Influence of Participatory Organisation Structures on the Implementation of Social Standards

An Empirical Study of Chinese Garment Factories

Maren Knolle

Berlin, December 2012

Der Fakultät Nachhaltigkeit der Leuphana Universität Lüneburg
vorgelegte Dissertation von Maren Knolle

Acknowledgments

I am sincerely grateful to the Friedrich Ebert Foundation for the scholarship I received. I would like to thank Martin Gräfe for his guidance and support. My multiple travels to China and the elaborate research design were made possible by financial support from the Friedrich Ebert Foundation, Leuphana University and Sustainability Agents.

I would like to thank Sebastian Siegele, Nanda Bergstein and Julia Ranke for offering me the unique opportunity to conduct research in Chinese factories. Without their interest in my study and their continuous encouragement it would not have been possible to accompany the training project on-site so intensively. The numerous discussions with project members in China and especially with workers and managers of the factories not only helped me with my research topic but also gave me a life experience of the kind I had always dreamt of. I also thank Ying Sun for supporting me with my field research in the factories by translating during interviews and helping me with the organisation of the worker survey.

I am also grateful to my supervisor Prof. Dr. Harald Heinrichs and the frequent fruitful exchange we had. Moreover, I would like to thank my second supervisor Prof. Dr. Martin Müller for his scholarly guidance.

I would like to thank Margaret Hiley, Niels Knolle, Stefanie Langkamp, Amir Moghaddass and Eva Moreno for proofreading my study.

I want to express my gratitude to my friends who supported me through this time and gave me encouragement to strive further.

Finally, I am grateful to my parents Hilke and Niels Knolle for their unconditional support and belief in me. I also would like to thank Silja, Keno, Johanna, Mailin and Frieda Veentjer for their close companionship.

Contents

Abbreviations XIII

Figures XVI

Tables XVII

A Introduction 1

1 Purpose of the Study 1

2 Research Aim and Questions 3

3 Structure of Study 5

B Theoretical Concepts and Models 9

4 Discourse on the Implementation of Social Standards from a Western Point of View 9

4.1 The Globalised Textile Supply Chain 9

4.2 Implementing Social Standards as a Matter of Corporate Social Responsibility and Corporate Sustainability 12

4.3 Social Standards 17

4.3.1 Definition 17

4.3.2 Categorisation of Standards 17

4.3.3 The ILO Conventions 18

4.4 International Trade Agreements with Labour Rights Provisions 23

4.5 Voluntary Instruments and Initiatives that Promote the Implementation of Social Standards 24

4.5.1 International Declarations and Initiatives 24

4.5.2 Private Codes of Conduct and their Monitoring 26

4.5.3 International Framework Agreements between MNEs and GUFs 31

4.5.4 Projects Promoting Dialogue and Workplace Cooperation 33

4.6 Summary 34

5 Western Discourse of Influence Mechanisms of Participation 35
5.1 The Emergence of Participation: A Brief Historical Review 35
5.2 Characteristics of Participation 36
5.3 Influence Mechanisms of Participation from the Perspective of Motivational Models 41
5.3.1 Critics of Motivational Models 45
5.3.2 Empirical Results Regarding Influence of Participation on Work Satisfaction 45
5.4 Influence Mechanisms of Participation in the View of Cognitive Models 48
5.5 Aspects of Power-Sharing in Participatory Structures 51
5.5.1 Power and Decision-making 52
5.5.2 Conflicts, Interests and Consensus-Building 55
5.6 Requirements for Participation 57
5.6.1 Motivation for Participation 57
5.6.2 Participatory Competence 61
5.6.3 Training 63
5.6.4 Allocation of Time for Participatory Processes 64
5.7 Summary 65
6 Framework Conditions in China for the Implementation of Social Standards and Worker Participation 66
6.1 China – The Factory of the World 67
6.2 Industrial Relations in China 69
6.2.1 Role of the Government 69
6.2.2 Role of Employers' Organisations 72
6.2.3 Role of the Trade Union 73
6.2.4 Participation of Workers 76
6.3 Cultural Context of Worker Participation 80
6.4 Chinese Labour Law 83
6.5 Implementation of Social Standards in Chinese Garment Factories 87
6.5.1 Forced Labour 87

6.5.2 Child Labour 88
6.5.3 Discrimination 89
6.5.4 Working Time 90
6.5.5 Compensation 91
6.5.6 Occupational Health and Safety 93
6.6 Summary 94

7 Influence of Participatory Structures on the Implementation of Social Standards in the Context of China 96
7.1 Hypotheses on Influence Mechanisms of Participation 97
7.2 Requirements for Participation in the Context of China 101

C Research Design and Methodology 107

8 Mixed-method Research 110

9 Qualitative Analysis 112
9.1 Execution of Interviews 113
9.2 The Interview Guideline 114
9.3 Qualitative Content Analysis 116

10 Quantitative Analysis 118
10.1 Execution of Quantitative Survey 118
10.2 Instrumentation: Variables and Items 120

D Analysis of the Influence of Participatory Structures on Labour Conditions 133

11 Worldwide Enhancement of Social Quality (WE Project) 133
11.1 Goals of the Project 134
11.2 Methodology of the Project 135
11.3 Comments of Project Team Members on the Training Approach of the WE Project 136

12 Interview Statements with regard to Framework Conditions in China for the Implementation of Social Standards and the Introduction of Worker Participation 137
12.1 Emphasis on Economic Targets after the Opening of Markets 137
12.2 Aiming at a “Harmonious Society” 138
12.3 Factories’ Response to CSR Activities of Brands 139
12.4 Social Standards: A Competitive Disadvantage? 140
12.5 A Remaining Challenge: Representation of Workers through Trade Unions 141
12.6 Changing Traditional Chinese Organisation Structures 143
13 Actors for Facilitating Participation – the Perspective of Interview Partners 145
14 Influence of Participation on the Improvement of Labour Conditions in Seven Garment Factories – Quantitative and Qualitative Data 148
14.1 Implemented Participation Structures 149
14.1.1 Participation Subject 149
14.1.2 Participation Object 152
14.1.3 Form of Participation 154
14.1.4 Participation Degree 162
14.1.5 Participation Behaviour 171
14.1.6 Formalisation of Participation 172
14.1.7 Summary 174
14.2 Improvement Processes with Regard to Labour Conditions and Economic Performance 174
14.2.1 Occupational Health and Safety 174
14.2.2 Forced Labour 177
14.2.3 Discrimination 179
14.2.4 Compensation 180
14.2.5 Child Labour 183
14.2.6 Working Time 184
14.2.7 Welfare/Recreational Activities 186

14.2.8 Economic Benefits 188
14.2.9 Summary 191
14.3 Motivational Influence Mechanisms of Participation 193
14.3.1 Bi- and Multivariate Analysis of Motivational Aspects 197
14.3.2 Qualitative Data 207
14.4 Cognitive Influence Mechanisms of Participation 210
14.4.1 Bi- and Multivariate Analysis of Cognitive Aspects 214
14.4.2 Qualitative Data 216
14.5 Aspects of Power-Sharing 219
14.5.1 Bi- and Multivariate Analysis of Power-Sharing Aspects 221
14.5.2 Qualitative Data 226
14.6 Summary of Influence Mechanisms 231
15 Quantitative and Qualitative Data on Requirements for Effective Participation 232
15.1 Setting up Effective Participation Structures 232
15.2 Motivation of Workers and Managers for Participation 234
15.3 Participatory Competence 244
15.4 Training of Workers 249
15.5 Resources for Participation 256
15.6 Summary 257
E Discussion of Theoretical and Empirical Findings 259
16 Framework Conditions in China for Worker Participation and Social Standards 259
17 Influence of Worker Participation on the Implementation of Social Standards – Interpreting Theoretical and Empirical Data with Regard to Hypotheses 261
17.1 Discussion of Implemented Participation Structures 261
17.2 Influence Mechanisms – Motivational Models 266

17.3 Influence Mechanisms – Cognitive Models 270
17.4 Influence Mechanisms – Power-Sharing 271

18 Discussion of Requirements for Effective Participation 276
18.1 Motivation of Managers and Workers 276
18.2 Participatory Competence 278
18.3 The Need for Training 279
18.4 Further Resources Required for Participation 280

19 Change Processes – Striving towards Compliance 280

F Conclusion 285

20 Recommendations for Practitioners in the Field 289

21 Areas for Further Research 290

Literature 293

Appendix 315

Questionnaire for WE Project WRs (English/Chinese) 316

Questionnaire for Workers (Factory 2; English/Chinese) 328

Questionnaire for Workers (Six Factories; English/Chinese) 340

Abbreviations

ACFTU	All-China Federation of Trade Unions
BIAC	Business and Industry Advisory Committee
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)
BSCI	Business Social Compliance Initiative
BWI	Building and Wood Workers' International
CAP	Corrective Action Plan
CB	Collective Bargaining
CCC	Clean Clothes Campaign
CCP	Chinese Communist Party
CEC	China Enterprise Confederation
CEDA	China Enterprise Directors Association
CEMA	China Enterprise Management Association
CEP	Council on Economic Priorities
CEPAA	Council on Economic Priorities Accreditation Agency
CIME	Committee on International Investment and Multinational Enterprises
CL	Child Labour
CLS	Core Labour Standards
CMT	Cut Make Trim
COE	Collectively-owned Enterprise
CS	Corporate Sustainability
CSR	Corporate Social Responsibility
EDS	Employee Director and Supervisors
EI	Employee Involvement
EMAS	Eco-Management and Audit Scheme
EPOC	Employee Participation in Organisational Change
ETI	Ethical Trading Initiative
EU	European Union
FDI	Foreign Direct Investment
FIP	Factory Improvement Programme

FL	Forced Labour
FLA	Fair Labor Association
FoA	Freedom of Association
FTA	Foreign Trade Association
FV	Factory Visit
FWF	Fair Wear Foundation
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSP	Generalised Systems of Preferences
GUF	Global Union Federation
IDE	Industrial Democracy in Europe
IEC	International Electrotechnical Commission
IFA	International Framework Agreement
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
IPC	Influence Power Continuum
ISO	International Standards Organisation
ITGLWF	International Textile Garment and Leather Workers' Federation
IUF	Uniting Food, Farm and Hotel Workers World-Wide
JCC	Joint Consultative Committee
LCL	Labour Contract Law
METI	Ministry of Economy, Trade and Industry
MFA	Multi Fibre Agreement
MNE	Multinational Enterprise
MOL	Ministry of Labour
MOLSS	Ministry of Labour and Social Security
MSI	Multistakeholder Initiatives
n.s.	Not significant
NCP	National Contact Point

NGO	Nongovernmental Organisation
OBM	Original Brand Manufacturer
OCA	Opening Corporate Affairs
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
PDI	Power Distance Index
PDM	Participatory Decision Making
PPE	Personal Protective Equipment
PRC	People's Republic of China
QC	Quality Circle
SAAS	Social Accountability Accreditation Services
SAI	Social Accountability International
SAVPOT	South Asian and Vietnam Project on Tripartism and Social Dialogue
SCORE	Sustaining Competitive and Responsible Enterprises
SEZ	Special Economic Zone
SME	Small and Medium Enterprises
SOE	State-owned Enterprises
STEC	State Trade and Economic Commission
SWRC	Staff and Worker Representatives' Congress
TCC	Tripartite Consultative Committee
TUAC	Trade Unions Advisory Committee
TUL	Trade Union Law
UN	United Nations
US	United States
WE	Worldwide Enhancement of Social Quality
WR	Worker Representative
WS	Workshop
WTO	World Trade Organisation

Figures

Figure 2-1	Focus of the study's research interest	4
Figure 4-1	Sourcing models (adapted from Decker 2005: 29)	10
Figure 4-2	The pyramid of corporate social responsibility (Carroll 1991: 34)	14
Figure 5-1	The Influence Power Continuum (IDE 1981: 28)	40
Figure 5-2	Influence mechanism of participation in human relations models (Gässler 1985: 63; Kießler & Scholl 1976: 15)	43
Figure 5-3	Impact of participation (own illustration based on Locke & Schweiger 1979: 279)	44
Figure 5-4	Influence mechanisms in the view of cognitive models (own source)	49
Figure 5-5	Influence mechanisms and requirements (own source)	66
Figure 7-1	Occurrence of win-win situations (own illustration based on Schwarz-Kocher et al. 2010)	101
Figure C-1	Hypotheses about the influence of participation	108
Figure 8-1	The mixed-method design	111
Figure 11-1	Timeframe and sequence of project activities in China (Source: WE Project)	134
Figure 11-2	Six steps of the solution-finding process (Source: WE Project)	135
Figure 14-1	Age	150
Figure 14-2	Working time in factory of workers and WRs	151
Figure 14-3	Discussion topics of workers and WE Project WRs	153
Figure 14-4	Topics not discussed	154
Figure 14-5	Frequency of talks between workers and worker representatives	155
Figure 14-6	Nomination and election procedure of WRs	156
Figure 14-7	Means participation degree of workers and WRs	163
Figure 14-8	Participation degree WRs	164

Figure 14-9	Participation degree workers	165
Figure 14-10	Participation degree per topic	168
Figure 14-11	Long-term participatory structures	172
Figure 14-12	Means change processes	191
Figure 14-13	Means satisfaction level with outcome	192
Figure 14-14	Motivational influence mechanisms of participation	193
Figure 14-15	Influence mechanisms cognitive models	210
Figure 14-16	Receiving feedback	211
Figure 14-17	Information about decision-making	212
Figure 14-18	Providing information on decisions	212
Figure 15-1	Training topics	250
Figure 17-1	Interrelations between participation, trusting relationships and work satisfaction	267
Figure 17-2	Interrelations between participation, trusting relationships, work satisfaction, and working conditions	268
Figure 19-1	Change process influenced by participation (own source)	281
Figure 19-2	Improvement process of implementing social standards	282

Tables

Table 6-1	China’s exports and imports (Germany Trade & Invest 2010: 2)	68
Table C-1	My visits of sample factories	110
Table 9-1	Codes for interview partners	114
Table 9-2	Interview questions – Management	115
Table 9-3	Interview questions – Project team members/ILO Representative	116
Table 10-1	Number of respondents in survey	118

Table 10-2	Participation structures – variables and items	122
Table 10-3	Labour conditions – variables and items	125
Table 10-4	Motivational aspects – variables and items	126
Table 10-5	Cognitive aspects – variables and items	127
Table 10-6	Power-sharing – variables and items	128
Table 10-7	Motivation – variables and items	130
Table 10-8	Competences – variables and items	131
Table 10-9	Training – variables and items	131
Table 10-10	Further support – variables and items	132
Table 14-1	Background information about sample factories	149
Table 14-2	Gender	150
Table 14-3	Level of education of workers and WRs	150
Table 14-4	Background of workers and WRs	151
Table 14-5	Trade union representative	152
Table 14-6	Job	152
Table 14-7	Time working as a WE Project WR	152
Table 14-8	Communication channels used by workers	155
Table 14-9	Frequency of WRs' meetings	156
Table 14-10	Frequency of talks with management about results of WRs' meetings	157
Table 14-11	Participatory bodies in companies	157
Table 14-12	Number of committees in which WRs take part	158
Table 14-13	Execution of tasks	158
Table 14-14	Direct and indirect participation structures (mentioned in factory visits reports and interviews)	159
Table 14-15	Number of WRs, election frequency and fluctuation of WRs	162

Table 14-16	Use of six step solution-finding process	166
Table 14-17	Relation education level and participation degree (ANOVA analysis)	166
Table 14-18	Relation length of working time and participation degree (ANOVA analysis)	167
Table 14-19	Participation degree per factory	168
Table 14-20	Compensation of WRs	173
Table 14-21	Formalised participation structures	173
Table 14-22	Perceived changes in the area of OHS	175
Table 14-23	Satisfaction with discussion results – OHS	175
Table 14-24	Stated improvements related to OHS	176
Table 14-25	Awareness forced labour	177
Table 14-26	Satisfaction with discussion results – forced labour	178
Table 14-27	Improvements in the field of forced labour	178
Table 14-28	Awareness discrimination	179
Table 14-29	Satisfaction with discussion results – discrimination	179
Table 14-30	Activities in the field of anti-discrimination	180
Table 14-31	Perceived changes in the area of compensation	181
Table 14-32	Satisfaction with discussion results – compensation	181
Table 14-33	Improvement activities in the field of compensation	182
Table 14-34	Awareness of workers regarding child labour	183
Table 14-35	Satisfaction with discussion results – child labour	184
Table 14-36	Improvement activities in the field of child labour	184
Table 14-37	Assessment workers and WRs	185
Table 14-38	Satisfaction with discussion results – working time	185
Table 14-39	Improvement activities in the field of working time	186

Table 14-40	Satisfaction with discussion results – welfare	187
Table 14-41	Improvement activities in the field of welfare	187
Table 14-42	Assessment of improvements	188
Table 14-43	Satisfaction with discussion results – production and quality	189
Table 14-44	Investment in labour conditions	189
Table 14-45	Improvement activities in the field of production	190
Table 14-46	Improvement activities in the field of quality	190
Table 14-47	Motivational aspects – perception relationship	194
Table 14-48	Feeling of being acknowledged	195
Table 14-49	Frequencies work satisfaction	195
Table 14-50	Job commitment	196
Table 14-51	Perception fluctuation of workers	197
Table 14-52	Factor analysis – participation degree	198
Table 14-53	Factor analysis – labour conditions	199
Table 14-54	Factor analysis – satisfaction discussion outcome	200
Table 14-55	Factor analysis – relationship	201
Table 14-56	Factor analysis – work satisfaction	202
Table 14-57	Correlations (Pearson) between participation degree, motivational aspects and outcomes of participation	203
Table 14-58	Multiple regression analysis: work satisfaction	205
Table 14-59	Multiple regression analysis: positive changes working conditions (OHS, wages, FL, overtime)	206
Table 14-60	Multiple regression analysis: satisfaction discussion outcome	207
Table 14-61	Aspects of motivational models (source: interviews)	209
Table 14-62	Statements related to cognitive models	211
Table 14-63	Receiving necessary information from management	213

Table 14-64	Factor analysis – awareness	213
Table 14-65	Correlations (Pearson) between participation degree, cognitive aspects and outcomes of participation	214
Table 14-66	Multiple regression analysis: improved labour conditions	215
Table 14-67	Multiple regression analysis: satisfaction discussion outcome	216
Table 14-68	Cognitive aspects (source: interviews)	218
Table 14-69	Influence degree of workers and WRs	219
Table 14-70	Satisfaction with discussion results regarding worker participation	220
Table 14-71	Agreement to statement “I know more about my labour rights”	220
Table 14-72	Representation of workers’ interests	221
Table 14-73	Correlations (Pearson) between participation degree, educational effects and outcomes of participation	222
Table 14-74	Bivariate correlations (Pearson)	223
Table 14-75	Bivariate correlations (Pearson)	223
Table 14-76	Multiple regression analysis: productivity	224
Table 14-77	Multiple regression analysis: participation degree, influence, changes labour conditions	225
Table 15-1	Attitudes motivation for participation	235
Table 15-2	Talks about sensitive issues	236
Table 15-3	Wish to provide suggestions	236
Table 15-4	Wish to be a WR	237
Table 15-5	Satisfaction with WE Project WRs	237
Table 15-6	Needed support for work of WE Project WRs	238
Table 15-7	Bivariate regression: aspects influencing motivation of workers for participation	239
Table 15-8	Bivariate regression: aspects influencing motivation of WRs for participation	239
Table 15-9	Correlation (Pearson): feedback and motivation for participation (workers)	245
Table 15-10	Correlation (Pearson): feedback and motivation for participation (WRs)	245

Table 15-11	Correlation (Pearson): cognitive aspects and participation degree	246
Table 15-12	Frequency of training sessions	250
Table 15-13	Wish for training	251
Table 15-14	Need for training	251
Table 15-15	Influence of training on participation degree	252
Table 15-16	Influence training on improvements	253
Table 15-17	Support for WRs	256

A Introduction

1 Purpose of the Study

For almost two decades, companies have been attacked by non-governmental organisations (NGOs) to ensure better labour conditions in the worldwide production of their goods. Cases of labour rights violations are easily accessible on the internet and documented in newspaper articles or television reports (ARD 2010; Anonymous 2007; McDougall & Schmitz 2007). For example, one journal article investigates the case of a female textile worker who died after continuously working 13 to 15 hours seven days a week for a garment producer in Bangladesh. 80 per cent of clothes manufactured at this factory were ordered by the German retailer Metro (Anonymous 2009b). The textile industry is known for its poor working conditions at supplier sites mainly located in Asia or Latin America: violations range from extremely low wage levels, unsafe working places, sexual abuse, and child labour to excessive overtime – to name only a few examples. In order to avoid the risk of reputation loss, many brands have therefore set up monitoring programmes to convey the picture that they are able to ensure compliance with social standards at their manufacturing sites. In contrast, on-going reports about violation of social standards show that monitoring has not had the expected positive effects for workers, and brands are put under pressure continuously to invest in alternative approaches. Therefore, latest improvement programmes follow a different strategy by promoting in-house dialogue between managers and employees in order to focus on the individuals that are most affected by poor working conditions. It is argued that participation offers the opportunity of jointly working on the improvement of working conditions by sharing information, suggestions for improvement and at best agreeing on the implementation of joint decisions. Given these latest developments in strategies to improve the social performance in supply chains, this study will examine if a positive relation actually exists between worker participation and the improvement of working conditions in supplier factories.

Participation of workers is a broad term and thus covers a wide range of structures, aims, and measures to integrate workers into decision-making for achieving a change process towards higher productivity, quality or a better working environment. However, within the framework of this study, I will mainly refer to participatory structures in organisations that are initiated by management with the aim to improve working conditions. Therefore, collective bargaining and trade union participation is not a strong focus of this research.

Since China is the largest exporter of garments worldwide and many suppliers of Western brands are located in the booming industrial regions of China, the influence of participatory structures on the improvement of working conditions will be analysed within the frame

of the Chinese context. In addition, organisational structures in Chinese factories are often described contrary to what a participatory structure might require: authoritarian decision-making, obedience of lower rank employees towards higher management personnel and an organisational climate that does not encourage sharing different thoughts and disagreement. Therefore, to have a closer look at what participation of workers can actually change in Chinese factories is of high importance.

With regard to participation within the concept of sustainability, the Agenda 21 has been a key milestone for fostering participative organisation structures (Heinrichs 2005: 44). The Agenda 21 was adopted by 178 governments at the United Nations Conference on Environment and Development in Rio de Janeiro in 1992. It is a plan of action for every area in which humanity impacts on the environment and is to be taken on the global, national and local levels. Chapter 29 of the Agenda promotes the active participation of workers and their representative organisations as well as freedom of association to achieve sustainable development (UNCED 1992). Moreover, participation of employees in company matters has been further highlighted by the dispersal of environmental management systems such as EMAS or ISO 14001 and by the management guideline ISO 26 000 which has been put forward by experts of more than 90 countries over a consultation process of about six years from 2004 to 2010 (ISO 2011). Participation in the view of sustainable development is considered as an aim and a method at the same time (Klemisch 2004: 9). A normative aim of sustainable development covers the involvement of stakeholders which may be affected by company's activities or decisions. Only by acknowledging and negotiating stakeholders' suggestions and demands, a consensus may be found that integrates economic, social and environmental considerations. Participation is therefore a method or platform that enables this exchange. Sustainable development is understood as an ongoing learning process for which continuous adaptation and innovation is necessary. Due to the complexity of the required change that strives for sustainability, innovations cannot be initiated or mandated by regulative measures but need to be created by those who are affected (Hoffmann et al. 2007: 11). Therefore, from a methodological point of view participatory structures offer the opportunity to voice concerns, demands or recommendations and to take part in decision-making.

The improvements of social aspects in supply chains – for example by setting up and monitoring codes of conduct for suppliers or capacity building activities – are most often embedded in a strategy for meeting stakeholder expectations in the area of corporate social responsibility (CSR). Some companies not only regard their social performance within supply chains as a voluntary task but integrate social requirements into their core business in the frame of the concept of corporate sustainability (CS). CS and CSR comprise not only social activities but also attempts to focus on environmental issues while maintaining a sound economic performance. Although I acknowledge that an isolated view of the social dimension initially ignores potential conflicts with the economic and environmental dimension, the social dimension of the manufacturing of apparel will be in the centre of attention in this study. Nevertheless, sound working conditions in factories as determined by for example the Conventions of the International Labour Organisation (ILO)

or local labour law are a precondition for sustainable performance of factories. Without mature working conditions, further steps towards a high environmental performance and long-term economic success are unlikely. Therefore, by addressing social standards the other pillars of sustainable development will also be influenced to a certain extent. For example, effective health protection of employees requires a careful handling of chemicals. The social dimension therefore has impact on the environmental performance of factories and vice versa. The provision of appropriate wages, the elimination of excessive overtime, and other improvements of working conditions not only have implications for the economic performance of the factory but also for the national economy. The overlapping especially between the environmental and social or economic performance is not in the centre of discussions in this study. However, organisation theory – to which I will refer in the theoretical and empirical sections – will provide a link between participation, social standards and economic performance. The definition of social standards e.g. by the ILO is a great achievement in terms of the harmonisation and specification of what member countries regard as decent working conditions on an international level. Of high importance now is how workers and managers are enabled to implement such standards according to their situation in the factories.

2 Research Aim and Questions

Participation in organisations is not a new phenomenon and has been widely investigated, especially by Western researchers (Wilkinson 2010; Lafferty et al. 1993; Russell et al. 1991). In recent years, the implementation of social standards in global supply chains has also been discussed increasingly in scientific literature, either with specific attention to improvement measures such as setting up codes of conduct or auditing (Esbenshade 2004) or to a broader look at CSR/sustainability in supply chains (Gold et al. 2010; Starmanns 2010; Jenkins et al. 2002). The impact of training programmes with the aim of introducing employee involvement in Chinese factories in order to improve social compliance has not received much attention from research so far. Previous studies on worker participation are limited to developed economies with relatively stable and established institutional environments (Zhu et al. 2010: 85). However, it is highly questionable whether participation may have effects on working conditions in framework conditions that do not appear supportive of workers' involvement at first sight. Since hierarchical top-down organisational structures are common in China and the concept of employee involvement is often not introduced at production sites (Heller 1998: 145), it is of research interest whether the implementation of such structures is successful and to which degree working conditions may be affected.

Against this background, this study aims to establish knowledge on the influence of participatory structures on the implementation of social standards in the Chinese context. The following research questions are set up and will be answered by theoretical and empirical research:

1. What are the political, economical, legal and cultural framework conditions for worker participation and the implementation of social standards in China?
2. How does participation influence the improvement of labour conditions in Chinese factories?
3. Which requirements at factory level support the influence of participative structures on the improvement of labour conditions?

Figure 2-1 visualises the different aspects of the study's research interest.

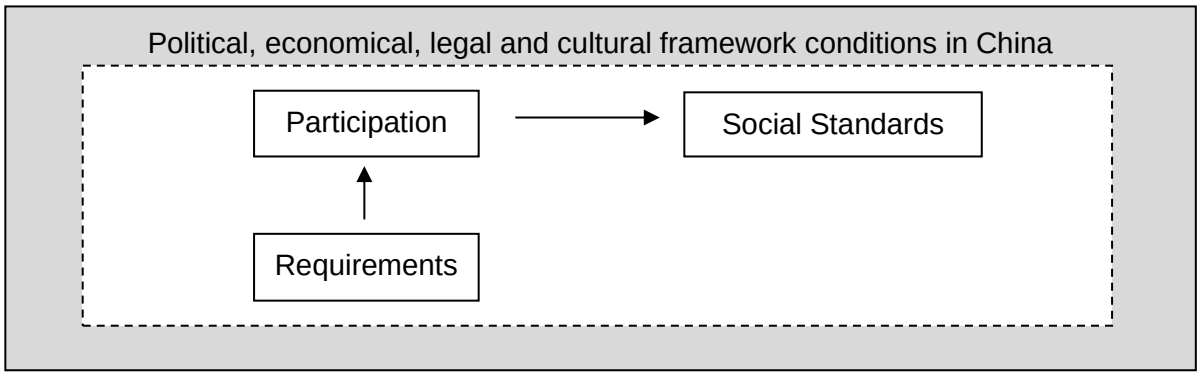


Figure 2-1 Focus of the study's research interest

In order to answer these questions, literature research is employed as well as quantitative and qualitative research. The pilot training project "Worldwide Enhancement of Social Quality" (WE) of the German retailer Tchibo GmbH and the GIZ, a German federal organisation for international cooperation in the field of sustainable development, which aimed at introducing participatory structures for improving working conditions at manufacturing sites in Bangladesh, Thailand and China, is used as a case study for investigating effects of participatory structures on the implementation of social standards. Overall, 15 managers of seven factories that took part in the training programme as well as 11 project team members and one representative of the International Labour Organisation (ILO) in China were interviewed. In addition, 390 workers and 70 project worker representatives of the seven garment factories filled in a questionnaire about participatory structures and the perceived impact they had in their factories. Since change processes are analysed only at factories that took part in the WE Project, the study can only be exemplary for developments in China. Nevertheless, studies with such extensive research at production sites with both managers and workers are rare, and are best suited to provide detailed insight into the research topic.

Social standards are a broad term for legal requirements with which suppliers have to comply at the workplace. In the frame of this study, the areas of occupational health and safety (OHS), forced labour (FL), child labour (CL), discrimination, compensation and working time are considered, since these aspects are widely taken into account by codes

of conduct and the ILO core labour standards. Indirect participation taking the form of collective bargaining is an institutionalised mechanism itself to ensure the implementation of labour law and the bargaining for better working conditions while at the same time an important social standard included in the core labour standards of the ILO. Nevertheless, the focus of this study is not related to freedom of association (FoA) and collective bargaining (CB), since in China independent trade unions are not allowed and a true representation of workers is lacking due to a broad understanding of "worker representatives" which makes it possible that general managers serve as trade union representatives. Research with a strong focus on the impact of employee involvement on setting up independent trade unions would have placed workers and managers in a difficult situation. Therefore, with regard to the sensitive research setting in China, freedom of association and collective bargaining will be included in the theoretical argumentation but not focussed upon in the empirical research.

This study provides detailed insight into the benefits and challenges associated with participatory structures that aim at improving the social performance of factories. It provides conclusions about the effectiveness of employee involvement that has been initiated within the frame of a training programme. Moreover, it provides a new view on organisational theory with regard to the context of China and whether the Western approach of employee involvement can have impact in Chinese factories as well. Therefore, the study is valuable for both researchers in the fields of CSR, social standards and global production networks as well as for representatives from brands, multistakeholder or civil society organisations and managers and workers of supplier factories who are interested in research that has highly practical implications for their daily work.

3 Structure of Study

This study is organised into six main parts:

- Part A (sections 1-3): Introduction
- Part B (sections 4-7): Theoretical Concepts and Models
- Part C (sections 8-10): Research Design and Methodology
- Part D (sections 11-15): Analysis of the Influence of Participatory Structures on Labour Conditions
- Part E (sections 16-19): Discussion of Theoretical and Empirical Findings
- Part F (sections 20-21): Conclusion

After the introductory chapter, **section 4** of chapter B gives an overview of the textile chain and summarises the content of main social standards that are regarded as minimum standards. A brief description provides insight into international trade agreements with labour rights provisions which aim at enforcing social standards on a political level.

Activities of brands in the field of social compliance that are embedded in their strategies in the area of corporate social responsibility (CSR) mainly concentrate on setting up codes of conduct and conducting social audits at supplier sites. Moreover, many brands are a member in one of the multistakeholder initiatives in the field. Codes of conduct that are developed between multinational enterprises (MNEs) and global union federations (GUFs) – so-called international framework agreements (IFAs) – are highlighted as another means of implementing social standards. In recent years, capacity building programmes focussing on worker participation and social dialogue have emerged as another tool to increase the involvement and ownership of workers and managers that are hardly involved in above mentioned measures.

Section 5 features several sub-sections that provide perspectives on characteristics of participation, its emergence in the 20th century in Western countries, influence mechanisms and requirements for making participation successful. Here, the focus of the study is on worker participation introduced by management and not on indirect participation covered by trade unions and works councils. Influence mechanisms of participation are analysed with regard to motivational, cognitive and power-sharing aspects.

Since the research question concerns the influence of participation on the implementation of social standards in Chinese garment factories, **section 6** examines economic, political, legal and socio-cultural framework conditions in China for participation and working conditions. Furthermore, common labour rights violations in China and their reasons are examined.

The final **section 7** connects the discussion areas mentioned above (social standards, participation, context China) and concludes on several hypotheses that are later examined by empirical research.

Chapter C provides a presentation of the research design and methodology. This study uses a mixed-method approach by applying quantitative and qualitative methods for analysis. Seven garment factories that participated in the project “Worldwide Enhancement of Social Quality” serve as a case study for investigating influence mechanisms of participation in Chinese factories.

In **chapter D**, findings of the quantitative survey and qualitative interviews are presented. 390 workers and 70 WE Project worker representatives have answered questionnaires on their perceptions of worker participation in their factories. In addition, interviews have been conducted with 15 factory managers familiar with the WE project, nine WE Project team members and one representative from the ILO in China. In section 11, the WE Project and its methodology is presented before interview statements about framework conditions in China and perspectives on the facilitation of participative structures are summarised in sections 12 and 13. Section 14 provides detailed insight into the implementation of participative structures, their outcomes and influence mechanisms. Quantitative and qualitative data about requirements for participation are presented in section 15.

Chapter E presents the discussion of empirical and theoretical findings regarding framework conditions in China for the implementation of social standards and worker participation, conclusions about factories' performance in the area of participation, influence mechanisms and requirements for participation. Moreover, the hypotheses developed in section 7 will be discussed.

In the final **part F**, the study ends with a conclusion on the topic which contains recommendations for practitioners and areas for further research.

B Theoretical Concepts and Models

4 Discourse on the Implementation of Social Standards from a Western Point of View

The following section 4 provides insight into the discourse on the implementation of social standards. In this section, only Western literature and concepts will be analysed without focussing on the Chinese understanding or reaction to it, since later in chapter 6 the focus will be then exclusively on China. This chapter is organised as follows: first the nature of globalised textile supply chains in which social standards are expected to be implemented is explored (section 4.1). The subject of this thesis is then contextualised in the field of corporate social responsibility and sustainability management (section 4.2), before giving an overview of the features of social standards (section 4.3). The implementation of social standards can be part of binding international trade agreements (section 4.4) or voluntary instruments and initiatives (section 4.5). Acknowledging the weaknesses of social auditing (section 4.5.3), new project designs have been emerged, focusing on dialogue and workplace cooperation. These will be presented in section 4.5.4.

4.1 The Globalised Textile Supply Chain

The textile supply chain encompasses all production steps as well as sourcing and distribution processes – from fibre production to product selling (Ahlert et al. 2009: 41). The production of clothes and textiles[1] is highly fragmented into multiple production stages. All stages follow one after another (Ahlert et al. 2009: 41). The technical production path of textiles and garments after fibre production can be differentiated into spinning, weaving or knitting, finishing, and garment manufacture (Back & Gerth 2003: 21).The yarn used during the spinning process originates from either chemical or natural fibre. In the next step, the fabric is produced by weaving or knitting. Finishing encompasses dyeing, printing of patterns or equipping fabrics with certain characteristics such as flame protection or glossiness. In the manufacturing stage, fabrics are processed into the final product by cutting, sewing or welding. After the completion of the production process, clothes and textiles are directly marketed or sold through wholesalers and retailers (Ahlert et al. 2009: 43f). All actors in the textile chain, including suppliers, retailers and consumers, are covered by the term “textile industry” (Tücking 1999: 12).

