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An Empirical Study of Potential Breach of Psychological Contract of Hong Kong Journalist Towards the Swift of Editorial Direction Between June and July 2019 After the Announcement of Fugitive Ordinance in Hong Kong

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Abstract

This paper is to apply psychological contract theory to interview the perspective of editors in Hong Kong in local privately-owned company regarding whether there is a breach of bonding with their media company from change of editorial direction set by the upper management and shareholders towards the news choice and reporting perspective different from what they expect the company to do. Hong Kong has experienced social instability between June and July 2019 since the announcement of Fugitive Ordinance from the Hong Kong government, and newspaper are forced to take a side during the political movement. Article 27 of Basic Law of Hong Kong stating that Hong Kong residents shall have freedom of speech, of the press and of publication; freedom of association, of assembly, of the procession and of demonstration; and the right and freedom to form and join trade unions, and to strike. Despite that there is no fundamental constitutional change on Article 2017, a number of local media have been purchased by mainland China capital, and the executives or shareholders of those companies are offered honorary positions in central government which may have had an impact on their control on the editorial staff. As a result, Hong Kong's ranking dropped by 18th in 2002 to 70th in 2018 on the press freedom index ranked by the Reporters without Borders on the World Press Freedom Index. 10 news workers from Hong Kong-privately-owned newspapers were interviewed anonymously for this research. The media companies they work for are considered to be pro-democratic and liberal and is not in line with the government's stand.

Keywords: Hong Kong Journalist, Psychological Contract Theory, Fugitive Ordinance

Introduction

Hong Kong has experienced social instability between June and July 2019 since the announcement of Fugitive Ordinance from the Hong Kong government, and newspaper are forced to take a side during the political movement. Hong Kong's ranking dropped by 18th in 2002 to 70th in 2018 on the press freedom index ranked by the Reporters without Borders on the World Press Freedom Index. The rapid decline on the ranking reflects on the change of editorial independence being eroded by a number of factors which have a direct impact on the change of editorial direction.

Article 27 of Basic Law of Hong Kong stating that Hong Kong residents shall have freedom of speech, of the press and of publication; freedom of association, of assembly, of the procession and of demonstration; and the right and freedom to form and join trade unions, and to strike.

However, the editorial independence remains subject to changes as the Hong Kong media company is mostly privately held. As such, there are a number of factors from commercial consideration such as shareholder interest, advertising revenue, and political pressure, which may lead to a change of editorial direction.

This paper is to apply psychological contract theory to interview the perspective of editors in Hong Kong in private company regarding whether there is a breach of bonding with their media company from change of editorial direction set by the upper management and shareholders towards the news choice and reporting perspective different from what they expect the company to do. 10 news workers from Hong Kong-privately-owned newspapers were interviewed anonymously for this research.

How does psychological contract theory applied in Hong Kong Media industry

Ideology-infused psychological contract is one of the constitutive elements of the psychological contract theory. Development in the ideology infused psychological contract opened up many new opportunities to examine the intrinsic values for an employer to evaluate successful fulfillment and adaptation for an employee to integrate into the general ideology of an industry and a company.

Editors in Hong Kong private media industry show great concern the impact on the different political ideology on the editorial decision and the media's role in the supervision of the government.

This study is to apply the model of Rousseau (2001) conceptualization of psychological contract to examine whether there an intrinsic value of expectation for employer and employee to form a psychological contract for the successful employment relationship.

The psychological contract has been further developed by Thompson and Bunderson (2003) through introducing of the concept of intrinsic values of the ideology-infused psychological contract. Ideological contract is founded on intrinsic motivation, and ideologically infused psychological contracts have implications for perceptions of contract breach and outlined that ideology may infuse into psychological contract to lead to a direct impact on employee's role on an organization.

Hong Kong has a tradition of press freedom due to due to the confluence of historical and social background from the British colonial government. The maintenance of a high degree of press freedom is important to maintain Hong Kong's status quo as a world city Lee (2007).

Hong Kong has been in the struggle for press freedom to uphold the value of liberal journalism. In addition, there is motivation for journalists to stand against political pressure because the media industry ethic and social expectation towards journalistic ethic is to reveal wrongdoing of government and adverse information regarding politicians and anything worth for public interest to play the role of social supervision. (Lee 2007).

