustion, whereas deep acting may reduce negative outcomes due to authentic and positive emotions.

Acknowledge of deep acting for the employees performs in Foxconn that can lead to decrease the emotional exhaustion and avoid the turnover intentions.

### Psychological Contract

A psychological contract (PC) is considered as a mutual obligation that was established by both the employees and their employers regarding the terms and conditions of exchanging relationship (Kotter, 1973; Rousseau & Tijoriwala, 1998). In other words, the expectations concern on what the employees owe their employers and on what their employers owe the employees in return (Ng & Feldman, 2009). For example, the employers may provide the inducement, such as high pay or potential promotion, for the motivation to encourage the employees' maximise effort. Nevertheless, the breach of psychological contract (BPC) could not reach the promise by either the employers or employees. Chen, Tsui and Zhong (2008) categorised into two types of BPC which are reneging and incongruence. Reneging occurs when employee breaks the promise, or the employer is unable to satisfy the promise. Incongruence occurs when the employee and employer have misunderstanding of the contract and promise. Obviously, the former PBC is the Foxconn employers who violate the law and could not pay the overtime rate wage to compensate the employees' effort. The excessive work quantity would be detrimental to their physical and psychological health that lead to depressive work condition and finally happened suicides. The latter BPC was analysed misunderstanding of the Foxconn employers driving the additional work hour into daily work quantity; on the other hands, employees would like to have a normal socialisation with certain work hour and well-being.

Ironically, the employers made military management in order to achieve the

productivity maximisation, but they neglected the employees' job stress to seriously misunderstand that was the employees' needs.

The four methods can deal with BPC depending on age and work experience, because PC focuses on relatively young employees with relatively low work experience (Ng & Feldman, 2009). The first method is exit that refers to voluntary withdraw behaviour. Flaherty and Pappas (2002) demonstrated that the older and more experienced workers have more likelihood to stability in their work live and less likelihood to intend to leave their employers. The second method is voice that the employees attempt to voice out to the employers yielding to improvement in work condition. On the other hand, it may increase the risk of retaliation from employers.

Consequently, the younger and less work experienced employees should express their disappointment due to less malleable PC, while the older and more experienced employees should avoid using voice direct to employers in order not to decrease their job security. The third method is loyalty which involves silence or passion to negative work condition for remaining with an organisation. Generally, older and more experienced employees may have more flexible expectation to deal with interpersonal relationship problems. According the suicides at Foxconn in China record of SACOM (2010), the victims' age range from 18 to 25 that belongs to young age or junior work age group. It implied the younger or less experienced employees that could not have appropriate expectation to overcome the difficulties. The last one is neglect in term of counterproductive behaviour that is lower involvement and greater workplace withdrawal. The older and more experienced employees would be less to engage in this method because of more

malleability within the current firm and less replication in outside firm. In addition, other research showed that mentors and supervisors can support with BPC by providing career-related information and psychological support (Zagenczyk et al., 2009). The career-related support includes the provision as protection, visibility and sponsorship, while psychological support includes friendship, confirmation, acceptance and counselling. The supervisors would like to evaluate the performance as well as giving feedback to subordinates.

### Organisational Misbehaviour

Organisational misbehaviour (OMB) is the intentional action that violates the shared organisational norms and expectation or unconventional practices which are not supposed to do at work (Vardi & Wiener, 1996). Vardi and Wiener (1996) distinguished OMB into three types to influence in personal, organisation and others or organisations. OMB type S is intention to benefit self-interest which often occurred in internal organisation. For example, distorting data may obtain the high evaluation in order to increase the chance of promotion; stealing and selling the property from organisation take money into personal account; and harassing peers by handling the personal work task or gossip others is detrimental to other accounts of reputation. Type O OMB intends to benefit the employing organisation that usually occurred in external organisation. For instance, cheating other firm's members is to obtain the contracts for the employing organisation. Type D OMB intends to hurt others or to damage the organisation that associated with both internal and external organisation. An example of type D is revenge in order to deriving the own satisfaction and responding to actual or perceived mistreatment. In addition to three types of OMB, workplace