[1] Clothing refers to garments, whereas textiles cover home textiles such as bedclothes, tableware or curtains and technical textiles (used for example in the automotive industry) (Ahlert et al. 2009: 43).

Because of the various elements of the textile chain and the resulting high number of involved suppliers, management of the supply chain becomes a complex task, especially if social and environmental aspects are integrated into each part of the chain. Bair and Gereffi (2000: 198) characterise textile supply chains as buyer-driven supply chains because most of the retailers or brands do not have their own production sites anymore and only specify the characteristics of the product. The brands taking over design, research and development and marketing are called “focal enterprises”. For example, H&M as a focal enterprise sources from 700 suppliers, which also involve sub-contractors to fulfil orders. According to the information on the H&M website, in total more than 2,700 production sites and more than a hundred thousand employees work in the production of H&M products (H&M 2010).

The ways of sourcing can be divided into direct and indirect sourcing. Direct sourcing implies that the focal enterprise sources directly from suppliers or through their own buying office located in the market. The model “Cut Make Trim” (CMT) is a form of direct sourcing where the focal company provides all raw materials and fabrics to a supplier. Indirect sourcing is applied if an importer or agent acts as an intermediary who purchases the products from suppliers or if a brand manufacturer in a Western country organises the whole production (Ahlert et al. 2009: 761). The following figure 4-1 provides an overview of the described sourcing models.

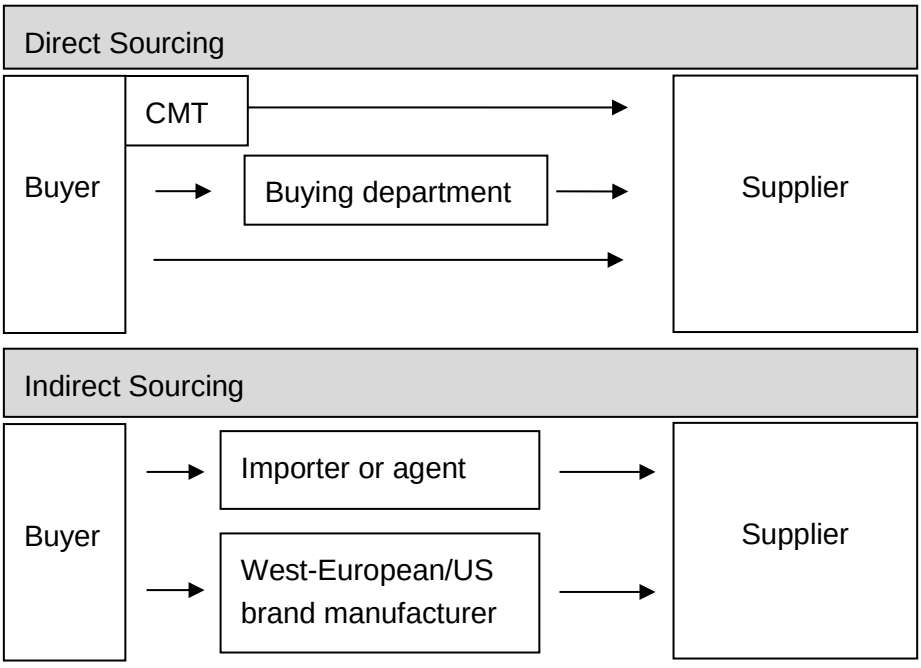


Figure 4-1 Sourcing models (adapted from Decker 2005: 29)

To specify the role of the supplier, one can subdivide them between suppliers that are only responsible for manufacturing the apparel itself (subcontracting model) and suppliers that also take over the coordination of other steps of production. The latter suppliers are known as “Original Equipment Manufacturers” (OEM) (Bair & Gereffi 2000: 202). If an OEM extends its activities to the production of own-brand products, the supplier is called “Original Brand Manufacturer” (OBM) (Bair & Gereffi 2000: 202f). Often, focal companies combine different ways of sourcing. For some products, suppliers might be defined for each stage of the textile chain in such a way that the focal company manages the whole supply chain. For other products, focal companies might select an OEM to organise the whole production process.

Sourcing in a Globalised World

The sourcing models presented are only feasible in a globalised world, where the transportation costs of people, goods, information and capital have been dramatically reduced in the past 30 years due to new technologies (ILO 2004a: 27; Reichert 2002: 4). Further attributes of globalisation are the increasing appearance of multinational enterprises (MNEs), Foreign Direct Investment (FDI), transnational cash flows and trade liberalisation. According to the ILO (2004a: 27), the abolition of national barriers for international trade combined with new emerging information and communication technologies in the 1990s were the two main factors laying the foundation for the emergence of globalisation. The transition from socialist to market-oriented systems in Eastern Europe and China at the end of the 1980s has enabled sourcing activities of brands from all over the world. In a broad sense, globalisation is an ongoing process where local economies, societies and cultures interact in a globe-spanning network. Territorially defined national borders are no longer congruent with economic or societal actions. Through this development, nation states lose influence whereas the power of multinational companies increases. The positive and negative effects of globalisation have been widely discussed and positions vary to a large extent. The proponents of globalisation argue that international competition with fewer nation-state trade limitations increases the efficiency of resource allocation (Scherer 2003: 1). They propose less social and environmental regulations to increase the flexibility of companies and, in the long run, secure wealth for all countries (Bhagwati 2004). Another argument of proponents is that FDI and sourcing from suppliers in developing countries provides these countries with access to capital, technology, employment and international markets (Locke et al. 2006: 1). However, globalisation critics claim that social achievements are threatened by trade liberalisation. It is argued that companies sourcing in developing countries take advantage of low labour costs and the weak enforcement of social and environmental regulations (Locke et al. 2006: 1; Scherer 2003: 2; Altvater & Mahnkopf 1996). Strong political framework conditions are needed to protect societal aims such as economic prosperity and social peace instead of supporting the interests of a few global economic players (for a list of authors see Scherer 2003: 2).

Development of the Textile Industry

The textile industry is a typical example for the globalisation of a sector (Bair & Gereffi 2000; Musiolek 1999). Since the middle of last century, a far-reaching structural change in the European textile industry has taken place. The labour-intensive production of garments and textiles has been shifted to countries with cheaper framework conditions for production, especially due to lower labour costs, quota and custom duties (Ahlert et al. 2009). The clothing and textile industry today is the "single largest source of manufactured exports from developing countries by value" (Oxfam International 2002: 107).

From 1974 until 1994 the Multi-Fibre Agreement (MFA) regulated exports of textiles and garments from developing to industrialised countries. Quotas were set for clothing and textile exports due to the decline of employment figures by 40 per cent in the textile industries of the industrialised countries. Thus the MFA was a protectionist barrier of free trade (Gabler Verlag not dated). A study of the World Bank and the International Monetary Fund (IMF) in 2002 came to the conclusion that the MFA resulted in lost exports worth $ 40 billion a year to developing countries (Chandrasekhar 2003). The quotas of the General Agreement on Tariffs and Trade (GATT) were responsible for a development in which some countries, such as China, were not allowed to export according to their actual production capacity, whereas in other countries, such as Bangladesh, a new clothing and textile industry emerged to take advantage of the ascribed quotas. In the Uruguay round of the GATT, the MFA was taken under the jurisdiction of the World Trade Organisation (WTO). This new MFA of the WTO had a duration of ten years, lasting until 2004 (Südwind e.V. 2005). The ending of the agreement had a large effect on the export volumes of individual countries. In 2005, exports from China to the US increased by 47 per cent, and to the EU by 43 per cent compared with the previous year. The market share of Chinese clothing and textile exports increased from 20 per cent up to almost 27 per cent. In conjunction with the entry of China to the WTO in 2001, regulations specified that if disturbances occured in the market through the impact of Chinese exports, quotas could be set for China until 2008. The US, the EU, Turkey, Brazil and South Africa made use of this agreement and again imposed quotas on Chinese products until the end of 2007 (for European countries) and 2008 to protect their markets. From 2008 until 2015, trade barriers towards China are still possible, but to a lesser degree (CCC not dated).

4.2 Implementing Social Standards as a Matter of Corporate Social Responsibility and Corporate Sustainability

Focal companies are one of the main drivers of globalised markets, but have to position themselves regarding their handling of social and environmental framework conditions in production countries in order to retain the legitimacy of stakeholders. Nongovernmental organisations (NGOs) accuse companies of capitalising on regulatory deficits by exploiting weak social and environmental conditions of supplier countries. Public campaigns con-

cerning working conditions in the textile industry are numerous[2] and have the potential to severely damage the reputation of focal companies (Seuring & Müller 2004). NGOs like the Clean Clothes Campaign (CCC) demand that companies take responsibility for their actions and ensure socially acceptable working conditions at production sites. Through mass mails labour activists can reach thousands of consumers immediately whenever labour law violations are discovered in production countries. Moreover, a variety of websites of NGOs and worker representatives' organisations have been established to inform the public about the environmental and social performance of companies. Against this background, in recent years many European or US brands have become increasingly active in the field of corporate social responsibility (CSR). The roots of CSR date back to the middle of the 20th century when the discussion about corporate responsibility originated in the US (Schaltegger & Müller 2008: 19).

In the Green Paper "Promoting a European framework for corporate social responsibility" of the European Communities, CSR is defined as a "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Communities 2001: 8). CSR focuses therefore on voluntary commitment of companies towards social responsibility that goes beyond legal obligations. As explained by Schaltegger and Müller (2008: 25) the role of companies within the conceptualisation of CSR is mainly observant and receptive towards social developments. Moreover, CSR implies that there are clear discrepancies between social goals of a company and economic interests since CSR strategies mainly focus on activities that are not already integrated in usual business practice.

Carroll (1991) developed the well-known four-part conceptualisation of CSR, the so-called "Pyramid of Corporate Social Responsibility" with an economic, legal, ethical, and philanthropic component (Fig. 4-2). The economic component reflects the primary goal of enterprises to produce goods and services to make profit. Without economic success, the enterprise will not be able to survive. Legal responsibilities refer to the operation of a business according to laws and regulations. Under ethical responsibilities Carroll (1991: 32) includes "those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights". The fourth component, philanthropic responsibilities, comprises all activities that seek to promote human welfare or goodwill. The company shall act as a good corporate citizen on a voluntary basis (Carroll 1991: 33). Examples for corporate philanthropy would be the financial support of a humanitarian programme, providing resources to local community projects, etc.

[2] For current campaigns, see the website of the Clean Clothes Campaign: www.cleanclothes.org, accessed 10.05.2010.

Figure 4-2 The pyramid of corporate social responsibility (Carroll 1991: 34)

CSR refers not only to the performance of the brand itself but also expands the concept to its supply chains (WBCSD 2000). Applying Carroll's concept of CSR, the economic responsibility of brands is to organise their sourcing activities according to economic benefits. For example, the concept of global sourcing, an oft-applied sourcing strategy, aims at exploiting competitive advantages by sourcing from global markets under strategic economic considerations (Arnold 1998; Piontek 1997). The competitive advantage of production sites in foreign countries depends most notably on low labour costs, low cost raw materials and economic factors like low taxes and trade tariffs. Merkel (2008: 99ff) conducted a survey among 20 retailers and asked about their criteria for the selection of suppliers. Price level and production competence were the most important reasons to order products from a supplier. As far as legal responsibilities are concerned, focal companies have no legal obligation to ensure their suppliers meet social standards. But with regard to ethical responsibilities, the brand is sensitive to the expectations of stakeholders which demand that brands introduce and control the implementation of codes of conduct to ensure better working conditions at manufacturing sites. The buying practice of enterprises and the time pressure they put on suppliers are often denounced as well (Kampagne für Saubere Kleidung 2008). Philanthropy in the supply chain refers to activities like sponsoring the construction of school buildings in regions where child labour is a problem, etc. For almost 20 years, brands reacted to the demands of stakeholders by applying instruments such as social auditing (see section 4.5.2), but the sustainability of sourcing strategies like "global sourcing" and their strong focus on low buying prices has been publicly discussed by brands only to a very limited degree. Therefore, a weakness of Carroll's pyramid is that it ignores such conflicts within the different components of the

CSR pyramid. A general dissent between economic and social or environmental goals is inherent to this CSR concept. CSR has its starting point in altruistic behaviour, and respective CSR strategies often accompany the core business but are not fully integrated (Schaltegger & Müller 2008: 27f).

In contrast, in the concept of *corporate sustainability* (CS) (Schaltegger 2008: 41) the integration of economic targets and sustainability is put at the centre of the business model and organisational activities. Corporate sustainability incorporates both voluntary measures as well as mandatory legal requirements with regard to environmental and social performance (Schaltegger & Müller 2008: 25). Companies that engage in corporate sustainability do not react to demands of stakeholders but envision and structure new markets towards sustainability. Here, sustainable aspects of trade are integrated into the core business direction – questions of how to successfully combine the economic performance with social and environmental best practice is a key element of corporate sustainability management in order to create a business case for sustainability (Schaltegger & Müller 2008: 28).

Critics claim that voluntary CSR activities can easily be reduced to “window dressing” for the purpose of public relations (Zimmer 2008: 142ff; Mintzberg 1983). Concerns centre on the discussion of whether voluntary standards are used to replace binding agreements. Opponents of CSR argue that voluntary standards often comprise weaker requirements and cannot be enforceable, therefore weakening the position of employees. Obviously, for effective CSR, strong stakeholders such as trade unions, NGOs and civil society have to play their role, especially with regard to the empowerment of employees, making violations public and raising awareness among consumers. Otherwise, there would be less need for companies to invest in social performance beyond economic benefits as they would not be in danger of losing their legitimacy.

Focal Western companies active in the mass market mainly apply classic voluntary CSR measures such as setting up codes of conduct and auditing factories for enhancing the social performance of their suppliers (see sections 4.5). Conducting capacity training at supplier sites is also related to CSR performance, since activities do not have to be integrated in a broader sustainability strategy that contributes to a business case. Training for suppliers might be initiated by the CSR department solely without involvement of the buying department. In the past years, however, an increasing number of mainly small and medium enterprises (SMEs) have emerged that consistently integrate environmental and social aspects along the whole supply chain and within their own business practice as characterised by the approach of corporate sustainability. Here, buying structures, relationships with suppliers and sustainability objectives are compatible with a broader corporate strategy for sustainability. With regard to Chinese factories manufacturing goods for the mass market, most often no voluntary CSR activities are implemented, since compliance with legal requirements while at the same time remaining competitive is a challenge with which many factories are already struggling.

Based on the integration of environmental and social aspects into business performance, CSR and CS have their roots in the concept of sustainable economic development (Crane & Matten 2004: 26). The concept of sustainability is often operationalised by one and three pillar models and integrative approaches.

The one-pillar concept emphasises the ecological dimension claiming that the satisfaction of needs of current and future generations is only possible if nature can survive as the basis for livelihood and trade. Where social and economic requirements are in conflict with the ecological dimension, environmental needs should be prioritised (Grunwald & Kopfmüller 2006: 41). To ensure social and economic development within the limits of the natural environment is at the centre of interest of one-pillar concepts. But it is well-nigh impossible to scientifically determine those limits. Often, the capacity of the environment is overestimated and its limits are already exceeded by the time they have been identified as such (Grunwald & Kopfmüller 2006: 44).

In contrast to the one-pillar concept and the priority of the ecological dimension, the three-pillar concept postulates the equal combination of social, ecological and economic aims and is based on the triple bottom line approach which divides sustainable development into ecological functionality, economic efficiency and social responsibility (Elkington 1997). Integrative concepts of sustainability are a response to critics of the three-pillar models which claim that an isolated use of each dimension cannot lead to a real integration of all three dimensions. Therefore, its premises, such as the present generation's responsibility towards posterity and distributive justice, have to be conceptualised across the dimensions in an integrated view (Grunwald & Kopfmüller 2006: 52ff).

This study primarily focuses on the social dimension of sustainability and its anchoring within CSR activities of Western brands and the impact on factories' performance on-site. In the discussion on sustainable management, the concept of participation has been featured as a tool to adhere to internal and external demands of stakeholders, which is a core aspect of CSR and the sustainability discourse (Hoffmann et al. 2007; Jonuschat et al. 2007; Heinrichs 2005; Klemisch 2004; Schneidewind 2002). Therefore, this study takes into consideration not only the broader perspective on CSR activities of brands and its suppliers, but also on participation as a way to foster at least social compliance. How social achievements can be integrated or even contribute to the economic and environmental performance will also be of interest, but is not in the centre of attention in the following.

In the next section, characteristics of social standards will be introduced and the role of main actors such as the International Labour Organisation described.

4.3 Social Standards

In the course of industrialisation, social standards were developed for the first time to protect workers from exploitation. For example, in the United Kingdom The Factory Act of 1802 restricted working hours for workers aged between 14 and 18 to 12 hours a day and abolished the employment of children under nine years of age (Reichert 2002: 3). Social standards developed by the state set limits preventing single companies from gaining competitive advantage through wage dumping, excessive overtime, etc. (Bundesministerium für Arbeit und Sozialordnung et al. 1994: 55). Moreover, the fundamental power gap between employees and their employers can be reduced by defining standards with which the employer has to comply (Ehmke et al. 2009: 15).

After the Second World War, the number and specificity of social standards prescribed by the state or through collective bargaining increased significantly in all industrialised countries. However, a debate on the economic impacts of social standards was ignited due to rising unemployment rates in the 1970s and intensified globalisation processes in the 1990s (Reichert 2002: 3).

4.3.1 Definition

A standard is defined by the International Standards Organisation (ISO) as a "document, established by consensus and approved by a recognized body, that provides for common and repeated use rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context" (ISO & IEC 1996). McIntosh et al. (2003: 99) point out that standards are specific by setting benchmarks and have to be distinguished from principles which are related to values of certain behaviour and are therefore non-specific. The standards that are of interest in the context of this study deal with labour conditions in organisations. Reichert (2002: 3) summarises the aim of social standards as follows: "Social standards can be understood as encompassing all agreements between employers' and workers' organizations, and legal provisions, designed to improve the situation of employees". Thus, social standards cover a broad range of topics like health and safety regulations, working hours, wage levels, etc.

4.3.2 Categorisation of Standards

Standards can be differentiated into five main categories:

1) **Product standards** refer to specific characteristics of products such as their size, content or shape for ensuring better consumer and environment protection. Product standards are not related to social objectives (Reichert 2002: 2).
2) **Process standards** define production processes which may (though need not) have impact on the final product (Reichert 2002: 2). They often encompass tech-

nical and quantitative specifications, for example how to use machines, how to wear masks for a certain production process, etc.

3) **Performance standards** do not prescribe specific production processes or emission levels but define what a company should do or not do, for example abolishing forced labour or preventing discrimination (McIntosh et al. 2003: 99). Therefore, they provide guidance for corporate in-house practice on a more qualitative basis (Koplin 2006: 53). Examples for performance standards are SA 8000, the OECD guidelines (see section 4.5.1) or ILO Conventions.
4) **Certification standards** set a range of standards which a company has to comply with. The certification shows that compliance has been proved by an independent audit (McIntosh et al. 2003: 99). An example of a certification standard is the SA 8000.
5) **Foundation standards** describe best practice in an emerging area (McIntosh et al. 2003: 99). The ILO Conventions are an example of this type of standard.

A standard can be assigned to more than one form. The SA 8000 is an example of a standard which combines elements of a process, performance, and certification standard (see section 4.5.2.2).

4.3.3 The ILO Conventions

After the First World War, the International Labour Organisation (ILO) was founded in 1919 as part of the Treaty of Versailles. The idea of international cooperation as a key principle of the planned League of Nations was also to be applied to economic relations (Senghaas-Knobloch 2005: 5). One driving force behind the ILO's creation was the belief that universal peace is based on social justice. The ILO Constitution's Preamble says the High Contracting Parties were "moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world" (ILO 2010b). Due to the awareness of the exploitation of workers in the industrialising countries at that time, the aim was to reach similar working conditions in countries competing for markets for securing social justice and peace (ILO 2010b). The first International Labour Conference held in October 1919 adopted six international labour conventions, which covered the topics of hours of work in industry, unemployment, maternity protection, night work for women, minimum age and night work for young persons (ILO 2010b). After the Second World War, the ILO became a specialised agency of the newly formed United Nations in 1946 (ILO 2010b).

The ILO consists of a tripartite structure which means that government, employer's associations and workers' organisations are represented in all executive bodies. This enhances the credibility of the ILO (McIntosh et al. 2003: 100). Of 193 countries of the world, 183 are member countries of the ILO (ILO 2010a), which demonstrates the universal approach to harmonising labour conditions.

4 Discourse on the Implementation of Social Standards from a Western Point of View

The main task of the ILO is to develop, adopt and monitor international labour standards. This is accomplished by two regulatory instruments of the ILO's supreme body, the International Labour Conference (Reichert 2002: 5):

- **Conventions** are binding for the ratifying states under international law. States are required to amend their national legislation accordingly.
- **Recommendations** are guidelines for implementing Conventions, but they do not have to be ratified and are not binding under international law.

The ratification of ILO Conventions is voluntary, but member states have to report regularly on the implementation status of Conventions and Recommendations and the possibility of ratifying Conventions. State reports are verified by a commission which also publishes discovered or presumed breaches of a Convention (Kreuzaler 2002: 47). This public announcement is the key sanction instrument of the ILO[3]. Today, there are 188 Conventions and 199 Recommendations in existence.

In the "Declaration on Fundamental Principles and Rights at Work" of 1998, the ILO defined core labour standards which present the most important Conventions:

- Freedom of association and protection of the right to organise and bargain collectively (Conventions 87 and 98)
- Equal remuneration and non-discrimination at work (Conventions 100 and 111)
- Abolition of forced labour (Conventions 29 and 105)
- Elimination of child labour (Conventions 138 and 182)

With the promotion of this declaration, the ratification of those eight Conventions were meant to be increased among member states. A new reporting system was initiated that has established a duty for all member states to report on the implementation of the core labour standards, even if they have not ratified the Conventions (Reichert 2002: 6).

Three states (Maldives, Marshall Islands and Tuvalu) of the 183 ILO member states have not ratified any of the core Conventions. Four states (Brunei Darussalam, Solomon Islands, Myanmar, USA) have so far ratified only one or two. By contrast, 131 states have ratified all eight of the Conventions and 17 states seven Conventions (ILO 2011).

The core labour standards are regarded as human rights as defined by the UN Universal Declaration of Human Rights (1948) (Scherrer et al. 2001: 42ff). The ILO Conventions, Recommendations and in particular the Core Labour Standards are integrated in many company codes of conduct, guidelines and agreements as described in more detail in section 4.5. The content of the core labour standards will be presented in the following.

[3] Only in the case of forced labour in Myanmar, the ILO made use of Article 33 of the ILO Constitution which stipulates taking "appropriate measures" against countries violating recommendations of the ILO. After the ILO and other UN organisations threatened to terminate cooperation with the Myanmar government, the military government agreed to forbid compulsory labour (Reichert 2002: 5f).

Abolition of Forced Labour - ILO Conventions 29 and 105

Convention 29 of 1930 prohibits forced labour generally and defines that "the term ***forced or compulsory labour*** shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily" (Art. 2.1). The Convention regulates that forced labour does not include military service for work of purely military character, normal civic obligations of citizens of a fully self-governing country, work of prisoners convicted in a court of law and working under the control of a public authority, work in emergency cases such as wars, and minor communal services (Art. 2.2). The term penalty covers different forms: penal sanctions and penalties in the form of loss of rights and privileges. Menace of penalty refers for example to the threat of physical violence, sexual violence, imprisonment, denunciations to authorities, and deprivation of food, shelter or other necessities. Economic penalties can be linked to withholding or non-payment of wages, threats of dismissal if workers refuse to work overtime beyond their contract or national law or dismissal from current or future employment (ILO 2005a: 6).

Convention 105 of 1957 says that each member that ratifies the Convention undertakes to suppress and not to make use of any form of forced or compulsory labour as a means of political coercion or education or as a punishment for holding or expressing political views; for purposes of economic development; as a means of labour discipline; as a punishment for having participated in strikes; as a means of racial, social, national or religious discrimination (Art. 1).

The lack of consent to involuntary labour is given through birth or descent into slave or bonded status, physical abduction or kidnapping, sale of persons, induced indebtedness, deception or false promises about type and terms of work, retention of identity documents, etc. (ILO 2005a: 6). The nature of the relationship between a person and an employer and not the type of work activity determines whether the work is forced or not. The legality under national law of the activity is not regarded as evidence of forced labour, either (ILO 2005a: 6).

Elimination of Child Labour (Conventions 138 and 182)

The ILO Minimum Age Convention 138 of 1973 sets both the goal of eliminating child labour and the basic minimum age for employment or work (Art. 1). The minimum age "shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years" (Art. 2.3). In developing countries the minimum age shall be 14 (Art. 2.4). The Convention specifies a minimum age of 13 years (12 years for developing countries) for "light work" (Art. 7) and a minimum age for dangerous or hazardous work of 18 years (16 year old workers on condition that their health, safety, and morals are fully protected, and that they have received adequate training and employer's and employees' organisations are consulted) (Art.3).

Convention 182 about the worst forms of child labour was adopted in 1999. Article 1 regulates that each member who ratifies the Convention "shall take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour as a "matter of urgency". For the purpose of the Convention the term child applies to all persons under the age of 18 (Art.2). The worst forms of child labour comprise

- "all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children" (Art. 3).

Freedom of Association and Protection of the Right to Organize and Bargain Collectively (Conventions 87 and 98)

The ILO Convention 87 on Freedom of Association and Protection of the Right to Organize of 1948 gives workers and employers the right to establish and join organisations of their own choosing without previous authorisation (Art. 1). The Right to Organize and Collective Bargaining Convention 98 of 1949 strengthens this basic right with guarantees and safeguards for trade unions to operate freely and independently of governments and employers. Art. 2 (1) states that "workers' and employers' organisations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration." Acts of interference exist if employers or employers' organisations promote and dominate the establishment of workers' organisations or support them by financial or other means for the purpose of controlling them (Art. 2.2). Moreover, the Convention specifies that measures shall be taken for the development and utilisation of mechanisms for voluntary negotiation between employers or employer's organisations and workers' organisations in agreement with the terms and conditions of employment by means of collective agreements (Art. 4).

The principle of freedom of association is one of the core ILO values: besides forming part of the Declaration on Fundamental Principles and Rights at Work, it is embedded in the ILO Constitution (1919), the ILO Declaration of Philadelphia (1944), and is also a right proclaimed in the Universal Declaration of Human Rights of 1948.

Equal Remuneration and Non-Discrimination at Work (Conventions 100 and 111)

Convention 100 of 1951 was the first binding international instrument for promoting gender equality and for eliminating discrimination. It defines that remuneration includes

"the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly" (Art. 1). Equal remuneration for men and women can only be achieved if discrimination is eliminated in all areas of employment. Convention 111 of 1958 specifies all forms of discrimination regarding employment and occupation (Art. 1) by defining that discrimination includes any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin (or on any other reason specified by the State), which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

Besides the core labour standards presented above, there are other areas which are often addressed in codes of conduct or by NGOs.

Working Time

The International Labour Organisation has adopted 25 Conventions and 14 non-binding Recommendations regarding working time (ILO 2006c). These Conventions cover a wide range of topics related to working time: night work, weekly rest, paid leave, part-time work, etc. In the first Convention of 1919, the ILO stipulates that "the working hours of persons employed in any public or private industrial undertaking or in any branch thereof (…), shall not exceed eight in the day and forty-eight in the week." In several exceptional cases, daily working time is allowed to exceed this limit as long as it remains no higher than ten hours and weekly working time no higher than 56 hours.

Convention 14 regulates that "the whole of the staff (…) enjoy in every period of seven days a period of rest comprising at least twenty-four consecutive hours".

Compensation

ILO Convention 26 of 1928 promotes a minimum wage for employees in manufacturing, commerce and home-working trades in which no arrangements exist for the regulation of wages by collective agreements or in which wages are very low. In 1970, the ILO expanded this Convention by Convention 131 which regulates the establishment of a system of minimum wages for all groups of employees and specifies that the wage should cover "the needs of workers and their families taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups" (Convention 131, Art. 3). Convention 95 on the protection of wages was adopted in 1949, covering the topic of how and when wages have to be paid.

Occupational Health and Safety

Occupational Health and Safety is a topic of special importance for the ILO and is covered by numerous ILO Conventions that specify

- the use of chemicals and hazardous substances (Conventions 136, 139, 162, 170, 177)

- how to protect workers (Conventions 115, 119, 155)
- the working environment (Conventions 120, 148)
- health services and first aid (Convention 174)
- emergency preparedness (Convention 174)

A database of all ILO Conventions and Recommendations is available on the internet (ILO 2012).

4.4 International Trade Agreements with Labour Rights Provisions

As the implementation of labour rights today is connected to a globalised economy, a growing political movement is requesting that labour standards be linked to trade regimes. Since countries are competing in product markets, there is a need to regulate this competition in order to avoid a "race to the bottom". The underlying argument is that low labour standards and especially cheap labour are ways to attract trade and investment (Witte 2008: 24). The implementation of social standards in a country supports a sound social and economic development in the long run (Sengenberger 2005), but short-term competitive advantages can be gained if social standards are not integrated into management practice (Scherrer 1998). If one economy violates labour rights systematically and gains competitive advantages from this behaviour, others are in danger of losing their market share. To overcome this problem of collective behaviour, international labour rights have to be established – which is the task of the ILO as described in the last section. Since the ILO develops restrictions to employment but has no economic sanction mechanism, the debate on "social clauses" in multilateral, bilateral and unilateral trade agreements focuses on the impact of such a mechanism on the promotion of worker rights.

Social clauses are legal provisions regarding the integration of labour rights in trade agreements "aimed at removing the most extreme forms of labour exploitation in exporting countries by allowing importing countries to take trade measures against exporting countries which fail to observe a set of internationally agreed minimum labour standards" (Lim not dated). Social clauses are often combined with compliance management and enforcement mechanisms (Witte 2008: 24). In the 1990s, the debate concerning social clauses in multilateral agreements focused on the integration of social clauses into WTO agreements and the use of the WTO's Dispute Settlement Mechanism to sanction breaches. No consensus was found within the WTO to include a social clause in the international trade agreements as governments of developing countries suspected hidden protectionism (Witte 2008: 24). The WTO Singapore Ministerial Declaration (1996) referred to the ILO as the body to deal with labour rights issues and officially concluded the discussion about linking trade and labour standards in the WTO (Witte 2008: 24).

Although at the international level an integration of labour rights provision has failed, there are a growing number of bilateral, regional and unilateral trade agreements (such as the Generalised Systems of Preferences(GSPs)) (Witte 2008: 24ff; Greven 2005). The US

and the European Union have set up unilateral GSPs to provide products from developing countries with preferential access to their markets. In return, the developing country has to take steps to afford certain labour rights. In addition, bilateral and regional agreements have increased significantly during the past 15 years.[4] The provisions in these trade instruments are negotiated by governments and sometimes combined with quasi-judicial enforcement mechanisms (Witte 2008: 28). However, some labour rights provisions are formulated in a very vague way and do not set binding and enforceable standards (Witte 2008: 28). The majority of provisions after 1998 refer to the ILO core labour standards. Trade instruments often include incentive measures such as enhanced market access and/or punitive elements such as trade sanctions or monetary fines. Regarding enforcement mechanisms, Witte (2008: 39) distinguishes two main approaches: (1) setting up detailed or quasi-judicial complaints and dispute settlement processes for labour rights provisions (e.g. trade unions or civil society actors can submit reports on labour rights violations covered under the agreement) or (2) establishing weak implementation mechanisms that do not specify enforcement to a large degree.

An assessment of the impact of such labour rights provisions in trade agreements is difficult. Few systematic data are available concerning how much workers have benefited through such agreements. As Witte (2008: 50) concludes, “the existence of agreements alone (…) does not necessarily result in impact”. There are various factors that influence the successful implementation of labour rights, for example the presence of strong local actors like trade unions and the degree to which domestic policy fosters social standards (Greven 2005: 4).

4.5 Voluntary Instruments and Initiatives that Promote the Implementation of Social Standards

Despite the attempt to link workers’ rights in trade agreements, other instruments and initiatives have been developed which aim at the promotion of social standards. They range from international declarations and initiatives, private codes of conduct and their monitoring, business and multi-stakeholder initiatives, international framework agreements between companies and trade unions up to dialogue projects. What they have in common is their non-binding and voluntary approach to increasing the implementation of labour rights.

4.5.1 International Declarations and Initiatives

In the 1970s, the growing influence of MNEs became increasingly obvious and international organisations like the ILO and the OECD developed guidelines on how to integrate social and environmental behaviour into business practice. The UN Global Compact was

[4] For an overview on trade instruments with labour rights clauses see (Witte 2008: 29ff).

initiated by Kofi Annan in 1999 in order to align business activities with broader UN goals and declarations.

1) ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

   In 1977, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy was adopted by the ILO Governing Body to offer guidelines to MNEs, governments, and employers' and workers' organisations in areas such as employment, conditions of work and life, training, and industrial relations and general policies (ILO 2006b). The Declaration is based on 17 ILO Conventions and 21 Recommendations (ILO 2006b). If a dispute arises at national level regarding the application of the Declaration, a procedure for the dispute examination has been set up by the ILO (1986). The purpose of the examination of disputes is only "to interpret the provisions of the Declaration when needed to resolve a disagreement on their meaning, arising from an actual situation, between parties to whom the Declaration is commended" (ILO 1986). Because an effective follow-up mechanism is missing, the impact of the Declaration is seen as rather small (Pursey 1998).

2) OECD Guidelines for Multinational Enterprises

   The OECD Guidelines for Multinational Enterprises, initially adopted in 1976, comprise voluntary recommendations addressed by government to MNEs operating in or from adhering countries in the areas of employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation (OECD not dated). Adhering countries are all 30 OECD member countries, and 12 non-member countries (Argentina, Brazil, Chile, Egypt, Estonia, Israel, Latvia, Lithuania, Morocco, Peru, Romania and Slovenia). The key responsibility for the implementation mechanism is borne by government offices called National Contact Points (NCP) which promote the Guidelines, handle enquiries in the national context, and assist in solving problems related to the implementation of the Guidelines. Complaints can be submitted to the NCPs by individuals, other national governments, trade unions, employer organisations, NGOs, etc. In case mediation of the NCP between the parties is unsuccessful, the NCP can forward cases to the Investment Committee (CIME) and should make its recommendations public. CIME is in charge of providing additional interpretation or clarification of the Guidelines' clauses and can make amendments to the text. Advisory committees of business, labour federations and NGOs are BIAC (Business and Industry Advisory Committee to the OECD), TUAC (Trade Unions Advisory Committee to the OECD) and OECD Watch. Adherence to the OECD Guidelines is non-binding and therefore voluntary. An update on the revised Guidelines from 2000 was completed in 2011 (OECD not dated).

