



University of Dundee

Disclosures of labour practices: perspectives of legitimacy and impression management

Li, Zhongtian; Haque, Shamima; Chapple, Larelle (ellie)

DOI:
[10.1108/JAL-06-2022-0069](https://doi.org/10.1108/JAL-06-2022-0069)

Publication date:
2023

Licence:
CC BY-NC

Document Version
Peer reviewed version

[Link to publication in Discovery Research Portal](#)

Citation for published version (APA):
Li, Z., Haque, S., & Chapple, L. (2023). Disclosures of labour practices: perspectives of legitimacy and impression management. *Journal of Accounting Literature*. <https://doi.org/10.1108/JAL-06-2022-0069>

General rights

Copyright and moral rights for the publications made accessible in Discovery Research Portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from Discovery Research Portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain.
- You may freely distribute the URL identifying the publication in the public portal.

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Abstract

The purpose of this paper is to analyse how an influential supplier of electronics manufacturing services (i.e., Foxconn) discloses its labour practices. The analysis is conducted through the theoretical lens of legitimacy and impression management. This particular firm is selected as it provides a rich case on labour practice disclosures in a setting where significant labour malpractice incidents occurred from 2009 to 2011. The sample period covers 12 years of the firm's labour practice disclosures (2008–2019) to match with publicly available information that is used to construct expert comparative accounts on the disclosures. We corroborate the comparative accounts with sociological studies and responsibility reports from the major customer (i.e., Apple). We found that the disclosures become more detailed over successive years. Occupational health and safety issues are predominantly reported, followed by issues relating to vocational guidance and training and then employment policy. Regarding impression management strategies, defensive strategies embedded in the disclosures are rarely detected, and assertive strategies are persistently used from 2008 to 2019 to maintain legitimacy. The comparative accounts show the persistent use of one defensive strategy (i.e., omission) to maintain and regain legitimacy. In other words, as an economic strategy, material labour practice issues are persistently omitted in the disclosures. The incidents discernibly affect how Foxconn discloses labour practices. Our study contributes to the limited extant research on suppliers' labour practice disclosures from the perspective of legitimacy theory and impression management. The results will be of great interest to researchers, investors, assurers, and other stakeholders.

Keywords

Comparative accounts, Corporate social responsibility; Employee-related disclosure; Foxconn; Impression management; Labour practice disclosure

1. Introduction

The global supply chain offers a crucial context for the analysis of corporate labour practices and related disclosures (Sikka, 2008, 2011). As customers and buyers, firms in developed countries actively disclose their labour practices within the supply chain, and their disclosures have attracted keen attention in the literature (e.g., Akbar and Deegan, 2021; Antonini *et al.*, 2020; Birkey *et al.*, 2018; Deegan and Islam, 2014; Islam and Deegan, 2010; Islam and McPhail, 2011; Islam *et al.*, 2021; Islam and Van Staden, 2021; Parsa *et al.*, 2018). However, little is known about suppliers' labour practices and related disclosures per se, even though labour malpractices pervade throughout supply chains. Motivated by this research opportunity, we focus on an influential supplier of electronics manufacturing services (EMS), namely, Hong Hai Precision Industry Ltd, also known as *Foxconn*. EMS suppliers provide contract manufacturing for brand owners, such as Apple, Microsoft and Dell (Barnes *et al.*, 2000). Thus, Foxconn and other EMS suppliers are situated in the upper stream of the supply chain of consumer electronics. Given China's advantages in contract manufacturing (e.g., production speed, infrastructure and its expansive supplier base) (Chen and Ku, 2002),¹ Foxconn and other EMS suppliers choose to produce in China.

¹ See <https://www.economist.com/finance-and-economics/2020/06/23/china-is-the-worlds-factory-more-than-ever>, accessed 6 December 2021.

Our study analyses Foxconn's labour practice disclosures from 2008 to 2019. This sample period corresponds to the high-profile labour practice incidents that occurred in Foxconn's business operations. For example, in 2009 an employee of Foxconn committed suicide after he was suspected of stealing a prototype of an iPhone. This incident was reported in a range of news media, including the *South China Morning Post*, *The New York Times*, *The Los Angeles Times* and *The Guardian*.² Foxconn experienced further incidents the following year. In 2010, 17 workers attempted suicide (SSACM, 2010). In 2011, an explosion at a factory occurred, causing three deaths and injuring 15 workers. These high-profile incidents have generated business repercussions. For example, as Foxconn manufactures products for Apple at 27 sites,³ Apple collaborated with the Fair Labour Association (FLA) to inspect Foxconn's sites in 2012 and 2013.⁴ As a result, Apple tightened labour practice requirements for all its EMS suppliers and commended them 'for taking quick action on several fronts simultaneously' (Apple, 2011, p. 19). In addition to receiving pressure from buyers of their EMS, these incidents were reported in news media and Foxconn was subjected to widespread criticism.⁵

Overall, our sample period comprises three phases of legitimacy: a 'legitimacy loss' phase (2009–2013: regaining legitimacy is primary) and two 'legitimacy maintenance' phases (2008 and 2014–2019: maintaining legitimacy is primary). The year 2008, the beginning of the sample period, is described as a legitimacy maintenance phase as this is immediately prior to the high profile labour incidences described above. Labour practice disclosures are often used to maintain and regain legitimacy (Islam and Deegan, 2010; Kent and Zunker, 2013, 2015). The more contested the practices are, the more legitimation is required. In this study, we use impression management research to systematically examine the strategies used to construct and maintain corporate legitimacy to better understand how Foxconn uses labour practice disclosures in legitimation through the theoretical lens of impression management. Thus, our research question (RQ) is:

Is there any variation in Foxconn's labour practice disclosures devoted to impression management during the period 2008 to 2019?

To answer our RQ, we coded Foxconn's labour practice disclosures by labour practice issues and impression management strategies by focussing on the thematic analysis of Foxconn's labour practice-related narratives. We found that the disclosures become increasingly detailed over the period of analysis. Among different labour practice issues, occupational health and safety is predominantly reported, followed by vocational guidance and training and then employment policy. The incidents of 2009–2011 (i.e., entering a 'legitimacy loss' phase) appear to exert discernible effects that led to the reduction of the length of 2009–2013 disclosures and the amount of occupational health and safety information. With regard to impression management strategies, in the three phases of legitimacy, assertive strategies (e.g., ingratiation, self-promotion, entitlement and enhancement) are used more than defensive

² See <https://www.scmp.com/article/688130/payout-over-mans-iphone-suicide>;
https://www.nytimes.com/2009/07/27/technology/companies/27apple.html?_r=2&scp=1&sq=foxconn&st=cse;
<https://www.latimes.com/archives/la-xpm-2009-jul-29-fi-apple-iphone29-story.html>;
<https://www.theguardian.com/world/2009/jul/22/apple-worker-suicide-prototype-missing>, accessed 15 November 2021.

³ Apple listed its top 200 suppliers in 2018, and 24 of 27 manufacturing sites of Foxconn are in China. This list can be found at www.apple.com/nz/supplier-responsibility/pdf/Apple-Supplier-List.pdf (accessed 25 June 2018).

⁴ Information from the Fair Labour Association can be found at <http://www.fairlabor.org/about-us/history>, accessed 6 April 2017.

⁵ For example, *The New York Times* published a series of i-Economy reports that won a Pulitzer Prize on 15 April 2013.

strategies embedded in disclosure (e.g., acknowledgement, apology and/or corrective action, and denial). The incidents of 2009–2011 (i.e., entering a ‘legitimacy loss’ phase) also appear to affect the use of impression management strategies. First, the impression management strategies of ingratiation and self-promotion are reduced in the 2009–2013 disclosures. Second, to regain legitimacy, apology and/or corrective action are detected in the 2009–2013 disclosures. Third, we found that Foxconn used acknowledgement and denial more in the ‘legitimacy maintenance’ phases. Overall, these changes in the strategies can be interpreted via the theoretical lens of legitimacy and impression management.

Leveraging the power of non-governmental organisations’ (NGOs’) reports as informed and expert comparative accounts of Foxconn’s labour practice disclosures, we found another under-researched strategy, namely, ‘omission’. Material labour practice issues are persistently omitted in Foxconn’s disclosures. Moreover, this strategy persists, even where the underlying labour practices have improved. Finally, by synthesising sociological studies, Apple’s supplier responsibility reports and news, we corroborate the validity of the comparative accounts and provide initial explanations for omissions in the disclosures.

Our study contributes to different groups of literature. First, our study provides evidence of communication by suppliers in the global supply chain of non-financial information (e.g., Akbar and Deegan, 2021; Islam and Deegan, 2008; Islam *et al.*, 2021; Li and Haque, 2019; Li *et al.*, 2018). Distinct from the current published literature, we embrace comparative accounts of labour practices that are relatively underused. Second, we enrich the accounting literature investigating corporate impression management strategies (e.g., Cooper and Slack, 2015; Li and Haque, 2019; Yang and Liu, 2017). Specifically, we expand on the prior studies by applying impression management theory to a novel yet important type of non-financial disclosure (labour practice disclosures) and examining different impression management strategies (e.g., ingratiation, self-promotion and omission) over two phases of legitimacy. Third, given that EMS suppliers and their labour practices have attracted keen research interest (Lucas *et al.*, 2013; Xu and Li, 2013; Li *et al.*, 2018; Li and Haque, 2019), our study contributes to this group of literature by offering more insights into Foxconn’s labour practice disclosures.

Broadly, our study speaks to the literature on human rights (McPhail and Adams, 2016; Islam *et al.*, 2021). Spending on consumer electronics increased from USD 36.8 trillion (tn) in 2009 to USD 46.8 tn in 2018 and is projected to reach USD 56.3 tn in 2023. The increase in demand for product drives increasing demand for labour in the supply chain; the number of workers for EMS suppliers will increase from 15,135,086 in 2018 to nearly 19,100,000 in 2023 (Ozelkan, 2018). Therefore, EMS suppliers play a significant role in alleviating labour malpractice incidents and other issues of human rights abuse in global supply chains (Mantouvalou, 2012).

The findings should be of great interest to many stakeholders. For example, for investors who use labour practice disclosures in making decisions, our findings remind them to actively seek alternative sources of information (e.g., NGO reports) when interpreting the disclosures made directly by manufacturing firms. As Foxconn’s labour practice disclosures are subject to external assurance (e.g., Bureau Veritas is the external assurer in 2015), our findings suggest that the use of external assurance does not preclude the omission of material labour practice issues. Thus, aligning with Michelon *et al.* (2015) and Gürtürk and Hahn (2016), we encourage investors, financial analysts and other users to actively consider alternative sources of information, even if labour practice disclosures have been externally assured.

Our findings are meaningful to external assurance providers, given that the demand for assurance services for non-financial disclosures is increasing (Farooq and De Villiers, 2017). In addition to what has been disclosed, external assurers need to diligently examine what has not been disclosed in non-financial disclosures. In our study, the information omitted (e.g., the use of dispatched workers and student interns is beyond legal requirements) is financially

material. Thus, without acknowledging such omissions, external assurers may face litigation risk.

Finally, our findings would be of interest to regulators. Because Foxconn's labour practice disclosures comply with voluntary disclosure standards set by the Global Reporting Initiative, our findings align those of with Boiral (2013) and Hahn and Lülfs (2014), suggesting that voluntary disclosure standards are unable to hold non-financial disclosures as an accountability mechanism. Our findings motivate regulators to consider further moves to ensure that the disclosures present the underlying non-financial performance in a true and fair way.

The rest of this paper is structured as follows. Prior literature is discussed in the following section. Our research question is developed in Section 3. The research design is illustrated in Section 4. Our findings are presented in Section 5. Section 6 concludes.

2. Literature review

2.1 Accounting research on labour practice disclosures

There is accounting research investigating organisations' labour practice disclosures in developed countries (e.g., Day and Woodward, 2004; Kent and Zunker, 2013, 2015; Kent *et al.*, 2021; Mäkelä, 2013; Vuontisjärvi, 2006; Williams and Adams, 2013). For example, Kent and Zunker (2013, 2015) found that labour practice disclosures in Australia are out of balance and incomplete; and Williams and Adams (2013, p. 480) examined the disclosures of a bank in the UK (1980–1995) and found 'little evidence of NatWest's acceptance of a moral responsibility to take account of the interests of employees and its accountability thereof'. In contrast, labour practice disclosures in developing countries attract relatively less attention (Islam and Deegan, 2008; Li and Haque, 2019; Li *et al.*, 2018). For example, by combing interviews on management with content analysis, Islam and Deegan (2008, p. 851) investigated changes in the Bangladesh Garment Manufacturers and Exporters Association's disclosures (including labour practice disclosures) from 1987 to 2005. They found 'a direct relationship between changes in powerful stakeholders' concerns ... and the operating and reporting practices of the organisation'. Considering the Rana Plaza building collapse in Bangladesh, Akbar and Deegan (2021) analysed 11 garment suppliers' non-financial disclosures (including their labour practice disclosures) in 2016 and found that their disclosures were affected by the institutional environment in which they operate.

As far as we can ascertain, Li *et al.* (2018) and Li and Haque (2019) are the two closest studies to ours. Focusing on how EMS suppliers communicate labour practice issues, Li *et al.* (2018) analysed four suppliers (including Foxconn) and found that their disclosures on labour practice issues (2008–2013) were adjusted according to news media sentiment. Examining a novel textual characteristic (linguistic hedging) in labour practice disclosures (2009–2013) and applying impression management theory, Li and Haque (2019) found that 10 EMS suppliers (including Foxconn) used linguistic hedging as an impression management strategy.

