

Foxconn & Poor Worker Conditions

Situation Analysis

To put it mildly, this was an issue until the media caught wind of things, after which it became a crisis.

Amidst the media frenzy that initially took place in Foxconn regarding poor working conditions, a report was recently released by auditors from the Fair Labor Association. The company, hired by Apple to audit its oversea suppliers, identified numerous labor-rights violations, ranging from excessive overtime to unpaid wages to health and safety concerns. In this report, more than 60% of Foxconn workers say their wages fall short of their most basic needs (monthly salaries ranging from \$358 to \$455 USD), work hours have regularly exceeded China's legal limit of 60 hours per week, and 43% of workers experienced or witnessed a work-related accident where the company did not record the incident.

<http://money.cnn.com/2012/03/29/technology/apple-foxconn-report/index.htm>

Key Messages

- **Change is happening.** The most important message that can be conveyed is that these reports aren't going to be ignored or swept under the rug. Foxconn needs to acknowledge the violations publicly and respond accordingly.
- **Change has already happened.** Foxconn needs to demonstrate initiative and prove that they are already making changes to processes and company policy. More importantly, they should demonstrate the changes that were made since its last bout of negative media in 2010.
- **This is not another 2010 suicide incident in the making.** Foxconn needs to establish confidence on an international level that work conditions have improved some since the spate of suicides that took place at the company's factories in 2010.

- **Workers are being compensated.** The public wants to know that the Chinese workers at Foxconn are receiving the back pay they are due from the overtime they've put in. Foxconn needs to pay the workers and show that they're righting their wrongs.
- **Improvements to the Foxconn worker union.** The union was largely made up of representatives from company management, which does not necessarily provide true worker representation.

Influencers

- **Apple, Inc.** The threat of losing a juicy work contract with Apple will certainly fuel the steps taken to repair work conditions and prove that the factory is a safe environment.
- **Fair Labor Association.** This group has essentially created the need for change and their findings will influence what Foxconn should announce changes for.
- **Foxconn unions.** While the union has historically been run mostly by management at Foxconn, the workers union will hopefully feel like they have more of a voice in the changes that can be taken. The union workers will prove excellent candidates for interviews by news sources, which will give greater power to the winds of change.
- **Top management at Foxconn.** This is a crisis that needs the top company executives' responses and support.

Information Channels

- **News websites.** Information travels fastest online, so Foxconn needs to respond appropriately and quickly to major news companies before speculation and ill-informed "experts" pass judgment.
- **Bloggers.** In today's world of information sharing, these small-time individuals have a lot of public influence. If Foxconn could convince them to give positive "reviews," then this could prove a powerful PR strategy.

- **Video news.** Video evidence of the work conditions has the potential to give evidence of working conditions. Words mean little in comparison to visual proof. Foxconn must prove they have nothing to hide and bring in news crews to demonstrate not only the efficiency, but the safety of the company.

Target Audience(s)

- **Apple, Inc.** This is a key audience simply because if enough garbage and bad publicity piles up, Apple's consumers and shareholders will force the company into switching from Foxconn to another manufacturing company.
- **Chinese laborers.** While there will ever be workers needing employment, the bad reputation of Foxconn may influence not only the quality of future applicants, but also the quantity.
- **Chinese government.** The results of the audit are certain to bring the attention of the Chinese government down on the company, which means they need to establish some confidence in their ability to maintain a status quo of satisfied workers and income from the USA.
- **Apple consumers.** Apple's consumers are the people who have made the company so profitable, and if sales are affected by negative PR from Foxconn (which I highly doubt would ever happen), Apple is very likely to take action in ending a manufacturing contract.
- **Labor rights activists.** Poor work conditions at major companies will only continue to provide ammunition from activists seeking justice for workers who are taken advantage of. If these activists gain enough traction, this could lead to more stringent government mandates and reduced profits for the company.
- **Foreign news companies.** China needs to maintain a positive front from a PR standpoint. Any news stories that would disrupt the appearance that China has worked hard to create needs to be addressed quickly before the government steps in.

- **ORAL**

- Identify a current news story
- Be prepared to *discuss* following:
 - Is the situation an issue or a crisis? Why?
 - Who is being utilized to influence opinion?
 - Who do you believe?