   Critics claim that governments, trade unions and employer's organisations do not use their scope of action sufficiently. For example, many countries have not yet set up effective working NCPs with sufficient resources. Schneider (2006: 33), a secre-

tary at the TUAC, comes to the conclusion that only in a few cases real improvements for workers at company level have been achieved through the application of the Guidelines' procedures. He claims that a lack of transparency, no binding time frame and bureaucratic procedures regarding the dispute settlement have to be overcome in order to achieve higher effectiveness. Moreover, NCPs have often rejected complaints regarding trade activities in supply chains and restricted the application of the Guidelines to direct investment of companies. Various stakeholders criticised this limited interpretation of the Guidelines which actually include trade between MNEs and their suppliers (Hamm 2005: 20f).

3) The UN Global Compact (1999)

The Global Compact is a policy initiative for businesses to integrate ten principles in the areas of human rights, labour, environment and anti-corruption within their corporate operations and strategies (United Nations Global Compact 2010). The principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. The two main objectives of the initiative are to mainstream the ten principles in business activities around the world and to catalyse actions in support of broader UN goals like the Millennium Development Goals (United Nations Global Compact 2010). The Global Compact offers a platform for exchanging experiences, tools and solutions regarding the implementation of the principles among companies, governments, labour, civil society and the UN. Participating companies are required to write an annual report on the actions taken and the measured outcomes regarding the implementation of the principles. In the event that a company has not provided a report about its development within a two-year period, their membership can be retracted. In May 2010 the website of the Global Compact stated that over 7,700 corporate participants and stakeholders from 130 countries have signed the compact.

Since the Global Compact is not a code of conduct, even less has been achieved regarding the implementation and monitoring of companies' activities (Reichert 2002: 20). Critics claim that companies are mainly using the Compact as a PR tool by benefitting from the reputation of the UN (Zimmer 2008: 113).

4.5.2 Private Codes of Conduct and their Monitoring

In order to ensure social standards in the production of textiles and clothes, most focal companies have set up codes of conducts for their suppliers which often contain the Core Labour Standards of the ILO and further Conventions with regard to compensation, working time and occupational health and safety. Codes of conduct are not mandated by law; rather, they are voluntary initiatives to promote social standards. They may be

developed by the management of the focal company itself or in collaboration with multi-stakeholder organisations, NGOs or trade unions (Mamic 2004: 38).

To monitor the implementation of codes of conduct, audits at manufacturing sites have emerged since the beginning of the 1990s.[5] Audits can be carried out by the factory itself as a self-assessment (first party audit), by the CSR team of the focal company (second party audit) or by NGOs or external private audit organisations (third party audit) (Locke & Romis 2006: 5). An audit usually comprises three steps: in an initial document review, documents such as time cards, content receipts, union declarations, and personnel files are checked for information on wage levels, working time, bonuses, personal management, and the application of internal regulations and collective bargaining agreements. Then follows a site inspection, a factory walk-through where the auditor monitors the facility, looking out for health and safety hazards and gaining an impression of the working climate (e.g. how supervisors talk to workers). The third step refers to interviews with workers, management, and – in best practice cases – with local unions and/or NGOs (CCC 2005: 23).The CCC estimates that around 10 per cent of all clothing workplaces are audited every year (CCC 2005: 59). Audits can be announced or conducted without informing the factory in advance. In case of non-compliance in any area, the supplier is informed about improvements needed in a Corrective Action Plan (CAP). After a defined period of time, the site will be audited again in order to check the implementation of the CAP (Mamic 2004: 209). Most brands have defined a period of time within which non-compliance has to be overcome. Where factories fail to remediate their labour rights violations, sanctions may be taken, beginning with the reduction of orders all the way up to the termination of the business relationship. However, this option is often not supported by NGOs, who claim that by losing contracts, the situation for the workers may become worse than before (CCC 2005: 81). According to an OECD inventory quoted by Jenkins (2001: 26), around 60 per cent of company and business association codes do not define clear sanctions or penalties for non-compliance.

The tremendous increase in codes of conduct and social audits is regarded as a search for improvement mechanisms in a globalised world in which global organisations such as the ILO, UN or OECD do not have the power to enforce frameworks for transnational corporate behaviour, and nation states do not or cannot meet their obligation to secure the enforcement of laws and regulations (Witte 2008: 55; Schömann 2004: 145; O'Rourke 2003: 4; Cutler et al. 1999).

The Business Social Compliance Initiative

At the end of 1990s, an increasing number of brands started social auditing, which often resulted in multiple audits for suppliers each year (Locke et al. 2006: 6). Facing audits

[5] In 1992, GUESS? Inc. was the first company that monitored its own contractors after labour violations were found at five manufacturing sites by the US Department of Labour investigation (Esbenshade 2004: 1).

from different brands with different codes of conduct and requirements often led to inconsistent and inefficient structures. An example of the cause of the rising "monitoring fatigue" among suppliers is given by Locke (2006: 6). His interviews with suppliers revealed that codes of conduct often contained detailed guidelines, for example the exact position of fire extinguishers, the ratio of toilets, specifications for worker involvement structures, etc. Suppliers reported that they move fire extinguishers from audit to audit depending on the brands' requirements, and that they are required to create different systems of worker involvement to satisfy the demands of each brand.

To reduce this inconsistency, the confusion among suppliers, and high costs of multiple auditing, the Brussels based Foreign Trade Association (FTA) started to develop a common European monitoring system for social compliance in 2002, and in 2003 the FTA founded the Business Social Compliance Initiative (BSCI) (BSCI 2010c). Since 2004, the system has been implemented worldwide. In March 2010, the BSCI had 484 members (BSCI 2010a). The initiative mainly tries to implement the BSCI code at members' production facilities by monitoring them. Auditing companies have to be accredited by Social Accountability Accreditation Services (SAAS) and selected by BSCI according to several criteria (FTA 2009: 8). BSCI follows a two-step approach: first, suppliers have to meet the requirements as described in the "BSCI Social Requirements" and then those described in the "Best Practice for Industry" (FTA 2009: 7).

Multistakeholder Initiatives

The development of codes of conduct and monitoring practice was (and still is) accompanied by criticism from NGOs and labour activists claiming the low credibility of auditing activities. At the end of the 1990s, stakeholders such as NGOs, civil society or labour activists started initiatives supporting companies and suppliers in striving towards social compliance. These so called multistakeholder initiatives (MSI) set up own codes of conduct and monitoring systems for their member companies. An important criterion of MSIs is that stakeholders are represented within the organisation, especially in the highest decision-making body. Examples of prominent MSIs in the field of labour conditions are the Fair Labor Association (FLA), the Fair Wear Foundation (FWF), Social Accountability International (SAI) and the Ethical Trading Initiative (ETI). One of these MSIs, SAI, will be presented more in detail because the standard developed by this organisation, the SA8000, is widely recognised by stakeholders (CCC 2005: 26) and researchers (McIntosh et al. 2003) as one of the strictest codes of workplace standards.

The certification standard SA8000 was created by the US NGO Council on Economic Priorities (CEP) in 1997. The standard was modelled on the International Organisation of Standards system, such as ISO 9000 and ISO 14000 (O'Rourke 2003: 14). CEP founded the Council on Economic Priorities Accreditation Agency (CEPAA), which tested the SA8000 in five countries. In 2000, CEPAA was renamed Social Accountability International (SAI). The SAI advisory board consists of representatives from business, government, international unions and NGOs. It is based on ILO Conventions and other human rights

Conventions which cover the areas of forced labour, child labour, health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours and remuneration (Social Accountability International 2008). Moreover, the SA8000 stipulates the establishment of a social management system to ensure ongoing compliance with the standard. It requires compliance with local laws or the requirements of the standard, whichever is stricter. The implementation of the SA8000 code of conduct is monitored by auditing firms accredited by Social Accountability Accreditation Services (SAAS). The SA8000 promotes the pay of a "living wage" and, in cases where the right to freedom of association and collective bargaining are restricted under law, companies are asked to allow workers to freely elect their own representatives (Social Accountability International 2008). By December 2010, 2,478 facilities from 65 industries in 65 countries were certified (SAAS not dated).

The Discourse on Auditing

The emergence of voluntary codes of conduct and comprehensive monitoring activities initiated by business has led to intensive debates concerning whether, and if so how, nongovernmental regulatory systems can be successful. Because auditing is still brands' most widespread activity to demonstrate their commitment regarding labour rights in their supply chains, the discourse on auditing will be presented in more detail.

Proponents of nongovernmental auditing argue that it is an appropriate tool to overcome the weak enforcement of social standards by governments (Rodriguez-Garavito 2005; Nadvi & Wältring 2004; O'Rourke 2003). They claim the need for the support of under-resourced and overworked state labour inspections by market-driven systems which provide structures, financial resources and manpower in the field of auditing systems (Nadvi & Wältring 2004; Reinicke 1998). However, critics fear that nongovernmental regulation might lead to privatising governmental regulation because companies would have more control over monitoring processes. By involving NGOs, companies show commitment on the one hand and on the other hand partner with them to counteract negative publicity. An NGO which is working with a brand is less likely to attack their cooperation partners. This development may in the end undermine strong local laws and unions (O'Rourke 2003: 22). The underlying assumption of these critics is that in any case auditing activities are primarily implemented for protecting the reputation of the brand because NGOs demand compliance with the codes of conduct (Esbenshade 2004).

A structural problem of auditing is related to the fact that, at the moment, only first-tier suppliers are audited – all the other factories along the supply chain are not included. Therefore, a possible reaction to first-tier suppliers being pressured by audits might be that the most hazardous jobs are outsourced further down the supply chain or into the informal sector (O'Rourke 2003: 23) .

Regarding the implementation, critics argue that social audits are too short and superficial to identify violations, especially in the areas of freedom of association and collective

bargaining, discrimination and harassment (Zimmer 2008: 211). For example, regarding freedom of association, a study by the ILO on social auditing in Bulgaria, Romania and Turkey indicates that only “about 10-15 per cent of brands give real attention to this topic in social auditing” (van der Vegt 2005: 31). And even in cases where attention is paid to the topic, often managers are only questioned whether unions are allowed or not, and if collective bargaining agreements exist (van der Vegt 2005: 32). The content of agreements and the freedom of workers to establish or join worker organisations are hardly ever included in audit inspections.

Where audits are announced, it is easy for managers of the production site to prepare for the audit, for example they may withdraw children from the facility (DeRuisseau 2002: 225). But also when audits are unannounced, many factories already have prepared double books and falsified payrolls and time cards. Moreover, worker interviews during audits are often too short for double-checking working conditions with them. In addition, workers are often coached by management on how to answer questions in audit interviews and are scared to talk about problems in the factory (CCC 2005: 27). Since auditing systems often provide only limited protection for workers who complain to an auditor, workers may be punished after criticising the company practice in an audit (O'Rourke 2003: 23) .

Overall, there is a huge variety among the methods and approaches used for an audit. It can include document reviews, observations, interviews (with or without workers, on-site or away from the factory), differ in the length of time, the ability of the auditors, how CAPs are prepared, etc. (Locke et al. 2006: 7). Auditors use a checklist as a reference point to know what has to be assessed. But the auditor still needs to interpret the situation and has to decide whether social standards are being violated: “While checklists sound like a common sense solution to the interpretation problems which might arise, experience has shown that auditors can vary tremendously in their levels of interpretation and acceptance. Each situation must be judged in a separate and distinct environment which is influenced by local culture, religion, laws and norms” (DeRuisseau 2002: 226). This diversity and mixed quality makes it difficult to compare audit results and shows the need for ongoing training for auditors to ensure the quality of their assessment.

Another critical argument against social audits refers to the potential of conflicts of interest which exist among the actors who participate in the auditing process. With the underlying assumption that brands and suppliers have an interest in hiding non-compliance with social standards, the credibility of first and second party audits is questioned (Locke et al. 2006: 5). But the conflict of interest might apply to third party audits, too. Since external audit organisations are dependent on the client’s payment, they may be quite strict in the initial audit so they are required to conduct a re-audit. The opposite is also possible: in order not to annoy customers, auditors might hesitate to document all violations found in the factories (Mamic 2004: 59). The emergence of multistakeholder initiatives (see chapter 1.5.2) is a reaction that attempts to counteract these conflicts of interest. Moreo-

ver, corruption among auditors who seek and accept bribes for attesting full compliance with the code of conduct is a commonly known problem (CCC 2005: 25).

Detailed scientific insight into the impact of auditing suffers from the fact that often data on factory audits gathered by companies are not published. However, the assessment data that are available show shortcomings as well as positive impact (Witte 2008: 70ff). Locke, Qin, and Brause (2006) analysed a data set based on factory audits from 800 suppliers in 51 countries of Nike's internal auditing system in order to investigate the impact of auditing on the enhancement of social standards in Nike's suppliers. Coming to the conclusion that working conditions in the factories have improved only slightly over time and "auditing alone appears to produce only limited results" (Locke et al. 2006: 1), the researchers suggest increasing the capacity building of suppliers to tackle the causes of violations (Locke et al. 2006: 38).

By way of contrast, the BSCI reports a positive development regarding the implementation of social standards at the supplier factories of their members. The annual BSCI report 2008 shows that 71.29 per cent of the initially audited factories under the BSCI system have been assessed as non-compliant, whereas after a re-audit the non-compliance rate had decreased by 29.92 per cent to 41.37 per cent (BSCI 2009: 23). The credibility of the data cannot be judged here, although it is remarkable that in the initial audits almost 80 per cent of the factories are in compliance with freedom of association and almost 100 per cent are in full compliance with anti-discrimination standards (BSCI 2009: 32). These numbers can be interpreted in the direction of the argument presented above, that auditing simply is not able to identify violations in these areas properly.

Obviously, the auditing approach is a process driven from the top down, in which the buyer sets up the codes of conduct and requires compliance from its suppliers. At the factories, the auditor identifies the corrective actions to a large extent without involving workers or consulting workers' organisations (CCC 2005: 81; Jenkins 2001: 17). For workers and management, social auditing provides no answer to the question of how they can reach compliance with standards and how to tackle the internal root causes of labour rights violations. Moreover, all external causes of weak social standards in the factory, for example a weak infrastructure in the country or lack of cooperation with the buyers, are not solved by any auditing activity, either (CCC 2005: 81).

4.5.3 International Framework Agreements between MNEs and GUFs

Since the late 1980s, international framework agreements (IFAs) between MNEs and Global Union Federations (GUFs) have emerged (Papadakis et al. 2008: 2). They are codes of conduct which have been negotiated between MNEs and a GUF[6] instead of established by the MNE unilaterally (Stevis 2010: 5). For trade unions, the key character-

[6] In some cases, representatives of workers organisations such as the European Works Council or World Works Council also take part in negotiations about an IFA (Zimmer 2008: 164).

istic of an IFA is not that they are negotiated, but that MNEs recognise a global actor that represents workers (Zimmer 2008: 159). Therefore, IFAs fall within the concept of social dialogue as defined by the ILO (Stevis 2010: 5). The first two agreements were signed in 1989 between Uniting Food, Farm and Hotel Workers World-Wide (IUF) and Danone on economic and social information for staff and their representatives as well as on equality at work for men and women (IUF 2001). By February 2010, 70 IFAs had been signed in total (Stevis 2010: 2).

The content of each IFA is defined by the negotiation partners and refers most often to the ILO Core Labour Standards. In addition, further social standards can be included and core areas can be defined. Each GUF acts as an autonomous organisation and is therefore not accountable to any other institution with regard to the subjects covered in an IFA (Zimmer 2008: 167).

Either the MNE takes the responsibility for the implementation of IFAs (IFAs of Bosch, Daimler, Triumph International), or both contract partners have the authority to implement the agreement (for example Air France, Euradius, Rhodia). Zimmer (2008: 187) comes to the conclusion that IFAs vary to a great extent regarding implementation mechanisms and that most of them do not cover concrete steps to ensure implementation. In the following, a few brief examples of measures will be given. As the most widespread tool, many IFAs include the establishment of an implementation committee that is made up of employee representatives[7] and representatives of the MNE in equal measure. Often, this committee meets once a year to discuss the implementation status. Moreover, the content of the IFA has to be reported to the employees; however, information about the IFA already often does not reach employees effectively: a study of the Building and Wood Workers' International (BWI) (2006: 5) shows that often only little is known about such agreements among the workforce. Some agreements cover further mechanisms such as including the agreement into the monitoring criteria of the internal audit department of the MNE (Daimler, Leoni, Staedtler), documenting the implementation of IFAs in the company's annual reports (Staedler, Veidecke) or the establishment of grievance channels such as hotlines (Daimler). Where complaints are raised, first the local management is responsible for dealing with them. If the issue cannot be resolved, the case is handed on up to the GUF, which argues in the final stage with the management of the MNE. Further, external monitoring and training activities for trade unions and management members can be included in an IFA (Zimmer 2008: 182ff).

Regarding clothing companies, the predominance of unilateral codes of conduct is obvious, given that only one IFA has been signed between the International Textile, Garment and Leather Workers' Federation (ITGLWF) and the fashion retailer Inditex. Because of the weak density of trade unions in the textiles, clothing and footwear sector, a mature system of industrial relations is absent and global unions are not yet able to organise

[7] In most cases, not only GUF members but also representatives of the European Works Council and members of the trade union of the country where the MNE's headquarters are based take part (Zimmer 2008: 179).

workers along the long and complex supply chains (Miller 2008: 161ff). As a response to this situation, the ITGLWF also cooperates with multistakeholder organisations. For example, the IFA with Inditex includes that the retailer is audited according to the regulations of the Ethical Trading Initiative.

4.5.4 Projects Promoting Dialogue and Workplace Cooperation

Due to awareness that auditing is a top-down process in which the ones who should be the beneficiaries – workers – are hardly involved, increasing numbers of brands have set up additional training programmes for their suppliers in which the promotion of workplace cooperation and dialogue are promoted as tools to enhance working conditions. Participation of workers is the core element within such projects. The findings of this study contribute to the analysis of the impact of such projects and which limits and opportunities they have. This section describes a few famous projects which highlight the rising recognition of dialogue and participation in the context of the implementation of social standards, before more insight into the characteristics of participation is provided through organisation theory in chapter 5.

It is important to differentiate between workplace cooperation and social dialogue. The first one incorporates “arrangements for establishing and improving relations between management and workers within the enterprise” (ILO not dated a: 12). The interactions between workers and managers at factory level are the core element of workplace cooperation. It aims at preventing disputes by resolving complaints before escalation and improving enterprise performance with regard to working conditions as well as productivity and product quality (ILO not dated a: 14). In contrast, social dialogue is a broader concept which is not limited to the workplace itself and refers to cooperation between the social partners; this includes governments besides workers’ and employers’ organisations. The role of governments is seen as “creating a stable political and civil climate which enables autonomous employers' and workers' organizations to operate freely, without fear of reprisal” (ILO not dated c). According to the ILO’s definition, social dialogue comprises “all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy” (ILO not dated c). Social dialogue can therefore be a tripartite process in which governments contribute, or bipartite if only labour and management (or trade unions and employers’ organisations) interact.

One of the first prominent programmes was the “South Asian and Vietnam Project on Tripartism and Social Dialogue” (SAVPOT). It was funded by the government of Norway and run by the ILO from 1999 until 2003. The aim was to develop and support effective workplace cooperation in the factories and to strengthen social dialogue at the national level by identifying policy interventions that assist enterprises in their social and economic improvement process. Moreover, the project focused on the dissemination of best practice (Indian Industrial Relations Association et al. 2005: x, 2).

In 2002, the ILO started the “Factory Improvement Programme” (FIP) in Sri Lanka and later in Vietnam (since 2004). The objective of the training programme was to improve working conditions, to promote cooperation at the workplace and to improve dialogue between managers and workers as well as to increase quality and productivity (Bodwell 2005: 103). In the following years, more countries have been covered by the programme which has lately been renamed “SCORE” (Sustaining Competitive and Responsible Enterprises) (ILO not dated b).

In 2005, the German Round Table Code of Conduct (Deutscher Runder Tisch Verhaltenskodizes 2006) initiated one pilot project, first in Romania and one year later in Bulgaria, to promote in-house dialogue between management and workers and to learn how this affects the implementation of social standards.

Currently, the programme “Better Work”, which began in August 2006, is being run by the ILO and the International Finance Corporation (IFC) (ILO & IFC 2009). The aim of the project is to improve labour practices and competitiveness in global supply chains by providing various tools like training programmes, good practice guides, awareness raising training for workers on rights and responsibilities, and self-assessment tools for companies (ILO & IFC not dated). One pillar of the project is the enforcement of labour administration and inspection in the production countries, the other pillar refers to employer and union capacity building for enabling effective social dialogue. In addition to these activities, Better Work has set up an information management system called STAR which the factories use to share information with their buyers. The idea behind this tool is to reduce auditing efforts and to reallocate the resources to focus on the development of solutions for problems (ILO & IFC 2009).

4.6 Summary

The production of clothes and textiles is a typical example of a globalised industry. Brands often source from hundreds of suppliers in countries where the risk of weak implementation of social standards at manufacturing sites is high. Therefore, NGOs accuse MNEs of taking advantage of weak regulation in order to produce cheap products. The ILO is the main body at international level to set Conventions and Recommendations for all member countries, but normally does not decree sanction mechanisms despite publishing violations of Conventions in countries. The lack of power of global institutions such as the ILO, UN or the OECD has resulted in an increase of voluntary instruments of brands such as codes of conduct and social audits. Since 20 years of auditing practice has not lead to substantial improvements of labour conditions at production sites, the need to search for additional or even complete substitutional instruments is obvious. IFAs are a promising alternative to only unilateral codes of conduct, but their implementation currently suffers from weak trade union density especially in the field of the clothing industry. The need for strong social partners and the empowerment of workers to support the implementation of

standards are acknowledged by training programmes that aim at strengthening social dialogue and employee participation.

5 Western Discourse of Influence Mechanisms of Participation

Western brands are aware of the shortcomings of auditing systems, and are increasingly conducting capacity programmes for their suppliers that promote workplace cooperation and employee participation as a concept for improving the implementation of social standards. The emergence of such training approaches raises the question of how voluntary participation schemes introduced by management actually can contribute to the enhancement of labour conditions in the factories. This section explores the development of participation in Western economies (section 5.1), its characteristics (section 5.2), which influence mechanisms are attributed to participation (sections 5.3 – 5.5), and which requirements are necessary to make it effective (section 5.6). The discussion presented in chapter 5 originates in the Western discourse on purposes and impacts – later on in the study (see chapter 7) I will use the Western understanding as a reference to investigate participation effects within the context of China.

5.1 The Emergence of Participation: A Brief Historical Review

Participative organisational structures have been developed in the Western world as a countermovement to the scientific management school of Frederick Winslow Taylor (1856-1915). Taylor's paradigm of rationalising production consisted of the division of mental and manual work, the control of workers in each production step, the adaption of the salary to the performance of the worker, and a high formalisation and specialisation of the workflow. The need for control was based on his allegation that front-line workers lack the knowledge and skills to optimise work tasks. Therefore any integration of workers' suggestions regarding working methods or procedures was regarded as unnecessary (Pekruhl 2001: 44; Etzioni 1978: 42f). Taylor's paradigm largely influenced the organisation of mass production. Resulting Tayloristic organisational structures are characterised by high monotony, separation of work tasks and under-challenged workers. The limits of this approach were revealed in the 1920s by the Hawthorne experiments of Roethlisberger and his team. Their research marked a turning point away from the scientific management school towards the human relations movement. Participation of employees was initially linked to increasing work satisfaction and productivity (Pekruhl 2001: 19) (see section 5.3).

After the experience of dictatorship and the Second World War, movements to decentralise power in organisations by democratising organisational life grew considerably in strength (Heller 2003: 146). For example, in 1951 West Germany with the help of the

Allied Control Commission implemented a co-determination law in the coal, iron, and steel industry which regulated that unions and their representatives should constitute 50 per cent of the membership of supervisory boards. Similar laws covering consultation and co-determination of employees were introduced also in other Western economies in the 1960s and 70s (Heller 2003: 146).

In addition, towards the end of the 1960s labour shortage in Western and Northern Europe improved the bargaining position of employees even further. Tayloristic working conditions were increasingly challenged due to high absenteeism and fluctuation rates of employees. In the US, too, reports on the 'blue-collar blues' were published and expressed the need to address labour discontent and the impact of working conditions on physical and mental health (Marsden & Canibano 2010: 133). Against this background, companies had to deal with the question of how to increase employees' motivation and how to improve the quality of working conditions (Pekruhl 2001: 21). Particularly in Sweden and Norway, participatory organisation structures were regarded as a means of creating humane working environments that attracted skilled workers (Springer 1999: 310).

Due to rising unemployment rates, decline in union membership, economic crisis and changes in public policy, during the 1980s and 1990s industrial democracy and ideas of humanising work were once again prioritised less in political agendas (Wilkinson et al. 2010: 7). Instead, cost optimisation and increasing competition of product markets due to globalisation resulted in new employee participation initiatives such as quality circles (Antoni 1990: 29f) or lean production (Womack et al. 1990) that were introduced by management in order to make full use of employees' knowledge, to increase productivity, and to improve the competitive advantage of firms (Marsden & Canibano 2010: 134; Pekruhl 2000: 173).

5.2 Characteristics of Participation

Participation is a broad term and can be interpreted in many ways according to the area where participation is applied, such as economics, sociology, philosophy or political science (Wilkinson et al. 2010: 3f). Therefore, the understanding and form of participation varies to a large degree (Knudsen 1995: 5). Broadly speaking, participation has been introduced in companies with two different targets: to democratise aspects of working life and to enhance organisational efficiency (Wilkinson & Dundon 2010: 169; Dachler & Wilpert 1978: 3). Participation taking the form of representative participation and collective bargaining is related to the discourse on industrial relations and industrial democracy (Wilkinson et al. 2010: 4). In contrast, employee involvement (EI) has its roots in human resource management and covers mechanisms introduced by employers to integrate their workforce into information and decision-making processes (Hyman & Mason 1995: 24f) through house publications, newsletters, briefings, suggestion schemes, attitude surveys, quality circles, self-managed teams or other forms of group work for decision-making

(Wilkinson et al. 2010: 4). EI provides employees "with the opportunity to influence and where appropriate take part in the decision-making on matters which affect them" (Hyman & Mason 1995: 21). The assumption underlying this form of participation is that employers and employees have common interests regarding topics such as quality or production and therefore are able to develop joint solutions in problem-solving practices (Hyman & Mason 1995: 24f). Another distinct form of participation is financial participation, whereby employees benefit from the company's success by profit-sharing or employee share ownership (Wilkinson et al. 2010: 5). In this research study, the focus is put on employee involvement mechanisms as a general form of worker participation and its specific contribution to the improvement of labour conditions.[8]

Wilpert (1998) defines participation as "the totality of forms, i.e. direct (personal) or indirect (through representatives or institutions) and of intensities, i.e. ranging from minimal to comprehensive, by which individuals, groups, collectives secure their interests or contribute to the choice process through self-determined choices among possible actions during the decision process" (Wilpert 1998: 42). In his definition, the range of possible participation forms become obvious: participation can cover direct-personal as well as indirect-representational securing of interests, and it can be of differing effectiveness due to the fact that some goals and interests of participants may not be reached. Moreover, his definition comprises participation forms characterised by consensus-finding up to conflictual decision-making in collective bargaining arrangements (Wilpert 1998: 42f).

Due to the broad concept of participation, it is helpful to further structure participation with regard to the subject and object of participation, its direct and indirect forms, the degree, the formalisation level and the participation behaviour within structures (Wilkinson et al. 2010; Strauss 1998a; Knudsen 1995).

Subject of Participation

The subject of participation covers the persons attending decision-processes, for example front line workers, administration or management members. They can be characterised according to hierarchy levels, job tasks, and interests. The subject can be individual persons, groups or representatives (Lie 1995: 19).

Object of Participation

The object of participation is related to the topics discussed in participatory structures. Lie (1995: 20) differentiates between social matters (e.g. working conditions, social performance, welfare), personal matters (e.g. recruitment, promotion, education, dismissal), economic (e.g. restructuring processes in the enterprise, closure of departments) and workplace matters (e.g. job-design). Participation can take place at different levels such

[8] The terms "employee involvement" and "worker participation" are used synonymously in the following.

as work group, department, plant or corporate level (Wilkinson & Dundon 2010: 173) according to the topic that is discussed. For example, at work group level, decisions may be taken related to job arrangements, whereas future strategies of the company would probably be discussed at corporate level.

Form of Participation

Direct and indirect participation are the two general forms of participation. While direct participation is initiated voluntarily by management, indirect participation in many countries is regulated by law. Both forms can be combined in an organisation. In the following, direct and indirect participation will be further specified.

Direct participation entails the possibility for each employee to take part in decision-making. Here, aims, rules and means are often not fixed and external interference is normally absent (Lammers 1967: 209). Within the EPOC research project[9], direct participation is defined as "opportunities which management provide, or initiatives to which they lend their support, at workplace level for consultation with and/or delegation of responsibilities and authority for decision-making to their subordinates either as individuals or as groups of employees relating to their immediate work task, work organisation and/or working conditions" (Geary & Sisson 1994: 2). Therefore, direct participation can take the form of individual consultation by setting up arrangements in which employees discuss topics face-to-face with managers or provide opinions and suggestions through employee surveys. Direct participation also includes group consultations in which groups of employees come together for a specific purpose and discuss topics. Examples for this kind of direct participation are quality circles (QC) or decision-making teams (Strauss 1998a: 18). QCs consist of a group of employees who perform similar duties (often at one department) and meet at periodic intervals, often with management. The QC's objective is to discuss work-related issues and to make recommendations for improvements, for example related to quality, work flow, productivity, safety or welfare. However, the implementation of those suggestions and recommendations is up to management. Participation in QCs is not rewarded financially (Cotton 1993: 59). Decision-making teams often work on topics such as safety, quality control, holiday scheduling, supplier relations, task assignment or work equipment (West 1994). The team takes decisions that are otherwise typically made by supervisors or line leaders (Cotton 1993: 174). Forms of work teams can be distinguished by the degree of autonomy and are thus called supervised teams, semi-autonomous work teams or autonomous work teams (Applebaum & Batt 1994). In supervised teams, management still takes the decisions and workers have a consultative role. Semi-autonomous teams have a "team leader" or "coach" to whom they report. Overall, they have broad autonomy. Autonomous work teams are rare and close to small producers' cooperatives. They do not receive any supervision (Strauss 1998a: 25).

[9] The study "Employee Participation in Organisational Change" (EPOC) of the European Foundation for the Improvement of Living and Working Conditions investigated direct participation schemes in Europe (see also section 5.3.2).

Participation can be called **indirect or representative** if workers are represented through worker representatives (WRs) in committees, works councils or on the board of directors for a fixed period of time. Procedures are most often formalised by law (Lammers 1967: 209) or tend to be initiated by trade unions (Strauss 1998a: 18). However, an informal system of worker representation can also be initiated by management, although this representation must not have formal bargaining rights. Otherwise, management would interfere in freedom of association (ILO Convention 98, Art. 2.2). According to the ILO, WRs are "persons who are recognised as such under national law or practice, whether they are

- trade union representatives, namely, representatives designated or elected by trade unions or by members of such unions; or
- elected representatives, namely, representatives who are freely elected by the workers in accordance with […] national laws or regulations or of collective agreements and whose functions do not include activities which are recognised as the exclusive prerogative of trade unions in the country concerned" (Workers' Representatives Convention No. 135, Article 3 (1971)).

Joint consultative committees (JCC) are a common form of representative participation in English-speaking countries (Strauss 1998a: 28). Members can be from the union or freely elected, and meet with management for discussing workplace-related issues, often with special attention to production, pay or employment (Strauss 1998a: 28). The functions of JCCs are related to information and consultation and only in a few cases include bargaining practices. The composition of management, workers and the tasks of the committee vary to a great extent, due to the fact that they can be composed of company members themselves.

Works councils are equipped with more power than JCCs and have jurisdiction over a broader range of issues (Strauss 1998a: 30). Often, they are required by law in many European countries; however, there are huge differences regarding their tasks and roles. In some countries they are allowed to conduct collective bargaining over topics such as wages, hours, redundancy, work rules, and grievances, while in other countries they take over mainly consultation and information of employees on topics such as workplace safety. Members of the works councils are typically elected for a certain period defined by law. Often, the councils are dominated by the trade unions who try to have representatives from their own ranks at the councils. Another form of indirect participation is the representation of employees on company boards.

Trade unions and independent worker organisations represent the interests and rights of employees and are allowed to exercise collective bargaining with employers. The rights of trade unions are based on legal requirements in each country. The difference between trade union work and employee involvement schemes becomes obvious with regard to the handling of conflicts. While employee involvement aims at mutual cooperation and working towards common goals, collective bargaining implies that managers and employees in

an organisation have different interests (Strauss 1998b: 105). Therefore, the task of trade unions is to counterbalance managements' power.

Degree of Participation

The degree of participation refers to the depth of influence and involvement in decision-making-processes. Vilmar (1973: 162) differentiates participation along the degree to which decisions are binding. Non-binding participation implies taking part in decision-making processes without having the right to influence decisions, whereas binding participation contains the restriction of superiors' decision authority through co-determination on a basis of parity. Participation structures that enable self-government of employees express a legal changeover of power.

A more elaborate continuum to measure the degree of participation was developed by the research group "Industrial democracy in Europe" (IDE) (1981: 28).[10] Their so-called Influence Power Continuum (IPC) uses six points (see figure 5-1) to measure the degree of involvement, starting from "no information" where management takes decisions without giving detailed information or explanation. Stage 2 refers to the information of employees by management in writing or at joint meetings. Consultation (stage 3 and 4) means that management listens to employees' opinions or complaints, and may ask for their suggestions and ideas. Information is shared and discussed, but the final decision on actions implemented rests with the management. Consultation can be direct if employees discuss matters they are concerned about with management, and indirect if discussions take place through representative bodies and committees (ILO 2004b: 19). Stage 5 is related to joint decision-making which requires a cooperative attitude from both sides for agreeing on a common goal and joint solutions (Strauss 1998a: 18). While consultation is a process of interaction leading to advice, joint decision-making results in a binding decision (ILO 2004b: 19ff). Stage six belongs to self-management in which power is delegated to the workforce (Heller 1971).

1. I am not involved at all.
2. I am informed about the matter beforehand.
3. I can give my opinion.
4. My opinion is taken into account.
5. I take part in the decision-making with equal weight.
6. I decide on my own.

Figure 5-1 The Influence Power Continuum (IDE 1981: 28)

[10] The IDE research one of the largest and most comprehensive international comparative studies of direct and indirect participation was conducted in twelve European countries.

Participation Behaviour

Participation behaviour can be active or passive (Nutzinger 1981: 266). Passive participation is understood as involvement directed by management with the aim of using the knowledge and the creativity of employees. Therefore, the management uses participation as a technique to reach own purposes (Raiser 1983: 241). In such a case, participation is directed downwards, since management decides on the content and structures of participatory decision-making (Nutzinger 1981: 267). In contrast, active participation is given if employees show personal commitment to solve problems they have encountered. Employees initiate discussions with managers on these issues and show ownership in decision-making. Therefore, the participation is directed upwards ("bottom up").