The ideology-infused psychological contract is, therefore, an important concept to be applied on this study as (Lee, 2015) notes that media freedom is a very special element of industry practice in Hong Kong media industry.

Thus, (Bingham et al. 2014) suggested that successful fulfillment of obligations from the psychological contract is essential for an individual's relationship with his or her employer to form positive attributions of friendship and influence within the organization.

Therefore, this paper only looks at the ideology-infused psychological contract as intrinsic values for the employment bonding creation for the maintain of the same editorial direction which draws a journalist to join the current media company they work for.

Question Setting

This paper takes the widely-used survey from Reporter without Border for the measurement of press freedom index to apply in Hong Kong. 12 questions were asked to editors regarding their perception of whether their media company remain the same editorial direction with the factors of editorial interference from management and shareholder and government as well as financial supporter during the reporting from June to July 2019 after a series of demonstrations and political activities in Hong Kong following the announcement of fugitive ordinance.

Question 1

What are the factors apparently preventing the creation of independent, privately-owned media? Note: "1" signifies that the factor plays no part in preventing the creation of a media company; "10" signifies that the factor makes forming a media company impossible.

	1	2	3	4	5	6	7	8	9	10
Political factor (political position, closeness to the opposition)										

Question 2

How difficult is it to launch an independent private media company in light of the following constraints? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Administrative constraints (tax reporting procedures, professional competence requirements etc.)										

Question 3

How difficult is it to launch an independent private media company in light of the following constraints? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Financial constraints (start-up costs, production costs, bank credit, etc.)										

Question 4

Is the process for granting TV and radio licenses transparent? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Is the process for granting TV and radio license transparent?										

Question 5

What is the extent of official interference in appointments to these posts? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Directors of the TV and radio regulatory agency (1)										

Question 6

How easy is it for authorities to force the firing of a... Note: '1' signifies that authorities are powerless to force a firing; '10' signifies that authorities can force a firing at will.

	1	2	3	4	5	6	7	8	9	10
private media executive?										

Question 7 Do private media have to adjust their content in exchange for state subsidies?

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
Do private media have to adjust their content in exchange for state subsidies?										

Question 8

Is government advertising distributed equitably among different media? Note: All state-paid publicity campaigns in the media should be considered together: public education (health, traffic safety, etc.); information (operations of public services, new legislation, etc.); employment (recruitment campaigns); public works (bid invitations).

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
Is government advertising distributed equitably among different media										

Question 9

Does the government pressure advertisers to favor certain media?

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
Does the government pressure advertisers to favor certain media?										

Question 10

Do officials favor certain media (access, interviews, etc.) because of...

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
favourable editorial policy?										

Question 11

Do officials favor certain media (access, interviews, etc.) because of...

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
financial ties between politicians and media owners?										

Question 12

Do you have any additional comment over the pressure of change of editorial direction?

Response and Analysis

The 10 editors were given the survey and replied on an anonymous basis with the following reply

Question 1

What are the factors apparently preventing the creation of independent, privately-owned media? Note: "1" signifies that the factor plays no part in preventing the creation of a media company; "10" signifies that the factor makes forming a media company impossible.

	1	2	3	4	5	6	7	8	9	10
Political factor (political position, closeness to the opposition)								7	3	

Question 2

How difficult is it to launch an independent private media company in light of the following constraints? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Administrative constraints (tax reporting procedures, professional competence requirements etc.)							6	3	1	

Question 3

How difficult is it to launch an independent private media company in light of the following constraints? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Financial constraints (start-up costs, production costs, bank credit, etc.)								7	1	2

Question 4

Is the process for granting TV and radio licenses transparent? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Is the process for granting TV and radio license transparent?										10

Question 5

What is the extent of official interference in appointments to these posts? Note: "1" signifies no difficulty; "10" signifies an insurmountable obstacle

	1	2	3	4	5	6	7	8	9	10
Directors of the TV and radio regulatory agency						6	2	1	1	

Question 6

How easy is it for authorities to force the firing of a... Note: '1' signifies that authorities are powerless to force a firing; '10' signifies that authorities can force a firing at will.