Our study distinguishes itself from these studies in three ways. First, instead of considering several EMS suppliers at a time, we focus on an influential EMS supplier operating in China, namely, Foxconn. Second, we investigate how Foxconn has used various impression management strategies to achieve legitimacy at different phases of legitimacy. In contrast, Li *et al.* (2018) did not research impression management strategies, and Li and Haque (2019) investigated a specific strategy (linguistic hedging) for regaining legitimacy. Our study provides an elaborative account of how various impression management strategies (e.g., ingratiation, self-promotion and omission) were adopted, conducted and changed depending

on different phases of legitimacy. Third, the comparative accounts sourced contemporaneous with Foxconn's disclosures enable us to better understand the strategies used in Foxconn's labour practice disclosures. Our study uses the information provided by Apple, NGOs and media to construct and verify comparative accounts on Foxconn's disclosures, thus enabling us to explore previously unknown aspects of labour practice disclosures (e.g., the omission of material information).

2.2 Accounting research on impression management

As impression management theory concerns the motivations and strategies for managing impressions on stakeholders (Rosenfeld *et al.*, 1994), studies in the accounting discipline apply the theory to interpret corporate disclosure (e.g., Brennan and Merkl-Davies, 2014; Brennan *et al.*, 2009; Brennan *et al.*, 2010; Craig and Brennan, 2012; Edgar *et al.*, 2018; Merkl-Davies and Brennan, 2011, 2017; Merkl-Davies *et al.*, 2011; Shrives and Brennan, 2015, 2017; Yang and Liu, 2017), in particular in annual reports (Edgar *et al.*, 2018; Shrives and Brennan, 2015, 2017).

As Cooper and Slack (2015, pp. 802–803) suggested, the literature can be advanced from at least three aspects: (1) considering narratives in other types of corporate disclosure (i.e., 'most prior studies examining disclosures have solely focussed on the annual report'); (2) constructing comparative accounts (i.e., 'most prior studies ... have not sought to contrast this company-based view, or impression emergent from this, against a comparative account'); and (3) adopting a longitudinal setting (i.e., 'longitudinal studies provide an opportunity to study innovation and change in reporting practice'). Cooper and Slack's (2015) second suggestion on constructing comparative accounts aligns with that of Perkiss *et al.* (2021, p. 4) that 'in comparison to impression management, similar research into counter accounts is scarce'.

As Dey *et al.* (2011, p. 66) suggested, this comparative aspect or account (counter account) 'is drawn from independent, though not necessarily objective, sources and control over content does not remain with the corporation'.⁶ Empirically, the comparative accounts provided by NGOs and civil society groups attract considerable attention (e.g., Brennan and Merkl-Davies, 2014; Denedo *et al.*, 2017; Joutsenvirta, 2009; Perkiss *et al.*, 2021; Tregidga, 2017). For example, embracing the impression management theory, Perkiss *et al.* (2021) analysed how Nestlé used different media channels to respond to comparative accounts of its Ivory Coast supply chain provided by NGOs (including FLA). Concerning the effects of comparative accounts, Apostol (2015) (Romania), Denedo *et al.* (2017) (Niger), Thomson *et al.* (2015) (UK), Tregidga (2017) (New Zealand) and Vinnari and Laine (2017) (Finland) found that constructing and using comparative accounts assists vulnerable stakeholders in voicing their concerns and affects how firms behave. For example, for human rights disclosures, Islam *et al.* (2021) found that stakeholders do not accept suppliers' human rights disclosures and question the suppliers' moral power in relation to human rights performance. Analysing the comparative accounts on a gold mining project in Romania, Apostol (2015, p. 231) found that:

counter-accounts allowed the voice of marginalised societal groups to be heard (e.g., locals opposing the location of the mine). It also succeeded in mobilising a large enough portion of civil society for the purpose of initiating change, i.e. blocking an undesired project.

Our study speaks to a body of research that uses comparative accounts to better analyse corporate disclosure (Adams, 2004; Archel *et al.*, 2009; Boiral, 2013; Cooper and Slack, 2015; Joutsenvirta, 2009; Rodrigue, 2014; Williams and Adams, 2013). For example, using different

⁶ In the literature, this comparative aspect or account has been referred to using many different terms (e.g., silent accounts, shadow accounts, reporting performance portrayal gaps, counter accounts, anti-accounts and external accounts) (Denedo *et al.*, 2017).

sources of information to construct comparative accounts of a UK firm's non-financial reports, Adams (2004, p. 749) concludes that 'the most noticeable feature of Alpha's reports is their lack of full disclosure regarding its ethical, social and environmental impacts'. Similarly, using news events to construct comparative accounts of 23 mining firms' non-financial reports in 2007, Boiral (2013, p. 1061) found that 'only 10 percent of significant news events concerning sustainable development were reported clearly and explicitly in the sustainability reports'. In addition to different content, comparative accounts reveal that corporate disclosure tends to have different frames. For example, examining the environmental disclosures of a firm in Finland (1985–2001) and the corresponding comparative accounts provided by an NGO (Greenpeace), Joutsenvirta (2009) revealed that in the firm's environmental disclosures, a defensive frame that defends the firm from the public criticism plays a key role. Overall, focusing on firms located in developed countries, this body of research supports the usefulness of comparative accounts in analysing how firms use disclosures to maintain legitimacy and credibility.

We contribute to the literature on impression management in three ways. First, our study contributes to the limited extant research on suppliers' labour practice disclosure via the theoretical lens of impression management. Second, we cover Foxconn's labour practice disclosures from 2008 to 2019, thereby enabling us to show how Foxconn has changed its impression management strategies over time. Third and equally importantly, we use other information sources to construct comparative accounts of Foxconn's disclosures. Following prior studies of comparative accounts, we believe that the comparative information sources are of particular value because they help construct informed, relatively neutral and expert comparative accounts of Foxconn's labour practice disclosures.

3. Theories and development of research question

3.1 Legitimacy theory

As Brunsson (1989, p. 216) suggested, firms 'in modern societies are public not only in the sense that their structures, processes, and ideologies are open to observation, but also in their ultimate dependence on public acceptance'. Public acceptance or legitimacy is defined as 'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions' (Suchman, 1995, p. 574). Foxconn's legitimacy premises that it can produce coordinated actions while simultaneously meeting society's different expectations (Brunsson, 1989). To satisfy social expectations and gain and maintain legitimacy, we expect Foxconn to use labour practice disclosures to demonstrate its compliance, persuading society to grant legitimacy (Islam and Deegan, 2010; Kent *et al.*, 2021; Li *et al.*, 2018).

As Ashforth and Gibbs (1990, pp. 178–180) discussed, Foxconn may use substantive and symbolic strategies to maintain and regain its legitimacy. Substantive strategies indicate 'real, material change in organizational goals, structures, and processes or socially institutionalized practices', whereas by using symbolic strategies 'rather than actually change its ways, the organization might simply portray- or symbolically manage- them so as to appear consistent with social values and expectations'. Firms are likely to use symbolic strategies in peripheral practices. Suppliers in the global supply chain (e.g., Foxconn) 'will succeed to the extent that they develop efficient production activities and effective coordination structures' (Scott and Meyer, 1992, p. 141) (i.e., technical efficiency). Compared with technical efficiency, labour practices are relatively peripheral to suppliers. Therefore, if meeting the social expectations for integrous labour practices lowers technical efficiency, Foxconn may tend to use symbolic

strategies to preserve ‘organizational practices that are believed within the organization to be technically efficient’ (Boxenbaum and Jonsson, 2008, p. 93). Labour practice disclosures would be used as part of symbolic strategies (Kent and Zunker, 2013, 2015; Williams and Adams, 2013). Given that impression management research examines the strategies used to construct and maintain corporate legitimacy more systematically, we can better interpret Foxconn’s labour practice disclosures through the lens of impression management.

3.2 *Impression management theory*

Initially, impression management theory focused on individuals and how individuals tend to manage their self-impressions in different scenarios (Goffman, 1959). As Section 2.2 shows, the theory’s application scope is expanded to include firms and their narratives in disclosures. The theory considers how firms ‘control and manipulate the impression conveyed to users of accounting information’, such as labour practice disclosures (Clatworthy and Jones, 2001, p. 311). A key component of impression management theory is the construction or identification of different impression management strategies (Leary and Kowalski, 1990). Motivated by the need for legitimacy (e.g., after the high-profile incidents), Foxconn would strategically manage the impression it conveys to society (Li and Haque, 2019). Thus, the theory is able to better interpret different strategies used in Foxconn’s labour practice disclosures. Such strategies are many and can be classified in the first order into assertive and defensive (Bolino and Turnley, 2003; Bolino *et al.*, 2008; Ogden and Clarke, 2005; Tedeschi and Melburg, 1984). Assertive strategies aim to ‘establish a particular identity and build reputational characteristics’ (Ogden and Clarke, 2005, p. 332), and defensive strategies mitigate ‘a “predicament”, whereby undesirable traits have been attributed to the actor(s)’ (Cooper and Slack, 2015, p. 804).

Over our sample period (2008–2019), the sporadic incidents threatening Foxconn’s legitimacy trigger a ‘legitimacy loss’ phase. In regaining legitimacy during a ‘legitimacy loss’ phase, defensive strategies may help Foxconn construct ‘a normalizing account that separates the threatening revelation from larger assessments of the organization as a whole’ or symbolically disassociate from the incidents (Suchman, 1995, p. 598). For example, we would detect that Foxconn uses labour practice disclosures to minimise labour malpractices or attribute the incidents to some factors beyond its control. Assertive strategies also contribute to regaining legitimacy. They frame the social impressions of Foxconn’s achievements in labour practices and persuade society to confer legitimacy (Deegan, 2002).

In maintaining legitimacy, assertive strategies are ‘more subtle techniques’ to develop ‘a defensive stockpile of supportive beliefs, attitudes, and accounts’ (Suchman, 1995, p. 595). For example, Foxconn’s disclosures might promote its competence and abilities in addressing labour malpractices, thus maintaining society’s trust in Foxconn. Defensive strategies are also useful in maintaining legitimacy. The disclosures could be used to justify and apologise for exposed labour malpractices to protect past accomplishments. Following several studies (e.g., Cooper and Slack, 2015; Edgar *et al.*, 2018; Ogden and Clarke, 2005; Yang and Liu, 2017), we focus on the thematic analysis of Foxconn’s labour practice-related narratives. Due to the lack of research investigating labour practice disclosures through the lens of impression management, there is no customised list of impression management strategies available. Table 1 shows our list of tailored impression management strategies applicable to the labour practice disclosures of Foxconn. Column 1 shows strategy labels we detected. Corresponding definitions are presented in column 2, and column 3 shows examples extracted from Foxconn’s labour practice disclosures. More detailed explanation of how we derived Table 1 are shown in the Appendix.

Table 1. Impression management strategies tailored for analysing Foxconn’s labour practice disclosures

Table 1 shows impression management strategies detected and the corresponding examples for them.

Name	Description	Examples extracted from Foxconn’s labour practice disclosures
Panel A: Assertive		
Ingratiation	Foxconn seeks to gain the audience’s approbation by communicating its visions, goals and policies of labour practices.	‘Foxconn is an equal opportunity employer, and our employment policies require that recruitment, promotion, wages, training opportunities, and retirement must be people-oriented, non-discriminatory, lawful, and fair, without discrimination based on gender, age, nationality, religion, political affiliation, birthplace, nation of origin, language, disability, gender identity or union membership’ (Foxconn, 2014, p. 25).
Self-promotion	Foxconn promotes its competence and abilities to secure and advance labour welfare.	‘Foxconn is proactive in supporting and training workers from rural backgrounds, and invests in programs to improve their skill set with the aim of enhancing their quality of life’ (Foxconn, 2017, p. 27).
Entitlement	Foxconn claims responsibility for positive events and outcomes of labour practices.	‘Foxconn invests more than RMB 20,000,000 in recreational activities each year, including many major gatherings for the mid-autumn festival, talent shows, street dancing lessons from famous instructors abroad at various sites, monthly group weddings, and dating forums’ (Foxconn, 2011, p. 16).
Enhancement	Foxconn enhances its positive events and outcomes of labour practices.	‘Established food safety test center: Foxconn is the first company in Mainland China to establish a national laboratory dedicated to ensuring employee food safety’ (Foxconn, 2014, p. 41).
Panel B: Defensive		
Acknowledgement	Foxconn presents negative events and outcomes of labour practices without any explanation or comments.	‘Of the twelve incidents, there was one big fire, another four were lesser serious fire incidents, up 33% from year 2008’ (Foxconn, 2009, p. 29).
Denial	Foxconn claims and explains that the publicly known negative events and outcomes of labour practices do not exist.	‘Each of our campuses recruits employees at wages that are higher than the local minimum wage’ (Foxconn, 2017, p. 25).
Excuse	Foxconn weakens its responsibility for negative events and outcomes of labour practices.	‘In addition, employees may work overtime during the week, over the weekend, and during the holiday at their own free will’ (Foxconn, 2012, p.13).