Formalisation of Participation

Participation can be either formal, through regulations or agreements imposed on or granted to the organisation, or informal if no explicit mechanism is involved (Dachler & Wilpert 1978: 14; Strauss 1998a: 16f). Formal participation can be based on clauses in a country's constitution, national laws, governmental executive orders, contractual bases such as collective bargaining agreements on national, regional-sectoral, company, or shop-floor level, or managerial policies (unilateral regulations). They constitute the rights of participants to take part in decision-making. Formal and informal participation can support each other and emerge jointly (Dachler & Wilpert 1978: 15). If participation is mandated by law or union contract, it is also called "de jure participation", while the result of participatory structures – whether formally based or not – is called "de facto" participation (Strauss 1998a: 16; IDE 1981).

In the following sections, I will take a closer look at organisation theory in order to analyse the effects and influence mechanisms of employee involvement schemes from the perspective of motivational and cognitive models as well as from the perspective of power-sharing.

5.3 Influence Mechanisms of Participation from the Perspective of Motivational Models

Motivational models draw a link between participation and satisfaction through motivational (affective) mechanisms (Miller & Monge 1986: 730). Researchers of the "human relations school of management" propose that participation leads to increased self-expression, respect, independence, and equality which in the end contribute to higher work satisfaction. The starting point of the human relations movement were examinations in the Hawthorne plants of the Western Electric Company in Chicago in the years 1924-1932 conducted by Mayo and Roethlisberger. Their research team demonstrated a connection between socio-psychological needs of a human being, work satisfaction, and an improved performance. In the experiments, no monocausal relation between single

working conditions and job performance could be concluded. Instead, non-material and social relations at work had a major influence on outcomes. For the first time, the non-designed, non-rational elements of human behaviour were regarded as influential on economic performance (Leitschuh-Fecht 2005: 38).[11] In the context of the "human relations" school, the link between participation and work satisfaction was concluded, since a general need of individuals for involvement in decision-making was assumed (Pekruhl 2001: 19).

The research of Roethlisberger/Dickson, Follett and Mayo in the 1920s and 1930s belongs to the "early" human relations approach which interpreted participation as a means to satisfy individuals' needs in social relations (Becker & Langosch 2002; Lie 1995: 34). In the 1960s, several researchers[12] continued the approach on the basis of Maslow's hierarchy of needs (1954)[13] and established the so-called "humanistic models of the organisational motivation". They mainly advocated participation due to humanistic arguments, claiming that participation contributes to personal growth and self-actualisation (Strauss 1998a: 8; Dachler & Wilpert 1978: 7). It was argued that the interaction of people would provide learning opportunities and expand people's "action potential" (Wilpert 1998: 43). Besides putting forward normative arguments related to the contribution of participation to human psychological and social development (Strauss 1998a: 8), humanistic approaches also ultimately aim at economic improvements such as higher productivity (Gässler 1985: 62). The causal chain of the influence mechanisms of participation in the tradition of the human relations school is shown in Figure 5-2.

[11] Although the Hawthorn experiments laid the foundation for the human relations school, the results were also largely criticised for being not objective enough (Kieser 1999: 113). Carey (1967) was one of the main critics. He concludes that pay incentives played a much more important role with regard to increasing work satisfaction than human relations and the participative supervisory style in the Hawthorne experiments. Franke and Kaul (1978: 636) showed through their multivariate statistical analysis that the replacement of inefficient workers in production teams, the economic implications of the time of depression and the length of rest pauses mostly influenced the variance of the quantitative output of group and individuals in the experiments.

[12] E.g. McGregor (1960) or Likert (1967).

[13] The first level of Maslow's hierarchy of needs contains physiological needs (breathing, food, water, sleep, etc.); the next two levels include security of body, employment, health, family, property, resources, and morality. The next level is related to "ego needs" covering the need for respect, self confidence or status. On top of the hierarchy the need for self-esteem and self-actualisation is located. "Higher" needs in this hierarchy are only reached if the first levels are met. In the context of an organisation this means that needs for self-actualisation only come into focus if job security and basic needs are fulfilled (Zimbardo 1999).

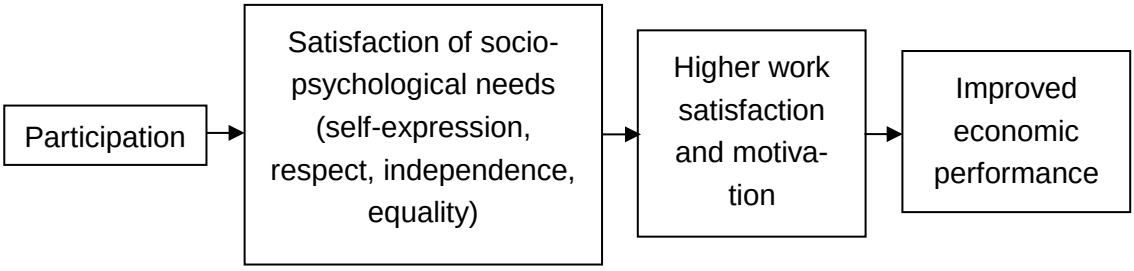


Figure 5-2 Influence mechanism of participation in human-relations models (Gässler 1985: 63; Kießler & Scholl 1976: 15)

Motivational mechanisms of participation have been widely discussed. Specifically, it is expected that participation reduces the resistance to change due to the fact that employees are involved in the decision-making process (for a list of authors dealing with this aspect, see Locke & Schweiger 1979: 278): "People may be more likely to implement decisions they helped make themselves than decisions imposed on them from above" (Strauss 1998a: 10). French et al. (1960: 5) further explain why a high degree of participation reduces the resistance of employees towards decisions, and in the end leads to higher job satisfaction:

> "One effect of a high degree of participation by workers in decisions concerning their own work will be to strengthen their motivation to carry out these decisions. This is the major rationale for expecting a relation between participation and productivity. When management accords the workers' participation in any important decision, it implies that workers are intelligent, competent, and valued partners. Thus, participation directly affects such aspects of worker-management relations as the perception of common goals, and cooperation. It satisfies such important social needs as the need for recognition and appreciation and the need for independence. These satisfactions and in addition the improvements in their jobs that are introduced through participation lead to higher job satisfaction […]."

Participation provides a platform for cooperation between management and workers by aiming at developing common goals and finding solutions. The achievement of improvements and the feeling of mutual support results in an increase of trust on both sides and a stronger identification with the organisation (Locke & Schweiger 1979: 278). Improvements of working conditions developed in participatory structures as well as the satisfaction of higher order needs in the end contribute to higher work satisfaction, higher commitment and thus to a better economic performance (Seibold & Shea 2004: 668; Gässler 1985; Kießler & Scholl 1976). Reduced turnover, absenteeism and conflict are further outcomes of higher work satisfaction and participation (Cotton 1993: 188) which also in the end contribute to productivity (Locke & Schweiger 1979: 277). According to motivational models, the impact on productivity is therefore indirect, while satisfaction is influenced directly by participation (Miller & Monge 1986: 731). Figure 5-3 gives an overview

of motivational implications of participation and expected outcomes. However, it has to be stressed that motivational effects of participation always have to be embedded in the context of a company and general conclusions are impossible (Brose & Corsten 1983: 140).

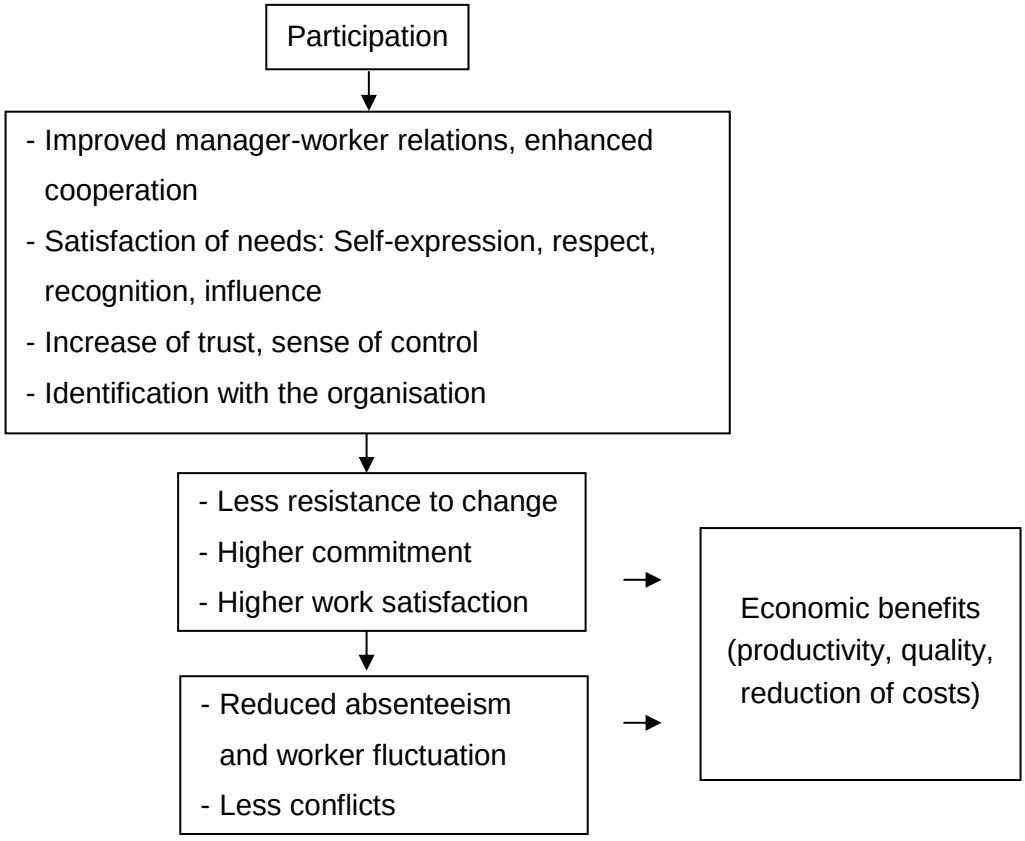


Figure 5-3 Impact of participation (own illustration based on Locke & Schweiger 1979: 279)

Motivational models claim that employees do not have to be knowledgeable on the topic discussed in participatory structures, since it is mainly the act of taking part in decision-making that increases work satisfaction and not the informational content (Miller & Monge 1986: 731). Therefore, motivational models would not exclude groups of employees from participative offers. However, they assume that participation is demanded more strongly by lower-level employees, because managers' higher-order ego needs may be realised by other aspects of their work (Miller & Monge 1986: 731).[14]

[14] The aspect under which conditions participants have motivation for participation will be further analysed in section 5.6.1.

5.3.1 Critics of Motivational Models

In early human relations research, it was assumed that predicted participatory structures were as effective as real participation (Hill et al. 1994: 422). It was argued that "felt" participation often provides outcomes equivalent to real participation (French et al. 1960: 4; March et al. 1958: 54). Concerning this postulation, Miles (1965) criticised the human relation model as a technique that uses participation for manipulating employees in order to increase their productivity. This phenomenon, called "pseudo-participation", is the attempt to gain agreement and acceptance through participative structures that are highly controlled by management. Thus, only a feeling of participation is created without providing real possibilities to influence decision-making. This inauthentic participation can be identified by the distinction between espoused and actual behaviour: "Managers espouse participation because it has become part of the popular mythology, but acting on it might endanger their managerial prerogative" (Heller 2003: 147). Pseudo-participation has been widely observed (for a list of authors see Heller (1998: 149)), and a number of authors point out the limitations of such inauthentic participatory structures. Minssen (1999: 131) argues that only those participatory structures in which employees truly influence decisions are beneficial for the company, due to the fact that participation as a "social technology" cannot have long-term success. The motivation of employees will drop if they realise that their participation does not lead to beneficial results for them, only for the management. Also Fricke (1996: 59) points out that a participatory structure cannot be set up only for working on those issues management agrees on. This would injure credibility and therefore question the whole participatory approach. Etzioni (1969) is of the opinion that if pseudo-participation is detected it will lead to frustration and to conflicts. An eight-country comparative study of Heller and Wilpert (1981) came to the same conclusion.

Moreover, motivational models have been criticised for overemphasising emotional aspects in the organisation and neglecting organisational power relations as sources of conflicts, since the approach assumes that both employers and employees have similar interests (Kießler & Scholl 1976: 16; Gässler 1985: 63). The goals and underlying mechanisms of participation and human relations lie at the centre of attention whereas the design of structures and their implementation have not been investigated in depth (Schweiger & Leana 1986: 147).

5.3.2 Empirical Results Regarding Influence of Participation on Work Satisfaction

Many studies have been conducted in the past decades to investigate the outcomes of participation. However, agreement on the motivational effects of participation is lacking. In order to give an overview of overlapping findings and discrepancies, a selection of studies will be presented that empirically tested the relation between participation and satisfaction.

Research conducted by Dundon et al. (2004) investigated effects of direct participation schemes. They found that valuing employee contributions led to improved attitudes and

behaviour, loyalty, commitment, and cooperative relations and in the end to improved performance, lower absenteeism, and improved managerial systems. The study “Employee Participation in Organisational Change” (EPOC) of the European Foundation for the Improvement of Living and Working Conditions contains a comparison of direct participation structures within European countries. The overall aim of the study was to provide a “systematic and comprehensive overview of the motivations, conditions, forms, regulation, and diffusion of direct participation throughout Europe, as well as the social and economic impact in terms of industrial relations systems, working conditions and competitiveness” (Geary & Sisson 1994: IX). Besides the effect of direct participation, factors for success and failure were also examined (Geary & Sisson 1994: X). The research activities from 1993 until 1998 comprised a literature review of the concept of direct participation, 200 interviews with senior representatives of the employers’ and trade union organisations in the engineering and banking sector about attitudes and approaches to direct participation, and a postal survey of managers in 5,800 workplaces in ten EU countries (Sisson 2000). In the interviews, representatives of employers’ organisations tended to emphasise the beneficial effects of direct participation on working conditions and quality of working life (Regalia 1995: 81), for example safer working environment, increased responsibility, more demanding and more performance-oriented systems, less monotonous tasks leading to higher work satisfaction, enhanced communication or the development of democratic structures (Regalia 1995: 82). Challenges that were mentioned in the interviews referred to increasing tasks for employees through their participation, to the needed commitment to change and to a required degree of responsibility (Regalia 1995: 82). Trade unions hold a much more ambivalent view of the impact on working conditions. They emphasised negative effects such as social pressure, work intensification and the segmentation of the workforce because of the marginalisation of those unable to participate. One representative stated: “Why should workers be enthusiastic about the rhetoric of commitment culture when the new schemes were most likely imposed on often over-stretched, underpaid workers?” (Regalia 1995: 83). Despite this critical view, positive effects related to increased autonomy, more interesting work and better social contacts were also mentioned by trade union representatives (Regalia 1995: 83).

To explore the interdependence between satisfaction and participation, Locke and Schweiger (1979) reviewed laboratory experiments, correlational field studies, multivariate experimental field studies, and univariate (controlled) experimental field studies. Omitting multivariate studies because there were too many criteria (differences in training, reward systems, education etc.) that might have influenced the outcome of participatory decision processes, they concluded that with “respect to satisfaction, the results generally favour participative over directive methods, although nearly 40 per cent of the studies did not find participation to be superior" (Locke & Schweiger 1979: 316). Miller and Monge (1986) conducted a meta-analytic literature review seven years later. They identified 47 studies (experimental, field experiments in which participation was manipulated and correlational) that investigated the relationship between participation in decision-making and satisfaction or productivity. Out of these 47 studies, 41 investigated the effect on satisfaction and 25

the effect on productivity (Miller & Monge 1986: 735) (see section 5.4).The researchers concluded that the largest subgroup correlation between perceived participation and satisfaction supports the assumptions of motivational models (Miller & Monge 1986: 746). However, the question whether participation causes satisfaction or satisfaction causes participation could not be answered, since all of their investigated studies were correlational. Moreover, Miller and Monge discuss organisational factors that could influence the effect of participation. They claim that a participative climate has a more substantial effect on workers' satisfaction than participation in specific decisions (Miller & Monge 1986: 748). Miller and Monge did not focus on the effects of different participatory structures on satisfaction.

Cotton et al. (1988) came to the conclusion that participation in work decisions, informal participation, and employee ownership exert positive effects on performance and that informal participation as well as employee ownership increase satisfaction. Other forms of participation showed no positive relationship with performance or satisfaction (Cotton et al. 1988). Wagner (1994) re-analysed the research results of Cotton et al. on the relationship between different forms of participation and performance or satisfaction by using meta-analytic methods and compared his findings with 10 other reviews. His re-analysis did not confirm the findings of Cotton and his colleagues. Instead, he claimed that “support is provided for the conclusion that research has produced evidence of statistically significant but small relationships between participation and performance or satisfaction and that it has failed to verify the presence of strong, large relationships” (Wagner 1994: 327).

Researchers of the German Institute “Arbeit und Technik” conducted two surveys with employees in Germany about the dispersal of participative structures with a focus on group work. The first survey from 1993 showed a relatively small dissemination of participation in factories (Kleinschmidt & Pekruhl 1994). In the second survey, conducted from December 1997 until January 1998, the researchers investigated whether the dimensions of cooperation, participation and autonomy were represented in current organisational structures and how the concept of group work was implemented in German companies. The population was represented by employees in Germany between 16 and 65 years of age. 3311 persons were interviewed verbally using a standardised questionnaire (Nordhause-Janz & Pekruhl 2000: 16). The researchers used the scale of Fischer and Lück (1972) to gain an idea of the employees’ subjective assessment of their satisfaction at work. In their survey, work satisfaction correlates highly with participation at the workplace. Through a regression analysis, the researchers concluded that participation had a significant influence among other factors (Pekruhl 2000: 196f).

A consistent relationship between job satisfaction and output was doubted in many research findings which could not show any correlation between the two (Pekruhl 2001: 43; Hill et al. 1994: 424; Gässler 1985; Heller & Wilpert 1981: 4). It is argued that the relation between satisfaction and performance is not only dependent on participation but

is also influenced by factors such as pressure to perform, achievement motivation or incentive schemes (Gässler 1985: 64).

In the following section 5.4, influence mechanisms of participation emphasised by cognitive models will be introduced.

5.4 Influence Mechanisms of Participation in the View of Cognitive Models

While motivational models focus on the influence of participation on work satisfaction, cognitive models predict that participation will have a stronger effect on individual and organisational performance through improved communication, joint decision-making and a better understanding of job demands and policies (Locke & Schweiger 1979: 52). Participation enhances information flow and the use of important information in a company (Miller & Monge 1986: 730; Backhaus 1979: 6; Anthony 1978; Frost et al. 1974). Miles (1965) emphasised the cognitive implications of participation for the first time and coined the term “human resources” approach. According to Miles, participatory decision-making offers the opportunity not only of making use of employees’ physical skills and energy but also of improving the performance of a company by stimulating creativity, ideas, and the capacity for self-directed, responsible and self-controlled behaviour (Miles 1965: 150). Due to the fact that employees have detailed knowledge of their work which management might lack (Strauss 1998a: 10), participation is a method of increasing knowledge-sharing between managers and workers as well as their awareness of the topics discussed by exchanging different points of view (Dachler & Wilpert 1978: 9). According to these assumptions, organisations with participatory decision-making structures have an advantage in the quality and quantity of information-flow and therefore can adapt more easily to changing conditions (Backhaus 1979: 7). However, the complexity of handling different interests and opinions can also cause higher costs of arbitration (Backhaus 1979: 7). Another cognitive aspect of participation is related to workers’ greater understanding of how to implement decisions they have developed together with management (Melcher 1976; Maier 1963). Employee satisfaction is not regarded as a direct outcome of participation, but as the result of an improved performance and a feeling of contribution (Miles 1965: 152). Therefore, higher job satisfaction is seen as a “by-product”, whereas increasing efficiency by involving those who are directly affected is the target (Ritchie & Miles 1970: 348). In the view of cognitive models, productivity is expected to increase through participation if only those workers are involved that are interested and knowledgeable on topics related to production and job design. Otherwise they could not contribute successfully to decision-making (Miller & Monge 1986: 730). Therefore, opportunities for participation should be designed according to employees’ knowledge (Kießler & Scholl 1976: 27).[15] The influence mechanisms in the view of cognitive models are summarised in figure 5-4.

[15] Competence as a requirement for participation is further analysed in section 5.6.2.

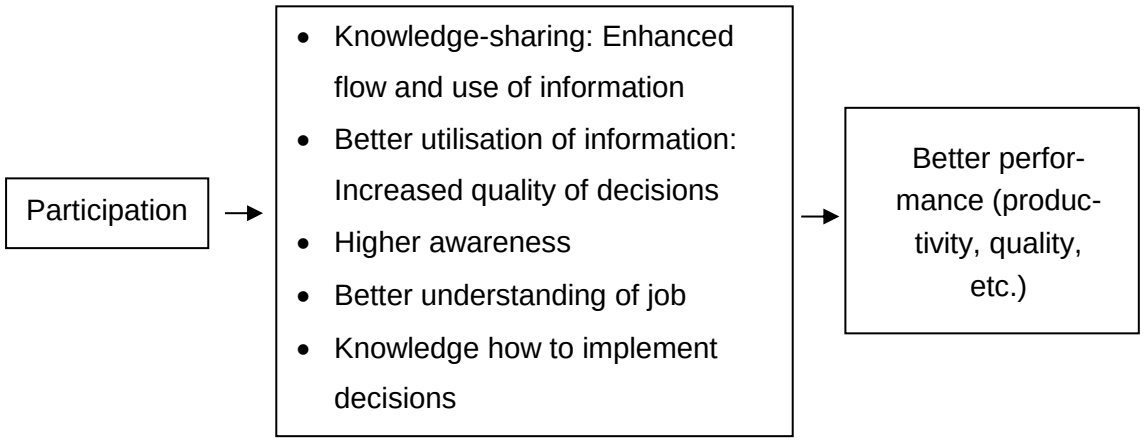


Figure 5-4 Influence mechanisms in the view of cognitive models (own source)

Empirical Results of the Influence of Participation in the View of Cognitive Models

The relation between an increase in productivity and participation has been empirically tested in many studies. In most studies at least modest positive relationships between participation and productivity are found, irrespective of their methodological approach (Seibold & Shea 2004; Wilpert 1998: 63; Ichniowski et al. 1996; Wagner 1994: 312; Katzenbach et al. 1993; Bluestone & Bluestone 1992; Petersen 1991; Aoki 1990). The meta-analytical results of Wilpert (1998: 63) show that participation is at worst a neutral and in fact often a positive factor in relation to productivity. After an overall assessment of empirical literature from the fields of economics, industrial relations, and organisational behaviour, Levine (1990: 203f) also comes to the conclusion that participation usually leads to short-term economic improvements and sometimes to significant long-lasting improvements. He concludes that the size and strength of the effect are contingent on the form and content of participation. The higher the participation degree, the more likely participation is to produce a significant, long-lasting increase in productivity (Levine & Tyson 1990: 203f). Zwick (2004: 732) comes to the conclusion that “the introduction of shop-floor employee participation in 1996 or 1997 significantly increased average total factor productivity of establishments in Germany by 28% in 1997-2000”. Moreover, he investigated that the productivity impact increases with the number of introduced measures such as teamwork or autonomous work groups (Zwick 2004: 732). In their meta-analytic research, Miller and Monge (1986: 746) found out that there is a large correlation between participation and productivity in the 41 studies they investigated. Interestingly, in the interviews of the EPOC study the respondents were all of the opinion that it is impossible to measure the efficiency and productivity increase due to direct participation (Regalia 1995: 80). However, most respondents stated that direct participation “was not productive as such, but that it enhanced productivity and efficiency in a more indirect way” (Regalia 1995: 77). For them, participation facilitated the implementation of lean and just-in-time production or led to a reduction of workforce which in turn enhanced

productivity (Regalia 1995: 81). The interview partners were of the opinion that the positive influence of direct participation results from the opportunity to link internal communication and employee involvement to innovation, quality and production issues. This linkage helped to overcome anxieties and prejudices towards change (Regalia 1995: 81). Respondents emphasised that specific conditions are crucial for direct participation to be economically effective (Regalia 1995: 78). They stressed for example the need for adequate training, continuous management support, high job satisfaction, and democratisation of work (Regalia 1995: 80). One of the most distinct interrelations that came out of the quantitative analysis was that the more different kinds of participative elements are introduced, the better are the economic effects (Pekruhl 2001: 160).

Despite findings of participation's positive influence on satisfaction, Locke (1979: 316) concludes in his work that participative leadership is not superior to more directive styles with regard to productivity. Wagner (1994) in his meta-analytic research arrives at the same finding that participation does not affect productivity to a high degree. In line with these findings, agency theory claims that participatory decision-making is likely to have negative effects on firms' performance due to inefficiency. It postulates that the costs of monitoring rise with the increasing number of decision makers or agents. Moreover, higher transaction costs of making and carrying out decisions are involved when many people participate in decision-making (Levine & Tyson 1990: 185).

Ever since research about participation has been conducted, scientists have struggled with methodological drawbacks that might explain the lack of consistent results. Schweiger and Leana (1986: 147) stress several potential reasons for the diverse results on participatory outcomes. Due to the fact that participation in decision-making can be defined in many different ways and the structures can vary for example in scope, content or degree, it is difficult to compare results. Moreover, certain moderating factors influence the outcome of participation as well. Among these are individuals' skills and personalities, and situational, environmental or contextual factors such as organisational hierarchies, task attributes and environmental uncertainty (Wilkinson & Dundon 2010; Schweiger & Leana 1986: 148). Hence, a precise prediction of the effects of participation is impossible – the personal and structural context of a company has to be taken into consideration as well (Brose & Corsten 1983: 140). In addition, the research methodology may impact research results, too (Schweiger & Leana 1986: 148).

Having outlined motivational and cognitive influence mechanisms of participation, I will now refer to aspects of power and decision-making which are core characteristics of the interaction of the parties involved in participatory structures.

5.5 Aspects of Power-Sharing in Participatory Structures

Motivational and cognitive models describe effects of participation which in the end provide explanations for why the performance of individuals and of the organisation is improved through participation. In contrast to this understanding of participation, industrial democracy theory claims that participation, and with it a degree of control over decisions that affect their work place, is first of all a fundamental right of employees (Wilkinson & Dundon 2010; Dachler & Wilpert 1978; Ehrhardt et al. 1975: 141). The democratisation of an organisation targets the support of employees' personal development by offering qualification opportunities (Pateman 1970). In addition, it encourages democratic decision-making and equal opportunities for employees (Kießler & Scholl 1976: 79). The direct approach of democratic theory advocates participation of all organisation members on decisions that relate to them in order to ensure the realisation of their interests and needs. In addition, the direct approach stresses the educational benefits that participation encompasses by enhancing qualifications and improving workers' capacity in terms of independence, responsibility, and self-development. Participation in the view of democratic theory functions therefore mainly as a social value in itself (Dachler & Wilpert 1978: 4). Direct democratic theory has been criticised with regard to empirical research on the apathetic, unknowledgeable, irrational and egocentric behaviour of people and the amount and complexity of decisions that have to be taken in organisations and political institutions (Lie 1995: 39). Broad direct participation may lead to inefficiency and instability of an organisation due to the number and complexity of decisions as well as the time needed to involve all organisation members (Rambaek 1978: 32). Representative democracy tries to solve the constraints of direct participation by implementing a system of representational bodies in decision-making. The aim of this approach is to keep effective and stable functioning of organisations, whereas the idea of self-actualisation becomes less important (Lie 1995: 39). Indirect participation reduces the participation of each worker to the election process and depends on effective communication between the representatives and the workforce. Motivational processes might be less intensive because the majority of workers does not take part in decision-making (Gässler 1985: 80) and depends on the way its interests are represented. According to democratic theory, indirect participation has the advantage that it is less time-consuming for the workforce and concentrates power or influence in a group of workers. However, the degree of representatives' influence depends on law and on the formal policies of the company. To achieve motivational effects of direct participation as well as ensure a powerful influence of worker representatives, indirect and direct participation should be combined (Strauss 1998c: 217). The attitude of unions towards employee involvement is not homogeneous and often critical: "Some see it as a management tool, designed to capture employee loyalty and weaken union influence. Other unionists (and in other circumstances) view it chiefly as a means of curbing unilateral management power" (Strauss 1998a: 9).

Industrial democracy links the discussion about the effects of participation to the question of how and to which extent employees are able to extend control over managerial deci-

sions. The following sections therefore provide more insight into the definition and characteristics of power, conflicts and interests within companies and the influence of participation on working conditions in the view of power-sharing arguments.

5.5.1 Power and Decision-making

A key characteristic of participation inside organisations is the degree to which participants are able to influence decisions: “Organizational participation is genuine only if people feel that by participating they can influence what is happening and thereby further their actual felt interests” (Pusic 1998: 87). Power and participation are interdependently related to each other. The extent of individual participation has a direct and positive influence on the degree of the individual power (Kießler & Scholl 1976). Simultaneously, the degree of power influences the extent of individual participation (Brose & Corsten 1983: 176). The limitation, reduction or equalisation of power can be the goal, content or consequence of participation (Paul 1977: 289).

The origin of power in organisations is related to the division of labour (Pusic 1998: 89). Each position in the organisational hierarchy is equipped with the necessary power to coordinate and to control subdivisions of work (Pusic 1998: 89). In such a system, functional dependence is given, which means that power is allocated to a position according to the requirements of that function. Although organisational power is linked to a function, it still creates dependence of people on other people (Pusic 1998: 89) or on relevant resources in the organisation or in its environment (Brass 1984).

Weber (1921: 29) defines power as “the chance to impose one’s will against opposition“. Whenever the potentate decrees negative sanction mechanisms with which he or she can overcome resistance, a prerequisite of power is given (Weber 1972). Weber (1978) examined in which way power is distributed under the division of labour by developing a bureaucratic system of rules and regulations constitutive of authority. Dahl (1957: 202f) focuses on the explicit exercise of power in decision-making situations and not on potential power of actors. According to Dahl, “A has power over B to the extent that he (or she) can get B to do something that B would not otherwise do”. This definition was criticised by Bachrach and Baratz (1962: 948), who claim that power can be used also for non-decision-making situations: “A is in a position to create and reinforce situations in which the political process does not consider issues that endanger A’s power”. According to this understanding, power can be exercised in such a way that decisions are not taken or prevented. Taking this argument, Lukes (1974: 23) states that power can also be exercised by A through influencing, shaping or determining the wants of B. Therefore, the mere absence of grievances in groups does not automatically imply that there is a consensus among group members and no one’s interests are hurt (Lukes 1974: 24). Cyert and March (1963) shifted the focus from the individual level to the bargaining power of interest coalitions in the organization (decision-making coalition model). For them, decision-making is a political process as a result of the conflicts of interest of subdivisions in

an organisation. Power is a mutual exchange and bargaining relation (Crozier & Friedberg 1979: 40) in a social process in which at least two persons are needed – people with power and the subordinated person (Brose & Corsten 1983: 143).This situation offers the possibility for one actor to assert his will or interests due to an unequal exchange relation (Rambaek 1978: 47). Etzioni (1975a: 379) points out that power is given if the situation of an actor is changed but not his preferences. Mumby (2004: 587) broadens the view on power by referring to communication structures that are produced through power: “The production and reproduction of, resistance to, or transformation of relatively fixed (sedimented) structures of communication and meaning that support the interests (symbolic, political, and economic) of some organization members or groups over others”.

The difference between influence and power has been widely discussed (Brose & Corsten 1983; Rambaek 1978; Weber 1978; Paul 1977). Whenever the implementation of one’s will is not accompanied by negative sanctions but instead is achieved through, for example, rhetoric superiority, Weber (1972: 123) refers to influence instead of power. Brose and Corsten (1983: 145) apply power as a specific form of influence if an opposition has to be overcome. For Rambaek (1978: 44), it is not sufficient to characterise influence by the absence of opposition (Paul 1977: 174). He claims that power implies a coercive force, whereas influence is non-binding due to the fact that one actor still can dismiss the influential attempts of another actor (Rambaek 1978: 44). In practice it is difficult to differentiate between power and influence, since their sources remain the same (Rambaek 1978: 44). For Rambaek (1978: 44f) it is therefore more beneficial to focus on the intensity of power and the power potentials of actors. To what extent members of an organisation are able to influence decisions is also related to the question of whether their interests are expected to be legitimate or not. Pusic (1998: 87) states: “With the progressive widening of the circle of legitimate interests more and more interests are accepted to be articulated and aggregated within the organization – participation might become multiple and the chances of the organization being perceived by members as a partnership, a ‘we’-association, is likely to increase”.

Forms of Power

The devolution of power, bargaining and decision-making processes is characterised through opposing interests and objectives which are based in the formal and informal structure in an organisation (Rambaek 1978: 56). Power relations defined in the formal structure often do not correspond to actual power relations (Friedberg 1977). Therefore, not only formal (legitimate) power exists but also other forms of power, which French and Raven (1960) distinguish in the following way:

Coercive power is given if behaviour is influenced through a certain form of penalty (French & Raven 1960: 614). The scope of action of the powerless is limited due to the announcement or actual implementation of negative sanctions. However, sanctions can only be used to a limited degree, since the employee can leave the organisation whenever he or she no longer accepts sanctions (Brose & Corsten 1983: 156). A penalty can be

implemented through the abolition or withholding of rewards or the application of negative sanctions.

The basis of **reward power** is the ability of people to reward others. Rewards can be material (e.g. bonus system) and immaterial (e.g. praise, social recognition, training).

Expert power is given if an actor has certain information and knowledge about a topic (French & Raven 1960: 620) which others lack.

Referent power refers to an emotional binding of a person to another person, group or organisation that has a certain charisma or fame. The person identifies with this person, group or organisation and can be influenced thereby (French & Raven 1960: 618).

Legitimate power is linked to the values of the subordinate, which dictate that the power holder has legitimate rights to influence the subordinate, who has to accept his alignments (French & Raven 1960: 616). Moreover, legitimate power can be legally defined (Gässler 1985: 69). For example, representational bodies such as works councils or trade unions enjoy legitimate power according to labour law in the respective country. Within a representational structure, power is concentrated on representatives by allocation of votes and regulation of ballots (Gässler 1985: 77).

In hierarchical organisations, management obviously exercises functional power and is therefore equipped with coercive, reward and legitimate power. They have insight into financial and performance data and therefore also enjoy expert power. Moreover, managers might have more experience in communication and negotiation skills. Since employee involvement is initiated by management and is not regulated by law, final decision-making is still up to management. Due to the lack of legitimate power for blocking management decisions, the influence of forms of employee involvement is limited. Employees' suggestions can easily be ignored or the topics are restricted to more trivial matters.

However, employee involvement offers the opportunity for workers to execute their expert power during decision-making processes. Workers may not know about problems of financing or factors influencing sales, but they do know about their jobs (Mulder 1971: 36) and their actual working conditions which affect them every working day. As already described in section 5.4, the utilisation of workers' competence and skills is likely to reduce diseconomies in organisations (Heller 1991). Moreover, the bargaining position of employees is strengthened in large companies that are dependent on skilled labour to operate and maintain the equipment (Finlay 1987: 50). The power of superiors can only be established and persist if leaving the organisation is assessed negatively by subordinates – for example due to their economic interests (Fischer 2004: 38).

