

A Study on Management Logic and Ethical Risks in Platform Labor

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Abstract. Along with the development of the platform economy, another form of employment has emerged in enterprises like Meituan, namely the employment of people as “Platform Labor”. This type of platform does not directly enter into labor contracts with delivery workers, but only applies algorithms to issue instructions, monitor the work process, and carry out evaluation, reward, and punishment, so as to realize the control and management of labor. Using Meituan riders as a case study, this paper examines the inherent management logic of the model and ethical risks through literature review and case study analysis, aiming to identify flaws in algorithmic governance. While enhancing efficiency, the model exacerbates power asymmetry, labor-management opacity, and systemic risks, which lead to irresponsibility and inadequate worker protection. This reveals that current labor policies fail to adapt to platform realities and require institutional reforms to hold enterprise accountable.

Keywords: Platform Labor, Algorithmic Management, Labor Ethics, Meituan Riders

1. Introduction

After entering the information age, the platform economy has become an important part of the world economy. With the advancement of platform technology, the digitalization of industries such as takeaway and online car rental has become more pronounced, and with the rapid development of the platform, the digitization of these industries has also developed rapidly. At the same time, a number of new enterprise operational models have emerged, such as Meituan, DDT, Uber, etc., which are built on the model of algorithms and intelligent systems, and have changed the original labor-management relations while optimizing production. On this basis, a new employment model of “Platform Labor” has been formed [1].

Platforms control not through labor contracts, but via algorithms—managing task allocation, performance evaluation, and incentives [1]. This “employment-like” model creates a paradox. The platform is not like a traditional enterprise to establish a labor relationship with the workers, and the riders are not completely free self-employed freelancers, limited by the structure of the technical dominance, the workers are exploited by the platform invisibly, how to balance the rights of the workers with the responsibility of the enterprise’s operation, making this model a very important part of the business model. How to balance the rights of laborers and the operational responsibilities of enterprises makes this model a new ethical issue.

As one of the largest takeaway delivery platforms in China, Meituan exemplifies platform labor dynamics with its standardized operational system [2]. Using Meituan riders as a case study, this paper will use the case study method and literature review method to conduct an in-depth discussion on how platform companies implement management control over labor through algorithmic systems and the ethical risks and institutional challenges that arise. On the one hand, this study can help enrich the platform's understanding of the logic of labor management. On the other hand, it can also provide policy references under the platform economy for improving the labor legal system and governing corporate responsibility.

2. Theoretical framework

2.1. Platform labor theory

Platform labor theory reveals the logic of platform economy's reconfiguration of labor. Srnicek proposed in Platform Capitalism that platform enterprises establish a highly centralized control system through data accumulation and algorithm deployment, which is in essence a reorganization of labor and market [1]. This model capitalizes on data and network effects for expansion, while exacerbating the tendency of zero-working in the labor process of workers.

Platform labor is characterized by high flexibility, lack of security, and a task-based rather than job-based nature. On the one hand, fragmented task allocation ("work-on-demand") ostensibly grants time autonomy. On the other hand, this fragmentation weakens collective bargaining, as social security falls outside union oversight. Platforms exploit labor dividends during unregulated growth while transferring occupational risks to individuals, creating an asymmetric "enterprise profit-labor pressure" dynamic [1].

2.2. Algorithm management mechanism

Algorithmic management mechanism serves as the technical carrier of the platform to realize labor control. Rosenblat and Stark found that Uber drivers experience "invisible control" via algorithmic systems, which enable unidirectional information flow, real-time monitoring, and task rationalization [3]. Scholars such as He Xuefeng show algorithmic management traps riders in "time compression" and "low remuneration" dilemmas [4].

Researchers at Carnegie Mellon University use the term "algorithmic labor management" to describe the contemporary model of employers using data-driven algorithms to manage distributed human labor at scale. Algorithmic management, with data collection, algorithmic processing, and outcome evaluation as the main components, transforms employers' traditional employment models and labor management, augmenting and ultimately replaces humans' day-to-day and direct control of the workplace [5]. In the digital age, platforms use algorithms to deepen the control of the labor process and convert external control into self-oppression of digital workers, resulting in digital workers losing the mastery of their own labor process. Algorithms formulate the optimal work plan for "net laborers", and workers are asked to perform tasks in a step-by-step manner, so that free and conscious creative labor is impossible to talk about, and the essence of the human class is constantly lost [6].