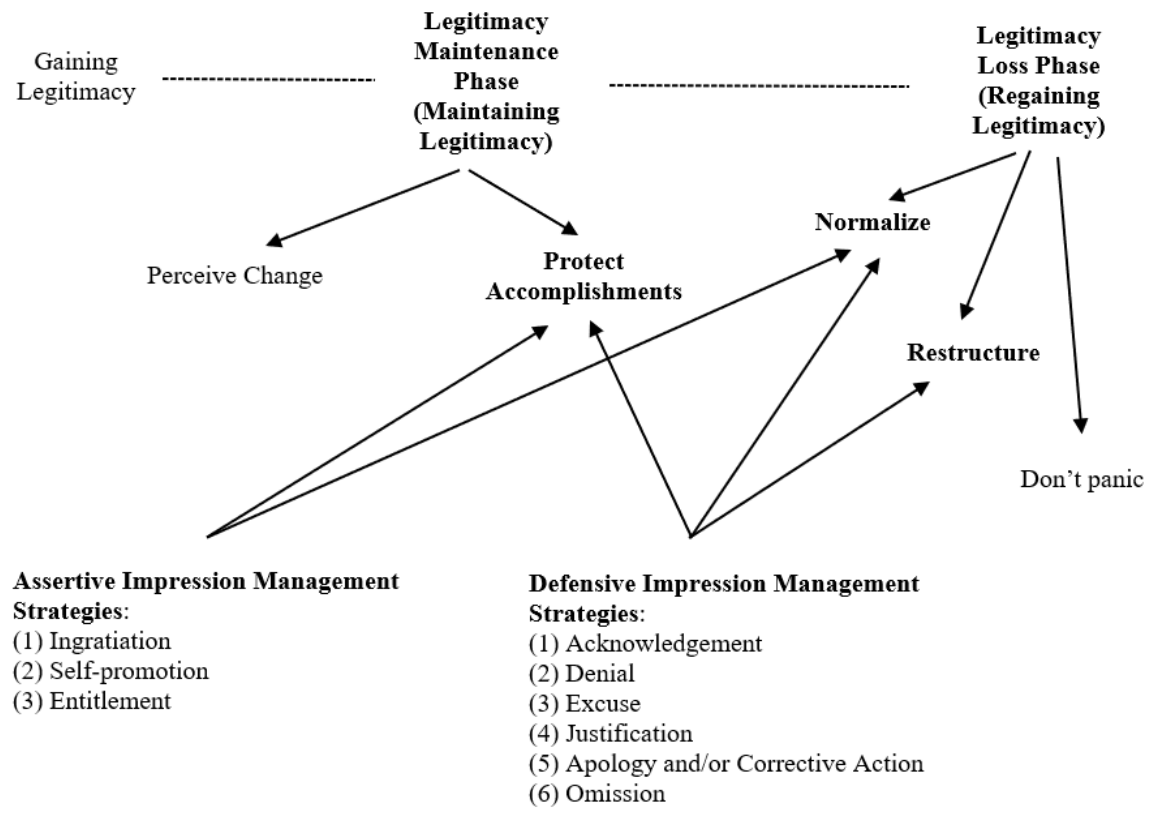
Justification	Foxconn accepts at least partial responsibility for negative events and outcomes of its labour practices and provides explanations for them.	‘In 2015, there were three fire-related incidents and 16 industrial accidents at the company’s facilities across China, a decrease compared to 2014’ (Foxconn, 2015, p.41).
Apology and/or corrective action	Foxconn asks forgiveness for negative events and outcomes of its labour practices and/or takes action to correct them.	‘A fire prevention task force had been set up under the direct supervision of the CEO office to enhance the awareness of fire prevention and to shorten the response time of fire hazards’ (Foxconn, 2009, p. 29).
Omission ⁷	Foxconn withholds negative events and outcomes of its labour practices.	

Figure 1 shows the relationships between Suchman’s (1995) legitimacy framework and the impression management strategies presented in Table 1. The first half of Figure 1 is adopted from table 1 of Suchman (1995, p. 600). Specifically, we focus on two phases of legitimacy: ‘legitimacy loss’ and ‘legitimacy maintenance’. In our study, the ‘legitimacy loss’ phase covers 2009–2013, and the ‘legitimacy maintenance’ phases include 2008 and 2014–2019. The second half of the figure groups impression management strategies involving corporate narratives into two categories: assertive and defensive. As discussed in Section 3.2, we link impression management strategies with legitimacy strategies in each specific scenario (i.e., maintaining legitimacy and regaining legitimacy).

⁷ Different from other defensive strategies embedded in disclosure, omission refers information not being included in Foxconn’s labour practice disclosures. Thus, for examples of omission, readers may refer to Table 4.

Figure 1 Combination of Suchman's (1995) legitimacy framework and impression management strategies

Figure 1 shows how impression management strategies are related to different legitimacy phases.



3.3 Deriving the research question

Public exposure of labour malpractices in Foxconn occurred in 2009, 2010 and 2011 (Li *et al.*, 2018; Li and Haque, 2019), followed by scrutiny and inspection by FLA in 2012 and 2013. Thus, Foxconn experienced a ‘legitimacy loss’ phase (2009–2013) and two ‘legitimacy maintenance’ phases (2008 and 2014–2019). In adopting legitimacy theory, our study is based on legitimacy changes across these phases and the contested labour practices, the implicit idea being that the more contested the practices, the more legitimation is required in terms of using different impression management strategies. Some studies (Brown and Deegan, 1998; Deegan *et al.*, 2000; Deegan *et al.*, 2002; Islam and Deegan, 2010; Kent and Zunker, 2013) suggest that in a ‘legitimacy loss’ phase, firms would provide more information to demonstrate their compliance with society’s expectations by regaining legitimacy. For example, firms with a greater need to regain legitimacy (measured by the number of negative media articles in the year prior to 2004) have longer labour practice disclosures (Kent and Zunker, 2013).

Consistent with these studies, we posit that in the ‘legitimacy loss’ phase (2009–2013), Foxconn discloses more information by using more ‘defensive’ strategies to acknowledge and tone down its labour malpractices. In the ‘legitimacy maintenance’ phases (2008 and 2014–2019), Foxconn’s disclosures return to a ‘normal’ level, and they use more assertive strategies to appeal to stakeholders. This corresponds to ‘Scenario 1’ of Table 2.

Another group of studies (e.g., De Villiers and Van Staden, 2006; Kuruppu *et al.*, 2019; O’Donovan, 2002; O’Dwyer, 2002) found that in a ‘legitimacy loss’ phase, firms may reduce disclosures and take substantive actions, as firms perceive those disclosures as being unable to persuade stakeholders to re-grant legitimacy. If this is the case, Foxconn may have reduced its labour practice disclosures and the use of impression management strategies in its ‘legitimacy loss’ phase (2009–2013). This corresponds to ‘Scenario 2’ of Table 2.

There is a third possibility considered based on the legitimacy theory. If Foxconn is concerned that reducing the disclosures could provoke backlash and disappoint stakeholders (Higgins *et al.*, 2015; O’Dwyer, 2002), it is likely to keep its disclosures and the use of impression management strategies relatively constant over the different phases. This corresponds to ‘Scenario 3’ of Table 2. Thus, how Foxconn would change its disclosures and use impression management strategies is *ex-ante* uncertain. We commence our analysis by examining the proportion of disclosures devoted to different labour practice issues, followed by the proportion of disclosures devoted to different impression management strategies (measured by the number of sentences). Because we focus on impression management strategies, our research question (RQ) is:

Is there any variation in Foxconn’s labour practice disclosures devoted to impression management during the period 2008 to 2019?

Table 2 Three possible scenarios based on the legitimacy theory

Table 2 summarises three possible scenarios of the variation in Foxconn’s labour practice disclosures and its use of impression management strategies.

Scenarios	Phases of legitimacy	Change in the length of disclosures	Change in the use of impression management strategies	
			<i>Defensive</i>	<i>Assertive</i>
Scenario 1	Legitimacy Loss	+	+	
	Legitimacy Maintenance	–		+
Scenario 2	Legitimacy Loss	–	–	–

Scenario 3	Legitimacy Maintenance	+	+	+
	Legitimacy Loss	No change	No change	No change
	Legitimacy Maintenance	No change	No change	No change

4. Research method

4.1 Data

We extract Foxconn’s labour practice disclosures from annual standalone sustainability (social and environmental) reports for 12 years (2008–2019). In investigating Foxconn’s labour practices, different NGOs released reports in 2010, 2012, 2013, 2017, 2018 and 2019. The first three years’ reports are related to the three high-profile incidents in 2009, 2010 and 2011. The reports of 2017, 2018 and 2019 are based on undercover investigations conducted by China Labour Watch. As mentioned in Section 2.2, we use the reports to construct the comparative accounts. To assure the validity of our comparative accounts, we later triangulate the accounts with sociological studies and Apple’s reports. Table 3 summarises the reports coded by our study. All reports are in English. Thus, no translation was needed.

Table 3 The reports coded by our study

Table 3 lists the reports coded in the study. Column 1 shows years, column 2 presents the location of Foxconn’s labour practice disclosures, and column 3 shows detailed information from NGOs’ labour practice reports.

Year	Foxconn’s Labour Practice Disclosures	NGOs’ Labour Practice Reports
2008	Labour practice disclosures are located on pp. 21–36 of annual standalone sustainability reports.	
2009	Labour practice disclosures are located on pp. 19–40 of annual standalone sustainability reports.	
2010	Labour practice disclosures are located on pp. 12–31 of annual standalone sustainability reports.	<ol style="list-style-type: none"> 1. Students and Scholars Against Corporate Misbehaviour (SSACM) inspected two factories located in China, with a 24-page report in English (i.e., SSACM, 2010). 2. Union of Universities in China, Hong Kong and Taiwan (UUCHKTW) inspected 12 factories located in China, with a 92-page report in English and Chinese (i.e., UUCHKTW, 2010).
2011	Labour practice disclosures are located on pp. 11–24 of annual standalone sustainability reports.	
2012	Labour practice disclosures are located on pp. 10–23 of annual standalone sustainability reports.	<ol style="list-style-type: none"> 1. Fair Labour Association (FLA) inspected three factories in China, with a 195-page report in English (i.e., FLA, 2012a). 2. FLA conducted a verification to check whether Foxconn corrected its malpractices, with a verification report (i.e., FLA, 2012b).

2013	Labour practice disclosures are located on pp. 11–19 of annual standalone sustainability reports.	<ol style="list-style-type: none"> 1. FLA conducted a verification to check whether Foxconn corrected its malpractices, with a verification report (i.e., FLA, 2013a). 2. FLA conducted its final verification to check whether Foxconn corrected its malpractices, with a verification report (i.e., FLA, 2013b).
2014	Labour practice disclosures are located on pp. 24–47 of annual standalone sustainability reports.	
2015	Labour practice disclosures are located on pp. 27–45 of annual standalone sustainability reports.	
2016	Labour practice disclosures are located on pp. 28–47 of annual standalone sustainability reports.	
2017	Labour practice disclosures are located on pp. 24–43 of annual standalone sustainability reports.	<ol style="list-style-type: none"> 1. China Labour Watch (CLW) conducted undercover investigations and interviewed employees in Foxconn, with a 23-pages report in English (i.e., CLW, 2017).
2018	Labour practice disclosures are located on pp. 24–39 of annual standalone sustainability reports.	<ol style="list-style-type: none"> 1. CLW conducted undercover investigations in Foxconn, with a 94-page report in English (i.e., CLW, 2018).
2019	Labour practice disclosures are located on pp. 36–63 of annual standalone sustainability reports.	<ol style="list-style-type: none"> 1. China Labour Watch (CLW) conducted undercover investigations and interviewed employees in Foxconn, with a 72-page report in English (i.e., CLW, 2019a). 2. China Labour Watch (CLW) conducted undercover investigations and interviewed employees in Foxconn, with a 51-page report in English (i.e., CLW, 2019b).

4.2 Data analysis

We use a quantitative content analysis for Foxconn’s labour practice disclosures. This approach is frequently used in the literature (e.g., Kent and Zunker, 2013, 2015; Kent, *et al.*, 2021). For descriptive purposes, we code the disclosures with a set of coding themes that reflects prevalent labour practice issues (Li *et al.*, 2018). The coding themes are presented in Table 4 and are based on international labour standards⁸ and the Global Reporting Initiative.⁹ Then, we examine the labour practice disclosures, with impression management strategies shown in Table 1. Constructing the comparative accounts, we group the labour practice issues identified by NGOs following the coding themes in Table 3.

To reduce the subjectivity of coding, we constructed two detailed sets of coding instructions. Sentences are chosen as the coding unit for two reasons. First, the context of sentences helps ensure a more accurate categorisation (Milne and Adler, 1999). Second, while

⁸ The labour standards are discussed in *International Labour Organization’s Fundamental Conventions and Rules of the Game: A Brief Introduction to International Labour Standards*.

⁹ See <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/> (accessed 16 September 2021).

using statements as the coding unit may provide even better context for categorisation, identifying statements is associated with increased subjectivity. In other words, we exchange a degree of analytical sensitivity for improved reliability. To further mitigate the subjectivity of coding, the first author and assistants separately coded all reports shown in Table 3, following the coding instructions, with any differences resolved through discussion.

Table 4 The coding themes of labour practice issues

Table 4 shows the coding themes of labour practice issues. Column 1 shows themes, and column 2 presents examples extracted from Foxconn’s labour practice disclosures.

Theme	Examples extracted from Foxconn’s labour practice disclosures
Freedom of association	‘Labor unions are free to establish and operate at all Foxconn sites around the world’ (Foxconn, 2008, p. 17).
Collective bargaining	‘98% of employees covered by Collective Bargaining Agreement with Labor Union’ (Foxconn, 2014, p. 25).
Forced labour	‘Foxconn prohibits employment of under-aged workers and forced labor’ (Foxconn, 2012, p. 12).
Child labour	‘Foxconn prohibits employment of under-aged workers and forced labor’ (Foxconn, 2012, p. 12).
Equality of opportunity and treatment	‘Foxconn is an equal opportunity employer, and our employment policies require that recruitment, promotion, wages, training opportunities, and retirement must be people-oriented, non-discriminatory, lawful, and fair, without discrimination based on gender, age, nationality, religion, political affiliation, birthplace, nation of origin, language, disability, gender identity or union membership’ (Foxconn, 2014, p. 25).
Employment policy	‘The employee age from 16 to 18 is defined as “young worker” at Foxconn and has to be covered by the young worker policy under the HR system’ (Foxconn, 2009, p. 20).
Employment promotion	‘We also provide opportunities for merit-based promotion and compensation, as well as on-the-job training for all employees’ (Foxconn, 2015, p. 27).
Vocational guidance and training	‘The institute opened on September 19, 2011 and provides free and superior service for all employees’ (Foxconn, 2011, p. 23).
Employment security	‘Even in a tough economy, Foxconn did not waver on its commitment to employees and the culture that kept them challenged and provided a work–life balance’ (Foxconn, 2009, p. 2).
Wages	‘Foxconn provides remuneration to all employees based on merit’ (Foxconn, 2015, p. 30).
Working time	‘Foxconn Group provides a series of programs to help employees keep a balance between their work and personal life’ (Foxconn, 2008, p. 23).