Different levels of expert power in participatory decision-making also expose a danger of increasing power differences in an organisation. In his laboratory research, Mulder (1971: 35) showed that participation leads to higher influence of the more powerful over the less powerful whenever the more powerful has greater expert power: "When there are large differences in expert power, the introduction of greater participation provides the more

powerful with an opportunity to exercise their influence over the less powerful, and thereby make their greater power a reality" (Mulder 1971: 34).

Lammers and Széll (Lammers & Széll 1989) distinguish between functional and structural democratisation in organisations. The goal of structural democratisation is to achieve a power equilibrium which implies that one group's gain of power leads to the other actors' loss of power, thus a process of power equalisation can take place. Instead, functional democratisation occurs if an increase of power of subordinates leads to an increase of organisational efficiency and/or effectiveness (Wilpert 1998: 42). Following this idea, Lammers and Széll (1967: 204) argue that "the initial 'loss' of power by management can eventually be transformed into a power gain in the sense of a better grip on the organizational apparatus and an increase in external power". Managers and workers would achieve a better performance in technical, economic and human resources areas through participation since they generate joint power by following same goals (Lammers 1967: 204).

5.5.2 Conflicts, Interests and Consensus-Building

Participation is characterised by a certain degree of interaction between organisational members which aim at securing their interests. Organisation members follow interests that are constrained by the interests of power holders or the purpose of organisational action (Pusic 1998: 88). Morgan (1997: 149) defines interests as "a complex set of predispositions embracing goals, values, desires, expectations, and other orientations and inclinations that lead a person to act in one direction rather than another". Broadly speaking, interests of organisational members may differ most with regard to hierarchy (owner, management, employee) and job specialisation (mental work versus production) (Lewin 2008). Organisational behaviour is always motivated by the interests of its members, and therefore people might cooperate with each other to secure their interests but may also compete for the distribution of scarce resources which satisfy their interests (Pusic 1998: 78). Therefore, tensions and conflicts arising from achieving different goals are normal in an organisation (Pusic 1998: 69). Participation concerns the articulation of these different goals or interests which increase the likelihood of conflict (Backhaus 1979: 6). Often, it is the fear of conflicts arising through participation which prevents managers from providing more possibilities for joint decision-making. Heller (1998: 147) points out that evidence is far from clear and also depends on whether conflicts are defined as disagreement or the exploration of differences. Since participation at the same time offers a platform for solving issues, it is also considered as a means for handling dissent and preventing the emergence of serious conflicts resulting in strikes, work slowdowns, absenteeism or lock-outs (Lewin 2008; Brose & Corsten 1983: 207). This is only possible if consensus can be achieved between the parties involved in participatory decision-making processes. Consensus in this context is defined as the congruence of needs, values, goals, opinions or interests of two or more actors (Etzioni 1975b: 479). Complex problems usually cannot be completely solved but only handled (Gässler 1985: 85). According to Gässler (1985:

85), an authentic consensus that is based on the integration of all interests and needs of involved actors in solutions can only be reached by extreme creativity and domination-free and ideal communication (Habermas et al. 1971). Since such conditions are unlikely to exist in reality, usually complexity of problems is reduced intentionally or unintentionally by restricting actors from participation or by ignorance of certain aspects of problems in decision-making due to power relations (Gässler 1985: 85f).

The achievement of partial consensus is influenced by certain conditions in an organisation. For Gässler (1985: 87ff), these conditions refer to the similarity of participants' contexts (their motives, needs, opinions, interests, norms, etc.), the importance of context elements, the frequency and intensity of interactions, mutual dependence and power relations, which will be further described in the following. If contexts of people differ to a large degree – influenced for example by their material or social situation – consensus-building is less likely than between actors with similar contexts. Contexts of members within different groups in an organisation, such as employees, management or shareholders, most probably will show higher similarity than if contexts of one group are compared with another. The perceived importance and centrality of context elements influences the motivation of actors to insist on recognition and maintenance of those elements. For example, increasing productivity is a stable and central target of management. On the side of employees, the reduction of overtime or the increase of wages might be important goals. Here, partial consensus-building is possible if both groups take into consideration the other parties' context and develop common goals that meet both expectations (Gässler 1985: 88f). Frequent and intensive interaction of the actors involved leads to an exchange of different perspectives, and a rising awareness of the others' interests which is regarded as a pre-condition for developing and negotiating common goals. Mutual dependency relations exist in organisations between horizontal hierarchy levels as well as between organisation members of the same hierarchical level. Since organisation members or groups are dependent on another to a certain degree, consensus building is necessary for achieving individual groups' interests. However, organisational members hold different power positions which can be used for reaching a consensus. The execution of expert or referent power as a form of social influence can lead to an unreflecting change of positions and interests and thus lead to consensus. This kind of power use is often not recognised as such. Power in the form of coercion, punishment, rewards or legitimation is usually recognised and can only lead to inauthentic consensus by changing the others' dispositions against opposition.

In hierarchical organisations, the use of formal power substitutes consensus development and enables the coordination of activities in the frame of work division (Gässler 1985: 90).

5.6 Requirements for Participation

In the following section, theoretical considerations about requirements necessary for making participation successful will be provided. Closely interlinked with motivational and cognitive models, motivation and competence for participation as important supportive factors will be described (sections 5.6.1 and 5.6.2) as well as investments in training and time that are also expected to contribute to the effectiveness of participation (sections 5.6.3 and 5.6.4).

5.6.1 Motivation for Participation

The motivational models presented in section 5.3 assume a general motivation for participation on the part of employees due to an individual need for self-determination and control of action, but neglect content and reasons why people participate in *a specific* situation or organisation (Wilpert 1998: 45). Motivation for participation on the side of management as well as on the side of employees is a key requirement for releasing positive effects of participation. The factors that influence the motivation of management and employees for participation will be analysed in more depth in the following section.

Employee involvement schemes are often not mandatory by law and therefore have to be introduced by management. Thus, management's commitment is crucial (Strauss 1998c: 205; Cotton et al. 1988). Without their initiative to build up structures and their willingness to consult employees and to cooperate for joint decision-making, workers would have no platform for participation and would have no incentive to participate. Management's assessment of participative structures and their attitude towards it determine the degree of participation and at which level participation occurs. Bernstein (1982: 72) developed a set of personal traits of formal power holders, such as management or elected leaders of workers, that foster or facilitate participation. The traits encompass egalitarian values, reciprocity as the opposite of paternalism, awareness of own fallibility, governing by consent and not from a position of formal power, confidence in others and willingness to share information and to educate the managed. These traits can hardly ever be found in their absolute form, but a person "exhibits each trait to a degree, and, the greater his/her activation of each trait, the more beneficial he/she is to the success of the democratized system and the enterprise" (Bernstein 1982: 69).

One main constraint of initiating participatory processes is the perceived loss of control by management. Uncertainty of decision outcomes and the fear of raising conflict might prevent management from establishing participatory structures. Often, supervisors or middle management fear a decrease in authority and status due to the fact that employees are encouraged to develop their own opinions and decisions which might reveal managers' mistakes. Moreover, workers might contact higher levels of management directly without asking supervisors or middle management beforehand which limits their influence over decisions (Strauss 1998c: 203). Commitment to those structures is therefore highly dependent on the expected benefits in terms of higher commitment of employ-

ees, improving working conditions, better working climate, increasing productivity, higher product quality and meeting the demands of customers: “People and organizations engage in participation because they expect some sort of pay-off” (Strauss 1998c: 210). Win-win situations resulting from effective cooperation between managers and workers (for example, increasing economic benefits while at the same time reducing accidents) have to be experienced in order to legitimate the investment of time and money into participatory structures. The higher management perceives employees’ competence for effective contribution and knowledge-sharing, the more likely it is structures will be established for releasing expected competence. However, judgements on skill levels of subordinates may be incorrect and based on prejudices (Heller 1992: 73).

In order to make use of participative structures, the motivation of workers is also an important precondition (Gässler 1985: 71; Locke & Schweiger 1979: 320; Mulder 1971: 35f). A variety of factors are discussed in literature that might affect the desire for participation. Gässler (1985: 72) explains the demand for participation with the degree of the individual’s need for self-determination. For a range of employees, job security would be of higher priority than the need for expressing opinions or influencing decision-making. Employees’ attitudes and personal characteristics shaped by culture, family and education further explain why people who are given the opportunity to participate take initiative or refuse it due to the extra responsibility (Heller 1998: 148). In some cultures, participation may be perceived as criticism of people with higher status and thus perceived as inappropriate (Strauss 1998c: 200). If employees have experienced highly centralised top-down structures in which decisions have always been taken without their involvement, the feeling of dependency is high. Taking initiative, developing opinions and negotiating on behalf of their own interests seem less likely under such conditions due to a lack of self-reliance (Heller 1998: 148; Bernstein 1982: 70). Here, persons who actually hold superior positions place themselves in an inferior role and allocate decision power and competence to organisational leaders.

In addition, the motivation for participation is also dependent on the issues discussed. Decisions about job tasks and working conditions might be of higher relevance for employees than general decisions about company strategies (Krüger 1976: 173). The commitment of employees is also dependent on their assessment of influence possibilities. Many surveys about political participation have shown that there is “a strong relationship between the confidence that contributions really matter and the extent of one’s political involvement” (Dahl 1991: 100). For example, if employees have the feeling that their contributions will not change any working conditions, their motivation to continue participation will decrease. If workers have the feeling that decisions will turn out well also without their participation, in other words they are satisfied with working conditions and trust management in taking the right decisions, they will have less motivation to contribute to decision-making as well. This also works in reverse. Whenever workers feel that the outcome will be unsatisfactory without their participation, they are more likely to participate.

Besides management, employees also have to experience rewards through participation as an incentive to make use of structures. Dahl (1991: 98f) distinguishes between direct (personal) gratifications derived from the activity itself and instrumental benefits as outcomes of the activity. Direct gratifications from participative activities encompass, for example, a sense of achievement and autonomy, access to information, increased knowledge and competence, increased sense of control, or just social satisfaction gained from working with other people (Strauss 1998c: 199). Instrumental benefits might be a more interesting job, the enhancement of working conditions such as the reduction of overtime, decrease of accidents, higher wages, etc. (Strauss 1998c: 199). Results and benefits have to be visible for employees, otherwise the opportunity costs of their participation might be too high in terms of time and effort invested and the uncertainty of the results (Strauss 1998c: 199f; Gässler 1985: 72f; Witte 1980: 7). Furthermore, economic pay-offs for actors have been recognised as highly influential on participation, for example the paying of bonuses (Strauss 1998c: 210f; Levine & Tyson 1990: 184; Bernstein 1982: 62).

Ongoing exposure to stress and lack of control are expected to lead to resignation and inactivity of employees due to a feeling of helplessness (Wortman & Brehm 1975). Such psychological dispositions lead to a rejection of participatory action. If participation fails in one situation, people often hesitate to try again due to experienced lack of control (Wilpert 1998: 60; Miles 1974).

Many researchers documented a general disinterest in participation in organisational decision-making (Wall & Lischeron 1977: 28). Employees refuse to take part in any decision-making (Strauss 1998c: 200) and have no interest in taking over complete control of the organisation (Heller 1998: 146; Wall & Lischeron 1977: 29). According to Brose and Corsten (1983: 217), the varying demand for participation is determined by socio-individual and cultural factors such as the influence of family or other communities, and by personality, for example a sense of responsibility, eagerness for independence, assessment of potential or actual influence. Moreover, experience and skills have an influence on motivation. Employees might be unwilling to participate if they estimate their insight and understanding of the discussed topics as low (Pusic 1998: 87f; IDE 1992; Mulder 1971).

Workers might refuse to take part in participatory structures due to a feeling that their personal contributions to the final outcome are minimal. This is the argument of the ‘free-rider’ concept in economics (Olson 1971) which argues that instead of taking their own initiative, people “rely on ‘free riding’ on the hard work of a minority of activists who like to spend their time in participative meetings” (Heller 1998: 155f). An organisation therefore has to define how to reward participatory behaviour and how to discipline free-riders (Strauss 1998c: 202).

Attitudes to and opinions on participation are not fixed and may change with increasing understanding about participation: “It seems reasonable to argue that, if workers are uncertain about the meaning and consequence of participation, and if they perceive

themselves as relatively well-off under the status quo, they will be initially conservative in their support for increased participation. However, as they begin to understand what participation entails and as their influence increases, it seems equally reasonable to hypothesize that attitudes will change in the direction of increased support" (Witte 1980: 5). The described effect of overcoming hesitation about bottom-up structures is also valid for management. By experiencing the benefits of participation, management may increase possibilities for employees to participate. In general, supply and demand for participation should be balanced, so as not to cause frustration among the parties (Brose & Corsten 1983: 221f).

The Role of Trust for Motivation

A trusting relationship between managers and workers is essential for participation (Wilpert 1998: 46). Participation is often accompanied by organisational change taking the form of new work procedures and the creation of new structures and responsibilities. A feeling of uncertainty may develop if people think that "more is expected of them than they are able to contribute, that their time budget is overtaxed, that participation is formal, and that it does not really change the relations of power in the organization" (Pusic 1998: 71). People might fear that their participation will not change the situation or even make it worse. In such a case, employees may reduce their efforts in decision-making after a while and lose overall interest in participation. On the other hand, uncertainty can also be reduced whenever benefits of participation become visible (Pusic 1998: 72; Witte 1980: 7). Trust is therefore needed on the side of management to initiate participation and to believe in the cooperation of employees. In order to enhance employees' trust in participation and thus strengthen their motivation to make use of structures, it is obviously important that management not use reprisals or sanctions against employees who differ in opinion from management or demand substantial improvement of working conditions (Gässler 1985: 73). The development of suggestions and solutions is unlikely to occur if participants are uncertain about negative reactions of management and do not trust in their protection (Bernstein 1982: 65). Company policies that embrace individual rights for employees, such as immunity of worker representatives from dismissal or secret balloting, are means to enhance trust in structures. Moreover, long-term employment relations and measures to build group cohesiveness are also able to contribute to trusting relationships (Levine & Tyson 1990: 184).

The experience of benefits increases trust and confidence in participation on both sides. However, according to the prisoner's dilemma theory, trust relationships are volatile due to the fact that each party can defect at any time, which again motivates the other party to do so (Wilpert 1998: 46). Cooperation and motivation for participation is therefore dynamic and has to be developed again and again.

5.6.2 Participatory Competence

The competence of managers and employees is essential in order to effectively interact in participatory structures. As described in section 5.4, cognitive models predict that decision quality improves due to knowledge of employees to solve workplace-related problems. As already stated with regard to the motivation of management to invest in participation, the quality of contributions is important, and thus the competence of participants (Gässler 1985: 73). Martin (1990: 104) names four different key competences which he regards as necessary for participation – professional competence, method competence, social competence and the flexibility and eagerness to learn. In the following, these competences will be described.

Professional Competence

Professional competence encompasses technical skills, knowledge and experience required to adequately solve problems related to the work place (Wilpert 1998: 45). Employees' knowledge on company matters is closely linked with the flow and provision of relevant information by management (Seibold & Shea 2004: 665; Pekruhl 2001: 63ff; Pfeffer & Veiga J. F. 1999: 37; Pusic 1998: 71; Bernstein 1982: 62). As described in the section on power, one party's lack of information leads to an increase of the power of the other party, and thus the opposite of sharing power occurs. With regard to labour conditions, information should to be provided on facts that influence the implementation of social standards (details on capacity planning, wage system, working time recording, audit results, work accidents, etc.). Moreover, information should also be shared about the economic situation of the factory and workers' productivity since it is closely connected to the causes of labour standards violations (Dachler & Wilpert 1978: 9). In turn, employees are expected to share their ideas, suggestions and knowledge with management through established communication channels (suggestion box, employee survey, face-to-face meetings, round tables, etc.). Giving feedback on complaints, demands and status of implementation activities is crucial since it contributes to a feeling of being acknowledged and valued. Moreover, existing barriers for improvement can be identified and discussed further. Since the provision of information is also a source of power, managers may withhold economic data, for example in order to avoid discussions about wage levels (Sanders & Kianty 2006: 184). On the side of employees, information might only be passed on to higher levels of management if (1) the information has no unpleasant implications for the submitting individual, (2) the superior will discover the content anyway and it is better for the subordinate to tell them before, (3) the information is needed by the superior with regard to their own duty to report towards their superiors (Simon 1981: 186). Contrariwise, superiors might not exchange information with subordinates to strengthen their authority through a knowledge advantage. It is also possible that information is not submitted due to obliviousness or unawareness of its importance.

For indirect participation structures, the information flow between the constituents and their representatives is of importance as well. Interests of workers can only be represented if worker representatives meet and discuss with workers frequently. Workers should know who represents their interests, how often meetings between management and WRs take place, and how to access information on the outcomes (for example minutes of meetings). Otherwise a lack of information might cause distrust in representatives' real interests, which can cause a lack of interest in or even refusal of participative structures in the factory (Witte 1980: 9).

Method Competence

Method competence refers to the ability to plan and the application of methods that facilitate decision-making processes. Solution-finding processes become more effective if participants know how to moderate meetings, to negotiate interests and goals, to document meeting outcomes, and to anticipate consequences of actions. Moreover, individuals should be able to acquire and assess information.

Social Competence

Social competence is related to communication and negotiation skills as well as to group behaviour. Individuals should be able to listen to others, to take someone else's perspective, to communicate own interests and perspectives, and to cooperate. Rhetoric skills are needed in order to explain ideas and to convince other workers and management. Moreover, the ability to reflect group ideas and behaviour is needed to adapt to requirements and situations. Employees also need to address issues which contain a potential for conflict and have to protect and promote the interests of their fellow workers (Witte 1980: 5). Furthermore, Wilpert (1998: 46) points out that an important aspect is "the readiness and ability of organization members to engage in potentially conflictual situations, which often lead to greater uncertainty until they are resolved". In order to be able to voice unpopular thoughts or suggestions, employees have to develop their own points of view, resulting from the ability to think critically. Locke (1979: 320ff) refers to group pressure which might lead to autocratic decision-making as well if a number of individuals is not able to bring in their demands and suggestions. In addition, the ability and willingness to take responsibility is an important feature of social competence. If participants refuse to take responsibility for group or individual decisions, dependence on others' behaviour and decisions will increase. Social competence is not only important on the side of employees; middle managers also need to change top-down advisory behaviour and to learn how to cooperate with workers, to seek their points of view and to acknowledge their contributions in order to motivate their participation and to make it effective (Strauss 1998c: 202). Closely connected to this point, Bernstein (1982: 70) adds that besides the power-holder's responsibility towards economic development, the ability of power-holders to educate employees in order to make use of democratic decision-making is needed.

Flexibility and Eagerness to Learn

The willingness to engage in ongoing learning is necessary to stay open for new opinions, ideas and information according to constantly changing situations and their requirements (Martin 1990: 104). This competence has links to organisational learning which requires continuous integration of learning outcomes in organisational routines (Wilkesmann 2001). An organisation that enables learning of all organisational members and continuous organisational transformation is considered to be a "learning organisation" (Pedler et al. 1994: 60). If new procedures are developed through worker participation they may displace old routines, and the application of these new procedures has to be learned by organisational members. Reflecting on implementing and transforming procedures in organisational routines again contributes to further improvement by readjusting procedures if needed (Wilkesmann 2001).

Besides method competence and social competence, Sell and Fuchs-Frohnhofen (1993) further distinguish between *innovation competence* and *decision competence*. Innovation competence refers to the creation of ideas within problem-solving processes. Decision competence covers the capability to reach an agreement on the next step of decision-making in a cooperative and goal-oriented manner.

Cognitive models have a restricted understanding of participatory competences and focus mainly on knowledge as a precondition. According to cognitive models, only those employees should participate who are knowledgeable on the participation object. In this respect, Locke and Schweiger (1979) point out that people are not equal in the extent of their knowledge or their intelligence. Therefore, "in cases where one member (e.g. the leader) has significantly more knowledge than the others, PDM[16] would be wasteful of time and effort at best, and harmful to decision quality (if those with less knowledge outvoted the most knowledgeable member) or to efficiency (caused by delays) at worst" (Locke & Schweiger 1979: 318). This argumentation is contrary to the one of motivational models, which claim that due educational and motivational effects as many employees as possible should be involved. Moreover, a selection of management of knowledgeable employees may lead to conflicts and is a discrimination of those who lack certain skills (Heller 1998: 152). Nevertheless, the benefits of motivational effects have to outweigh the invested resources, otherwise management will decrease efforts to also involve those employees that lack important skills for participation.

5.6.3 Training

With regard to the described competences needed for successful participation, it is obviously an idealistic assumption that most employees will have an extensive portfolio of technical, methodological and social abilities (Heller 1992: 78). Hence, effective participation requires substantial training for workers, supervisors and managers (Pfeffer & Veiga

[16] PDM is an abbreviation for participatory decision making.

J. F. 1999: 37; Strauss 1998c; Regalia 1995: 84f). Training should target the professional competence of employees to improve their technical knowledge (labour law, production, accounting, quality, etc.), their method competence (how to make meetings effective, decision-making skills, communication and negotiation skills), and at their social competence (how to build group cohesiveness, to support each other, to cooperate). Either the company itself provides training to employees or external consultants are invited, which is for example the case in Norway, Sweden and Germany, where works council members enjoy the right to hire external trainers at the cost of the company (Heller 1998: 152). The provision of training is a heavy investment for the company which has to be legitimated by the benefits of participation. Large training expenses may increase the interest of enterprises to keep workers on a long-term basis. A general high workforce turnover might therefore discourage management to invest in training. From the employees' perspective, investment in training shows that workers' cognitive and physical resources are valued and might increase their confidence and motivation for participation (Strauss 1998c: 208).

With regard to working conditions and labour law, external training becomes especially important for raising the credibility of training content. Being aware that training on labour rights might lead to conflicts and unrest if conditions in the factory do not meet minimum standards, the company might focus more on organisational topics and omit training that effectively empowers workers by focussing on negotiation skills and legal advice. External consultants might thus enjoy higher legitimacy by workers. However, their involvement is constrained if management does not trust them and regards training on labour rights not as a precondition for improving working conditions in a cooperative and participative manner, but as a source of increasing conflict.

Besides additional training, the practice of participation itself also trains the competences discussed (Wilpert 1998: 45; Witte 1980: 7f; Marchington & Loveridge 1979). If employees have the chance to interact with others and to develop joint decisions, they will learn how to do this effectively and in a goal-directed manner (Ulich 1978). By being put in a situation where one's own interests have to be articulated regularly, the competence to formulate point of views is likely to increase (Wilpert 1998: 50). Experiencing improvements of one's own skills and actual influence on working conditions is a high source for motivation that in turn leads to more participation and efforts (Kießler & Scholl 1976: 81). This circular process (Mulder 1977) can and should be facilitated continuously by training.

5.6.4 Allocation of Time for Participatory Processes

The exchange between organisation members can be time- and energy-consuming, and management may lose its patience due to the high initial costs when newly introduced participatory structures have not yet demonstrated any benefit (Strauss 1998c: 216). Indeed, for decisions that have to be taken quickly, participation can be a serious constraint (Marchington & Loveridge 1979). Decision processes have to follow a routine that encompasses information processing, discussions about the issue and the implementa-

tion phase (Witte 1980: 4). The more actors are involved, the longer the time for deliberation and study might take, which also increases transaction costs (Backhaus 1979). Therefore, sufficient time is a necessary requirement for successful participation (Krüger 1976: 179). In factories where scarcity of time in production often leads to overtime, time expended in decision-making might be regarded as an additional burden and therefore rejected. Moreover, for front-line workers paid by piece rate it has a direct effect on their income (Witte 1980: 4). In addition, the production flow may suffer if employees attend group meetings and thus productivity may temporarily decrease (Brose & Corsten 1983: 229).

5.7 Summary

This chapter provided an insight into main characteristics of participation. There are manifold forms participatory structures can take with regard to their subjects and their participation behaviour, the topics covered, the form, the degree of involvement, and the formalisation of participation. In this study, the focus is put on employee involvement schemes that are initiated by management with the aim to improve the social performance of the organisation. Motivational, cognitive and power-sharing aspects of participation have been introduced and linked to expected outcomes of participation. Motivational and cognitive models mainly focus on improving the economic performance; however, their proposed influence mechanisms may also apply to the improvement of working conditions – as it will be further analysed in chapter 7 with regard to the Chinese context. Participation is expected to increase motivation and commitment of employees, to reduce resistance to change and to enhance decision quality. The humanistic argument developed by democratic theory is also grounded in motivational models claiming that participation contributes to self-realisation. Participation in decision-making requires consensus-building between the involved parties, which is influenced by power relations in the organisation, the willingness to cooperate and the identification of win-win situations. The different influence mechanisms of participation are not exclusive and may occur simultaneously in participatory arrangements. Several requirements have been identified for enhancing the effectiveness of participation. Besides technical knowledge and experience, participants also need social and method competence for being able to contribute to decision-making. Without motivation on the part of both management and workers, participation structures will either not be developed or not used to their full potential. Training has to be provided in order to enhance participants' participatory competences. Moreover, taking part in working groups or other participatory establishments is time intensive, and the timeframe for development of decisions might slow down. The following figure 5-5 summarises the influence mechanisms of participation and highlights again the requirements to make participation effective.

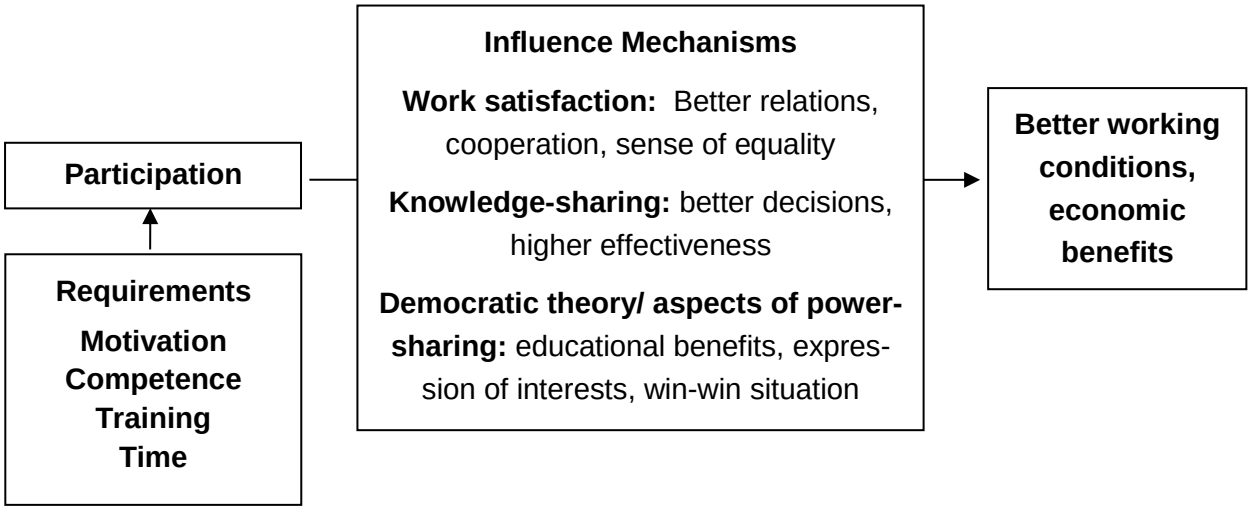


Figure 5-5 Influence mechanisms and requirements (own source)

6 Framework Conditions in China for the Implementation of Social Standards and Worker Participation

Both the implementation of social standards and the characteristics of worker participation in organisations are highly influenced by economic, political, legal and socio-cultural framework conditions. In order to explain the influence participation can have on the improvement of labour conditions in China, it is therefore essential to give an overview of these framework conditions (Wilkinson et al. 2010: 7; Heller 1998: 148; Hettlage 1979: 23). However, we need to bear in mind that China is a huge country with eminent regional, ethnic and religious subcultures (Cannon et al. 1990), and is undergoing rapid change with regard to industrialisation and generational difference (Child & Warner 2003: 26). In addition, a variety of company forms are established in China today – ranging from state-owned enterprises (SOEs), former state-owned enterprises that have been changed into joint stock enterprises, collectively owned enterprises, and different forms of private business. Therefore, the analysis of this section can only provide a broad overview of economic, legal, political and socio-cultural trends and developments.

In the first section of this chapter, China's economic development since market liberalisation will be summarised with special consideration of its foreign trade (section 6.1). Afterwards, the analysis will focus on industrial relations by describing the role of the government as well as workers' and employers' organisations with regard to labour conditions (section 6.2). Legal provisions of workers' participation in decision-making will be briefly introduced in section 6.2.4. The influence of corporate and societal culture on worker participation will be focused upon (section 6.3) before turning to labour rights and their implementation in China (sections 6.4 and 6.5).

6.1 China – The Factory of the World

More than 30 years have passed since 1978, when Deng Xiaoping began to reform China towards a socialist market economy which is officially called 'Socialism with Chinese characteristics' by the Chinese Communist Party (CCP) (Warner 2008: 772). Between 1949 and 1978, China was a Soviet-style centrally planned economy with marginal international trade (Zhu et al. 2010: 9ff). After Mao's death, Deng Xiaoping opened the country for foreign direct investment by creating Special Economic Zones (SEZs) first in Shenzhen, Zhuhai, Shantou and Xiamen, and then in further regions (Heuer 2005: 4). To attract foreign investment, companies in SEZs enjoy preferential treatment such as tax reductions and liberal economic laws (Harney 2008: 39). The reforms started by phasing out collectivised agriculture, liberalising price policy, and restructuring SOEs; fiscal decentralisation was implemented (CIA 2010). The administrative apparatus of the Party was reduced or even eliminated in order to decentralise economic decisions and weaken control over the allocation of goods, resources, and services in the economy (Dernberger 1993: 195). Mao's economic principles of not engaging in domestic and international trade, and of defending against private business and unequal wages were abolished. Instead, material incentives, unequal incomes, private economic activity and ownership were allowed and supported (Dernberger 1993: 196). The non-state sector expanded rapidly supported by the Party's investment in the modernisation of the infrastructure (Dernberger 1993: 169).

Since economic liberalisation began in 1978, China's economy has grown tremendously, and according to a study of *The Economist* based on data of the International Monetary Fund is the second fastest growing major economy (after Angola) in the world of the past 10 years (Anonymous 2011). This enormous economic growth is accompanied by decreasing poverty on a large scale: in 2007, 2.8 per cent of the population had to make a living on less than US$ 1 per day, compared to 64 per cent in 1978. Life expectancy has increased up to 74.5 years and 90.9 per cent of the population are literate (CIA 2010). China is often titled "the factory of the world" or "global workshop", since facts and figures about Chinese economy impressively demonstrate China's manufacturing power. In 2010, China became the world's second largest economy after the US, with a nominal GDP of US$ 5.87 trillion and a growth rate of 10.3 per cent (Trading Economics 2010). However, if one compares the per capita income in China of US$ 3,678 (in 2009) with the US of US$ 46,381 (International Monetary Fund 2010), it becomes clear that the overall income is still low. China has the world's largest foreign exchange reserves, which reached US$ 2.45 trillion in March 2010 (Chinability 2010). The composition of the foreign exchange reserves is a secret, however, it is estimated that China invests around 70 per cent in dollar-denominated assets which are mainly in US government debt (Anonymous 2009a).

After eight years of negotiations between WTO member states and China, the necessary affirmation of 2/3 of all member countries was reached and China entered the WTO in December 2001. The demands of the WTO member states referred to the dismantling of import and export taxes and further liberalisation of trade restrictions in China for foreign

companies (WTO not dated), which additionally increased foreign direct investment. In 1990, China attracted US$ 3.5 billion of foreign direct investment (Harney 2008: 4). In 2010, this figure had increased up to US$ 105.7 billion – the investment rose by 17.4 percent compared to 2009 (Sung et al. 2011). In 2009, China became the world export champion by exporting goods worth of US$ 1.2 trillion (Anonymous 2010a). With a total international trade of US $ 2.21 trillion in 2009, China is the world's second largest trading power behind the US Overall in 2009, China had an export surplus of US$ 196 billion[17] (see table 6-1).

Table 6-1 China's exports and imports (Germany Trade & Invest 2010: 2)

Billion US$	2007	2008	2009
Export (total)	1,220 (+26.0%)	1,431 (+17.3%)	1,202 (-16.0%)
Import (total)	956 (+20.8%)	1,133 (+18.5%)	1,006 (-11.2%)
Saldo	+264	+298	+196

Due to the economic crisis, export and import decreased by 16 per cent and 2 per cent respectively in 2009. In the coastal cities of Guangzhou, Shenzhen and Dongguan, 670,000 factories closed (Anonymous 2010b). It is estimated that around 25 million migrants lost their jobs during the crisis. However, as can be concluded from the strong GDP growth rate in 2010, China was able to recover quickly from the economic crisis. In order to maintain this growth rate, China is currently supporting domestic demand, for example through increasing minimum wages in factories (see section 3.5.5).

Clothing and Textile Industry in China

China is the largest exporter of garments and textiles, followed by Hong Kong, Italy and Germany (BMWi 2010). In 1980, China had a share of 4.0 per cent in the world exports in clothing; in 2008, this share had increased up to 33.2 per cent. The overall value of exported clothes in 2008 was 120 billion dollars (WTO 2009: 112). Reasons for this strong market position are related to various factors. China offers a near-complete production cycle in the country. Often, all production steps can be completed within one region, which speeds up production and is a strong comparative advantage (Harney 2008: 36f). Moreover, the government supports the economic development of the sector by numerous subsidies and high investment in the country's infrastructure (roads, telecommunication, frequent departures of container ships, etc.) (Kampagne für Saubere Kleidung not dated).

[17] The Economic Policy Institute in Washington estimates that the trade deficit of the US with China has led to the loss of 1.8 million job opportunities in the US since 2001 (Scott 2007).

Although the MFA has been expired, China still faces quota restrictions (see chapter section 4.1). Further reasons for the success of China with regard to economic growth are related to the cheap prices Chinese manufacturers still offer although wage levels are continuously rising. The undervalued Chinese currency also contributes to low costs of Chinese products overseas (Harney 2008: 8). Besides the good infrastructure in the country, factories often offer at least a medium level of technology and skills and relatively high productivity. China comprises the world's highest manufacturing workforce of approximately 104 million people (Lett & Banister 2006: 41), which is twice the number of manufacturing workers in the US, Canada, Japan, France, Germany, Italy and the UK combined (Harney 2008: 8).

6.2 Industrial Relations in China

The transformation of the planned economy to a market economy with "Chinese characteristics" has brought about significant changes for industrial and employment relations in China. With the introduction of the labour contract system in 1986, the guarantee of a lifelong work place ended, the state withdrew social services, and the separation of ownership and management clearly marked a new system in which management's power was enlarged at the cost of workers (Warner 2008; Heuer 2005: 6; Zhu & Warner 2005: 381). The changes in the social and economic structure, the growing disparity of incomes[18], rising unemployment rates and bad working conditions without a mature legal system and sound institutions for industrial relations led to social tensions such as strikes and worker disputes[19], and a rising number of petitions and cases at arbitration committees (Lee 2009: 3). In order to stabilise the country's development and to secure social stability, the Party recognised the need to re-arrange industrial relations and to improve working and living conditions (Shen 2006: 348). New institutions and legal reforms have been undertaken, which will be presented in the following sections by describing the role and tasks of the three major players in industrial relations: the government, employers and workers, and their associations or representative organisations.