Existing research mainly focuses on platform efficiency, algorithm optimization overlooking ethical dimensions behind the platform's labor management mechanism-algorithmic transparency, labor's right to know, and corporate social responsibility. While interdisciplinary studies have

explored technology ethics and legal regulation, there is a gap in research integrating Chinese localized cases.

3. Case study

3.1. Management mechanism of Meituan riders

Meituan's management of riders presents a contradictory employment-like relationship. While ostensibly granting riders the "freedom to accept orders", it exercises substantial control through task allocation, workload requirements, and a point-based evaluation system. Meituan's scoring mechanism calculates monthly cumulative points by combining basic "service star" ratings with bonuses for order completion, safety training participation, and exemplary conduct, as well as deductions for delays, negative reviews, or early deliveries. Riders are ranked by cumulative points to determine star ratings, with higher ratings yielding higher per-order bonuses—this incentivizes balancing order volume with service quality [7]. Meituan's apparent "freedom to take orders" rights to riders, but in practice, riders face invisible coercion.

This strict automated punishment mechanism relies on the amount of orders dispatched, the intensity of the task, and the scoring system to realize the control of the rider, and retains the core control through algorithms. Performance such as refusal, tardiness, or low scores directly affects the amount of orders dispatched by the platform to the rider, and low-scoring riders are severely penalized by having their accounts banned. This scoring mechanism blurs the line between employment and self-employment. This is a kind of "explicit freedom, implicit control" decentralized labor, the essence of the algorithm-led control authority.

3.2. Algorithm system and incentive mechanism

Meituan's algorithmic management centers on time compression and labor quantification, forming a double oppression effect on riders physically and mentally. Relying on big data computing, Meituan continuously integrates order density, rider location, traffic conditions, weather and other sources of data to optimize delivery paths and order-taking sequences in real time, and strives to achieve the most efficient task allocation in the complex urban delivery network. For example, during peak hours, the algorithm adjusts routes based on real-time road conditions to avoid congestion and minimize the delivery time.

In terms of the assessment mechanism, the platform has set hard indicators such as "on-time rate" and "response speed", and assigned different weights to each indicator to generate the performance of each rider. The performance system features clear reward-penalty structures. Riders who meet workload targets during peak periods (e.g., rush hours) receive extra bonuses. Conversely, the rider will face demerit points, and once the accumulated demerit points reach a certain level, they will lead to a reduction in star rating, which in turn affects the account privileges and reduces the amount of orders taken and the income [8].

In addition, the platform's determination rules are also controversial. When there is a timeout and other abnormalities, the algorithm often overlooks riders' practical challenges. Riders face high barriers to appeal and must bear penalties, exacerbating their labor and psychological burdens. By prioritizing efficiency and cost reduction over workers' agency and autonomy, the algorithmic system inherently fosters ethical risks.

4. The ethical dilemma of management logic

The above case shows that Meituan's management practice is not a mere technological innovation, but a new type of labor exploitation paradigm constructed through the collusion of institutional circumvention and technological control.

4.1. Legal ambiguity of labor relations

This management model of pursuing high efficiency and low cost exposes many ethical risks. In terms of delivery time settings, although Meituan claims to calculate the estimated delivery time by combining a variety of factors, in actual operation, delivery time settings are often unduly restrictive to meet users' high expectations of delivery speed. Relevant reports show that some riders have to speed and run red lights in order to rush to deliver within the specified time, making the traffic accident rate of takeaway riders high. For example, in Nanjing in the first half of 2017, there were 1,602 traffic accidents involving "Meituan takeout", resulting in 2 deaths and 1,278 injuries [9]. The study points out that algorithmic management categorizes workers as 'independent contractors' through 'delaborization', resulting in their inability to enjoy statutory rights and interests such as work injury insurance and paid leave [10].