Occupational safety and health	‘A fire prevention task force had been set up under the direct supervision of the CEO office to enhance the awareness of fire prevention and to shorten the response time of fire hazards’ (Foxconn, 2009, p. 29).
Maternity protection	‘Since the introduction of this initiative, the company has welcomed 316 “Foxconn babies”’ (Foxconn, 2017, p. 32).
Supplier assessment for labour practice	‘As an EICC member, Foxconn requires that all suppliers not only carry out social and environmental responsibility and obey the applicable national and regional laws and regulations, but also comply with a business ethics code’ (Foxconn, 2017, p. 44).
Others	‘As of December 31, 2011, Foxconn’s total population had increased to 1.1 million employees, in line with the Group’s global expansion’ (Foxconn, 2011, p. 12).

5. Results and discussion

We discuss the analysis of Foxconn’s labour practice disclosures in Section 5.1 and the analysis of NGOs’ labour practice reports in Section 5.2. A final discussion is provided in Section 5.3. For the two analyses, first, we investigate which prevalent labour practice issues were disclosed during the period of analysis (Sections 5.1.1 and 5.2.1). Second, we examine the use of impression management strategies (Sections 5.1.2 and 5.2.2).

5.1 Analysis of Foxconn’s labour practice disclosures

5.1.1 Issues covered by Foxconn’s labour practice disclosures

Our analysis of Foxconn’s disclosures revealed four interesting phenomena. First, Foxconn’s labour practice disclosures included more details over time. For example, in relation to wages, Foxconn (2011, p. 14) provided general information in 2011: ‘as of February 1, 2011, Foxconn increased workers’ compensation in mainland China, and since then, it has exceeded the minimum pay rate for each region’. However, the disclosure in 2018 provides more detail: ‘each of our campuses recruits employees at wages that are higher than the local minimum wage by 10%–26%’ (Foxconn, 2018, p. 26). This result aligns with the conclusion of Adams (2017) in the sense that as firms have richer experiences of labour practice disclosures, their disclosures are more detailed and specific.

Second, as Figure 2 shows, among labour practice issues, occupational health and safety is most discussed, followed by vocational guidance and training and employment policy. Although other issues, including wages, freedom of association and collective bargaining, are equally important and meaningful to Foxconn’s workers (Lucas *et al.*, 2013; Xu and Li, 2013; Li *et al.*, 2018; Li and Haque, 2019), they are consistently underreported.

Third, as Figure 2 shows, the disclosures from 2009 to 2013 are different from those for other sample years. As mentioned in Section 1, Foxconn strives to regain its legitimacy from 2009–2013. However, the disclosures are much shorter in length compared with the disclosures in other years (e.g., 2014–2018). For example, the disclosures in 2011 include 101 sentences, whereas Foxconn used 152 sentences in 2008 and 173 sentences in 2014 to disclose its labour

practices. A comparison of the weights of different labour practice issues revealed that occupational health and safety was reported much less during 2009–2013. Thus, the result is consistent with the second scenario discussed in Table 2. Theoretically, the result is consistent with a notion derived from the legitimacy theory that given that occupational health and safety became a ‘sensitive’ issue to Foxconn from 2009 to 2013, it would reduce the disclosures in this regard ‘in the hope that this will assist in reducing the importance of the issue’ (De Villiers and Van Staden, 2006, p. 767). Reducing labour practice disclosures, especially information on occupational health and safety, is a strategy for regaining legitimacy. In contrast, in 2008 and 2014–2019 (before and after the effects of high-profile labour practice incidents), as occupational health and safety were not ‘sensitive’, Foxconn would disclose more information about occupational health and safety to maintain its legitimacy.

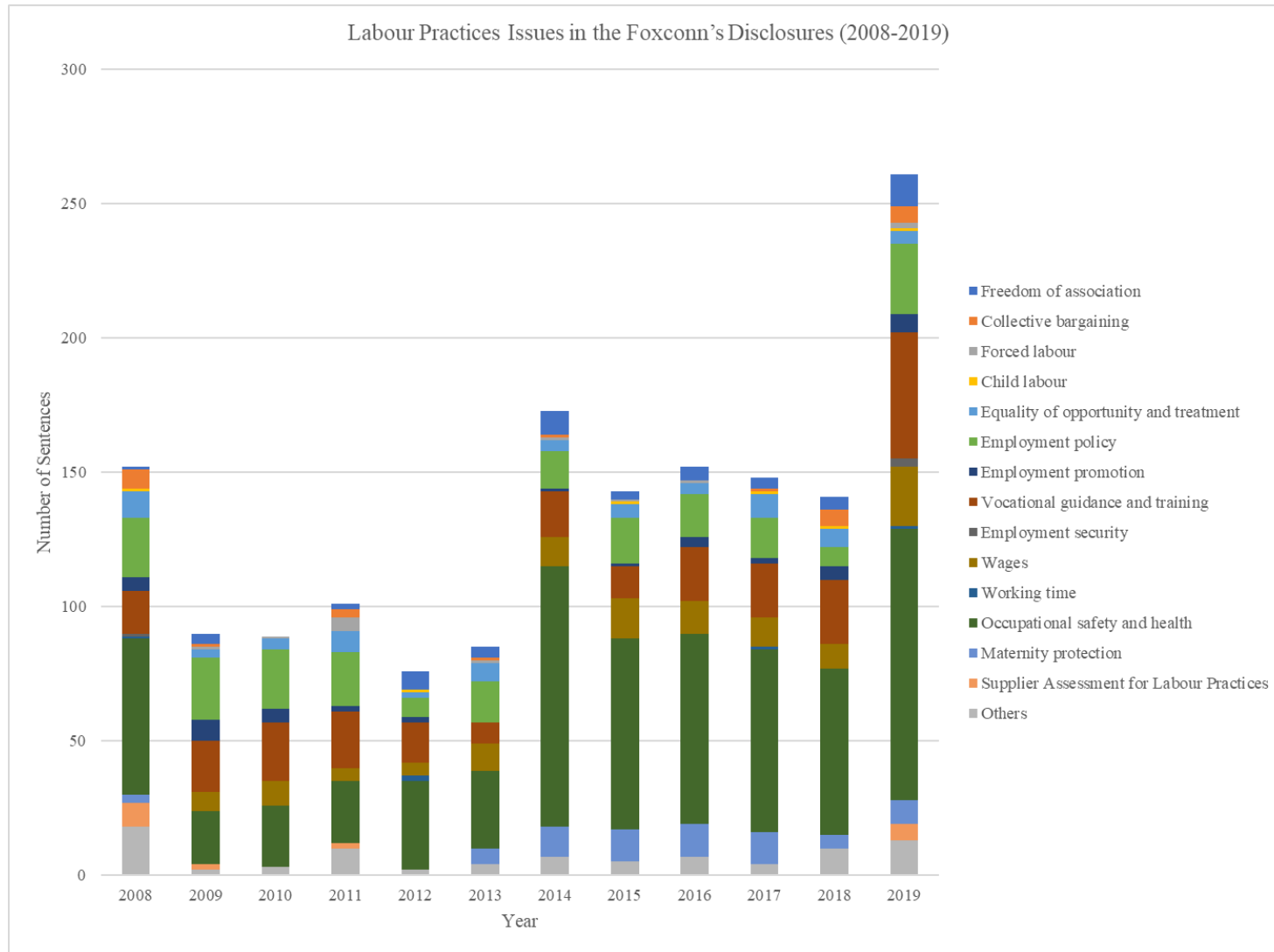
Fourth, the length of labour practice disclosures significantly increased in 2019, to greater than 250 sentences, with more information on vocational guidance and training and occupational health and safety being disclosed. After carefully searching news media, we found that Foxconn experienced a major change in leadership.¹⁰ Specifically, in 2019, the founder of Foxconn retired, and a younger professional manager took over as the new chairperson. As non-financial decisions (e.g., labour practice disclosures) are affected by managers’ personal characteristics (Cronqvist and Yu, 2017; Gillan *et al.*, 2021), we suspect that the increase in labour practice disclosures is related to the change in leadership.

Overall, we can match Foxconn’s labour practice disclosures with different needs of legitimacy: the 2009–2013 disclosures correspond to regaining legitimacy, and disclosures in other years are related to maintaining legitimacy.

¹⁰ Readers may refer to <https://www.forbes.com/sites/willyshih/2019/06/12/changing-of-the-guard-at-foxconn/?sh=577133563f94> (accessed 21 May 2022); <https://fortune.com/2019/04/16/data-sheet-foxconn-terry-gou-ceo/> (accessed 21 May 2022); <https://www.reuters.com/article/us-foxconn-chairman-exclusive-idUSKCN1RR0DB> (accessed 21 May 2022).

Figure 2 Labour practice issues in the Foxconn's disclosures (2008–2019)

Figure 2 shows the number of sentences reporting various labour practice issues in Foxconn's labour practice disclosures. The details of labour practice issues are presented in Table 3.



5.1.2 Impression management strategies in Foxconn's labour practice disclosures

Our analysis of impression management strategies in Foxconn's disclosures is presented in Figure 3. As Panel A in Figure 3 shows, assertive strategies are persistently used more than defensive strategies embedded in disclosure (e.g., denial and excuse). This result is consistent with prior studies of impression management strategies. For example, Edgar *et al.* (2018) found that among 1,672 statements analysed, very few (about 6.10%) were defensive statements. This dominant use of assertive strategies by Foxconn corroborates the view that two main goals of non-financial disclosures are: (1) improving reputation and (2) signalling commitment to social and environmental issues (Higgins *et al.*, 2015). To achieve these goals, assertive strategies that 'establish a particular identity and build reputational characteristics' (Ogden and Clarke, 2005, p. 332) would be used more. It is noteworthy that Foxconn used less assertive strategies during the period 2009–2013. Thus, the results shown in Figure 3 are more consistent with the second scenario discussed in Table 2. An interpretation is that in a 'legitimacy loss' phase, using assertive strategies would expose a firm to greater pressure and increased scrutiny (O'Dwyer, 2002).¹¹ Panel A of Figure 3 also reports less use of defensive strategies embedded in disclosure during 2009–2013. Albeit theoretically, these defensive strategies are closely related to regaining legitimacy, as shown in Figure 1. Following Kuruppu *et al.* (2019), we argue that when Foxconn is in a 'legitimacy loss' phase and receives pressure from salient stakeholders (e.g., its main customers), it prefers to take remedial action and not use defensive strategies to (possibly) provoke stakeholders. Overall, the results shown in Figure 3 support the explanatory power of the second scenario in Table 2.

As Panel B of Figure 3 shows, ingratiation, self-promotion, entitlement, and enhancement were persistently used from 2008 to 2019. For example, Foxconn (2011, p. 14) claims that 'it strives to improve employee welfare and creates an atmosphere of health, harmony and advancement'. This statement corroborates the notion that labour practice disclosures are used to improve reputation (e.g., self-promotion emphasises Foxconn's competence and abilities to advance labour welfare) and please stakeholders (e.g., ingratiation focuses on Foxconn's commitment to labour welfare). Moreover, as Panel B shows, Foxconn refrained from the use of ingratiation and self-promotion strategies in its 'legitimacy loss' phase. For example, there were 34 sentences of self-promotion in 2008, yet this number dropped to 15 in 2011. A possible interpretation is that as ingratiation and self-promotion are loosely connected with concrete or specific outcomes of labour practices, Foxconn perceives the two as ineffective in persuading stakeholders.

While defensive strategies are used less frequently, we found two interesting patterns in Panel B. First, in the 'legitimacy loss' phase, Foxconn used apology and/or corrective action in its disclosures. For example, 'in 2013, Foxconn also established a subsidy for victims of disasters and donated an amount of RMB 9,597,000 to employees of the Yaan and Dingxi districts' (Foxconn, 2013, p. 13). This is consistent with our interpretation that from 2009 to 2013, Foxconn preferred to take remedial action and report the remedial action in its disclosures. Second, in a 'legitimacy maintenance' phase, Foxconn tends to use the strategies that are rarely used in the 'legitimacy loss' phase, aiming to protect accomplishments. For example, we found that Foxconn used 'acknowledgement' five times and 'denial' nine times in 2019; in contrast, Foxconn used 'acknowledgement' two times in total from 2009 to 2013, and we did not detect any use of 'denial' from 2009 to 2013. Thus, Foxconn seems to recognise

¹¹ For example, an Irish manager said that 'we in fact dropped environmental reporting ... because we felt we had occasions where people had used it as a hostage to fortune, saying basically, "well you've said this, why are you doing that?"' (O'Dwyer, 2002, p. 424).

some defensive strategies (e.g., denial) as less effective and even blatant, thereby limiting their use.