6.2.1 Role of the Government

Since market liberalisation, the roles and strategies of the government have changed greatly, although the official political institutions have remained the same (Heilmann 2007). The Central Committee of the Chinese Communist Party holds the highest authority and oversees the National People's Congress, the All-China Federation of Trade

[18] The Gini coefficient shows the level of disparity of income. In 1990, the coefficient for China was published as 0.23. In 2005 it was 0.45, which shows the development towards a more unequal distribution of wages (Heuer 2005: 6). In 2009, the Gini coefficient for Germany was 0.29 (Statistische Ämter des Bundes und der Länder 2010).

[19] Between 1994 and 2001, the number of worker's protests increased eightfold (Heuer 2005: 7).

Unions (ACFTU), and its own party structure (Taylor et al. 2003: 20). The political system today is often characterised as “fragmented authoritarianism” (Lieberthal & Lampton 1992). It is called authoritarian because no democratic elections of the government are in place and the political system lacks power control by independent courts or public media. The system is fragmented due to complex and lengthy processes of decision-making and consensus-finding, into which multiple intrastate actors are integrated (Heilmann 2007). Constitutionally, citizens of the PRC enjoy freedom of speech, of the press, of assembly, of association, of procession and of demonstration (Constitution of the People’s Republic of China, Chapter 2, Art. 35). However, Article 51 of the constitution states that the exercise of these rights may not infringe upon the interests of the state and society. Therefore, the individual interests of citizens are subordinate to collective interests, and in practice, rights are often not granted to citizens if collective interests are at risk from the Party’s perspective. Examples include the harassment or imprisonment of persons who have exercised their right to freedom of expression, and the censorship of the internet or other media. Moreover, the right to strike is not included in trade union law and trade unions have to be established under the guidance of the ACFTU (Shen 2006: 356) (see section 6.3).

In the 1990s, the government laid the basic legal foundations for market-based employment relations and industrial relations by promulgating the first Trade Union Law (1992) and Labour Law (1995) (for more information on labour law in China, see section 3.4). Although the formulation of these laws marked the development of new industrial relations, e.g. through enabling collective bargaining and setting up dispute settlement mechanisms, substantive achievements regarding the protection of workers were still limited (Lee 2009: 5). At that time, the strongest objective of government was to strengthen and push economic development. Provinces competed against each other to attract investment, while labour law enforcement was often ignored (Lee 2009: 5). Moreover, between 1995 and 1999 the ACFTU lost 17 million members due to the restructuring of state-owned enterprises (Lee 2009: 5). Slowly, the government tried to withdraw from directing internal labour relations. In 1993 for example, the Ministry of Labour (MOL) implemented a policy that allowed companies to set the wage levels of their employees by themselves and to recruit rural labourers. Prior to this policy, SOEs had not been able to do this (Taylor et al. 2003: 27). As early as 1987, the government had established individual labour contracts between the employer and the employee as defining an employment relationship between these two parties (Taylor et al. 2003: 29).

Under President Hu Jintao (elected by the National People’s Congress in 2002), the government’s strategy regarding the social and economic development changed with the promotion of a “harmonious society” and a people-centred development. The new aim was to establish a more balanced rural and urban development, to protect the environment, to balance the domestic and export market, and to connect economic growth with social equity (Lee 2009: 5f). In order to reach these goals, the government put more emphasis on the role trade unions play for stabilising industrial relations. The revision of the Trade Union Law provided the foundation for the establishment of tripartite and bi-

partite (government – union) consultation and tripartite consultative committees (TCCs) both at national and municipal level in August 2001. TCCs have been established as a channel for consulting social partners and supporting the coordination among the three parties with the overall goal of harmonious labour relations and social stability (Clarke & Lee 2002). In general, the TCC's task is to promote collective bargaining, jointly inspect labour law enforcement and, in some cases, to implement new local regulations on industrial relations according to national guidelines (Lee 2009: 9). Therefore, TCCs are mainly responsible for the increase in collective bargaining arrangements, although the institution itself was created in a strong top-down manner by the Party over a very short period of time. The tripartite system in China is limited due to the restricted terms of reference on tripartite consultation, the degree of dispute resolution, and the lack of a representative basis of the three parties involved. Regarding the first point, Clarke and Lee (Clarke & Lee 2002: 66) claim that only issues of labour relations are covered in tripartite discussions and therefore only the Ministry of Labour and Social Security (MOLSS) takes part. Issues surrounding the corruption of managers, the non-payment of wages and social benefits as well as the creation of jobs for laid-off workers lie beyond the scope of the TCC. Therefore, certain topics cannot be solved effectively by the TCCs (Clarke & Lee 2002: 70f). Interestingly, there has never been any significant disagreement or conflict between the parties at any level. A reason for this is most probably the limited independence of the ACFTU and the employers' organisation from the government, and the lack of a properly developed culture of representing the true interests of the respective members (Clarke & Lee 2002: 72). In addition, both organisations have a closer relationship with SOEs and less connection with private or foreign-invested businesses.

The government has increasingly adapted its role to one of a third party regulator, administrator and arbitrator, although through its strong influence on the ACFTU and the employers' organisations (see section 3.3.3) it still has not become a real third party player yet and dominates industrial relations to a large degree (Taylor et al. 2003: 29f). With regard to the autonomy of trade unions, the Party has two concerns: on the one hand, an interest in stability motivates the Party to respond to workers' requests and to strengthen trade unions' power; on the other hand, the Party is afraid of losing control by allowing the establishment of real independent trade unions. Therefore, the Party implements reforms step by step, and is able to stop them at all times in order to guarantee its own monopolist position and power (Taylor et al. 2003: 24).

The Process of Conflict Resolution

Art. 77 of the Labour Law (effective 1995) sets out the three-tier system of labour dispute settlement which contains mediation, arbitration and the court process (litigation) (Heuer 2005: 19). The mediation committees at factory level have to be set up to resolve conflicts and are made up of representatives from the staff and worker representatives' committee, the company, and the workplace trade union. The committee is chaired by a union representative (Art. 80). If conflict between the employer and the trade union cannot be re-

solved at that level, the dispute can be forwarded to an arbitration committee at county, municipality or district level, which is composed of staff of the locality's labour bureau, representatives of local trade unions, and a government representative in charge of economic affairs (Chan 2001: 149). It is run under the jurisdiction of the respective levels of the municipal government (Taylor et al. 2003: 34). By 1999, around 270,000 mediation committees and more than 3,000 arbitration committees at different levels had been created in China (Chan 2001: 149). The cases that go to arbitration have increased tremendously over the years, with growth rates of 30 to 50 per cent a year in the 1990s: in 1994, 19,000 cases went to arbitration, compared to more than 300,000 cases in 2005 (Lee 2009: 3; Chan 2004: 68). Theoretically, a dispute has to be solved by an arbitration committee within half a year, although in reality this can last up to two years, partially due to a shortage of qualified arbitrators (Heuer 2005: 19). In 1995, the majority of cases (52 per cent) were lost by the employers, compared with 20 per cent lost by workers (Chan 2004: 68). It is important to state that the trade union does not play the role of a representative of workers' interests. Instead, it acts merely as a mediator or arbitrator that can only support workers to a limited degree. Workers have to follow the procedure in their own name and not as a collective group. In 2006, the Supreme Court in China decided that employees were allowed to go straight to court without passing arbitration or mediation beforehand if they could provide pay slips from their employers. Moreover, the court fees have been lowered to one dollar (Harney 2008: 73). In 2008, more than 280,000 labour disputes were handled by the country's courts (Anonymous 2010b).

Rising cases at arbitration show that the promulgation of the laws has had an effect on how labour grievances are handled, and also demonstrate a general increase in the awareness and the motivation of workers to make use of such structures. In the long run, the improvements of working conditions at the workplaces will have to show whether this strategy of the government to insert new legal channels for grievances was only an attempt to "avert a crisis situation where workers might actively seek to set up alternative trade unions or engage in mass protests" as Chan (2004: 68) supposes, or is in fact able to bring about substantial change.

More commonly used in China than the court procedures is the system of petition, named Xinfang. People address the government at local or high level, for example by writing letters demanding their rights. Of course, this system entails a higher risk of arbitrary decisions (Heuer 2005: 9).

6.2.2 Role of Employers' Organisations

The China Enterprise Management Association (CEMA) was established in 1979 and recognised as the formal employers' association when China was once again represented in the ILO in 1983 (Clarke & Lee 2002: 73). In 1988, CEMA merged with the China Enterprise Directors Association (CEDA). The two organisations have different membership but provide the same services and are both under the leadership of the State Trade

and Economic Commission (STEC) (Taylor et al. 2003: 72; Clarke & Lee 2002: 72f). In 1999, CEMA was re-named Chinese Enterprise Confederation (CEC). Today, CEC and CEDA include public sector company directors as well as private business (Taylor et al. 2003: 72). Nevertheless, members still mainly come from SOEs (Clarke & Lee 2002: 73). The tasks of CEC and CEDA are to give advice and to provide information to the government regarding the employers' interests and to provide training for managers about state policies and regulations (Taylor et al. 2003: 73). In addition, after introducing tripartite mechanisms in 1998, CEC was authorised by the STEC to represent enterprises in tripartite mechanisms and industrial relation matters (Clarke & Lee 2002: 73). As Clarke and Lee state (2002: 74), CEC is primarily an enterprise association providing a channel to interact with the government rather than actually being able to represent employers' interests. The following reasons underline their statement: CEC has limited funds since it is not supported by the government anymore, and relies on members' fees which only amount up on maximum US $ 300-450 annually per member; the dominance of membership by SOEs; and a lack of effective representation of members' concerns and views due to the fact that decisions of the CEC are primarily taken by its leaders. Consultation of members is organised only in discretion of CEC leaders (Clarke & Lee 2002: 74).

6.2.3 Role of the Trade Union

The All-China Federation of Trade Unions (ACFTU) is the official trade union federation in China and remains under the control of the CCP. Therefore, primarily its function is to strengthen the power of the Party and the state (Ascoly & Zeldenrust 2003: 7). Although everybody has the right to establish a union (Trade Union Law (TUL) 2001, Art. 3), each union has to be integrated into the structure of the ACFTU (TUL 2001, Art. 10). Trade union organisations at a higher level "shall exercise leadership" over those at lower level (TUL 2001, Art. 9). The law also gives the ACFTU the right to exercise financial control over all constituents (ITUC 2009). Independent trade unions are therefore prohibited in China. There are two main organs of a plant-level union: the union member congress and the union member committee. A union member committee shall be elected by the union member congress, which meets at regular intervals (TUL 2001, Art. 16). The implementation of democratic elections is however lacking (Heuer 2005: 12). There are "truly elected" trade union representatives in some cases, but in general the trade union committee members are very often factory managers (Shen 2006: 355). The TUL (2001, Art. 9) only stipulates that "close relatives of the major principals of an enterprise may not be elected as the members of the basic-level trade union committee of that enterprise". A new attempt called "socialisation and professionalisation" aims at recruiting professional union organisers and negotiators from outside the factory – persons with the necessary professional background and motivation to be trained as a union activist (Lee 2009: 18).

By law, as long as workers' organisations are formally recognised by the upper-level trade union, they should play their legal role to negotiate with the management in the decision-making process. Any enterprise with more than 25 employees may set up a union branch

if the workers request one. Most often, a local trade union asks the management of a factory to set up a trade union structure in their company. Companies with an ACFTU branch collect 2 per cent of payroll from workers (Harney 2008: 133). However, many enterprise owners are reluctant to pay the fee: only less than 40 per cent of private and foreign companies that have a union branch in factories pay their dues. In addition, if the management is open towards being unionised, it can decide on the representatives and is often exempted for years from member dues (Jensen 2008).

Trade union density in SOEs has always been high and still amounts up to more than 90 per cent (Shen 2006: 354). However, with increasing privatisation of enterprises in the 1990s the number of union members in the ACFTU dropped. To halt this trend, in 2003 the National Congress of the ACFTU decided also to recruit migrant workers (Harney 2008: 138). By the end of 2006, the ACFTU managed to organise 40.9 million rural migrant workers, which resulted in a 24.1 per cent annual increase from 2005 (Lee 2009: 11). In 2008, around 80 per cent of the 100,000 foreign-invested factories had a trade union (Jensen 2008). Looking simply at these numbers, China has one of the highest trade union densities in the world. However, the real bargaining power of Chinese trade unions remains comparatively weak and the high increase of membership is mainly related to the local union cadres' competition to reach new member target numbers (Lee 2009: 12).

History of ACFTU

Since foundation of the PRC, only the national trade union federation in mainland China under the control of the CCP has existed (Taylor et al. 2003: 103). The current organisational structure and system of the ACFTU were designed under the planned economy, which still has a huge impact. At that time, the state was the employer of workers and managerial staff: "The characteristic of labour relations was a vertical structure containing relations from state, through enterprises, to workers and staff. The intention was that the state represented the interests of enterprises while the enterprises represented the interests of workers and staff, and as such the interests of the state became the sovereign interests of the whole society" (Taylor et al. 2003: 106). This system explains why trade unions did not need to represent workers because that was the task of the enterprise management. Instead, the trade unions assisted the government to support the enterprise management to fulfil production targets of the planned economy. Therefore, the trade unions organised labour contests, provided technical and production support, sport and entertainment events for workers, supervised OHS performance as well as welfare services and were in charge of political and ideological propaganda for workers (Taylor et al. 2003: 107). Thus, during the planned economy period the ACFTU can be characterised as an administration and top down-oriented organisation that functioned as a bridge between the state and the workers via the enterprises. In the 1980s, the position of the trade union was strengthened; for example, the trade union was given a consultative status in any policy decision that affected workers' welfare and the ACFTU was included

in the drafting of legislation related to labour issues. Various pro-labour clauses can be traced back to this involvement (Chan 2004: 67).

Trade Unions in Transition – their Role Today

China's Trade Union Law was adopted in 1950, amended in 1992 and again in October 2001. The trade union still struggles with its multiple roles: by the amendment of the Trade Union Law of 2001, the main task of the trade union is to protect the interests of workers as well as the general interests of the people (TUL 2001, Article 6) (Heuer 2005: 12). On the one hand, the need for effective representation of workers is acknowledged by the Party and the reform aimed to transform the unions from "transmission belts" to representatives of workers (Taylor et al. 2003: 115). On the other hand, the Party still controls the activities of the ACFTU closely. The challenge for the trade union is to become more active while at the same time ensuring social peace in order to justify its existence to the Party (Clarke & Lee 2002: 78). Looking at the labour protests, it becomes obvious that the ACFTU is not able to respond to workers' grievances in time. In many cases, the trade union is not involved in protests or the strikes even oppose them (Clarke & Lee 2002: 72). In 1982, the right to strike was eliminated from the Constitution and has not been included again (Heuer 2005: 11). The revised TUL did not include the right to strike as was expected. Instead of using the term for "strike", Article 27 of the TUL refers to instances of "work-stoppage" and "go-slows" (daigong) (ITUC 2009). Therefore, the trade unions lack a crucial powerful means of bargaining for workers' interests.

According to the TUL of 2001 (Art. 6), trade unions shall "organize the employees to participate in the democratic decision-making, democratic management and democratic supervision of their respective units through the employee assembly or other forms". Moreover, trade union committees can be elected that deal with certain issues such as workplace health and safety (TUL 2001, Art. 9). Article 21 stipulates that the trade union can give its opinion if an employee feels he or she has been treated inappropriately and not according to his/her labour rights. Moreover, the union is allowed to request rectification of management decisions if the enterprise violates the provisions of the employee representative assembly system or other democratic management systems (TUL 2001, Article 19), as well as in cases of delayed payment of wages, failed provision of labour safety and health conditions, arbitrarily extended labour time and violations of labour rights and interest of employees (TUL 2001, Article 22). Article 25 specifies that the union has the right to investigate cases where infringement of legal rights and interests of the employees has taken place. To which extent these rights are really made use of by unions is questionable (Heuer 2005: 16), taking into account that often trade union representatives are managers.

Collective Contracts

The Trade Union Law of 1992 first granted unions at enterprise level the right to conclude collective contracts with the enterprise management. The Labour Law of 1995 and the amended Trade Union Law (2001) strengthened this mechanism and the political intention was to implement collective contracts all over the country. The collective contract is a framework agreement on remuneration, working hours, rests and leaves, labour safety and sanitation, insurance and welfare treatment. After the parties have come to an agreement, the draft has to be approved by the trade union congress. Afterwards, the labour department of the local government has to examine whether the contract complies with all provisions and national laws and regulations (Art. 24, Regulation on Governing Collective Contracts). In case of violations of the collective contract at the enterprise, the trade union can call upon the labour dispute bodies for arbitration (Art. 56). By the end of 2001, 510,000 enterprises had such agreements, covering 75.7 million workers and staff members (Taylor et al. 2003: 182); in 2007, this figure had increased up to 128 million employees (Lee 2009: 12). However, Lee (2009: 13) claims that this increase of contracts is mainly due to bureaucratic competition to meet government targets and is to a lesser degree an expression of substantial change towards effective and broad collective bargaining practice. Many agreements just seem to be a replication of legal minimum conditions without achieving stricter regulations (Lee 2009: 13).

Article 51 of the Labour Contract Law (2008) stipulates that workers also have the right to conclude a collective contract in companies where no trade union is represented. In such a case, the collective contract shall be signed by workers' representatives put forward by the workers under the guidance of the trade union at the next higher level. Here, the law does not specify whether workers shall only recommend/nominate or elect worker representatives with guidance from the upper-level trade union.

6.2.4 Participation of Workers

Both the status of workers and their involvement have changed greatly through the transition of the planned economy to the market economy. In the propaganda of the Communist Party in the socialist system of China, workers and staff were seen as "masters" of the enterprises as well as the country and were therefore entitled to participate in management tasks to support economic targets, promote cooperation between management and workers, and increase workers' motivation. Nevertheless, they always had to be in line with political targets (Taylor et al. 2003: 133). In the beginning of the planned system in the 1950s, democratic management can be characterised as a pattern of "political mobilisation" that aimed at spreading the political ideology through propaganda, at reaching production targets with the involvement of workers, and at increasing their participation to ensure higher commitment to their jobs. At that time, there was no systematic approach to developing democratic management in China (Zhu et al. 2010: 42).

After the end of the Great Leap Forward, in the 1960s the strategy of "political mobilisation" was changed into a "selective participation" pattern which had characteristics of employee involvement (Hyman & Mason 1995: 21) (see chapter 4). Employees were given the opportunity to take part in discussions about work-related topics with their supervisors and managers. These new opportunities were implemented only in selected factories by the government and the ACFTU, and were therefore not widespread (Taylor et al. 2003: 137). The focus of this campaign was laid on increased production, higher job satisfaction, and workers' welfare, and was ideologically motivated to a lesser degree. Since the ACFTU carried out the campaign in the factories, unions were recognised even more by workers as managerial organs working in line with the management instead of as a political organ taking care of the interests of workers (Taylor et al. 2003: 138).

The amended Constitution of the PRC of 1982 (Art. 16) stipulates that labourers are entitled to the right to participate in "democratic management", which means that workers are – through certain channels – involved in management decisions regarding their work units or regarding their material interests. Three institutions will be introduced in the following that describe ways of "democratic management" in the enterprises: Staff and Worker Representatives' Congresses (SWRCs), Employee Director and Supervisors (EDS) and Opening Corporate Affairs (OCA).

Staff and Worker Representatives' Congresses

SWRCs were first established in SOEs in 1962. After the SWRCs were suspended from 1966-1976 during the Cultural Revolution[20], they were re-installed in the 1980s in order to restrict management power in SOEs (Taylor et al. 2003: 138). The "Regulations on the Workers' Congresses in State-owned Industrial Enterprises" of 1986 stipulate that SWRCs are a fundamental institution for democratic management in state-owned enterprises (Art. 3). In theory, the SWRCs are close to institutions like works councils in the former Soviet Union and Eastern Europe (Chen & Chan 2010: 18; Xiaoyang & Chan 2005: 7). They meet at least twice a year; interim meetings are possible if needed. In the meantime, subcommittees also meet, for example in the area of OHS. A SWRC is composed of elected representatives of office employees and manual workers and constitutes about 10 per cent of the workforce (Chen 1995: 47). The elections are guided by the trade union committee. According to the Regulations on SWRCs, they enjoy the following rights:

[20] The Cultural Revolution as a socio-political movement initiated by Mao aimed at strengthening socialism in every aspect of Chinese society, which resulted in the abuse of millions of people accused of being anti-socialist. Managers also had to be extremely aware of the working class and they were expected to identify with workers. Any conflict, for example about wages, was easily regarded as an act against the Communist party and its economic plans (Taylor et al. 2003: 93). During the Cultural Revolution, besides the system of SWRCs, the ACFTU was also abandoned (Taylor et al. 2003: 138).

1. The right to receive information and to examine business policies such as yearly and long-term plans, basic investments, reinvestment plans, plans on technology importation, etc.;
2. to examine, agree to, or veto policies related to wages, bonus, industrial safety issues, and regulations on reward and punishment measures;
3. to discuss and decide on policies related to the staff and workers' welfare, distribution of housing, and other important welfare matters;
4. to monitor and assess the performance of responsible cadres at each level and to make suggestions on how to reward, penalise, and dismiss them;
5. to recommend or elect the factory manager by democratic means and to report the election results to government for approval.

Article 35 of the TUL 2001 stipulates that in SOEs, the trade union committee takes over the day-to-day work of the congress, and checks and supervises the implementation of the resolutions adopted by the congress. For private enterprises, the establishment of SWRCs is not mandatory according to article 37 of the TUL. Here, it is only specified that trade union committees organise the "participation of the workers and staff members in democratic management of the enterprises and institutions by ways appropriate to the enterprises or institutions" – which forms this may take is not described.

Although the congresses were provided with broad participatory rights by the regulations on SWRCs, the effective implementation and empowerment of workers to a large extent did not take place. The system in place can be described as a top-down process of participation in which SWRCs reacted to managements' decisions mainly by approving, completing and explaining them to the workforce (Taylor et al. 2003: 140). The overall aim of the government was to restrict the power of the managers to a certain degree, while at the same time motivating workers and increasing productivity. However, a workforce gaining more strength and therefore threatening the goal of harmonious workplace relations was also not in the directives of the Party. Therefore, the ACFTU often cooperates with management so that no troublemakers sit in the SWRCs (Taylor et al. 2003: 140). Bearing this in mind, it is not surprising that workers' opinion of the SWRCs was low, as surveys of the ACFTU in the end of the 1980s revealed (ACFTU 1987). The Corporation Law of 1999 further restricted the rights of the SWRCs by deleting the rights of SWRCs to supervise cadres and to elect factory managers (Taylor et al. 2003: 143).

Employee Director and Supervisors

The Corporation Law of 1999 introduced a new system called Employee Director and Supervisors (EDS), which stipulated that now the general manager should be appointed by the board of directors (Corporation Law 1999, Art. 46) and supervised by a supervisory committee (Taylor et al. 2003: 143f). Limited liability companies established with the investment of two or more state-owned enterprises or entities have to establish a board of

directors in which worker representatives take part (Corporate Law 1999, Article 45). The representatives of staff and workers on the board of directors are democratically elected by the workforce (including management staff). For larger limited companies, it is stipulated that a supervisory committee is established composed of a certain proportion of workers' representatives that are elected by staff and workers (Corporate Law 1999, Art. 52). The employee director and supervisors are entitled to voice workers' opinions and demands to the management. Certain weaknesses are connected with this programme, since often senior managers function as employee directors or supervisors. Moreover, the Corporation Law is not specific about the qualifications and duties of representatives and does not give guidelines for the elections (Taylor et al. 2003: 146). However, in various reports EDS is being assessed positively, stating that in some SOEs, the EDS could contribute actively to decision-making processes and solve problems jointly with management (Taylor et al. 2003: 144). In contrast, in 1999 Li and Deng (quoted in Taylor et al. 2003: 144) conducted a survey of 200 stock market listed enterprises, and found out that EDS most often only existed on paper and that the representatives had often not met for more than a year.

Opening Corporate Affairs

After SWRCs and EDS, a third concept was introduced for SOEs and COEs in the middle of the 1990s called "Opening Corporate Affairs" (OCA). The goal was to give workers the "right to know" by providing relevant information about the company's situation. This was seen as a prerequisite for democratic management and supervision (Taylor et al. 2003: 148). The government also intended to revise the system of SWRCs due to the shortcomings they had become aware of, such as the lack of information given to workers and the limited opportunities for workers to take part in decision-making, since SWRCs normally meet only once or twice annually (Taylor et al. 2003: 148). The topics covered by OCA embrace matters of production, internal reforms, workers' material interests, working conditions and corruption. Meetings of workers' representatives are the main platform for OCA. To what extent the participation through OCA actually influenced decision-making is unclear, because the regulations do not provide any mechanism to intervene if decisions of management are criticised by workers. Management still is able to select the information they make public and therefore control the whole process to a large degree (Taylor et al. 2003: 151).

Recent Developments in Workers' Participation

The Labour Law of 1995 and the Labour Contract Law (LCL) of 2008 provided additional consultative rights to workers. Article 8 of the Labour Law (1995) says that workers shall take part in "democratic management through workers' congress, workers' representative assembly, or any other forms in accordance with law, or consult with the employer on an equal footing about protection of the legitimate rights and interests of labourers". The LCL of 2008 specifies the topics for consultation. Article 4 (LCL 2008) stipulates that when an

employer formulates, revises or decides on rules and regulations, or material matters which are of workers' interest, such as those related to labour compensation (remuneration), work hours, rest, leave, work safety and hygiene, insurance, benefits, employee training, work discipline or work quota management, they shall be discussed by the employee representatives' congress or all the employees. The employee representative congress or all employees shall provide proposals and comments. Afterwards, matters shall be determined through consultations with the labour union or employee representatives conducted on a basis of equality. Article 4 of the LCL does not specify how employee representatives – especially in private enterprises[21] – have to be elected or selected. With regard to bargaining contracts however, Article 51 of the LCL regulates that in the absence of a union, worker representatives shall be put forward by workers under the guidance of the higher-level trade union (see also section on collective contracts).

Moreover, Article 4 of the LCL says that whenever an employer implements a rule, regulation or decision on a material matter and the union or an employee finds it inappropriate, the employer shall improve the rule, regulation or decision. Such regulations, rules and decisions shall be made public or be communicated to the workers (LCL 2008, Art. 4).

Besides formal institutions of worker participation such as SWRCs, collective contracts, EDS or OCA, an increasing number of Western-oriented participatory practices such as quality circles, team work, information sharing, complaint mechanisms, etc. have been introduced as well (Zhu et al. 2010: 86). This is especially evident for Western-invested enterprises (Chen et al. 2000), which also have influence on the management approaches of other enterprises (Zhu & Warner 2004). However, little research has been done on how widely such approaches are adopted and which impact they have (Zhu et al. 2010: 86). Zhu et al. (2010: 86, 132) come to the conclusion that modern management mechanisms such as worker participation and worker empowerment are not widely adopted.

6.3 Cultural Context of Worker Participation

After having analysed the economic framework and industrial relations in China, the cultural setting in China will now be explored as a variable affecting human relations management in Chinese organisations. Organisations are embedded in their social and cultural background through two directions, as Pusic (1998: 72) puts it. First, members of the organisation bring in their norms, values and cognitive structure, which are the foundation upon which the organisation acts. Culture therefore has an effect on individual attitudes as well as on group behaviour (Child & Warner 2003: 25). For example, culture may determine employees' responses to managerial practices and styles, it influences communication structures, the willingness to take responsibility, and the way conflicts are resolved (Child & Warner 2003: 26). The other important determinant of organisations'

[21] For SOEs the regulations of SWRCs from 1986 determine how workers' congresses have to be established.

behaviour is their environment: outside institutions “produce and reinforce the meanings, rules, values, and cognition that channel and practically limit what people on the average will see, think, feel, and do inside the organization as well as outside it” (Pusic 1998: 72). To act in a participatory manner inside organisations therefore has to do with individual attitudes and the organisational culture as well as with the technological and social setting (Wilpert 1998: 64).

Traditional Chinese organisational culture is described as being hierarchically oriented, with a strong top-down mentality which can be related to the principles of Confucius (551-479 BC). Confucianism strongly influenced Chinese philosophy and belief for centuries and still has a considerable impact on the Chinese way of life as well as on managerial and organisational behaviour (Child & Warner 2003: 28). The major beliefs of the Confucian system are expressed in three basic relations (ruler guides subject, father guides son, and husband guides wife), five constant virtues (benevolence, righteousness, propriety, wisdom, and fidelity), and the doctrine of the mean (harmony) (Child & Warner 2003: 28). The model of a hierarchical society is expected to keep society in harmony. Inferiors should not disagree with superiors. Fundamental power relations are clearly defined and unchangeable (Ma 2007: 116). The interests of the group always stand above the interests of the individual. Any individual should act in line with the group’s wellbeing and has no right to follow his own requirements (Ma 2007: 121). Self-realisation should be achieved through orientation on group harmony and peaceful behaviour in an orderly society that guides the individual. Child (2003: 29) points out that “the strong Chinese cultural preference for basing business transactions upon the quality of interpersonal relationships and for settling disputes through mediation rather than relying upon contracts and legal process can be seen to stem from this philosophy”. Related to the importance of groups is the principle of “Guanxi”, which stands for establishing long-lasting networks and interpersonal relations in order to achieve better business opportunities. Guanxi is expected to make business more secure, to minimise risks and frustration (Child & Warner 2003: 31). Another component that affects personal relationships in order to reach harmony is the principle of “Mianzi” (face). So as not to make somebody to “lose his or her face”, one should not oppose his or her counterpart and criticise, interrupt or ignore the person. Moreover, according to Hofstede’s study (2008), China has a relatively high Power Distance Index (PDI) of 80 compared with the average of 60 for other East Asian countries (Japan, South Korea, Taiwan and Hong Kong) and the world’s average of 55. The PDI indicates to which extent less powerful members in society accept and expect an unequal distribution of power. The index of 80 in China marks the existence of centralised power and steep hierarchies. For Hofstede (2008: 107), societies with a high PDI tend to have work organisations which have more centralised decision structures, a concentration of authority, tall organisational pyramids and close supervision. The ideal boss is seen as a “good father” and a benevolent decision-maker. Authoritative leadership is expected to lead to satisfaction, performance, and productivity (Hofstede 2008: 107). In the family, parents teach children obedience, respect for parents or older relatives, and children are seen as a source of security in old age. The educational system in countries with a higher

PDI tends to support a more teacher-centred education in which the teacher initiates communication and is treated with respect by students (Hofstede 2008: 107). The Individualism Index for China ranks at 20, which shows that individuals are more likely to be integrated into strong groups – often from birth on. Collective consensus achievements are regarded to be more important than individual ones. However, Hofstede has been criticised intensely for his cultural dimension model as being too simplistic. Another critical argument is related to the fact that his data was gathered more than 30 years ago and therefore is unable to reflect Chinese contemporary culture. In addition, only representatives at IBM were interviewed for the study, and it is highly questionable to draw conclusions on national culture solely from these interviews (Holden 2002; McSweeney 2002).

The influence of Chinese culture on corporate management has been stressed by many researchers (Liu 2009; Redding 2002; Fairbank 1987). Of course, differences in culture and behaviour are to be expected in a huge and diverse country such as China. One might find different values not only among regions, but also among generations and business types (SOEs, COEs, private or foreign invested companies). At this point, business culture in companies can only be described in a superficial manner, referring to typical descriptions while knowing that it is almost impossible to draw to draw a complete, coherent picture.

The organisational culture in SOEs is usually described as top-down oriented with an emphasis on collectivism and mutual dependence (Child & Warner 2003: 34). SOEs tend to be larger enterprises with little delegation of power within the authoritarian structure which increases the power distance between top management and employees (Child & Warner 2003: 35). Organisational culture in private enterprises is also often described as centred on the owner, who has the authority to control information distribution and decision-making. This loyalty towards upper ranks of management in SOEs as well as private enterprises reflects the traditional Confucian rule to respect the “ruler” (Child & Warner 2003: 35). Therefore, workers usually do not take part in decision-making processes (Child & Warner 2003: 34). Since front-line workers’ representation in trade unions and the formation of independent worker organisations are also restricted, workers are used to the authority of management and usually have little opportunity to become actively involved in management decisions.

Taking into account the authoritarian structures in Chinese enterprises and the dominance of group interests, it is of high interest whether Chinese culture hinders or supports the introduction of new forms of worker participation. On the one hand, one could argue that the collectivist group orientation may foster the ability of different parties in an organisation to develop common goals and to focus on consensus finding (Chen et al. 2000: 270), which would support the effective use of participation structures (see chapter 5). On the other hand, Chinese traditional culture features vertical relationships, paternalism and hierarchy, strong pressure for conformity, maintenance of face and social control (Redding 1990). The willingness of management to introduce participation and the understanding of its benefits might be low in such an environment, since a strong top-down control is

actually the opposite of participatory principles and contravenes them (Ma 2007: 120; Chen et al. 2000: 270; Wilpert 1998: 53).

Notwithstanding, judgements should not be made too hastily, since China is undergoing a huge transformational change. The internet, contact with foreign firms, consumerism and other opportunities to get in contact with other cultures are expected to have an influence on traditional Chinese norms and beliefs. For example, Ralston et al. (1996) already discovered in 1996 that managers working in regions more exposed to foreign influence (for example, in the Pearl River Delta or Taiwan) showed stronger individualistic behaviour and openness to change than Chinese in traditional inland areas. However, respondents highly valued the importance of harmony in society and among persons. It is claimed that the willingness to follow authoritarian instructions in factories has decreased continuously since the 1990s due to the fact that young employees are more self-centred, less dependent on their families and more aware of their rights (Harney 2008: 54; Chen et al. 2000: 271). Former generations of migrant workers focused on sending the money earned back to their families to support their livelihood. Making money was therefore the main goal for which the exploitation of their labour was somehow accepted, since many of the workers dreamt of going back to their villages after a few years of working in factories (Harney 2008: 54). The generation of migrant workers born after 1979 shows a sharp change in attitudes and behaviour towards the conditions they face in the factory (Harney 2008: 121). Young migrant workers were born under the restriction of the one-child policy. Therefore, the families are getting smaller and the children need to send less money to their relatives. Instead, they save money for living in the cities and do not accept those working conditions about which their relatives already complained about after having returned to the villages (Harney 2008: 122). This generation of migrant workers is increasingly willing to stand up for their rights and the way they want to live, as the rising number of petitions and strikes also shows.

6.4 Chinese Labour Law

The economic reforms after 1978 resulted in radical transformations of industrial relations in China. The former guarantees of employment, wages and welfare were abolished since state control over SOEs was disposed and non-state enterprises entered the market (Clarke & Lee 2002: 61). The main labour-related laws which provided the legal framework for the development of industrial relations during this restructuring and transition phase were the Enterprise Law (passed in 1988), the Trade Union Law which was adopted in 1950 and amended in 1992 and October 2001, and the Labour Law of 1995 (Chan 2004). These laws contain important clauses regarding working hours, minimum age, labour dispute procedures, etc. which are mostly on a par with international standards. However, the right to organise and join independent trade unions has not been guaranteed in any law.