deviance and dysfunctional behaviour are important to analysis in the case. Workplace deviance refers as voluntary behaviour of organisation members that infringe upon the organisational norms due to threaten to the organisation or organisational members (Robbinson & Bennett 1995). The latter considered as the behaviour instead of motivation, the action will carry the negative effect and consequence for an individual or group within organisation (Griffin, O' Leary-Kelly & Collins, 1998). Hence, dehumanised management in Foxconn belongs to type O that excessive work hours and low overtime paid would benefit to the organisational interest that encourage the profit maximisation. This action would deteriorate the relationship between employers and employees, and damage the employees' socialisation and physical quality. Then, the supervisors forced to sign " confession letter" due to unintentional faults that attributes to workplace deviance because it should directly be detrimental to employees' physical and mental aspects. Although the company attempted to allow the activities such as hotline and anti-suicide assembly, for motivating the employees, those activities would be compulsory to join and not be counted in their work hours. As a result, the behaviours would reverse the function of motivation that considered as dysfunctional behaviour.

However, Shamsudin (2006) showed the ways to resist OMB that are personal counselling and surveys with questionnaires. Personal counselling is a primary solution that understands the reasons of OMB and the different standards of behaviours because employees may possess the different values, perception and norms. But personal counselling might not work when the OMB is in group, violent or criminal in nature, surveys can collect and

analysis the whole employees' perception and norms in order to avoid the conflicts in the relationship of employers and employees.

### Job quality

Job quality can come from many dimensions that enhance job security and satisfaction. Consequently, understanding of job quality is significant to maintain employees in the organisation, and the likelihood of BPC can be decreased within the interaction of employees and employers. Job diagnostic survey is a job measurement that understands the degree of job quality (Hackman, 1975). The motivating potential score that add up skill variety, task identity and task significant to divided by three and then combine with autonomy and feedback. In addition, other studies expressed the job quality in America and Europe, so that can help to improve the situation of Foxconn. Handel (2005) explained that Fordism is a period which is the context of stable industrial system including American economic dominance, rising productivity and earning, steady or decreasing inequality, and robust employment growth. Neo-Fordist theory claims that job quality for most workers is in term of material reward and work pace which is the base principle of high pay, job security and career mobility due to inequality between management and labour in post-war market. Increasing job quality through Post-Fordist theory means the respect to both material (e. g. pay) and intrinsic (e. g. job challenge, autonomy and workplace cooperation) rewards and working condition (e. g. decreased physical workloads). Referring to Handel's theory, post-Fordism period is similar as booming economy in China where real GDP grew at an average rate of 9. 3% by foreign investments and become the world's largest economy (Morrison, <https://assignbuster.com/treating-foxconn-workers-as-machines/>

2005). The Foxconn should increase the wage by the material reward, offer sufficient time and independence by intrinsic reward, and decrease the quantity of workload to diminish the possibility of job burnout. In European work market, the work-life balance and working time and training and career development are principles of job quality (ETUL, 2009). The management of Foxconn could provide the flexible working arrangement by employees choosing working pattern themselves for balance the job stress and well-being in order to enhance the socialisation (Kelliher & Aderson, 2009). Also, training and career development can expand the confidence in job task and identity.

## Conclusion

In conclusion, Foxconn has made a military management to its employees as dehumanised treatment that drove the suicide tragedy. Job stress may contribute to job burnout that composed of excessive work quantity and low wage in Foxconn. Emotional labour could help to improve the turnover intention and emotional exhaustion by deep acting. PC is a mutual expectation involving employers and employees and BPC would fulfil PC which can use exit, voice, loyalty and neglect method to eliminate BPC depending on age or work experience. OMB type O should attribute to overtime and low wage deteriorate the relationship between employers and employees. In addition, the workplace deviance and dysfunctional behaviour could be detrimental to the relationship as well. Job quality is also significant to raise job security and satisfaction because job redesign is to change the role and return of career when the economy changed.