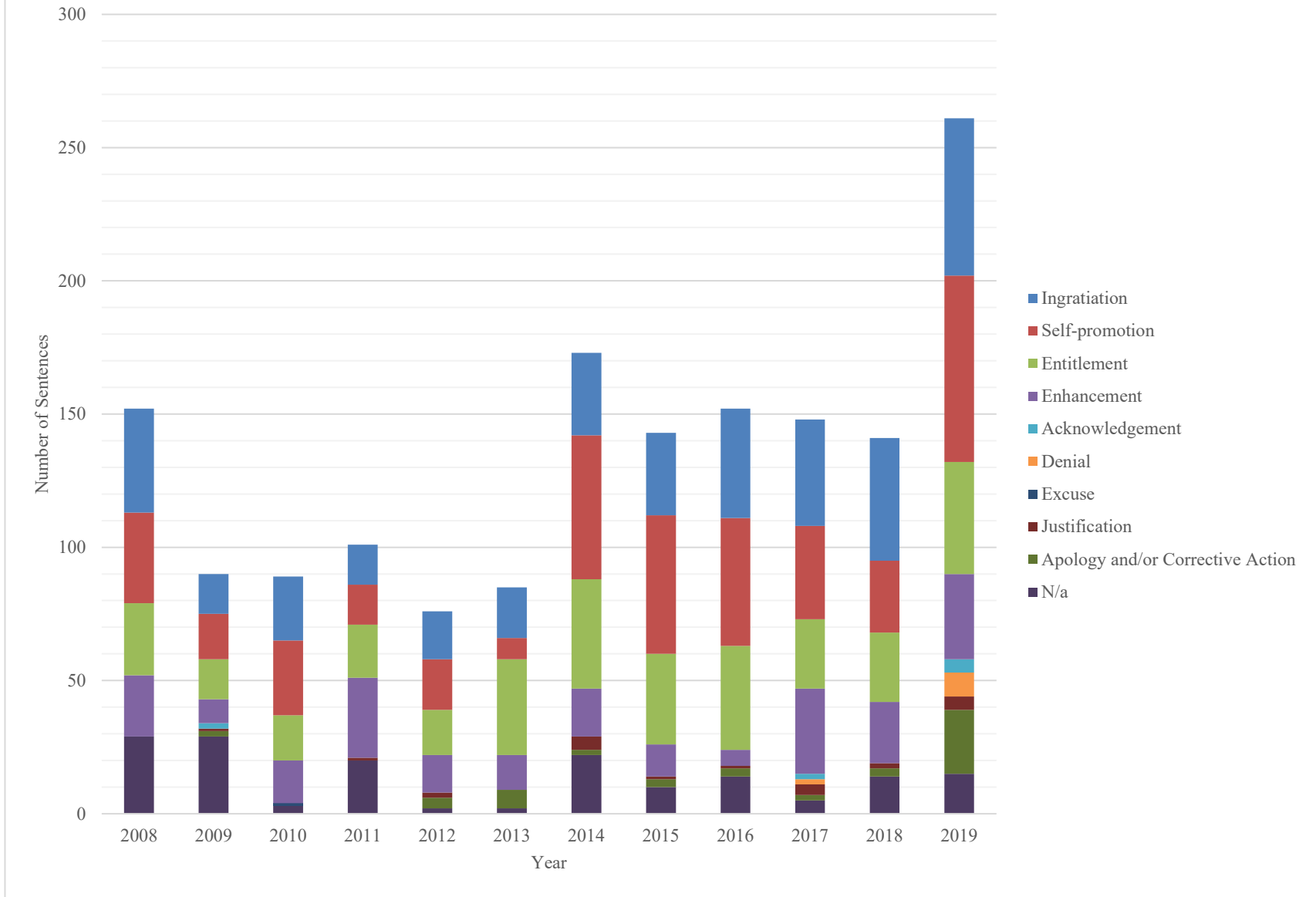
Overall, the results presented in Figure 3 suggest that Foxconn's use of impression management strategies is adjusted according to different legitimacy phases. In a 'legitimacy loss' phase, the assertive strategies closely connected with specific positive outcomes of labour practices (i.e., entitlement and enhancement) are largely kept in the disclosures, yet the strategies without such connections (i.e., self-promotion and ingratiation) would be removed. Thus, the use of assertive strategies is reduced in a 'legitimacy loss' phase. While Foxconn is likely to avoid using defensive strategies in this phase, it would still disclose an apology or corrective action to please stakeholders. In contrast, in a 'legitimacy maintenance' phase, Foxconn tends to use more ingratiation and self-promotion to bolster its reputation, thereby including more assertive strategies in the disclosures. In a 'legitimacy maintenance' phase, Foxconn uses more defensive strategies that could provoke stakeholders (e.g., denial).

Figure 3 The use of impression management strategies in Foxconn’s disclosures (2008–2019)

In Figure 3, Panel A shows the number of sentences used for assertive and defensive strategies (‘N/a’ represents that the sentence is not relevant to impression management). It is noteworthy that defensive strategies considered do not include omission because omission is not embedded in disclosure. Panel B shows the number of sentences used for assertive and defensive sub-strategies (‘N/a’ represents that sentence is not relevant to impression management).



Panel B - Use of Various Impression Management Strategies (2008-2019)



5.2 Analysis of NGOs' labour practice reports

5.2.1 Triangulation of the comparative accounts

Before we leverage the power of NGOs' (i.e., SSACM, UUCHKTW, FLA and CLW) labour practice reports as informed and expert comparative accounts of Foxconn's labour practices, we need to consider whether these reports are reliable. Based on three aspects, we suggest that the reports are reliable, and the NGOs are less likely to exaggerate Foxconn's labour malpractices. First, as SSACM and UUCHKTW are temporary research groups composed of students and staff from universities without expertise in or advanced experiences of labour practices, they are more likely to overlook problems in Foxconn's labour practices (e.g., safety concerns in workplaces). In contrast to SSACM and UUCHKTW, FLA, with expertise in labour practices, is invited by Apple, which holds a close business relationship with Foxconn, to inspect Foxconn. As FLA's inspections are open to and conducted with the cooperation of Foxconn, FLA may downplay issues.¹² CLW's inspections are undercover, and, therefore, are less subject to Foxconn's influences. CLW is an NGO devoted to labour practices in China with offices in the United States and China, and its reports have been frequently used by mainstream news media, including *The Washington Post*, *CNBC*, *Bloomberg* and the *South China Morning Post*.¹³ Moreover, the four NGOs are independent of each other. Thus, these reports also substantiate one another.

Second, the findings of sociological studies published in peer-reviewed journals also support the NGOs' reports. Analysing labour malpractices in EMS suppliers in China, Chan and Pun (2010) and Chan *et al.* (2013, 2015a) largely reinforced the NGOs' reports. For example, Chan *et al.* (2015a, p. 89) found that:

if a target is not fulfilled, Foxconn Chengdu workers have to stay on the production line to finish it, sometimes working an entire twelve-hour shift. Worse yet, workers frequently report that overtime is not fully documented, with the result that overtime wages are unpaid or under-paid. ... In another situation, workers were often required to work on Saturdays and Sundays during the production peak season. While they should be paid double in accordance with the law, they were instead given rest days during low seasons to offset the overtime premiums.

Corroborating the NGOs' reports, sociological studies found a range of similar chronic issues in labour practices (Pun, 1999, 2003, 2004a, 2004b, 2005a, 2005b). For example, 'systemic provision of dormitories for internal migrant labour within or around factories facilitates continuous access to fresh labour reserves from the countryside and depresses wage demands' (Pun and Smith, 2007, p. 29). In addition, student interns are found to work long hours for low wages (Chan, *et al.* 2015b; Smith and Chan, 2015).

Third, Apple's supplier responsibility reports corroborate the NGOs' reports. From 2010 to 2019, Apple inspected its suppliers' plants for labour practices and published its own

¹² For example, we note that another NGO based in Washington DC, the Economic Policy Institute, released a report heavily criticising FLA for giving Foxconn undue credit for improving labour practices. See <https://www.epi.org/publication/bp352-polishing-apple-fla-foxconn-labor-rights/> (accessed 2 October 2019).

¹³ For example, CLW (2019a) is cited in <https://www.washingtonpost.com/technology/2019/09/09/apple-accused-worker-violations-chinese-factories-by-labor-rights-group/>, <https://www.cnbc.com/2019/09/09/apple-appl-claims-it-broke-china-labor-laws-at-iphone-factory-mostly-false.html> and <https://www.bloomberg.com/news/articles/2019-09-09/apple-foxconn-broke-a-chinese-labor-law-for-iphone-production>, and CLW (2019b) is cited in <https://www.scmp.com/news/china/policies-politics/article/2150207/chinese-amazon-plants-harsh-working-conditions> (accessed 2 October 2019).

inspection results (i.e., the supplier responsibility reports).¹⁴ For example, in 2010, Apple audited 127 plants and found non-compliance with labour practice specifications at 28% of them. Despite the potential tendency for understatement, Apple acknowledged many of the problems identified by the NGOs. For example, ‘suppliers not providing legally mandated benefits, or over-time not paid at premium rates as stipulated by law and Apple’s requirement ... examples of working hours violations include exceeding the 60 hour workweek limit, and providing no day of rest after six consecutive days of work’ (Apple, 2018, p. 47).

5.2.2 Omission in Foxconn’s labour practice disclosures

To better summarise the NGOs’ reports and use them as comparative accounts, we coded the reports following the coding themes in Table 3. Table 4-5 shows labour malpractice issues identified by NGOs. As Table 2 shows, different NGOs released reports in 2010, 2012, 2013, 2017, 2018 and 2019. The comparative accounts presented in Table 4-5 revealed the prevalent use of omission (a defensive impression management strategy) in the disclosures. For example, the FLA found ‘all three factories exceeded the overtime limit of 36 hours per month during the period March – October 2013’, and there were no union elections in the three factories (FLA, 2013b, p. 4). However, Foxconn did not report any relevant information in its disclosures. In addition, CLW (2018, 2019a, 2019b) found that the number of dispatched workers and the number of student interns in Foxconn were greater than legally permitted; however, these facts were not mentioned by Foxconn. The disclosure of wages is another example. Foxconn (2010, p. 17) claimed that it provides ‘annual bonuses, continued service incentives, and other types of fringe benefits’ and did not mention that workers in Foxconn did not receive full compensation for overtime work and usual work (SSACM, 2010; UUCHKTW, 2010). In 2018, Foxconn reported that ‘Foxconn has implemented annual bonuses, time-based incentives, and other incentive programs’ (Foxconn, 2018, p. 26), although it did not disclose that its wages are so low that workers have to work overtime to make ends meet (CLW, 2018). Overall, the comparative accounts consistently found that material labour practice issues are omitted in the disclosures.

Moreover, a closer examination of the comparative accounts indicates that omission in the disclosures persisted, even though the underlying labour practices improved. For example, numerous issues in occupational health and safety were solved in 2013: ‘at the conclusion of the 15-month action plan implementation period, ... 356 action items (out of 360) had been implemented, for an overall completion rate of 98.9 percent’ (FLA, 2013b, p. 2). CLW (2017, 2018, 2019a, 2019b) substantiated the improvements in occupational health and safety. Foxconn began to provide insurance to workers after 2013,¹⁵ and CLW (2017, 2018, 2019a, 2019b) confirmed this change. However, regardless of these improvements, Foxconn still used omission during the period 2013–2019. For example, Foxconn’s disclosures in 2019 did not

¹⁴ It is noteworthy that the supplier responsibility reports may understate labour practice issues of the suppliers. For example, the Economic Policy Institute released a report heavily criticising these supplier responsibility reports for overstating progress made in its suppliers’ labour practices. See <https://www.epi.org/publication/assessing-reforms-portrayed-apples-supplier/> (accessed 2 October 2019).

¹⁵ ‘Foxconn has accepted terms that are favourable to employees in their employment contracts with a goal to establish “the five assurances”’: (a) guarantee the enrolment of the social insurance required by law (including the standard social security insurance, the standard medical insurance, the work-related injury insurance, maternity insurance, and unemployment insurance); (b) invest in a self-insurance fund of RMB 60,000,000 per year (commercial insurance) as a Housing Ceremony in Jincheng Industrial Park supplement to other insurances’ (Foxconn, 2013, p. 13).

mention that workers received lower wages and that the use of student interns infringed legal requirements.¹⁶

Based on our experience with Foxconn's disclosures and the triangulated reports, we offer tentative explanations of this persistence of omission. Given a low profit margin, omission could be the most 'economic' strategy for Foxconn to maintain and regain its legitimacy. As it is hard to 'differentiate themselves from the competitors in terms of manufacturing and quality certifications', EMS suppliers have to 'compete on the basis of price' (Eccles *et al.*, 2013, p. 1). Thus, 'in this highly competitive environment, companies operated at very thin margins' (Eccles *et al.*, 2013, p. 1).¹⁷ An important strategy for Foxconn is 'dropping the cost of producing any product - from a cell phone to a complex mainframe server', because its clients 'are constantly looking at evaluating EMS as a strategy for reducing bottom-line costs' (Columbus, 2005, pp. 4–5). Due to 'facing pressures to compete on low margins', Foxconn could choose to compromise 'labour practices to lower their costs in the short-term' (SASB, 2014, p. 5). By interviewing insiders of some EMS suppliers, Duhigg and Barboza (2012, p. 2) confirmed this strategy: 'most suppliers are allowed only the slimmest of profits. So, suppliers often try to cut corners ... or push their *employees to work faster and longer*'. Similarly, Foxconn may be reluctant to correct such issues through the labour union and grievance system, as stronger labour unions and better grievance systems mean extra costs.

In addition to the low profit margin, EMS suppliers need to meet clients' high volume of orders with very tight deadlines (i.e., just-in-time inventory) (Ballantyne *et al.*, 2014; SASB, 2014).¹⁸ This also may explain the use of omission regarding hours of work and overuse of dispatched workers and student interns. The comparative accounts show a seasonal production pattern at Foxconn. Hours of work and workload per worker in Foxconn dramatically fluctuate. For example, 'at Chengdu, 5 percent of workers exceeded 36 hours of overtime per month during the period March–June 2013, but during the period July–October 2013, this increased to between 77.6 percent and 84.3 percent' (FLA, 2013b, p. 4). Another example is 'in October 2018, our investigator put in 130 overtime hours to manufacture the iPhone XS. Regardless of which iPhone series, October is the month with the most overtime hours' (CLW, 2019b, p. 23). Thus, instead of disclosing and justifying the illegal hours of work and overuse of dispatched workers and student interns to meet orders, omitting such information may be an 'economic' strategy.

¹⁶ 'Wages paid to regular workers and student interns actually decreased', and 'interns make up 21.3% of the workforce' (CLW, 2019a, p. 27 and p. 62).

¹⁷ This also applies to Foxconn. For example, its return on assets was 5.42% in 2012 and 5.26% in 2013. In contrast, Apple (i.e., a client of Foxconn) had a much higher return on assets, 28.54% in 2012 and 19.38% in 2013. Overall, EMS suppliers are based on 'low-cost and contract labour, with a high concentration of manufacturing facilities located in China and other parts of Asia' (SASB, 2014, p. 2).

¹⁸ 'One example of the extreme supply chain flexibility occurred when a Chinese contract manufacturer was asked to overhaul iPhone manufacturing to add a new faceplate just weeks before a critical retail launch. New screens arrived at the plant at midnight. The plant foreman went to company dorms and roused more than 8,000 workers. Within half an hour, after being provided with tea and biscuits, workers started on 12-hour shifts. Within 96 hours, the contract manufacturer was producing 10,000 of the new iPhones a day' (Teagarden, 2016, p. 9).