4.2. Asymmetry of algorithmic power

The platform collects workers' GPS and operational data to optimize the algorithm but withholds access and usage from workers. Furthermore, only the platform has the right to make or adjust algorithmic rules, creating a highly asymmetric power structure that denies riders transparency and feedback. For example, Meituan riders have no way of knowing whether the dispatch algorithm includes hidden metrics (e.g., user ratings weights). Even accounts bans, lack clear justification, leaving workers unable to challenge penalties. The platform uses the automatic decision-making of the algorithm to evade its management responsibility and dilute its dominant position. In other words, the "technological black box" thus weakens the initiative of the workers and makes it easier for the platform to evade its responsibility.

4.3. Labor ethics risks and challenges

Under algorithmic management, riders endure high-intensity, high-pressure work with nervousness and anxiety becoming a common state. This psychological condition not only impairs riders' physical and mental health, but also fundamentally violates the core premise of "people-oriented" advocated by labor ethics. From the perspective of labor ethics, work should be a process that promotes the comprehensive development of workers and protects the dignity and rights of workers, while the persistent high psychological pressure of riders is in fact a deviation from this basic guideline.

Psychological pressure puts riders in multiple predicaments. On one hand, to meet the harsh assessment standards set by the algorithm, riders make decision-making errors. For example, extreme anxiety may lead to wrong delivery route choices, resulting in overtime orders and penalties. This in turn, hurts their income and ratings, forming a vicious cycle of "the more anxious - the more mistakes - the more penalized - the more anxious".

On the other hand, long-term psychological imbalance will also lead to increased rider burnout, loss of enthusiasm and sense of responsibility for their work, and a decline in service quality, ultimately harming the platform's reputation and user experience. Worse yet, some riders collapse

under pressure, developing depression, anxiety, Beyond disrupting daily life and work, these illnesses heap financial strain on uninsured riders, and they are caught in a dilemma of survival and development under the double blows of physiology and psychology, which further highlights the deeper social problems caused by the lack of labor ethics under the current algorithmic management model.

5. Discussion

The ethical dilemma of the “user-employee” model in the platform economy is essentially the superposition of multiple contradictions, including the loss of control of algorithms power, lagging labor rights protection and unclear responsibility definition. Therefore, it is necessary to build a collaborative governance system from the three dimensions of system, technology and society to promote the transformation of platform labor to a fair and sustainable model [10].

To address this, efforts should be made to break the algorithm black box to give workers a voice. Platform should disclose the algorithm operation logic and data collection scope to workers, and introduce an artificial intelligence ethics review mechanism, with third-party institutions conducting regular assessments of the fairness and rationality of the algorithm [10]. In terms of institutional reform, the labor law system needs revision to fill regulatory gaps, including platform practitioners under special labor protection categories and mandating platforms to provide work injury and accident insurance for riders. Prohibit platforms from circumventing the main responsibility for labor in the form of subcontracting and subcontracting; implement digital supervision and build a national unified platform labor monitoring platform [11]. Establish a cross-departmental joint supervision mechanism, encourage enterprises to set up a rider care fund, provide vocational skills training, mental health counseling and other services; guide consumers to supervise the platform employment behavior through the evaluation system, to form a social supervision synergy. This multi-dimensional coordination through system, technology and society aims to ensure that riders’ labor rights are expressed within regulated frameworks.

6. Conclusion

This study comprehensively discusses the “user as employee” labor model of the Meituan platform. It is pointed out that the algorithm has realized the improvement of management efficiency and the reduction of operation costs. However, this model also leads to a certain degree of imbalance between the platform and the laborers. Specifically, there are ethical problems such as ambiguous labor-management relations, algorithmic bias, and lack of corporate responsibility. To address these issues, the platform labor issue should be governed with the help of legal regulation, corporate autonomy and technological improvement. Specifically, legislation should aim to build a monitoring system and clarify the boundaries of platform labor responsibility, guiding the development of platform labor ethics toward fairness, justice, and sustainable development. Additionally, since this study relied solely on secondary data, future research can consider increasing primary data and conducting cross-platform comparative studies with Meituan, so that more universal empirical support can be provided for the understanding of platform labor ethics.

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