By the middle of the 1990s, the lack of law enforcement and therefore serious labour violations combined with a lacking viable representation of workers had resulted in numerous workers' protests in all sectors of industry which have lasted up till the present day (Chan 2004). The Party faces the challenge of reacting to this increasingly uncontrollable development, and has adopted a new Labour Contract Law that strengthens the rights of workers. For the first time, the Party requested that the public comment on the draft of the labour contract law. Within one month, around 192,000 commentaries had been submitted (Wichterich 2008: 1). The draft included a clause regarding the right of trade unions to bargain with the management on work regulations. In case both parties could not come to an agreement, the proposal of the trade union was to come into force. International and national employee representatives and organisations such as the EU Chamber of Commerce attacked the draft and the clause was deleted (Wichterich 2008: 2). The new Chinese Labour Contract law came into force in January 2008. It supports the rights of workers by regulating that each employee has the right to receive a labour contract from the first day of work. So far, less than 80 per cent of workers have not had any contract (Jensen 2008). After ten years or two extensions of the employment relationship, the worker receives the right to a permanent position in the company. According to the new law, employees have to be given a permanent position in the company if they have worked there for more than one year without a contract (LCL, Art. 14). The employee can rescind the labour contract with 30 days written notice if the employer fails to provide safety measures, to make full payment on time, to pay social insurance contributions as required by law, or harms the rights of employees (LCL, Art. 38). In case the employer uses violence or illegally limits the freedom of an employee, the person concerned can rescind the contract with immediate effect. The employer has to pay compensation to the employee, which is related to the years of employment. For each year, the employee gets one month's salary.

China and the ILO

China was one of the founding members of the ILO in 1919. This notwithstanding, China's commitment has not been stable and phases of active involvement were followed by years without any contribution. The Chinese Nationalist Party ratified all applicable Conventions of the first years of the ILO and was elected as a member of the Governing Body in 1934 (Asia Monitor Resource Center not dated). The post-1949 government of the People's Republic showed no interest in supporting the ILO and declared itself a "non-active member" due to the non-existence of a tripartite structure of employers, trade unions and government – the core element of the ILO. The first post-1949 delegation attended the ILO annual conference in Geneva in 1983, after the economic reforms had been initiated (Clarke & Lee 2002: 73). However, the commitment of China to the ILO's targets was still limited: in 1989, China stated that the Conventions could not be applied in China because it would not be possible for the country to comply with the requirements of an extensive application of ILO Conventions and Recommendations (Asia Monitor Resource Center not dated). After the violent repression of the 1989 Democracy Movement,

China lost its seat on the Governing Body of the ILO. In 1993, China expressed interest in ILO standards and the will to cooperate once more. The relationship has been extended and further cooperation promised. In 2002, China was again elected to a deputy member seat on the Governing Body of the ILO. Regarding the Core Labour Standards (CLS), China has not ratified Conventions 87 (freedom of association), Convention 98 (right to organise and collective bargaining) as well as Conventions 29 and 105 on the abolition of forced labour. The other six CLS have been ratified (ILO Convention on Equal Remuneration and the Convention on Discrimination; Convention on the Worst Forms of Child Labour and the Convention on Minimum Age).

In the following, key features of the labour laws will be presented according to the topics of forced labour, child labour, discrimination, working time, compensation and occupational health and safety. The main labour law provisions regarding freedom of association and collective bargaining have already been introduced in the previous sections on industrial relations.

Forced Labour

The Chinese Labour Law (1995) and the Criminal Law prohibit forced labour of employees. If the employer compels workers to work by using violence, intimidation or illegal restriction of personal freedom, or humiliating, giving corporal punishment, beating, illegally searching or detaining the employee (Labour Law 1995, Art. 96), the worker can terminate his labour contract at any time. Moreover, persons who are responsible for forced labour can be detained by the public security organ for less than 15 days, be given a fine or warning, and in serious cases a criminal responsibility is attached. However, the punishment of forced labour is not stringent: penalties can range from administrative fines to three years' imprisonment (ITUC 2010: 14). The Labour Contract Law of 2008 provides additional clauses that aim to protect workers from forced labour: employers are not allowed to ask for deposits (cash or property, e.g. ID cards) from workers (Chapter 2, Art. 9); a register of hired employees has to be kept by the company (Chapter 2, Art. 7), and employers have to pay workers on time and in full (Chapter 3, Art. 30). Forced overtime is not allowed (Chapter 3, Art. 31). In order to terminate a contract, the employer has to inform the worker 30 days in advance (Chapter 4, Art. 37, 40). Recruitment agencies may not charge workers recruitment fees (Chapter 5, Art. 60).

Child Labour

Article 15 of the Labour Law (1995) prohibits the recruitment of persons under the age of 16 except in some extraordinary circumstances, such as in the area of arts, sports and certain crafts where they can be employed if their health and safety is not affected. Therefore, the law is stricter than the ILO Convention 138 and 182, due to the stipulated minimum age of 16 instead of 15. However, the exception "certain special arts and crafts" is not specified in more detail regarding the areas of work covered or the minimum age for

those circumstances. Those aged between 16 and 18 are named “juveniles” and are protected against hazardous work, overtime, etc. (Art. 58).

Discrimination

Article 12 of the Labour Law (1995) stipulates that labourers shall not be discriminated against on account of their nationality, race, sex, or religious belief. Men and women shall enjoy equal rights in employment and recruitment processes (Art. 13) and also remuneration for work of equal value shall be the same for men and women. The Law on Protection of Women’s Rights and Interests was amended in 2005 regarding sexual harassment, which since then is declared a crime. The Employment Promotion Law, effective January 2008, prohibits discrimination against persons with HIV/AIDS or hepatitis B. Tests for hepatitis B during recruitment are prohibited (ITUC 2010: 11). Moreover, employees who have been discriminated against have the right to lodge a lawsuit in the court (Art. 62). For the first time, the Employment Promotion Law prohibits discrimination against migrant workers. It is stated that workers searching for jobs in cities shall have equal labour rights to urban workers (Art. 31).

Working Time

The Chinese Labour Law (1995) (Art. 3) goes further than the ILO Conventions by allowing a maximum 40 hours working time and a maximum 12 hours overtime[22] a week. The maximum daily overtime is one hour, and three hours daily overtime are only allowed if special reasons exist. The maximum overtime shall not exceed 36 hours a month (Labour Law 1995, Art. 41). Chinese Labour law stipulates at least one day off a week (Art. 38) and holidays on New Year’s Day, Spring Festival, International Labour Day, and The National Day; other holidays are regulated by further laws and regulations in each province.

Compensation

The minimum wage is set locally by the labour bureau without the need to consult with either employers’ or trade unions (Clarke & Lee 2002: 70). According to Article 49 of the Labour Law of the PRC (1995), the minimum wage should be a living wage. However, in reality, the legal minimum wages are often too low to cover basic needs.

Occupational Health and Safety

Several laws and regulations cover the handling of health and safety topics (Law of the PRC on Work Safety (2002); Labour Law of the PRC (1995); Compendium of OSH laws and regulations (1995); Law on the Prevention and Control of Occupational Diseases

[22] Excessive overtime is defined as work hours that exceed the maximum standard working time.

(2001)). Possible hazards at the workplace and their prevention are topic of several regulations such as the Special Equipment Safety Supervision Regulations, Regulation on Safety in the Use of Chemicals at Work, Safety Regulations for Blasting Practices, for Use of Electricity, for Mechanical Hazards, etc.; also relevant are the Hygiene Standards for the Design of Industrial Enterprises and the Workplace Hazards Occupational Exposure Limits. An overview on respective health and safety laws and regulations for China is provided by the ILO (ILO 2009).

6.5 Implementation of Social Standards in Chinese Garment Factories

Labour conditions have a bad reputation in China: the internet is full of descriptions and insights into poor working conditions (see for example Hays 2011; Koch 2008). Frequently, cases are made public that demonstrate severe violations of workers' rights at factories producing for consumer goods industries. As already described, Chinese labour law is comprehensive enough to prevent the worst forms of violations. Notwithstanding, the inspection of Chinese workplaces cannot exert enough pressure on factories to ensure implementation of law. Labour administrative departments at or above the county level have a duty to inspect workplaces to monitor whether the company implements the regulations of the law and to promote labour laws and regulations (Taylor et al. 2003: 35). They have the right to conduct on-site investigations and to stop any acts at factory level that are against the law, rules and regulations (Art. 85 of the Labour Law, Art. 6 of the 'Measures Governing Labour Inspectors', issued by the MOL in 1994) (Taylor et al. 2003: 35). However, it is claimed that the number of inspectors is too low to cover factories effectively (Harney 2008: 67). Moreover, as already discussed in regard to auditing, factories may cheat inspectors and are able to hide bad practices.

Now that an overview of common violations related to the implementation level of labour rights has been presented, possible causes of violations will be analysed in the following sections. Since the topic of freedom of association and collective bargaining has already been covered in section 6.2 by the description of industrial relations, it is not included in the following subsections. Taking into consideration the country's size and diversity, the description of labour rights violations can only focus on commonly reported situations in the factories.

6.5.1 Forced Labour

Although forced labour is prohibited by law, it remains a serious problem in China. The most common cases are the withholding of wages until the contract expires to stop the employees from quitting their jobs. In order to prevent this, factory management retains deposits or the temporary residential permits of migrant workers. Without the permit, migrant workers are not allowed to leave the factory gates (see section 6.5.3 on migrant workers) (Chan 2001: 9). A bonded relationship occurs easily when migrant workers

cannot afford to pay the complete fee for the costly permit and factories instead pay on workers' behalf. In return, wages are deducted until the whole amount of money has been paid back (Chan 2001: 9). The same relationship exists if enterprises offer their workers loans that have to be paid back within a certain period of time. In addition, security guards hired by the company can check on workers at any time and ensure that no employee leaves the factory compound without permission. Strict rules inside the factory aim to prevent that workers are too slow or ineffective: cases are reported where workers are not allowed to go to the toilet or are exposed to physical abuses. Almost a third of the 1,539 workers at the Chinese factories interviewed by Anita Chan (Chan 2001: 10) in 1996 reported that their factories had used physical punishment. Forced Labour in private companies is a way of preventing employees from leaving the company if they are not satisfied with working conditions or with their job. Therefore, it is a way of reducing the turnover rate in order to establish a stable workforce (Chan 2001: 9). Being unaware of the implications of factory loans, workers might initially welcome the financial support of the factory. The consequences of a bonded relationship are often not clear at the time the employee is asking for money which they would probably not receive from a bank. Thus, a lack of awareness and a general vulnerability due to the legal status of migrant workers contribute to forced labour.

Besides these types of forced labour that occur most often in private enterprises, systematic forced labour is practised in China's penal institutions for prisoners that are compelled to "reform through labour" (laogai) and are undergoing punishment of "re-education through labour" (Laojiao) (ITUC 2010: 14). The definition of forced labour in the Labour Law makes exceptions for prison labour. Detainees sentenced by court to working in labour reform enterprises (laogai) are forced to work with little or no remuneration (ITUC 2010: 14).

6.5.2 Child Labour

The occurrence of child labour in China is not well documented, since the government does not publish any data on child labour or on tried lawsuits (Lieten & Hindman 2009). According to the ILO (2006b: 13), the percentage of economically active children aged 10-14 decreased from 48 per cent in 1950 to 12 per cent in 1995. For the year 2000, the ILO estimated a further decline of child labour, resulting in 7.86 per cent of working children aged 10-14 which equals 9.2 million children (quoted by Lieten & Hindman 2009). The ITUC (2010: 13) reports that child labour can still be found in agriculture and in several industries such as brick kilns, cotton farming, fireworks, textiles, toys, electronics or handicrafts. Anita Chan (2001: 225) comes to the conclusion that child labour exists but is not as widespread as for example in India or Pakistan. The reasons for the remarkable decline of child labour are related to the strong economic growth in the past 25 years (see section 6.1) and the improvements in the educational system. China managed to achieve almost a 100 per cent enrolment rate of children at primary school by the year 2000 (ILO 2006a: 11f). Moreover, China's strategy to overcome child labour has been the prohibition

of employment of children who have not completed the nine years in school which are normally provided for free (ILO 2006a: 13).

Although China has made improvements, problems still persist with regard to the elimination of child labour. For example, it is reported that in rural areas, governments often do not provide sufficient financial resources, and extra fees for schooling have to be paid by parents. If school becomes too costly, children are sent to work to contribute additional income for the family (ITUC 2010: 12). In addition, families in poverty need the extra income of their children and might not be able to send them to school at all. Moreover, schools are allowed to initiate work-study programmes which provide school children to work in agricultural and manufacturing jobs to earn additional income and to benefit from new abilities they learn at work. Besides light jobs which serve this goal, many children end up in labour-intensive industries under harsh conditions. Human Rights Watch estimates that more than 400,000 middle and junior high schools organise work-study programmes (quoted by ITUC 2010: 13). In addition, apprenticeships provide the possibility of employing children since the law does not regulate the age of apprentices, which makes it easy for employers to conceal child labourers (ITUC 2010: 13). Penalties for employing workers below 16 are limited to fines and children are forced to go back to their families. Legal punishments can only be applied in cases of child trafficking, employing minors in strenuous or hazardous works, excessive forced labour and offering a child for prostitution or pornography (ITUC 2010: 12). The China Labour Bulletin (2003) claims that therefore child labour is still considered as way of reducing labour costs. Another problem is related to the identification of falsified ID cards (China Labour Bulletin 2003). To increase employers' commitment to check workers' ID cards, a regulation has been implemented in 2002 that stipulates the responsibility of employers to check the validity of documents. Unawareness and complacency about the implications for children on the side of parents and factories are also among the sad causes of child labour.

6.5.3 Discrimination

Discrimination is prohibited by law; however, the implementation practice lags behind. Ethnic minorities, women, migrant workers and persons infected with HIV or hepatitis are often discriminated against in terms of remuneration, in access to employment, education, and public services (ITUC 2010: 12). Women workers are laid off more frequently and they find it harder to find new jobs (ITUC 2010: 8). Moreover, the right for non-termination of work contracts for pregnant and nursing mothers is often not enforced which results in dismissals of women (ITUC 2010: 8). On average, women earn around 65 per cent of men's compensation; in rural areas this number might be even lower (ITUC 2010: 9). Particularly migrant workers suffer from discrimination, and do not enjoy the same rights as urban residents. Chinese peasants working in urban areas need to have a "temporary residential permit", otherwise migration between provinces is illegal. Without this permit – for which migrant workers have to pay – they are not able to receive the same benefits as locals such as social welfare, schooling, the right to own property, to bring their spouses

or children with them or any right of residency (Chan 2001). After receiving the permit from the local police, they need a working contract to be register at the new location by the local labour bureau as regulated by China's household registration or "hukou" system (Chan 2001: 9). The figures on the number of migrant workers in China are inconsistent, some estimate around 90 million, others assume 150 up to 200 million migrants (Harney 2008: 8) – more than the population of United Kingdom, France and Australia combined. The "hukou" system was established in 1950 by the Communist Party as a rationing system. Under the planned economy, the government had to ensure that the population in urban areas at least were able to cover their basic needs. This rationing system required registration of residents because each ration coupon was only valid in the area where it was issued. For other areas, people needed a temporary certificate (Chan 2003). Many of the migrant workers are still registered at their home towns because they lack the money to buy a permit or a working contract for registration at the labour bureau. In such cases, migrants are cheap labour not only for the factories but also for the local government because they do not have to pay medical, housing or unemployment benefits. Children of migrant workers often are left at home in the countryside because they are not allowed to come with their parents. Therefore educational expenses also remain low (Chan 2003: 45f). If migrants without proper permits are caught by the police they may be held in detention or sent back to their homes (Chan 2003: 46). The hukou system provides perfect preconditions for forced labour (see section 6.5.1). For example, if the employer takes away the permits of workers, they are not able to look for other jobs if they want to quit their current job.

Between 1987 and 2005, it is estimated that labour migration contributed to 16 per cent of the GDP (Ping & Shaohua 2005). In recent years, the migration of labourers has had two main effects besides the provision of cheap labour. Firstly, the rural population is aging since young people all leave for jobs. Secondly, the booming areas have been inundated with thousands of unskilled workers. Companies confronted with such high amount of labour resources were able to decrease wages and lower working conditions (Heuer 2005: 7). This trend might change in the following years, as wages are increasing due to government interventions.

6.5.4 Working Time

In marked contrast to the far-reaching regulations in Chinese Labour law regarding working time, one of the most widespread and persistent problems in the Chinese clothing industry is the existence of excessive overtime. Verité, an international social auditing organisation, found out that "over 93% of 142 Chinese factories audited by Verité for international brands during 2002 and 2003 employed excessive overtime" (Verité 2004: 4). The consultancy company Impactt (quoted by Harney (2008: 48)) assumes that an 80- or 90 hour week with 12-13 hour days and no day off are the norm for many workers. Another survey undertaken by the Guangdong trade union reveals that 35 per cent of employees are not receiving overtime wages – a number which is most probably

underestimated (Chan 2001: 11). Long working hours affect the health of workers, leading to fatigue and stress-related illness. Accidents are more likely to happen due to reduced concentration. Extensive exposure to harmful chemicals, noise and repetitive movements are also a threat to the health of employees (Verité 2004: 18).

The causes of overtime are complex. For workers, the motivation to work overtime often has financial reasons. Their basic wages are too low or do not meet legal minimum wages at all. Therefore, in the Verité survey 53 per cent of the workers state that the extra income is an incentive to work overtime, 36 per cent indicate that it is required or expected by the factory (Verité 2004: 15). On the side of the factory, overtime is determined through bottlenecks in production which can have diverse causes. Last minute changes regarding the design or product features, misunderstandings between suppliers and the focal company, delayed arrival of samples or raw materials, quality problems or problems with transportation can put factories under time pressure, which is then passed on to the work schedules of employees (Verité 2004: 15; Chan 2001: 11). Overly high production quotas are often set which workers cannot reach in their normal working time and therefore have to work overtime to achieve. Moreover, it is common practice that managers include overtime hours in capacity plans. In doing so, the factory has no buffer to balance additional orders or unforeseen delays in production. With such capacity planning, it is likely that working hours become excessively long. A lack of human resource managers responsible for implementing social standards inside the factories (Harney 2008: 208) and the lack of enforcement of legal minimum wages and overtime rates intensify the problem. Although excessive overtime is so common, Verité found out that managers are aware that long working hours have a negative effect on productivity and increase business costs. In a survey by Verité, 60 per cent of managers said that productivity decreases under excessive overtime. 50 per cent were of the opinion that they lose money through overtime (Verité 2004: 24). However, taking measures to avoid overtime also has financial impacts, such as hiring additional workers, providing training, investing in better work equipment or subcontracting orders or parts of orders to other factories. Therefore, overtime tends to be perceived as a more flexible and easier option to react to the market's demands. The negative impact overtime has on productivity is often underestimated.

6.5.5 Compensation

In 2009 on average, a Chinese migrant worker earned 1,348 RMB (nearly US$ 199) per month, which is little more than one twentieth of the average monthly wage in the US (Anonymous 2010c). Minimum wages have increased over the last years: from 2002 to 2006, they rose on average by 9 per cent and by over 11 per cent in the cities (Anonymous 2010b). During the financial crisis of 2008, real wages only increased by 3.2 per cent because of relatively high inflation rates (Zhou 2008). The trend of increasing minimum wages continued again in 2010; some cities have increased minimum wages by up to 20 per cent (Anonymous 2010b). Since minimum wage administration is highly decentralised and cities can decree the minimum wage independently, the highest local mini-

mum wage in Shenzhen is 2.25 times higher than the lowest local minimum wage in Jiangxi province (Lee 2009: 2). The government is increasing minimum wages due to rising pressure from workers that is indicated by wildcat strikes. For example, Guangdong province was hit by at least 36 strikes within 48 days in the summer of 2010 (Anonymous 2010c). Moreover, the Party aims at fostering the demand of the domestic market by raising the living standards of the population. Sectors with the highest wages are finance and transportation sectors; the manufacturing sector as well as wholesale, retail, construction and agriculture are considered low-wage industries (Zhu et al. 2010: 49). Within a region, wages can also differ to a large extent. A survey of 17 German-invested enterprises from the metal industry in Taicang to the north of Shanghai revealed income differences of 300 per cent. This contributes to extreme fluctuation of the workforce, due to the fact that often workers quit one factory to start another job on the other side of the street where they expect to receive higher wages. The lack of effective collective agreements that balance wages levels within a sector can be held responsible for this situation (Jensen 2008).

As already described in the section on overtime and forced labour, it is very common that workers do not receive wages on time or receive legal overtime compensation rates. According to the LCL of 2008 (Art. 85), in such a case an employee has the possibility to submit a grievance at the local labour bureau which then sets a deadline for the employer. If the worker is not compensated after that period of time, the employer has to pay a bonus of at least 50 per cent and up to 100 per cent of the outstanding wages.

NGOs such as the Clean Clothes Campaign or the Asian Floor Wage Campaign demand that retailers pay prices that enable suppliers to increase wages to the level of a so-called “living wage” (Maquila Solidarity Network 2008). A living wage is difficult to define, however such a wage should ensure that the basic needs of workers and their families can be fulfilled. The wage amount should take into consideration the area-specific costs of living and the basic expenses for family members. The exact measurement of a living wage is still intensely discussed (Brenner 2004). There is no mathematic formula ensuring that a buying price is high enough for living wages to be paid, since too many factors have an influence on the wage level: productivity of a factory, use of materials, work flow, profit, taxes, etc. (Maquila Solidarity Network 2008: 40). Local collective bargaining between employers’ associations and trade unions is therefore of high importance. The risk of raising wages is seen by governments in the withdrawal of foreign invested companies and buyers to countries with lower labour costs.

The Western world has benefited a lot from cheap Chinese consumer goods: as a journalist of *The Economist* estimates, every American has saved US$ 1,000 a year due to cheaper products, cheaper input for American business and stiff competition in goods markets (Anonymous 2010c). Apparel prices in Western markets have been decreasing over the last years, which has increasingly put pressure on suppliers (Cotton Incorporated 2011). To protect margins and at the same time remain able to reduce prices to stay competitive, focal companies try to reduce piece prices as much as possible (Raworth

2004). The relationship between buyers and suppliers is not equal, since there is a surplus of suppliers in the market competing for orders. Buyers with huge orders are therefore able to demand price cuts due to their suppliers' dependency (Harney 2008: 40). Consumers are used to paying low prices for apparel and often base their buying decision to a large extent on the price. In a study of the German Federal Ministry for the Environment, Nature Conservation and Reactor Safety, participants were asked about their willingness to pay a higher price for fairly traded products. Only eight per cent stated they would be very much willing to do so, more than 50 per cent would most probably not pay a higher price (Bundesministerium für Umwelt 2010: 86). A common argument is that the share wages have on the price in the store is only around 1.2 per cent[23] (Kabeer & Mahmud 2004: 142) and could easily be increased. However, a T-shirt that is sold by the factory for US$ 5 is sold by the brand to a retailer for US$ 10 and ends up in the store for US$ 20. The multiplier effect implies that a price difference of a product of US$ 1 at the factory gate can lead to US$ 3 or 4 difference in the retail price (Harney 2008: 183). In addition, wages need to be increased not only at manufacturing sites but also along the whole supply chain (dying, spinning, fibre production). In the highly competitive environment of consumer goods, a single focal company therefore has less incentive to ask for substantial wage increases. If one brand would pay the factory higher prices, this could easily be undermined by the behaviour of other customers of the suppliers which would then have a competitive advantage. To ensure that increasing product prices result in higher wages of employees, trade unions at factory level need to bargain for collective wage agreements.

6.5.6 Occupational Health and Safety

In around 16 million companies in China, more than 200 million workers are exposed to dangerous working conditions (United Nations Development Program 2005: 87). In 2005, China recorded 665,043 total cases of occupational illness; about 90 per cent of these were pneumoconiosis, a term for a group of lung diseases like "black lung", common among coal miners, and silicosis, caused by small sand particles that are inhaled in sandblasting departments[24] if proper masks are not worn (Harney 2008: 57). Inadequate ventilation, toxic glues, harmful chemicals, noise pollution, high temperatures, and repetitive movements are workplace hazards common in factories. In no other country in the world is the number of fatal workplace diseases as high as in China. The ILO (quoted by Murdoch and Gould (2004: 19)) estimates that annual deaths from workplace accidents reach 11.1 per 100,000 workers. According to official statistics published by the State Administration of Work Safety of China in 2004, there were 14,702 safety incidents in the industrial enterprises, trade enterprises and mines, with a death toll of 16,497. The use of dangerous machinery without proper guards and without personal protective equipment

[23] The 1.2 per cent share is related to the production of a T-Shirt in Bangladesh.

[24] The technique of sandblasting is used to make fabrics look worn.

causes high rates of injuries and amputations. In Shenzhen alone, an average 13 workers lose a finger or an arm a day, and one worker dies every 4.5 days (Murdoch & Gould 2004: 19). In the textile industry, the most harmful injuries are caused by needles or cutters that are used without personal protective equipment (PPE), and chemicals used in dyeing or for removing spots can also have serious effects on health (Murdoch & Gould 2004: 20). Another hazard in textile factories is related to fires that are caused through the unsafe handling of flammable materials. Blocked isles and bad fire fighting equipment are reasons why fires often cannot be extinguished before it is too late. The estimated direct economic loss resulting from work injuries and occupational diseases is about US$ 1.5 billion (Leung & Ping-kwan 2005). The large majority of 80-90 per cent of victims of occupational diseases are the migrant workers that often take the most dangerous jobs (Harney 2008: 65; Murdoch & Gould 2004: 19).

Dangerous workplaces and lack of safety practice are related to financial reasons, low awareness and time pressure. A lack of proper equipment such as sufficient fire extinguishers, first aid kits, machine guards or effective personal protective equipment cause safety hazards. Management has to be both aware of the risks to employees and willing to make this investment. On the side of the workers, the need to wear safety equipment is often not taken seriously enough. In some cases, it is seen as a hindrance to working faster: taking on and taking off gloves or glasses can be time-consuming, which results in lower income since many workers are paid by piece rate (Harney 2008: 66). The lack of knowledge and awareness is also considered a result of bad training, as Aurett van Heerden, president of the FLA is quoted by Harney (2008: 66): “So we come in and say, you know, you’ve got to wear the mask. Nobody explains to her why she must wear the mask. If they do, probably they don’t explain it in terms she can understand, and within a week or two, she’s forgotten all that. Because in her day-to-day experience, nothing seems to merit, nothing seems to warrant those precautions”. Training that has an effect on the workers seems to be a challenge. Moreover, the nature of risks is that they are not visible, therefore easy to forget.

6.6 Summary

This chapter provided an overview of the economic, legal, political and cultural framework conditions in China influencing working conditions and worker participation. In the past 25 years, China achieved the largest reduction of poverty in history through government reforms, market liberalisation and rapid economic growth (Stiglitz 2003). Today, China is the world’s biggest exporter and impresses the world with an annual GDP growth rate of about 10 per cent. It was the government’s decision to focus on economic growth in the 1980s at the cost of mature industrial relations and sound working conditions. Increasing numbers of strikes and work stoppages during the last decade convinced the Party to promote the approach of a “harmonious society” by balancing economic growth with social development. The revision of the Trade Union Law and the strengthening of tripartite and

bipartite consultation and negotiation mechanisms as well as the Labour Contract Law of 2008 are attempts to stabilise industrial relations. However, the role of the representational bodies for employees (ACFTU) and for employers (CEDA/CEC) lack true representational power. The ACFTU is still under the authority of the CCP and independent trade unions are not allowed to exist. Trade unions at factory level mainly organise entertainment events or support the factory regarding economic improvements. The election of true worker representatives that are not from the ranks of the management is uncommon. As Taylor (2003: 145) puts it, the term “employee” in China not only covers rank and file workers but also includes general managers, and is therefore too broadly defined. This has implications for the representation of workers in participatory structures such as EDS or SWRCs. The appointment of senior managers as an employee director or supervisor undermines the function of participatory structures and restricts workers’ participation (Taylor et al. 2003: 145). The employers’ organisations CEDA and CEC also do not play their role effectively in tripartite mechanisms as an organisation independent from the Party that represents the interests of employers. Instead, they perceive their role as being responsible for contributing to social stability by providing job opportunities and training, and supporting the government in creating collective bargaining structures. The ineffectiveness of tripartite mechanisms is indicated by the fact that no disagreements between the ACFTU and CEDA/CEC are documented (Clarke & Lee 2002: 75).

Worker participatory structures such as SWRCs have the potential to represent workers’ interests; however, they are not used to effectively balance managerial power. Workers are not allowed to establish own representational structures and are not trusted to voice their interests without guidance from higher trade union levels. The dominance of government is therefore still prevalent in industrial relations (Taylor et al. 2003: 152f).

Organisational culture in SOEs as well as in private enterprises is described as paternalistic and top-down oriented. Research on the implementation and impact of participatory management approaches such as team work and workplace cooperation models is rare. First studies reveal that those approaches are increasingly adopted but still have limited effects. The traditional authoritarian environment at organisations at a first glance seems to be opposite to what participation requires, but China is undergoing huge socio-cultural transformations and is increasingly exposed to Western management styles which might change traditional values and behaviour in organisations.

Although Chinese labour law in most areas provides a comprehensive selection of labour rights, enforcement is lacking to a large extent. The most persistent problems are related to excessive overtime, non-payment of overtime supplements, sanctions taking the form of wage deductions, late payment of wages, unsafe working conditions and the exposure to harmful substances. Suppliers are confronted with high price pressure and in turn aim at reducing labour costs. Bad working conditions result in high employee turnover rates that affect productivity and overall economic performance. Investing in safer workplaces, increasing wages and reducing overtime are major challenges under such conditions.

Having analysed general influence mechanisms of participation and the background conditions in China, the following chapter will now take a closer look at how employee involvement can contribute to improvements of working conditions in Chinese textile suppliers.

7 Influence of Participatory Structures on the Implementation of Social Standards in the Context of China

In the following section, the discussion on the improved implementation of social standards through worker participation will be summarised and related to the framework conditions in China. A set of hypotheses related to influence mechanisms of participation will be developed to test them in the empirical case study (see part C of the study).

Brands request that suppliers comply with codes of conduct and minimum labour standards (for example ILO Conventions), as this has been increasingly demanded by consumers and NGO campaigns in the past two decades. Looking at CSR related activities of brands, the concept of employee involvement has been integrated into recent capacity building programmes for suppliers in order to improve labour conditions (see section 4). It is therefore of interest to examine how employee involvement arrangements influence the implementation of social standards in Chinese textile factories. In the following, influence mechanisms described in section 5 will be transferred to the context of the implementation of social standards in China. The manufacturing of clothes and textiles is a labour intensive industry with high price competition and tight production schedules (see section 4 and 6). Minimum labour standards defined by the ILO are violated to a large degree in the majority of Chinese factories.[25] Causes are, for example, related to a general lack of awareness on the side of managers and partially also on the side of workers (for example with regard to OHS), a strong focus on economic survival due to highly competitive markets and a lack of management knowledge of how to implement social standards while at the same time achieving a sound economic development.

To improve labour conditions in order to comply with Chinese labour law and minimum labour standards defined by the ILO, the topics (objects of participation) discussed in employee involvement schemes should relate to corresponding areas (e.g. OHS, anti-discrimination, compensation, working time, child labour, forced labour, labour contracts, managerial practice). Special consideration has to be paid to freedom of association, due to the fact that management is not allowed to interfere in the promotion or establishment of worker organisations according to ILO Convention 98, Art. 2.2. Moreover, due to the prohibition of independent trade unions by law, the influence of employee involvement on true freedom of association faces further general restrictions in China. Participation objects should also cover production matters besides labour conditions, since both cannot

[25] The annual BSCI report of 2009 indicates that 71 per cent of suppliers that underwent an initial audit were rated with “non-compliant” (BSCI 2010b: 30).

be regarded exclusively (production efficiency affects, for example, the amount of working hours, poor machine equipment influences likeliness of accidents, etc.).

The implementation of social standards is related to workplace, managerial and corporate decisions. Therefore, in theory, workers should not be excluded from taking part in decision-finding processes at these levels. For example, decisions related to better workflow, cleanliness of workplaces, and wearing personal protection equipment pertain to the workplace and have implications for the implementation of social standards. On the managerial level, topics such as training, leave procedures, capacity planning, the design of communication and participation structures, etc. determine the level of compliance as well. Strategic decisions at corporate level relate to recruiting new employees, investing in equipment or higher wages, applying for certifications, etc. all of which obviously is also closely related to working conditions. Employee involvement is usually conducted at workplace or corporate level, while institutionalised indirect decision-making processes are often concerned with higher-level problems (Strauss 1998a: 18; Gässler 1985: 96). Since decisions at managerial level have greater impact, normally only trade unions or worker representation with legitimate rights participate in those decisions.

Due to a large variety of possibilities to set up participatory structures and their dependency on framework conditions inside and outside the enterprise, it will not be possible to suggest the design of “perfect” structures here. However, the case study of the Chinese textile factories will provide more insight into which structures were implemented in the factories and how they were assessed by managers and workers.

7.1 Hypotheses on Influence Mechanisms of Participation

Motivational Effects

Motivational models proceed from the assumption that employees have an intrinsic need for participation and search for opportunities to contribute their opinions and suggestions. In addition to the humanistic view, participation is also expected to improve worker-manager relations. With the introduction of participatory structures such as voice mechanisms (grievance channels), information-sharing (briefing meetings, newsletters, hotlines), or problem solving groups, management shows that it values employees’ contributions and pays attention to their needs. A higher sense of equality and respect, a positive feeling of contributing to improvements as well as an improved management-worker relation results in higher work satisfaction, which in the end positively contributes to a reduction of worker turnover and absenteeism. Motivational models draw also a link between higher work satisfaction and commitment, due to less resistance to change processes and higher identification with the organisation. The more possibilities workers have to participate, the higher motivational benefits are expected. For example, by using a suggestion box, employees do not experience immediate feedback and thus do not get the opportunity to interact directly with management, which restricts the expression of their

interests. In contrast, decision-making groups offer a forum for an intense and face-to-face exchange of perspectives, which may stimulate a higher feeling of acknowledgement and respect.

An increase of work satisfaction by satisfying the need of employees to express themselves seems to have no direct impact on issues such as reduction of overtime, wage payments, accident prevention or forced labour. However, the effectiveness of implementing solutions is expected to increase if employees have been involved in developing those solutions. Workers might be more willing to wear, for example, gloves or masks if they are aware of their necessity and if they have been involved in finding solutions to how to increase the use of such protective equipment. Another indirect effect of participation on the improvement of working conditions is related to increased trust between parties. An enhanced trust level resulting from mutual consideration of interests and requests within participatory structures contributes to solving conflicts at the workplace that might have led otherwise to work stoppages or major unrest.