Table 4.5 Labour malpractices issues identified by NGOs

Panel - 2010	Issues identified by SSACM (2010) and UUCHKTW (2010)
Freedom of association	Labour union is totally controlled by management and cannot represent the interests of workers.
Collective bargaining	
Forced labour	
Child labour	
Equality of opportunity and treatment	Age discrimination
Employment policy	Accommodation offered by Foxconn is overcrowded, dirty and insecure. Neither does it provide adequate space for workers to rest enough. Certain employment benefits seek to induce employees to work even longer on assembly lines. No appropriate compensation for resignation. Hours of work exceed legal limits. Records of hours are incomplete. Employees are forced to overwork. Arrangement of work shifts is problematic. Student interns are not provided with social insurance, employment support and medical insurance, as required by law. Moreover, they are charged high brokerage fees by agents. Unreasonably low wages are paid. Full compensation for overtime work and usual work is not provided. Workers often suffer verbal assaults, physical violence, harassment, bullying and public humiliation.
Employment promotion	
Vocational guidance and training	Working conditions are harsh and unsafe. Inappropriate (sometimes no) personal protective equipment is provided to workers. Insufficient safety training is provided to workers. No regular health examinations for workers are conducted. Workplace incidents are covered up. No ergonomics is considered.
Employment security	
Wages	
Working time	
Occupational safety and health	
Maternity protection	
Supplier assessment for labour practices	
Others	
Panel - 2012	Issues identified by FLA (2012a, b)
Freedom of association	The labour union is totally controlled by management and does not represent the interests of workers.
Collective bargaining	
Forced labour	
Child labour	
Equality of opportunity and treatment	Age discrimination.
Employment policy	The length of employment probation is longer than the standard specified by FLA. Workers are not paid for training and testing for work skills. Workers are not paid for some usual working hours. Insurance for employees is not paid, as required by labour law. Hours of work directly violate labour law. Employment records are not properly maintained and updated. Student interns regularly work overtime. Foxconn did not adequately consider the welfare of workers. The effectiveness of the grievance system is problematic.
Employment promotion	
Vocational guidance and training	

Employment security	
Wages	
Working time	
Occupational safety and health	Maintenance of production equipment is not carried out properly or executed without records. Safety procedures for chemicals are inadequate. Building structures are not examined. Personal protective equipment is not adequate. Fire drills is not properly performed. No ergonomics is considered.
Maternity protection	
Supplier assessment for labour practices	
Others	
Panel - 2013	Issues identified by FLA (2013a, b)
Freedom of association	Labour union is controlled by management and does not represent the interests of workers.
Collective bargaining	
Forced labour	
Child labour	
Equality of opportunity and treatment	
Employment policy	
Employment promotion	
Vocational guidance and training	
Employment security	
Wages	
Working Time	Hours of work directly violate labour law.
Occupational safety and health	
Maternity protection	
Supplier assessment for labour practices	
Others	
Panel - 2017	Labour malpractices issues identified by CLW (2017)
Freedom of association	
Collective bargaining	
Forced labour	
Child labour	
Equality of opportunity and treatment	
Employment policy	
Employment promotion	
Vocational guidance and training	
Employment security	
Wages	Workers are not paid for some usual working hours. Unreasonably low wages are paid.
Working time	Hours of work directly violate labour law.
Occupational safety and health	
Maternity protection	
Supplier assessment for labour practices	
Others	
Panel - 2018	Labour malpractices issues identified by CLW (2018)
Freedom of association	Labour union does not function effectively.
Collective bargaining	
Forced labour	
Child labour	
Equality of opportunity and treatment	
Employment policy	Percentage of dispatched workers directly violates labour law. Dormitories provided by Foxconn do not have emergency exits and fire extinguishers. Dormitories provided by Foxconn do not label escape routes.

Employment promotion	The grievance system seems to not function effectively.
Vocational guidance and training	Training for dispatched workers is not provided.
Employment security	Sick leave for dispatched workers is unpaid.
Wages	Certain amenities claimed by Foxconn are not provided.
	Workers are not paid for some usual working hours.
	Unreasonably low wages are paid.
Working time	Hours of work directly violate labour law.
Occupational safety and health	
Maternity protection	
Supplier assessment for labour practices	
Others	
Panel - 2019	Labour malpractices issues identified by CLW (2019a, b)
Freedom of association	Labour union does not function effectively.
Collective bargaining	
Forced labour	
Child labour	
Equality of opportunity and treatment	Disabled persons are discriminated against.
Employment policy	The percentage of dispatched workers directly violates labour law.
	The percentage of student interns directly violates labour law.
	The grievance system seems to not function effectively.
Employment promotion	
Vocational guidance and training	Training for regular workers, dispatched workers and student interns is not sufficient.
Employment security	
Wages	Unreasonably low wages are paid.
Working time	Hours of work directly violate labour law.
	Workers and student interns are pushed to work overtime in peak season.
Occupational safety and health	
Maternity protection	
Supplier assessment for labour practices	
Others	

5.3 Discussion

Our findings reinforce the explanatory power of legitimacy theory in a way that, instead of placing accountability on Foxconn, the labour practice disclosures are used to demonstrate Foxconn's compliance with social expectations, thus securing its legitimacy. As Figures 2 and 3 demonstrate, when its legitimacy is damaged or scrutinised due to incidents (during 2009–2013), Foxconn adjusts the use of impression management strategies along with disclosure content to protect its past achievements in labour practices and to 'isolate' the high-profile incidents. Our findings are consistent with studies of labour practice disclosures (Islam and Deegan, 2010; Kent and Zunker, 2013, 2015; Kent *et al.*, 2021; Li *et al.*, 2018). Moreover, our findings align with prior studies that found rhetorical strategies embedded in corporate disclosure (Boiral, 2016; Talbot and Boiral, 2015).

Our longitudinal analysis of impression management strategies provides findings that can expand the literature on impression management (e.g., Brennan *et al.*, 2010; Edgar *et al.*, 2018; Shrives and Brennan, 2015, 2017; Yang and Liu, 2017). First, our case suggests that in facing legitimacy loss, firms would dominantly use assertive strategies rather than using disclosures to deny, explain, and justify. This is distinct from Brennan *et al.* (2010), Shrives and Brennan (2017) and Yang and Liu (2017)¹⁹, who found that defensive strategies are frequently used in annual reports and tweets, respectively. Our results indicate that to maintain or regain their legitimacy, firms dominantly use assertive strategies, and defensive strategies embedded in disclosure are less detected.

Second, our cross-year sample reveals how firms adjust different assertive strategies. Our results suggest that firms prefer to heavily use ingratiation and self-promotion in maintaining legitimacy and use the two strategies less in regaining legitimacy. As far as we could ascertain, our study provides the first evidence on how different strategies are used for different legitimacy scenarios and phases.

Third, leveraging the advantages of having comparative accounts, our study revealed an important impression management strategy (i.e., omission) that is under-researched in prior literature on impression management. Expanding on Cooper and Slack's (2015) analysis of water leakage reports, we found that firms also heavily and persistently use omission in labour practice disclosures. As Table 4–5 indicates, omitting negative labour malpractices is the defensive strategy persistently used by Foxconn. In contrast, Foxconn uses assertive strategies (entitlement and enhancement) to ensure readers notice good news about its labour practices. Overall, our findings suggest that while there are many available strategies for firms to maintain and regain legitimacy, only omission as a defensive strategy and assertive strategies are preferred.

6. Conclusion

We examine Foxconn's labour practice disclosures (2008–2019) through the theoretical lens of legitimacy and impression management. Synthesising various sources of information (e.g., the comparative accounts based on NGOs' reports, media and sociological studies), we found that Foxconn prepares labour practice disclosures in ways that serve its own interests and legitimacy rather than informing stakeholders. In terms of assertive strategies, compared with entitlement and enhancement, ingratiation and self-promotion are more frequently used for maintaining legitimacy rather than regaining legitimacy. Regarding defensive strategies, omission plays a key role and is persistently used to maintain and regain legitimacy. Building

¹⁹ For example, see table 5 of Shrives and Brennan (2017) and table 5 of Yang and Liu (2017).

on the comparative accounts and media reports, we offer tentative explanations of this. Given the low profit margin and just-in-time inventory associated with the global supply chain, omitting labour malpractices in the disclosures may be a more 'economic' strategy than disclosing and justifying the malpractices (e.g., hours of work and overuse of dispatched workers and student interns). Overall, our findings lend support to the explanatory power of legitimacy theory and impression management theory.

Our study contributes to the research in various respects. Regarding the extension of theory, we enrich the emerging research on suppliers' labour practice disclosures through the theoretical lens of impression management. Equally importantly, our results show how specific impression management strategies are adjusted according to different legitimacy scenarios and phases. In relation to the research method, we leverage the power of informed and expert comparative accounts built on NGO reports. As 'most prior studies ... have not sought to contrast this company-based view ... against a comparative account' (Cooper and Slack, 2015, pp. 802–803), our study should be not diminished. Aligning with findings of other studies (e.g., Adams, 2004; Boiral, 2013; Cooper and Slack, 2015), omitting material negative information is found to occur in labour practice disclosures. By synthesising various sources of information, we further offered tentative explanations for this phenomenon. Regarding our literature contributions, our study contributes to the accounting literature on suppliers' non-financial disclosures (e.g., Akbar and Deegan, 2021; Islam *et al.*, 2021; Li and Haque, 2019; Li *et al.*, 2018) by using a comparative aspect to investigate a dominant EMS supplier's labour practice disclosure.

Our study also has practical implications. For investors and other stakeholders who take into account labour practice disclosures in making decisions, our findings remind them to be aware of different impression management strategies in the disclosures and consider alternative sources of information when interpreting the disclosures. For external assurers, we suggest that they need to diligently examine what has not been disclosed in non-financial disclosures. In our case, as Foxconn is a public firm listed on the Taiwan Stock Exchange, without acknowledging the omission of material labour malpractices in corporate disclosure, external assurers could face high litigation risk. Our findings should encourage regulators to take further actions to ensure that non-financial disclosures communicate the underlying non-financial performance in a true and fair way.

Three limitations of our study provide more research opportunities. First, how other EMS suppliers communicate labour practices is left for future research. Although Foxconn's labour practices disclosures could be representative of the EMS industry, it is unclear how medium-to-small EMS suppliers and EMS suppliers in other countries communicate their labour practices. Second, our study focuses on the thematic content of Foxconn's disclosures. Researchers may explore other characteristics (e.g., the use of pictures) through the lens of impression management. Third, while we attempted to offer some explanations of strong preferences for a few impression management strategies (e.g., omission), future researchers are encouraged to further explore the consequences or effects of such preferences.

References

- Adams, C.A. (2004), 'The ethical, social and environmental reporting-performance portrayal gap', *Accounting, Auditing & Accountability Journal*, Vol. 17 No. 5, pp. 731-757.
- Adams, C.A. (2017), 'Conceptualising the contemporary corporate value creation process', *Accounting, Auditing & Accountability Journal*, Vol. 30 No. 4, pp. 906-931.
- Akbar, S. and Deegan, C. (2021), 'Analysis of corporate social disclosures of the apparel industry following crisis: An institutional approach', *Accounting & Finance*, Vol. 61 No. 2, pp. 3565-3600.
- Antonini, C., Beck, C. and Larrinaga, C. (2020), 'Subpolitics and sustainability reporting boundaries. The case of working conditions in global supply chains', *Accounting, Auditing & Accountability Journal*, Vol. 33 No. 7, pp. 1535-1567.
- Apostol, O.M. (2015), 'A project for Romania? The role of the civil society's counter-accounts in facilitating democratic change in society', *Accounting, Auditing & Accountability Journal*, Vol. 28 No. 2, pp. 210-241.
- Apple (2011), *Supplier Responsibility – 2011 Progress Report*. <https://www.apple.com/au/supplier-responsibility/> (accessed 26 June 2022)
- Apple (2018), *Supplier Responsibility – 2018 Progress Report*. <https://www.apple.com/au/supplier-responsibility/> (accessed 26 June 2022)
- Archel, P., Husillos, J., Larrinaga, C. and Spence, C. (2009), 'Social disclosure, legitimacy theory and the role of the state', *Accounting, Auditing & Accountability Journal*, Vol. 22 No. 8, pp. 1284-1307.
- Ashforth, B.E. and Gibbs, B.W. (1990), 'The double-edge of organizational legitimation', *Organization Science*, Vol. 1 No. 2, 177-194.
- Ballantyne, K., Bi, Z., Underwood, N. and Weng, X. (2014), *Taking a Bite Out of Apple: Labour Rights and the Role of Companies and Consumers in a Global Supply Chain*. Harvard Business School, Boston.
- Barnes, E., Dai, J., Deng, S., Down, D., Goh, M., Lau, H. and Sharafali, M. (2000), *Electronics Manufacturing Service Industry*. Logistics Institute, School of Industrial Engineering, Georgia Tech, Atlanta.
- Birkey, R.N., Guidry, R.P., Islam, M.A. and Patten, D.M. (2018), 'Mandated social disclosure: An analysis of the response to the California Transparency in Supply Chains Act of 2010', *Journal of Business Ethics*, Vol. 152 No. 3, pp. 827-841.
- Boiral, O. (2013), 'Sustainability reports as simulacra? A counter-account of A and A+ GRI reports', *Accounting, Auditing & Accountability Journal*, Vol. 26 No. 7, pp. 1036-1071.
- Boiral, O. (2016), 'Accounting for the unaccountable: Biodiversity reporting and impression management', *Journal of Business Ethics*, Vol. 135 No. 4, pp. 751-768.
- Bolino, M.C. and Turnley, W.H. (2003), 'More than one way to make an impression: Exploring profiles of impression management', *Journal of Management*, Vol. 29 No. 2, pp. 141-160.
- Bolino, M.C., Kacmar, K.M., Turnley, W.H. and Gilstrap, J.B. (2008), 'A multi-level review of impression management motives and behaviors', *Journal of Management*, Vol. 34 No. 6, pp. 1080-1109.
- Boxenbaum, E. and Jonsson, S. (2008), 'Isomorphism, diffusion and decoupling: Concept evolution and theoretical challenges', Greenwood, R., Oliver, C., Suddaby, R. and Sahlin-Andersson, K. (Eds.), *The SAGE Handbook of Organizational Institutionalism*, SAGE, USA, pp. 77-101.
- Brennan, N.M. and D.M. Merkl-Davies. (2013), *Accounting Narratives and Impression Management*. The Routledge Companion to Accounting Communication. Routledge, Oxfordshire.

