

Chapter 1 Case Study

Issues in work in a global world: smart phones and stress in China

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The development of global firms who produce across a range of boundaries is increasingly common. Apple is one of the most high profile firms in the world producing a leading range of products from smart phones to computers. Increasingly their production has been based in China due to various cost and market advantages that location provides. Apple produces through Foxconn. This has been a major player in the production of Apple products and has used China to employ a young and relatively dynamic workforce. However, in the past few years a range of reports have suggested that working conditions do not live up to the glamorous image of the company Apple. Whilst many even referenced former head of Apple Steve Jobs as being a modern day pioneer on a par with some of the great leaders of the 20th Century such as Ford, others have been less impressed. The *Daily Mail* newspaper in the United Kingdom had journalists visit the company on various occasions finding that the sheer pace of production was high and the pressures to perform unreasonable (Duell 2012). There have been problems with the use of certain chemicals as well according to this article. The use of suicide nets was a sign that the Foxconn have a problem in the way their workforce is reacting to the pressure and the payment levels. This appeared to trouble Apple directors although some have argued that between 2006 and 2012 not much changed (Duell 2012).

Other western companies based in China have also been the subject of similar criticisms as they take advantage of the environment of the country with its large workforce and limited democratic rights. There are those who question the extent to which such problems are representative and that the employment rights in a country such as China will be extended at a later stage in its development just as was the case in the case of the United Kingdom in the 19th Century. However, the growing concern that high profile companies with considerable investment in their corporate social responsibility strategies are unable or unwilling to control the working conditions of their suppliers has become a major issue. The use of developing countries and specific enterprise zones for locating production has meant that the pattern of HRM and employment relations is unstable and uncertain. Companies such as Nokia have been criticized as they have take advantage of the oversupply of labour in Asia according to the Asia Monitoring Resource Centre (no date). It is felt that there is a need to develop stronger systems of independent worker representation according to international trade unions.

Questions

- 1 Why do conditions of employment vary across a transnational corporation and what role does subcontracting play?
- 2 What are the kinds of employment issues can arise in such a context as Foxconn?
- 3 What kind of solutions can be proposed?
- 4 Is it likely we will see changes and improvements over time and what will lead to this in your view?

References

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