	1	2	3	4	5	6	7	8	9	10
private media executive?		1	1	8						

Question 7 Do private media have to adjust their content in exchange for state subsidies?

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
Do private media have to adjust their content in exchange for state subsidies?									9	1

Question 8

Is government advertising distributed equitably among different media? Note: All state-paid publicity campaigns in the media should be considered together: public education (health, traffic safety, etc.); information (operations of public services, new legislation, etc.); employment (recruitment campaigns); public works (bid invitations).

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
Is government advertising distributed equitably among different media										10

Question 9

Does the government pressure advertisers to favor certain media?

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
Does the government pressure advertisers to favor certain media?					7			1	1	1

Question 10

Do officials favor certain media (access, interviews, etc.) because of...

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
favourable editorial policy?									9	1

Question 11

Do officials favor certain media (access, interviews, etc.) because of...

Note: '1' signifies a situation in which officials show no favoritism; '10' signifies that favoritism is firmly established.

	1	2	3	4	5	6	7	8	9	10
financial ties between politicians and media owners?										10

Question 12

Do you have any additional comment over the pressure of change of editorial direction?

News worker 1	There was no sudden change of editorial direction between June and July 2019, but there has been a gradual change in the past years from the management as news direction has been less conservative to maintain the advertisers who are afraid of getting into the attention of political affairs and forcing to take a side. The newspaper is 100% dependent on advertising revenue and subscription so that getting conservative is understood although there are different position of extreme views amongst editorial staffs, but management prefers to play down the radical views to avoid antagonizing any side and advertisers.
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News worker 7	My company is considered to be the most pro-democratic. Although it has almost not received any advertisement from government and pro-government organizations, the fee-based subscription and commercial remain sufficient to maintain the newspaper operation. The paper is based entirely on reader's support, and any departure from its pro-democratic stand may result in an immediate abandonment from advertisers and readers as well as trust and commitment from news team who shares the same pro-democratic ideology.
News worker 8	Despite the newspaper has been taken over by the mainland China-capital, it has largely maintained the tradition of editorial independence and not to avoid the sensitive political issue. Private newspaper as long as it is dependent on advertisers and readers can not completely the market and interest of readers. There has actually been
News worker 9	My company has been the most used platform for the posting of the government announcement, which accounts for a great portion of revenue. With that on the ground, the editorial management has avoided radical pro-democratic reporting to avoid losing the large source of revenue. It strives to maintain a balance of view with an equal portion of reporting from all sides.
News Worker 10	The management holds a position in Hong Kong and mainland government so that the political stand has been well-known in society and existing and new staff are all aware of position and background on this newspaper positioned as the newspaper for the middle class. No sudden change of political stand on the newspaper at all and editorial staff normally in the company largely shares the same view of management and some just

Conclusion

The research shows that no sudden editorial direction change for major privately owned-newspaper in Hong Kong because private newspaper are bound by the shareholder's political stand, source of advertising revenue, the traditional base of readership and existing management culture.

There is a great continuation of the existing editorial stand which does not destroy the intrinsic values of the ideology-infused psychological contract of journalists such journalists are well-aware of the political position of the media company they work for prior to joining.

There is no licensing requirement for a newspaper to publish in Hong Kong, but the government has the authority to issue a license for radio and TV channel. As such, journalists interviewed all agree that the government holds a great influence on radio and TV channel and the process for granting TV and radio license was not transparent.

The government does not have any direct influence on the appointment of executives in newspaper and government's influence at the maximum can only bring the influence of placing government notices of its favored press as an indirect way of financial subsidies to control the editorial stand of the certain press which relies on the government source of revenue.

However, a pro-democratic newspaper which relies on advertisers and base of readers can afford to completely ignore the government's influence as it is financially self-sufficient from its existing sources of revenue which however also bounds the newspaper's editorial direction from its readers.

Due to the existing established market position of each newspaper, no sudden editorial change takes place, and there has been no breach of intrinsic values of ideology-infused psychological contract during the period of the announcement of fugitive ordinance.

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