- Brennan, N.M. and Merkl-Davies, D.M. (2014), 'Rhetoric and argument in social and environmental reporting: The Dirty Laundry case', *Accounting, Auditing & Accountability Journal*, Vol. 27 No. 4, pp. 602–633.
- Brennan, N.M., Daly, C.A. and Harrington, C.S. (2010), 'Rhetoric, argument and impression management in hostile takeover defence documents', *The British Accounting Review*, Vol. 42 No. 4, pp. 253–268.
- Brennan, N.M., Guillamon-Saorin, E. and Pierce, A. (2009), 'Methodological insights: Impression management: Developing and illustrating a scheme of analysis for narrative disclosures – A methodological note', *Accounting, Auditing & Accountability Journal*, Vol. 22 No. 5, pp. 789–832.
- Brown, N. and Deegan, C. (1998), 'The public disclosure of environmental performance information—A dual test of media agenda setting theory and legitimacy theory', *Accounting and Business Research*, Vol. 29 No. 1, pp. 21–41.
- Brunsson, N. (1989), *The Organization of Hypocrisy: Talk, Decisions, and Actions in Organizations*. John Wiley & Sons, Hoboken.
- Chan, J. and Pun, N. (2010), 'Suicide as protest for the new generation of Chinese migrant workers: Foxconn, global capital, and the state', *The Asia-Pacific Journal*, Vol. 37 No. 2, pp. 1–50.
- Chan, J., Pun, N. and Selden, M. (2013), 'The politics of global production: Apple, Foxconn and China's new working class', *New Technology, Work and Employment*, Vol. 28 No. 2, pp. 100–115.
- Chan, J., Pun, N. and Selden, M. (2015a), 'Apple's iPad City: Subcontracting exploitation to China', van der Pilj, K. (Ed.), *Handbook on the International Political Economy of Global Production*, Edward Elgar Publishing, Cheltenham, pp. 76–97.
- Chan, J., Pun, N. and Selden, M. (2015b), 'Interns or workers? China's student labor regime', *The Asia-Pacific Journal*, Vol. 13 No. 36, pp. 1–23.
- Chen, T.J. and Ku, Y.H. (2002), 'Creating competitive advantages out of market imperfections: Taiwanese firms in China', *Asian Business & Management*, Vol. 1 No. 1, pp. 79–99.
- Cheney, G., Christensen, L., Conrad, C. and Lair, D. (2004), 'Corporate rhetoric as organizational discourse', *The SAGE Handbook of Organizational Discourse (edited by Grant, D., Oswick, C., and Hardy, C.)*, pp. 79-103, SAGE Publications, Thousand Oaks.
- China Labour Watch (CLW) (2017), *A Year of Regression in Apple's Supply Chain: Pursuing Profits at the Cost of Working Conditions*. CLW, Washington, D.C.
- China Labour Watch (CLW) (2018), *Amazon Profits from Secretly Oppressing its Supplier's Workers: An Investigative Report on Hengyang Foxconn*. CLW, Washington, D.C.
- China Labour Watch (CLW) (2019a), *Amazon's Supplier Factory Foxconn Recruits Illegally: Interns Forced to Work Overtime*. CLW, Washington, D.C.
- China Labour Watch (CLW) (2019b), *iPhone 11 Illegally Produced in China: Apple Allows Supplier Factory Foxconn to Violate Labor Laws*. CLW, Washington, D.C.
- Clatworthy, M. and Jones, M.J. (2001), 'The effect of thematic structure on the variability of annual report readability', *Accounting, Auditing & Accountability Journal*, Vol. 14 No. 3, pp. 311–326.
- Columbus, L. (2005), *Electronic Manufacturing Strategies and Mass Communication: A Perfect Fit*. Cincom, Cincinnati.
- Coombs, W.T. (1998), 'An analytic framework for crisis situations: Better responses from a better understanding of the situation', *Journal of Public Relations Research*, Vol. 10 No. 3, pp. 177–191.

- Coombs, W.T. (2007), 'Protecting organization reputations during a crisis: The development and application of situational crisis communication theory', *Corporate Reputation Review*, Vol. 10 No. 3, pp. 163–176.
- Cooper, S. and Slack, R. (2015), 'Reporting practice, impression management and company performance: A longitudinal and comparative analysis of water leakage disclosure', *Accounting and Business Research*, Vol. 45 No. 6–7, pp. 801–840.
- Craig, R.J. and Brennan, N.M. (2012), 'An exploration of the relationship between language choice in CEO letters to shareholders and corporate reputation', *Accounting Forum*, Vol. 36 No. 3, pp. 166–177.
- Crane, E. and Crane, F.G. (2002), 'Usage and effectiveness of impression management strategies in organizational settings', *Journal of Group Psychotherapy Psychodrama & Sociometry-New Series*, Vol. 55, pp. 25–34.
- Cronqvist, H. and Yu, F. (2017), 'Shaped by their daughters: Executives, female socialization, and corporate social responsibility', *Journal of Financial Economics*, Vol. 126 No. 3, pp. 543–562.
- Day, R. and Woodward, T. (2004), 'Disclosure of information about employees in the Directors' report of UK published financial statements: Substantive or symbolic?', *Accounting Forum*, Vol. 28 No. 1, pp. 43–59.
- De Villiers, C. and Van Staden, C.J. (2006), 'Can less environmental disclosure have a legitimising effect? Evidence from Africa', *Accounting, Organizations and Society*, Vol. 31 No. 8, pp. 763–781.
- Deegan, C. (2002), 'Introduction: The legitimising effect of social and environmental disclosures—A theoretical foundation', *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 282–311.
- Deegan, C. and Islam, M.A. (2014), 'An exploration of NGO and media efforts to influence workplace practices and associated accountability within global supply chains', *The British Accounting Review*, Vol. 46 No. 4, pp. 397–415.
- Deegan, C., Rankin, M. and Tobin, J. (2002), 'An examination of the corporate social and environmental disclosures of BHP from 1983–1997: A test of legitimacy theory', *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 312–343.
- Deegan, C., Rankin, M. and Voght, P. (2000), 'Firms' disclosure reactions to major social incidents: Australian evidence', *Accounting Forum*, Vol. 24 No. 1, pp. 101–130.
- Denedo, M., Thomson, I. and Yonekura, A. (2017), 'International advocacy NGOs, counter accounting, accountability and engagement', *Accounting, Auditing & Accountability Journal*, Vol. 30 No. 6, pp. 1309–1343.
- Dey, C., Russell, S., & Thomson, I. (2011). Exploring the Potential of Shadow Accounts in Problematising Institutional Conduct. In Stephen P. Osborne & A. Ball (Eds.), *Social Accounting and Public Management: Accountability for the Public Good* (pp. 64-75). USA: Routledge.
- Duhigg, C. and Barboza, D. (2012), 'In China, human costs are built into an iPad', *The New York Times*, 25 January. <https://www.nytimes.com/2012/01/26/business/ieconomy-apples-ipad-and-the-human-costs-for-workers-in-china.html> (accessed 26 June 2022).
- Dunne, N.J., Brennan, N.M. and Kirwan, C.E. (2021), 'Impression management and Big Four auditors: Scrutiny at a public inquiry', *Accounting, Organizations and Society*, Vol. 88, p. 101170.
- Eccles, R.G., Serafeim, G. and Cheng, B. (2013), *Foxconn Technology Group*. Harvard Business School, Boston.
- Edgar, C.V., Beck, M. and Brennan, N.M. (2018), 'Impression management in annual report narratives: The case of the UK private finance initiative', *Accounting, Auditing & Accountability Journal*, Vol. 31 No. 6, pp. 1566–1592.

- Fair Labour Association (FLA) (2012a), *Inspection Report of Foxconn*. FLA, Washington, DC.
- Fair Labour Association (FLA) (2012b), *Verification Report of Foxconn*. FLA, Washington, DC.
- Fair Labour Association (FLA) (2013a), *The May Verification Report of Foxconn*. FLA, Washington, DC.
- Fair Labour Association (FLA) (2013b), *The December Verification Report of Foxconn*. FLA, Washington, DC.
- Farooq, M.B. and De Villiers, C. (2017), 'The market for sustainability assurance services: A comprehensive literature review and future avenues for research', *Pacific Accounting Review*, Vol. 29 No. 1, pp. 79–106.
- Fooks, G., Gilmore, A., Collin, J., Holden, C. and Lee, K. (2013), 'The limits of corporate social responsibility: Techniques of neutralization, stakeholder management and political CSR', *Journal of Business Ethics*, Vol. 112 No. 2, pp. 283–299.
- Foxconn (2008), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2009), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2010), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2011), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2012), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2013), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2014), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2015), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2016), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2017), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2018), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).
- Foxconn (2019), *Corporate Social and Environmental Responsibility Report*. <https://www.foxconn.com/en-us/CSR/social-responsibility-implementation> (accessed 26 June 2022).

- Gillan, S.L., Koch, A. and Starks, L.T. (2021), 'Firms and social responsibility: A review of ESG and CSR research in corporate finance', *Journal of Corporate Finance*, Vol. 66, pp. 101889.
- Goffman, E. (1959), *The presentation of self in everyday life*. Harmondsworth.
- Gürtürk, A. and Hahn, R. (2016), 'An empirical assessment of assurance statements in sustainability reports: Smoke screens or enlightening information?', *Journal of Cleaner Production*, Vol. 136, pp. 30–41.
- Hahn, R. and Lülfs, R. (2014), 'Legitimizing negative aspects in GRI-oriented sustainability reporting: A qualitative analysis of corporate disclosure strategies', *Journal of Business Ethics*, Vol. 123 No. 3, pp. 401–420.
- Higgins, C., Milne, M. J., & Van Gramberg, B. (2015), 'The uptake of sustainability reporting in Australia', *Journal of Business Ethics*, Vol. 129 No. 2, pp. 445-468.
- Islam, M.A. and Deegan, C. (2008), 'Motivations for an organisation within a developing country to report social responsibility information: Evidence from Bangladesh', *Accounting, Auditing & Accountability Journal*, Vol. 21 No. 6, pp. 850–874.
- Islam, M.A. and Deegan, C. (2010), 'Media pressures and corporate disclosure of social responsibility performance information: A study of two global clothing and sports retail companies', *Accounting and Business Research*, Vol. 40 No. 2, pp. 131–148.
- Islam, M.A. and McPhail, K. (2011), 'Regulating for corporate human rights abuses: The emergence of corporate reporting on the ILO's human rights standards within the global garment manufacturing and retail industry', *Critical Perspectives on Accounting*, Vol. 22 No. 8, pp. 790–810.
- Islam, M.A. and Van Staden, C.J. (2021), 'Modern slavery disclosure regulation and global supply chains: Insights from stakeholder narratives on the UK Modern Slavery Act', *Journal of Business Ethics*, pp. 1–25.
- Islam, M.A., Deegan, C. and Haque, S. (2021), 'Corporate human rights performance and moral power: A study of retail MNCs' supply chains in Bangladesh', *Critical Perspectives on Accounting*, Vol. 74, pp. 102163.
- Joutsenvirta, M. (2009), 'A language perspective to environmental management and corporate responsibility', *Business Strategy and the Environment*, Vol. 18 No. 4, pp. 240–253.
- Kent, P. and Zunker, T. (2013), 'Attaining legitimacy by employee information in annual reports', *Accounting, Auditing & Accountability Journal*, Vol. 26 No. 7, pp. 1072–1106.
- Kent, P. and Zunker, T. (2015), 'A stakeholder analysis of employee disclosures in annual reports', *Accounting & Finance*, Vol. 8 No. 10, pp. 53–91.
- Kent, P., McCormack, R. and Zunker, T. (2021), 'Employee disclosures in the grocery industry before the COVID-19 pandemic', *Accounting & Finance*, Vol. 63 No. 3, pp. 4833–4858.
- Kuruppu, S.C., Milne, M.J. and Tilt, C.A. (2019), 'Gaining, maintaining and repairing organisational legitimacy: When to report and when not to report', *Accounting, Auditing & Accountability Journal*, Vol. 32 No. 7, pp. 2062–2087.
- Leary, M.R. and Kowalski, R.M. (1990), 'Impression management: A literature review and two-component model', *Psychological Bulletin*, Vol. 107 No. 1, pp. 34.
- Li, Z. and Haque, S. (2019), 'Corporate social responsibility employment narratives: A linguistic analysis', *Accounting, Auditing & Accountability Journal*, Vol. 32 No. 6, pp. 1690–1713.
- Li, Z., Haque, S. and Chapple, E.(L). (2018), 'Legitimising corporate reputation in times of employee distress through disclosure: Media exposure in the electronic manufacturing services industry in China', *Accounting Research Journal*, Vol. 31 No. 1, pp. 22–45.

- Lucas, K., Kang, D. and Li, Z. (2013), 'Workplace dignity in a total institution: Examining the experiences of Foxconn's migrant workforce', *Journal of Business Ethics*, Vol. 114 No. 1, pp. 91–106.
- Mäkelä, H. (2013), 'On the ideological role of employee reporting', *Critical Perspectives on Accounting*, Vol. 24 No. 4–5, pp. 360–378.
- Mantouvalou, V. (2012), 'Are labour rights human rights?', *European Labour Law Journal*, Vol. 3 No. 2, pp. 151–172.
- Maruna, S. and Copes, H. (2005), 'What have we learned from five decades of neutralization research?', *Crime and Justice*, Vol. 32, pp. 221–320.
- McPhail, K. and Adams, C.A. (2016), 'Corporate respect for human rights: Meaning, scope, and the shifting order of discourse', *Accounting, Auditing & Accountability Journal*, Vol. 29 No. 4, pp. 650–678.
- Merkel-Davies, D.M. and Brennan, N.M. (2011), 'A conceptual framework of impression management: New insights from psychology, sociology and critical perspectives', *Accounting and Business Research*, Vol. 41 No. 5, pp. 415–437.
- Merkel-Davies, D.M. and Brennan, N.M. (2017), 'A theoretical framework of external accounting communication: Research perspectives, traditions, and theories', *Accounting, Auditing & Accountability Journal*, Vol. 30 No. 2, pp. 433–469.
- Merkel-Davies, D.M., Brennan, N.M. and McLeay, S.J. (2011), 'Impression management and retrospective sense-making in corporate narratives: A social psychology perspective', *Accounting, Auditing & Accountability Journal*, Vol. 24 No. 3, pp. 315–344.
- Michelon, G., Pilonato, S. and Ricceri, F. (2015), 'CSR reporting practices and the quality of disclosure: An empirical analysis', *Critical Perspectives on Accounting*, Vol. 33, pp. 59–78.
- Milne, M.J. and Adler, R.W. (1999), 'Exploring the reliability of social and environmental disclosures content analysis', *Accounting, Auditing & Accountability Journal*, Vol. 12 No. 2, pp. 237–256.
- Mohamed, A.A., Gardner, W.L. and Paolillo, J.G. (1999), 'A taxonomy of organizational impression management tactics', *Journal of Competitiveness Studies*, Vol. 7 No. 1, pp. 108.
- O'Donovan, G. (2002), 'Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory', *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 344–371.
- O'Dwyer, B. (2002), 'Managerial perceptions of corporate social disclosure: An Irish story', *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 406–436.
- Ogden, S. and Clarke, J. (2005), 'Customer disclosures, impression management and the construction of legitimacy: Corporate reports in the UK privatised water industry', *Accounting, Auditing & Accountability Journal*, Vol. 18 No. 3, pp. 313–345.
- Ozelkan, E. (2018), *IBISWorld Industry Report C2525-GL: Global Consumer Electronics Manufacturing*, IBISWorld, Los Angeles.
- Parsa, S., Roper, I., Muller-Camen, M. and Szigetvari, E. (2018), 'Have labour practices and human rights disclosures enhanced corporate accountability? The case of the GRI framework', *Accounting Forum*, Vol. 42 No. 1, pp. 47–64.
- Perkiss, S., Bernardi, C., Dumay, J. and Haslam, J. (2021), 'A sticky chocolate problem: Impression management and counter accounts in the shaping of corporate image', *Critical Perspectives on Accounting*, Vol. 81, p. 102229.
- Pun, N. (1999), 'Becoming dagongmei (working girls): The politics of identity and difference in reform China', *The China Journal*, Vol. 42, pp. 1–18.
- Pun, N. (2003), 'Subsumption or consumption? The phantom of consumer revolution in "globalizing" China', *Cultural Anthropology*, Vol. 18 No. 4, pp. 469–492.

- Pun, N. (2004a), 'Engendering Chinese modernity: The sexual politics of dagongmei in a dormitory labour regime', *Asian Studies Review*, Vol. 28 No. 2, pp. 151–165.
- Pun, N. (2004b), 'Women workers and precarious employment in Shenzhen special economic zone, China', *Gender & Development*, Vol. 12 No. 2, pp. 29–36.
- Pun, N. (2005a), 'Global production, company codes of conduct, and labor conditions in China: A case study of two factories', *The China Journal*, Vol. 54, pp. 101–113.
- Pun, N. (2005b), *A New Practice of Labor Organizing: Community-based Organization of Migrant Women Workers in South China*. Paper presented at the Présentation au séminaire de la conférence WIEGO/SEWA/EDP sur les associations des travailleurs pauvres du secteur non structuré, Ahmedabad (Inde).
- Pun, N. and Smith, C. (2007), 'Putting transnational labour process in its place the dormitory labour regime in post-socialist China', *Work, Employment & Society*, Vol. 21 No. 1, pp. 27–45.
- Rodrigue, M. (2014), 'Contrasting realities: Corporate environmental disclosure and stakeholder-released information', *Accounting, Auditing and Accountability Journal*, Vol. 27 No. 1, pp. 119–149.
- Rosenfeld, P., Giacalone, R.A. and Riordan, C.A. (1994), 'Impression management theory and diversity: Lessons for organizational behavior', *American Behavioral Scientist*, Vol. 37 No. 5, pp. 601–604.
- Samkin, G. and Schneider, A. (2010), 'Accountability, narrative reporting and legitimation: The case of a New Zealand public benefit entity', *Accounting, Auditing & Accountability Journal*, Vol. 23 No. 2, pp. 256–289.
- SASB (2014), *Electronic Manufacturing Services and Original Design Manufacturing*. SASB, San Francisco.
- Scott, W.R. and Meyer, J.W. (1992), 'The organization of societal sectors', *Organizational Environments: Ritual and Rationality (edited by Scott, W.R. and Meyer, J.W.)*, pp. 129–153, SAGE Publications, Thousand Oaks.
- Shrives, P.J. and Brennan, N.M. (2015), 'A typology for exploring the quality of explanations for non-compliance with UK corporate governance regulations', *The British Accounting Review*, Vol. 47 No. 1, pp. 85–99.
- Shrives, P.J. and Brennan, N.M. (2017), 'Explanations for corporate governance non-compliance: A rhetorical analysis', *Critical Perspectives on Accounting*, Vol. 49, pp. 31–56.
- Sikka, P. (2008), 'Corporate governance: What about the workers?', *Accounting, Auditing & Accountability Journal*, Vol. 21 No. 7, pp. 955–977.
- Sikka, P. (2011), 'Accounting for human rights: The challenge of globalization and foreign investment agreements', *Critical Perspectives on Accounting*, Vol. 22, pp. 811–827.
- Smith, C. and Chan, J. (2015), 'Working for two bosses: Student interns as constrained labour in China', *Human Relations*, Vol. 68 No. 2, pp. 305–326.
- Smith, J.S. and Keeven, D. (2019), 'Creating separation from the on-field product: Roger Goodell's image repair discourse during the Ray Rice domestic violence case', *Communication & Sport*, Vol. 7 No. 3, pp. 292–309.
- Students and Scholars Against Corporate Misbehaviour (SSACM). (2010), *Workers as Machines: Military Management in Foxconn, SSACM, China*.
- Suchman, M.C. (1995), 'Managing legitimacy: Strategic and institutional approaches', *Academy of Management Review*, Vol. 20 No. 3, pp. 571–610.
- Talbot, D. and Boiral, O. (2015), 'Strategies for climate change and impression management: A case study among Canada's large industrial emitters', *Journal of Business Ethics*, Vol. 132 No. 2, pp. 329–346.
- Teagarden, M. B. (2016). Apple in China. *Thunderbird School of Global Management*.

- Tedeschi, J.T. and Melburg, V. (1984), 'Impression management and influence in the organization', *Research in the Sociology of Organizations*, Vol. 3, pp. 31–58.
- Thomson, I., Dey, C. and Russell, S. (2015), 'Activism, arenas and accounts in conflicts over tobacco control', *Accounting, Auditing & Accountability Journal*, Vol. 28 No. 5, pp. 809–845.
- Tregidga, H. (2017) "'Speaking truth to power": Analysing shadow reporting as a form of shadow accounting', *Accounting, Auditing & Accountability Journal*, Vol. 30 No. 3, pp. 510–533.
- Union of Universities in China, Hong Kong and Taiwan (UUCHKT). (2010), *An Investigation Report of Foxconn, UUCHKT, China*.
- Vinnari, E. and Laine, M. (2017), 'The moral mechanism of counter accounts: The case of industrial animal production', *Accounting, Organizations and Society*, Vol. 57, pp. 1–17.
- Vuontisjärvi, T. (2006), 'Corporate social reporting in the European context and human resource disclosures: An analysis of Finnish companies', *Journal of Business Ethics*, Vol. 69 No. 4, pp. 331–354.
- Williams, S.J. and Adams, C.A. (2013), 'Moral accounting? Employee disclosures from a stakeholder accountability perspective', *Accounting, Auditing & Accountability Journal*, Vol. 26 No. 3, pp. 449–495.
- Xu, K. and Li, W. (2013), 'An ethical stakeholder approach to crisis communication: A case study of Foxconn's 2010 employee suicide crisis', *Journal of Business Ethics*, Vol. 117 No. 2, pp. 371–386.
- Yang, J.H. and Liu, S. (2017), 'Accounting narratives and impression management on social media', *Accounting and Business Research*, Vol. 47 No. 6, pp. 673–694.

Appendix The development of impression management strategies tailored for analysing Foxconn's labour practice disclosures

We use an abductive three-stage process to develop a list tailored for our study (Dunne *et al.*, 2021). First, to find impression management strategies in a more 'holistic manner' (Brennan *et al.*, 2009, p. 819), we consulted seminal studies, including Bolino and Turnley (2003), Bolino *et al.* (2008), Brennan and Merkl-Davies (2014), Cheney *et al.* (2004), Coombs (1998, 2007), Cooper and Slack (2015), Crane and Crane (2002), Dunne *et al.* (2021), Edgar *et al.* (2018), Fooks *et al.* (2013), Maruna and Copes (2005), Mohamed *et al.* (1999), Ogden and Clarke (2005), Samkin and Schneider (2010), Shrivies and Brennan (2017), Smith and Keeven (2019), Tedeschi and Melburg (1984) and Yang and Liu (2017). We identified many strategies. Some of them are similar in meaning but with different names. For example, 'dissociation' in Cooper and Slack (2015) and 'burying' in Bolino *et al.* (2008) both refer to distancing firms from negative events and outcomes. Some of the strategies have the same name but different meanings. For example, 'exemplification' in Ogden and Clarke (2005, p. 322) is defined as 'acting as a model or exemplar of some morally virtuous or principled conduct', yet 'exemplification' in Bolino *et al.* (2008, p. 1082) is defined as acting 'more or better than is necessary'. These discrepancies support the need to develop a list tailored for our study. Second, after creating the initial list of impression management strategies, we included or excluded a strategy based on our initial coding of Foxconn's labour practice disclosures (see Section 4.2). Specifically, the coding identified some strategies irrelevant to our study. For example, while Coombs (1998) mentions 'attacking accuser' as a strategy, the initial results suggest that it is not relevant to our case. Another example is 'handicapping' (Mohamed *et al.*, 1999; Bolino *et al.*, 2008), which is not relevant for our analysis. Third, the strategies identified in the second stage were classified as defensive or assertive.

The appendix shows the sub-strategies of main strategies used in our study.

Name	Description	Sub-strategies
Panel A: Assertive		
Ingratiation	Foxconn seeks to gain the audience's approbation by communicating its visions, goals, and policies of labour practices.	N/A
Self-promotion	Foxconn promotes its competence and abilities of securing and advancing labour welfare.	N/A
Entitlement	Foxconn claims responsibility for positive events and outcomes of labour practices.	N/A
Enhancement	Foxconn enhances its positive events and	Enhancement has four sub-strategies, including <i>selectivity</i> (i.e., Foxconn selectively presents information to portray its positive events and

outcomes of labour practices. outcomes in the best possible light), *performance comparisons* (i.e., Foxconn selects benchmarks that portray its positive events and outcomes more favourably), *exemplification* (i.e., Foxconn emphasizes its positive events and outcomes as models/ exemplars of some morally virtuous or principled conduct) and *self-expansion* (i.e., Foxconn suggests that a positive consensus on its labour practices is really larger than it is). Clearly, enhancement may include the other sub-strategies (e.g., emphasizing difficulties in achieving the positive events and outcomes of labour practices). It is noteworthy that self-expansion needs to refer to specific positive events and outcomes of labour practices; however, self-promotion does not need to mention any specific events and outcomes. Overall, these sub-strategies are grouped together under the “enhancement” category in our study.

Panel B: Defensive

Acknowledgement	Foxconn presents negative events and outcomes of labour practices without any explanation or comments.	N/A
Denial	Foxconn claims and explains that the publicly known negative events and outcomes of labour practices do not exist.	Denial has three sub-strategies, including <i>simple denial</i> (i.e., Foxconn claims the non-existence of the exposed negative events and outcomes), <i>dissociation</i> (i.e., Foxconn claims it has nothing to do with the exposed negative events and outcomes) and <i>attacking the accuser</i> (i.e., Foxconn questions the reliability of the information sources of negative events and outcomes). Apparently, as we discuss, <i>attacking the accuser</i> is not relevant to the labour practices disclosures. Overall, the sub-strategies are grouped together in our study.
Excuse	Foxconn weakens its responsibility for negative events and outcomes of labour practices.	Excuse has some sub-strategies, including <i>shifting the blame</i> (i.e., Foxconn claims that the exposed negative events and outcomes occurred in other firms), <i>lack of information or control</i> , <i>accident</i> , and <i>good intentions</i> . Overall, the sub-strategies are grouped together in our study.
Justification	Foxconn accepts at least partial responsibility for negative events and outcomes of its labour	Justification has some sub-strategies, including <i>minimization</i> (i.e., minimizing the perceived damage or negative feelings associated with labour malpractices), <i>bolstering</i> (i.e., using

	practices and provides explanations to them.	positive events to divert readers away from labour malpractices disclosed), <i>differentiation</i> (i.e., Foxconn justifies that its labour malpractices are distinguished from other similar but more offensive issues), and <i>appeals to higher loyalties</i> (ends justify means/transcendence). Overall, the sub-strategies are grouped together in our study.
Apology and/or Corrective Action	Foxconn asks forgiveness for negative events and outcomes of its labour practices and/or takes action to correct them.	N/A
Omission	Foxconn withholds negative events and outcomes of its labour practices.	N/A