Higher work satisfaction of employees and a better working climate can have a positive impact on the reduction of workforce fluctuation and the decrease of the absenteeism rate inside the factory, which in turn have a significant effect on production flow and productivity. With high fluctuation, newcomers constantly have to be recruited and trained. Their output cannot compete with that of an employee familiar with production steps and procedures. If a proper replacement of an employee is impossible at short-term notice, the production flow will suffer from disruptions and management will probably need to increase overtime working hours to compensate such interruptions. A low economic performance possibly will not encourage factory managers to invest in better working conditions, or indeed make it impossible if the investment would put the company at heavy financial risk. In the view of motivational models, participation is able to rupture this vicious cycle through the focus on employee satisfaction and higher identification with the factory, which are expected to improve commitment of employees and increase productivity. Working conditions that are improved through participative decision-making have an additional positive impact on work satisfaction; thus participation, work satisfaction and working conditions are closely interlinked. An increase in management's trust in employees' behaviour and a decreasing turnover rate may also reduce management's assessment of the need for disciplinary measures or other forms of forced labour.

To test the validity of motivational assumptions regarding the influence mechanisms of participation, the following hypotheses are posited:

H1 A high participation degree is positively related to work satisfaction.

H2 Work satisfaction has a positive influence on the improvement of labour conditions.

Cognitive Effects

Besides motivational implications, participatory arrangements have the potential to influence the implementation of labour standards due to the fact that managers and

workers share ideas and suggestions on how to improve labour conditions. Knowledge exchange between management and workers is linked to a better understanding of social standards and production processes. Participation of workers may contribute to a better utilisation of information, increasing understanding and awareness of participatory topics which is in turn expected to enhance effective solution finding and decision-making. Listening to opinions of the other party can raise the awareness on both sides for each other's perspectives: management become sensitised to workers' needs, and workers become, for example, more aware of legal rights and economic concerns. Workers may have their own perspective on causes of labour rights violations which managers might lack and may provide valuable suggestions for improvement. For example, causes of excessive overtime might be related to ineffective production processes that are recognised by workers but not by management. An exchange on how to support smooth operation is therefore beneficial for reducing overtime. Based on the assumptions of cognitive models, the validity of the following hypothesis will be tested in the Chinese context:

H3 Workers have relevant ideas and knowledge to enhance decision-making with regard to the implementation of social standards.

Aspects of Power-Sharing

Higher degrees of participation provide more opportunities for workers to influence decision-making: while consultation of workers may raise management's awareness of workers' concerns, joint decision-making offers more possibilities for enhancing the implementation of social standards, since workers are given the opportunity to discuss and negotiate improvement measures with management and may also enjoy certain voting rights. To ensure effective participation, formal structures should be established instead of trusting informal structures that can be terminated at any time by management. However, the degree and formalisation of involvement depends on the commitment of management, and formal power relations in the organisation make it unlikely that employees will develop and implement far-reaching improvement measures such as wage increases against the management's will. Conflictual topics for which no agreement can be found by employee involvement therefore need to be solved by conciliation, arbitration or litigation. According to Chinese labour law, information and consultation of employees and/or their representatives is required if an employer formulates, revises or decides on rules and regulations or material matters that have a direct or indirect effect on working conditions. National labour law is vague about how to come to a joint agreement – it only stipulates that "the rule, regulation or decision shall be improved by making amendments after consultations" (Labour Contract Law, Art. 4).

Employee involvement offers a platform for handling interests and developing joint solutions that match management and employees' expectations. An exchange on interests increases management's awareness for the need of improvements, which supports the implementation of improvement measures. Another possibility opened up by participation

is related to the development of win-win situations for management and workers by improving economic performance while at the same time enhancing labour conditions. According to motivational and cognitive models, participation may result in economic benefits such as higher product quality and productivity. Since there is a close link between the economic performance and the implementation of social standards, a potential for win-win solutions is given and needs to be identified by management and workers. To a certain degree, interests of managers and workers are congruent and can be realised at the same time. The following examples are chosen to demonstrate the dynamic relation between economic factors and social standards. Often, in order to compensate for a weak economic performance as well as additional strong price pressure and short delivery times, it is most likely that payments and social security dues will be reduced (Oxfam Deutschland 2004: 6f). In addition, investment in training or work equipment might not be made either (Systain Consulting GmbH 2003: 30). Workers and managers need to explore ways to get out of this vicious cycle by realising the overall potential economic impact of implementing social standards. Excessive overtime for example causes high fatigue of employees, which in turn leads to decreasing productivity and lower quality. Exhausted employees are less attentive, which increases the likelihood of work place accidents (DeRuisseau 2002: 228). Production costs increase due to the payment of overtime supplements, while at the same time productivity and quality losses are experienced. Absenteeism of sick and exhausted employees makes time planning even more difficult. The factory may either complete fewer orders, or may not be able to accomplish orders in time. Moreover, possible quality claims may cause additional costs (Systain Consulting GmbH 2003: 44ff). Low wages of employees may also be a source of demotivation and thus lower commitment and productivity (Wöhe & Döring 2008: 77). If a group of employees is discriminated against in a factory, the performance potential of these employees is not completely used. In addition, privileged employees also do not perform to their potential as they receive benefits independently of their actual capacity and performance. In the area of occupational health and safety, beneficial solutions for employees and management are also to be found. If accidents occur or employees become sick due to bad hygiene (e.g. unclean water filters), the company has to compensate the costs of their absence and treatment. Moreover, only healthy employees work to their full potential and thus show higher productivity. A working atmosphere characterised by coercion and distrust where employees are forced to work overtime, to stay at the factory compound, and have their wages deducted, also has negative effects on the motivation and commitment of employees (Systain Consulting GmbH 2003: 59ff). Economic benefits due to increased productivity and higher quality increase the management's scope of action to enhance social standards, e.g. to increase wages or to reduce working hours. The more management is committed to invest reaped economic benefits in better working conditions, the higher further motivation for employee involvement on the side of workers will be. Figure 7-1 illustrates the potential for cooperation and achieving win-win situations whenever economic needs and the interests of employees are congruent. From a certain point on, such cooperation is less likely if management is not willing to invest in benefits

for employees due to expected economic disadvantages. If this point is reached, employee involvement encounters its inherent limits due to power relations. Then employees need to use formal ways of reaching an agreement by conciliation, arbitration or litigation if they perceive themselves to be unfairly treated.

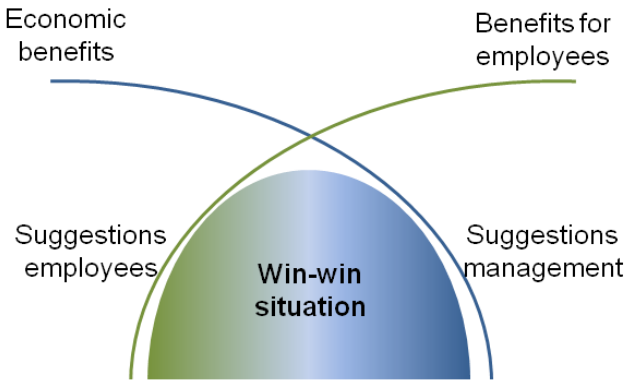


Figure 7-1 Occurrence of win-win situations (own illustration based on Schwarz-Kocher et al. 2010)

Hypothesis 4 summarises the expectation of achieving win-win solutions within participatory structures that benefit the improvement of social standards.

H4 The degree of participation has a positive influence on developing win-win solutions that increase economic performance and improve labour conditions.

The fifth hypothesis covers the proposed educational benefits of participation claimed by democratic theory. By analysing causes and developing solutions for workplace-related issues, employees expand their knowledge on production and labour conditions and develop their social as well as method competence. An increase of knowledge on labour rights and their implementation also has a positive effect on the awareness of the actual situation in the factory and thus contributes to pointing out issues for improvement.

H5 The degree of participation has a positive influence on workers' knowledge about their labour rights.

7.2 Requirements for Participation in the Context of China

Besides answering the research questions on the influence mechanisms of participation have on the implementation of social standards, this study also aims to investigate requirements affecting the success of participation. The hypotheses developed with regard to influence mechanisms are therefore challenged in the following by looking at the necessary requirements for participation with a focus on the context in China.

Motivation of Management for Participation

Organisational culture in Chinese factories is traditionally characterised by Tayloristic top-down structures, patriarchal leadership styles and a low involvement of employees (see section 6). If the management of top-down organised factories is confronted with the introduction of employee involvement in order to improve labour conditions in their clients' training programmes, different reactions are possible: either factory management is open towards new management approaches and committed to initiate participatory structures due to a range of expected benefits, e.g. reaching compliance with brands' codes of conduct and with labour law, higher productivity, increased work satisfaction or the reduction of worker turnover. The management might be aware of communication gaps with employees and appreciate methods to overcome the lack of exchange. Another possibility might be that the factory management has already established certain forms of participation and is open to strengthen efforts in this regard. However, it is also likely that management will react with general hesitation to implementing participatory structures, while at the same time not wanting to reject the training offers of their clients. In such a case, management might offer only a low degrees of light participation by controlling the process to a large extent, which likely will result in the establishment of pseudo-participatory structures. Here, the legal requirements in the Chinese national legislation for worker participation in private enterprises are remain unspecific and leave space for interpretation. With regard to the general understanding and practice of involving managers or supervisors as worker representatives, management might not understand the need to focus on front-line workers and to seek their contributions. Under such conditions, the effectiveness of participation suffers.

The motivation of managers to implement participation may also be low if they do not see participation of workers as beneficial, due to a fear of increasing the number of conflicts or doubts about employees' knowledge and the quality of their contributions. It is also possible that once participatory forums have been introduced, the benefits of participation do not materialise at once, whereas its costs with regard to time, investment in training, equipment, etc. are obvious right from the beginning.

Obviously, employee participation will have no effect in the case of intentional exploitation of labour and a general unwillingness of management to improve the working situation for employees. Instead, management might use participation mainly as a tool to achieve economic targets without investing in the improvement of labour conditions at the same time. If workers become aware that the development of common goals or the implementation of improvement activities related to working conditions cannot be realised due to a lack of commitment from management, workers' interest in participation will suffer as well. In such a case, the rise of serious conflict again becomes more likely.

Motivation of Workers

Motivational models propose that workers' interest in participation originates in an intrinsic need to contribute, the acknowledgement of which increases workers' satisfaction. With regard to China, there is not much clear evidence due to a lack of research on this topic and the huge transition the country is undergoing, especially with regard to culture, labour law, and economic growth. As already stated, Chinese workers in labour-intensive factories are used to top-down structures in which they usually do not participate in decision-making. Such authoritarian structures might create a feeling of dependency among the workforce and affect workers' self-image so that they do not regard themselves in a position to contribute to change processes. They might not be aware of their own cognitive resources or might not feel well equipped with the necessary skills and knowledge. Since trade union representatives are often factory managers, workers might lack examples of a true representation of their interests and thus are simply not aware of its functions and potential. Instead, workers' representation by management staff may further increase their feeling of dependency. Moreover, the satisfaction of higher order needs such as self-expression might be of lower priority, since workers' main concerns may be related to making their living or to save money for their families. Depending on workers' actual need for self-actualisation, the humanistic argument might therefore lose its ground. However, as already described in chapter 6.3, the new generation of workers tends to show less obedience to management staff and seems to be more willing to voice complaints.

In a working environment characterised by coercion, punishments, sexual harassment or conditions that endanger workers' health and wellbeing, it is very likely that workers show low trust in management and expect further reprisals whenever making critical statements. In cases where workers have no working contract with the factory, they are not protected against arbitrary dismissals, which further decreases their motivation to participate. The introduction of participation might not be understood as a means to really seek workers' ideas and suggestions but rather as a way to satisfy the requests of clients, as is often experienced with regard to auditing. Here, workers might have witnessed auditing activities while at the same time being trained to give the "right" answers. Recognising pseudo-commitment of management by a lack of true impact of external monitoring lowers belief in managements' commitment to improvement. In cases where this behaviour is exhibited, workers might first react with hesitation and general distrust towards participation. This can only be overcome gradually with the experience of benefits and improving working conditions.

If one expects many overtime hours in factories, workers might not be pleased about the additional time burdens of participatory meetings, information exchange or training activities, which in the end may even decrease work satisfaction.

Another aspect is related to the right to freedom of speech, which is not guaranteed in China if the harmonious development of the society is threatened. In this regard, Chinese workers might tolerate violations of working conditions to a higher degree since they are

focussing less on their individual well-being but rather on the development of the enterprise or collective interests. On the other hand, a high valuation of group coherence might also support consensus-building and the appreciation of participation.

Participatory Competence

The description of framework conditions in chapter 6 showed that in China, worker participation and democratic decision-making is at least supported verbally, but is not actually implemented in organisations to a large degree. Due to a lack of use and training, participatory competence of workers as well as of managers might be underdeveloped. Depending on the factories' location and the composition of the workforce, the education level of workers varies due to large socio-economic and geographic disparities in schooling (Hannum et al. 2007). Treiman (2007: 137) found that male adults show significantly higher levels of literacy than female adults, even if they had received the same amount of schooling, which is explained by the support of the family that attaches higher importance to boys' education. Those children who grew up in better-educated and urban families also have higher levels of literacy than others (Treiman 2007: 137). In addition, ethnic factors contribute to the literacy rate: Han Chinese show higher literacy rates than Chinese minorities (Hannum et al. 2007: 9).

With regard to the quality of education, several reforms have been initiated in the last ten years promoting learner-centred teaching approaches which are intended to develop children's diverse social and cognitive skills instead of just aiming at improving memorising facts and test-taking abilities. Key competences targeted by the quality reforms relate to autonomous and critical thinking, active learning, and the ability to adapt and innovate (Hannum et al. 2007: 13f). However, few research results are available on the outcomes of the latest reforms. If we assume that most workers originate in rural areas and have attended school before the latest reform programmes were started, workers to a large extent might not have trained participatory skills and may be at best equipped with basic writing and reading skills. With regard to managers, it is also questionable whether they already possess necessary social and methodological skills. Most likely, efforts will have to be taken to enhance both managers' and workers' skills so as to communicate their interests, negotiate common goals and develop suggestions in a creative way. With regard to professional competence, workers might be informed neither about their labour rights nor about economic performance data which leads over to the requirement of training.

Investments for Participation: Training and Time

Due to low economic performance and doubts about participation benefits, management might not be willing or indeed able to make large investments in training. With regard to labour rights, extensive training might not be supported due to a fear of rising unrest and conflict if conditions in the factory obviously do not meet the requirements of labour law. In

addition, high fluctuation rates of employees undermine training efforts and decrease management's motivation for training. Special attention should also be paid to how training is organised and whether it serves the need to increase the participatory competence of workers.

Participation of workers may also be constrained by time efforts. Since factories often struggle with high production pressure and excessive overtime hours, their motivation to additionally invest time for participatory structures might remain low. Expenditures on training and allocation of time will only take place if the benefits of participation are expected to outweigh resource investment and are linked to substantial improvements from the perspective of managers and workers.

Having outlined challenges and requirements for participation with regard to the Chinese context, I will now test the hypotheses in the following case study, which covers seven Chinese garment factories that took part in the project "Worldwide Enhancement of Social Quality". Therefore, the next chapters focus on the research methodology (chapter C) and on the qualitative and quantitative outcomes of the interviews and the survey (chapter D), before discussing theoretical findings with the outcomes of the case study research (chapter E).

C Research Design and Methodology

In chapter 4, I outline the discussion on social standards in globalised textile supply chains and the instruments that promote their implementation. In the past 20 years, focal companies focussed particularly on conducting audits to ensure compliance with their codes of conduct. In recent years, ongoing campaigns on labour rights violations, the documentation of weak industrial relations and a recognised lack of management know-how on the implementation of social standards resulted in a trend towards capacity-building programmes conducted by focal companies and their stakeholders such as NGOs or the ILO. Capacity programmes of this kind that aim at the introduction of workplace cooperation and participation of employees are usually conducted in countries where political and legal framework conditions often do not support worker participation and freedom of association. Thus, as already described in the introductory chapter, my research project analyses whether the participatory structures implemented in the frame of these capacity building programmes influence the improvement of labour conditions. I decided to relate this question to the context of China for several reasons. First, China is the country with the largest export rate of clothes and is therefore an important production market for Western companies. Second, Chinese factories are known for their strong top-down and hierarchical organisation structures. Data on the use and impact of participatory structures in supplier factories is rare. In addition, access to the field was possible by the offer made by Tchibo and GIZ to attend the activities of the pilot project “Worldwide Enhancement of Social Quality” (WE Project) and to conduct research at production sites of Tchibo’s suppliers.

The following research questions have been developed in order to explore the influence of worker participation on the implementation of social standards in China:

1. What are political, economical, legal and cultural framework conditions for worker participation and the implementation of social standards in China?
2. How does participation influence the improvement of labour conditions in Chinese factories?
3. Which requirements at factory level support the influence of participative structures on the improvement of labour conditions?

Question one is partially answered in chapter 6 and empirical data is gathered to extend the findings from literature. Research question two is targeted from a theoretical perspective in chapters 5 and 7. Here, I provide an overview of the characteristics of worker participation and use three theoretical approaches to explain the mechanisms of how participation can have a positive influence on the improvement of labour conditions in Chinese factories. Several hypotheses are put forward based on theoretical research (section 7) to explore research question two. Using the foundation of motivational models,

I develop the hypotheses that a high degree of participation is positively related to work satisfaction (H1), which supports the improvement of labour conditions (H2). Based on cognitive models, I assume that workers and their representatives have relevant knowledge to enhance decision-making in the area of social standards (H3). Referring to aspects of power-sharing, I further claim that the degree of participation has a positive influence on developing win-win solutions that increase economic performance as well as improve labour conditions (H4), and that participation increases workers' knowledge about the implementation of social standards (H5) (figure C-1).

Motivational models

H1 A high participation degree is positively related to work satisfaction.

H2 Work satisfaction has a positive influence on the improvement of labour conditions.

Cognitive models

H3 Workers have relevant ideas and knowledge to enhance decision-making with regard to the implementation of social standards.

Power-sharing

H4 The degree of participation has positive influence on developing win-win solutions that increase economic performance and improve labour conditions.

H5 The degree of participation has a positive influence on workers' knowledge about their labour rights.

Figure C-1 Hypotheses on the influence of participation

In a second step, the statistical analysis explores whether the influence mechanisms can be approved for the Chinese context. Research question three (requirements) is answered partially in chapters 5 and 7, and statistical data will provide further answers.

Quantitative and qualitative field research for the study was conducted in Chinese supplier factories that took part in training activities of the WE Project. The public-private partnership project aimed at testing a training model that encompassed dialogue training in order to improve compliance with social standards. The project was implemented in Thailand, Bangladesh and China within a timeframe of three years (September 2007 – August 2010). In total, 40 suppliers producing a range of consumer goods (clothing, metal and kitchenware, furniture, ceramics, jewellery, leather goods, toys) for Tchibo participated in the project. In each of the four project regions (two regions in China, one in Bangladesh and one in Thailand), ten suppliers took part in workshops and factory visits. From March 2008 until October 2009, factories in China participated in seven cross-company workshops and in six on-site training sessions that covered technical topics such as child

labour, forced labour, discrimination, compensation and working hours, as well as tools for enhancing dialogue and workplace cooperation between workers and managers (see section 11). For purposes of comparing the change processes in factories, it is recommended to analyse factories of the same industry. The group of garment factories participating in the project was used as the sample group for my empirical research, since other industry sectors were represented by fewer suppliers. In the course of the project, one of the nine garment suppliers went bankrupt and one supplier chose not to take part in my survey. Therefore, the empirical analysis of the study covers seven factories. Obviously, the factories that are analysed in the empirical study did not implement participatory structures on their own but within the framework of the training programme initiated by the buyer of their products. The change processes in the factories and the impact of participation have to be analysed in the context of this intervention project.

I took part in all supplier workshops of supplier group 1[26] and in workshops 2,3,4,6 and 7 of the second supplier group[27] in China. The reason not all workshops of group 2 were visited was due to organisational issues. I attended each of the seven factories of my sample twice, and one factory three times. Factories 1, 3, 4, 5, 6, 7 belonged to factory group 1, whereas factory 2 belonged to factory group 2. During the workshops and visits, I introduced myself as an employee of one of the consultancies that was coaching the local trainers of the project. By doing so, I aimed to build up a trusting relationship with managers and workers of the factories without giving them the feeling of being “observed”. Moreover, my research stays in China gave me the opportunity to experience the behaviour of managers and workers in training activities, their lines of argumentation, and their interactions. By participating in factory visits, I got to know the environments in which suppliers operate. In addition, I gained insight into how training sessions were conducted and how participants responded to training activities.

After the last supplier workshop in October 2009, I visited the seven sample factories and conducted interviews with managers as well as a statistical survey of workers and worker representatives. Table C-1 gives an overview of factories I visited with regard to the factory visit rounds.

[26] Suppliers of this group were located in the provinces Fujian, Zhejiang, Shanghai and Hubei.

[27] Suppliers of the second group were located in the province Guangdong.

Table C-1 My visits of sample factories

	Factory Visit 1 March 2008	Factory Visit 3 Nov./Dec. 2008	Factory Visit 5 June/July 2009	Conducting of survey Oct./Nov. 2009
Factory 1		×	×	×
Factory 2		×	×	×
Factory 3		×	×	×
Factory 4	×	×	×	×
Factory 5		×	×	×
Factory 6	×		×	×
Factory 7	×		×	×

8 Mixed-method Research

For my empirical research, I applied a mixed-methods design which involved collecting and analysing quantitative and qualitative data (Flick 2009: 444; Creswell & Plano Clark 2007: 6). According to Creswell and Clark (2007: 5), mixed-method research "focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches, in combination, provides a better understanding of research problems than either approach alone". The analysis of quantitative data is based on testing hypotheses or the analysis of quantitative information contained in documents, checklists or other instruments (Creswell & Plano Clark 2007: 6). The quantitative information is closed-ended, which means that certain research attributes are defined and checked in the given context (Lamnek 2005: 257f). In contrast, qualitative data includes open-ended information that is obtained through open questions in interviews or through the analysis of documents or audiovisual material (Creswell & Plano Clark 2007: 6). The aim of a mixed method design is to overcome the deficiencies of each single method and to examine a research topic from different perspectives that allow a larger increase in knowledge (Flick 2004; Denzin 1970).

In this study, a quantitative survey with WE Project worker representatives[28] and workers of the seven textile factories was used to investigate which participatory structures had been set up, to test motivational and cognitive models as well as the degree of power-sharing in the factory, and to explore requirements for participation. Concurrent with this data collection, semi-structured interviews and the analysis of factory visit reports investigate the influence of participation on labour conditions, the requirements for participation, and the framework conditions in China (figure 8-1). Due to the fact that the implementation

[28] WE Project worker representatives were designated in the course of the project by workers or management to take part in decision-making processes with management.

and impact of participatory structures in China are not well documented, interviews offer the possibility of exploring the context in a flexible and open manner in order to contribute to theory construction (Lamnek 2005: 20ff). For the analysis, I merge my two datasets by comparing, complementing, validating and contrasting findings (Creswell & Plano Clark 2007: 63; Kelle & Erzberger 2003, Kelle & Erzberger 2000). This offers the opportunity to combine the different advantages and non-overlapping weaknesses of quantitative data (large sample size, trends, generalisation) with the ones of qualitative data (small numbers, detailed and open) (Patton 1990). I analysed the two datasets in the same timeframe and with equal weighting.

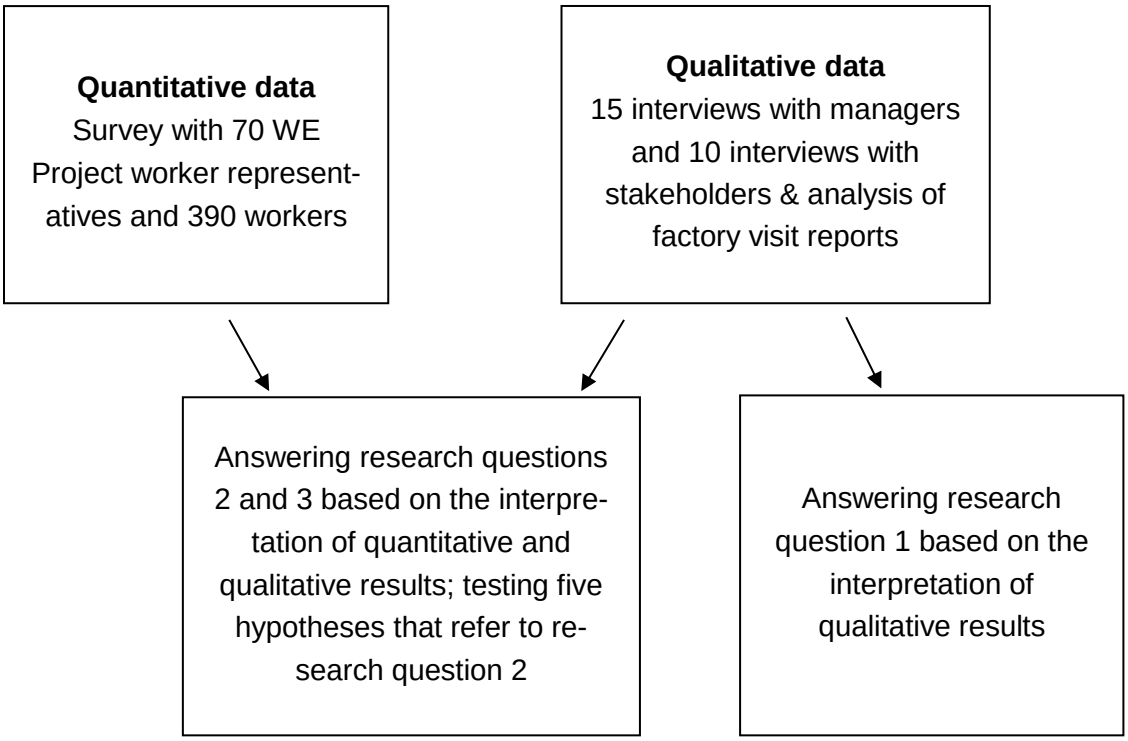


Figure 8-1 The mixed-method design

My empirical work does not include any baseline assessment which is normally needed to measure change processes. This has the following two reasons: first, the WE Project implementation started only a few months after I had begun my research work. Therefore, it was not possible to develop the necessary tools for conducting a baseline assessment in a timely manner. Second, it is known from the discussion about the credibility of audit reports that often information gathered through this kind of monitoring does not reflect the true labour conditions in a factory (CCC 2005). Thus, it would have been also difficult for me to access valid data from management about participation structures and the implementation of social standards at a time when I was unknown to the suppliers.

Research on labour conditions and compliance with social standards is sensitive and usually scientists do not gain access to supplier factories easily. Both focal companies and their suppliers might suspect that research results could have a negative impact on their business relationship or bring up overly sensitive topics which could contribute to negative public relations. With regard to my survey, Tchibo was interested in learning about the influence of participation and regarded the research as a complementary source of information about the usefulness of such dialogue projects. After one and a half years, suppliers knew me from various activities and mutual trust was built over the time. It was expected that this would positively influence their willingness to participate in the survey. As an incentive, I agreed to provide each factory with an overview of research findings upon conclusion of the study.

The decision to conduct a quantitative survey with workers and worker representatives was taken after discussion with experts in the field on their experience of empirical research. Several experts advised against face-to-face interviews with workers and their representatives due to the fact that workers most probably would feel under pressure and would be reminded of an auditing situation when talking to a Western person. Being afraid of negative consequences, workers would try to give only socially accepted answers without stating any critical opinion. In contrast, filling in a questionnaire anonymously together with at least 40 other workers put less pressure on the individual. The main barrier for this approach was identified in the low education level of workers, which might cause limitations regarding the understanding of written questions. However, one expert from a multi-stakeholder initiative reported good results from worker surveys, which convinced me to apply this method to workers and WE Project worker representatives. Aware of the likeliness of biased responses, I decided to complement the quantitative data with findings from interviews with two to three managers of each factory and with stakeholders (WE Project team members, ILO China). It was expected that contrary or one-sided findings would then indicate this kind of socially accepted answers. I also searched for literature on recommendations for conducting field research in Chinese factories; however, no particular study could be found. Usually, investigations about working conditions are conducted off-site away from the factories by interviewing workers anonymously. Making use of a mixed-method research inside factories is therefore a new methodological approach for research in the field of social compliance of factories.

9 Qualitative Analysis

Part of the qualitative research was an analysis of the six factory visit reports which I examined with respect to participatory structures and their impact on the improvements of labour conditions. The factory visit reports were written for each factory by the local trainers and contained an overview of training activities. In each of the seven supplier workshops, managers and workers developed an action plan in which measures and activities for reaching a defined goal were set up. In the factory visit reports, the imple-

mentation status of the action plans was reviewed, which provided me with valuable insight in improvement measures taken.

In addition, I conducted semi-structured interviews with managers in the seven garment factories following the last supplier workshop of the WE Project in October/November 2009. Two interpreters were involved in translating my questions and the answers of the interview partners during the interviews. One interpreter took part in one factory visit and the other one accompanied me during the remaining six factory visits. Both of them were from one training organisation and one of them was a trainer for the WE Project. One might doubt the independence of these interpreters since they were closely involved in WE Project activities. Nevertheless, I chose to work with them since they were familiar with the subject of worker participation and the activities of the WE Project. It was expected that managers would provide deeper insight into their factory's change processes to a person they trust. Due to the fact that the interpreters had been informed about the development of factories since the start of the project, it seemed unlikely that managers would try to gloss over their improvement processes or their assessment of participatory structures.

9.1 Execution of Interviews

In the factories, two to three interviews were held with top management members and/or with managers that participated in many project activities. It was expected that the most valuable data would be gained from participants that had high decision-making powers and were closely involved in participatory decision-making processes. In an email to the project managers in September 2009, I introduced my research project and inquired after their commitment to the survey and the interviews. A commendatory letter by Tchibo was enclosed. Both covering letters were translated into Chinese.

The interviews with project team members and the ILO were implemented from September 2008 until January 2010. WE Project team members (local trainers, consultants of the project, project managers) were chosen for the interviews, since they had gained in-depth experience of the effect of participatory structures. Only those project team members with sufficient English skills were selected for the interviews. The representative from the ILO office in China was interviewed for the particular purpose of gaining specific insight into framework conditions in China. I approached the project team members directly during my visits to China and asked them about their willingness to be interviewed. The ILO representative was approached in an email in which I outlined my research project and asked formally for an interview. I conducted a telephone interview with the ILO representative, while the other interviews were face-to-face.

One pre-test interview with one NGO activist was conducted in September 2008. This interview focused mainly on the framework conditions in China for the implementation of social standards and participation structures. It was recognised that a distinction between direct and indirect participation is needed and the guideline was changed accordingly. The

interview guideline for the managers was discussed with my supervisors and my translators. The codes for interview partners per factory and for the stakeholders that will be used for the analysis are provided in table 9-1.

Table 9-1 Codes for interview partners

	Code interview partner
Factory 1	A1, B1
Factory 2	C2, D2
Factory 3	E3, F3, G3
Factory 4	H4, I4
Factory 5	J5, K5
Factory 6	L6, M6
Factory 7	N7, O7
WE Project team member	P, Q, R, S, T, U, V, W, X
Employee ILO (Office China)	Z

The interviews lasted between 30 and 90 minutes. All interviews were recorded except for one in which the interview partner asked me to switch off the recorder. The recorded interviews were transcribed.[29]

Anonymity was guaranteed to the interview partners, which was of special importance since the research was undertaken in a sensitive setting. The use of the interview content within the frame of this study was explicitly approved by all interview partners.

9.2 The Interview Guideline

Two semi-structured guidelines were developed for the interviews based on the theoretical findings of chapters 4 to 7 and the research questions of the study.

The interviews with managers concentrated on four thematic blocks: after a few ice-breaking questions about the personal background of the interview partner and the WE Project, interview partners were asked about the use of participatory structures in the factories. A question about the motivation of management to introduce participatory structures was asked to understand why the structures described had been set up. A next thematic block covered questions about change processes in the areas of labour conditions, working climate and production as well as managers' perception of how workers

[29] The interview transcripts, the MAX QDA documents, and the SPSS files with raw data of the survey are saved on the CD attached to the study.

and their representatives are able to influence those improvement processes. The last questions referred to requirements for participation. The interview guideline for the stakeholder interviews also covered four thematic blocks. In contrast to the interviews with managers, interview partners were also asked about framework conditions in China for the implementation of social standards and possible facilitators of worker participation. To analyse influence mechanisms of participation, several questions covered the opportunities and challenges of direct and indirect participation. The questions were not always asked according to the presented order in table 9-2 and 9-3 in order to follow a certain flow of discussion during the interviews.

Table 9-2 Interview questions - Management

Target group	Central interview questions	Thematic block
Managers	1) Questions about the background of interview partners (position, years working for factory, attended WS/FV) and factory (owner, founding year, working time with Tchibo, female/male workers, number of workers) 2) What do you like most about the WE Project?	Ice-breaker questions
	3) Please describe how workers participate in your factory. 4) Please describe how WE Project worker representatives participate in your factory. 5) Please describe how a typical meeting between management and workers or WE Project worker representatives takes place. 6) Why has management decided to implement participative structures?	Description of participatory structures
	7) Which changes have you experienced in your factory since the WE Project started? 8) Which improvements have taken place in your factory in the course of the project? Please refer to a. Occupational Health and Safety b. Forced Labour c. Discrimination d. Wages e. Child Labour f. Working Time g. Productivity h. Quality of products 9) How has the working climate changed during the course of the WE Project? 10) How have workers and WE Project worker representatives influenced those improvements? 11) What are the advantages of worker participation? Please tell us your positive experiences with worker participation.	Influence of participation on labour conditions

	12) What are the disadvantages of worker participation? Please tell us your negative experiences with worker participation.	
	13) Which factors support worker participation? 14) What are barriers for worker participation?	Requirements for participation

Table 9-3 Interview questions – Project team members/ILO Representative

Target group	Central interview questions	Thematic block
Project team members, ILO representative	1) What are the biggest barriers regarding the implementation of social standards for suppliers in China?	Framework conditions
	2) Who should be a key player to facilitate worker participation at factory level to enhance compliance with social standards?	Facilitation of worker participation
	3) What are opportunities and challenges of direct participation (e.g. Quality Circles, worker surveys) regarding the implementation of social standards in China? 4) What are opportunities and challenges of representative (indirect) participation (e.g. Worker Representatives' Committees) regarding the implementation of social standards in China? 5) Please give examples for opportunities and challenges of worker participation from the factories in the WE Project. 6) To what extent can worker participation in China have an impact on social standards at factory level?	Influence of participation on labour conditions
	7) What are key factors of success for participative structures to have an influence on social standards in Chinese factories?	Requirements for participation

9.3 Qualitative Content Analysis

The interview statements were analysed with a qualitative content analysis (Mayring 2008). Mayring (2008: 58ff) differentiates between three main ways of data interpretation: summarisation ("Zusammenfassung"), explication and content structuring. For the analysis of my data I conducted a content structuring, which aims at filtering certain aspects from the material along deductively derived categories (Mayring 2008: 89). I followed the course of action according to Mayring's description (identification of analysis units (step 1), definition of categories (deducted from theory) (step 2-4), allocating text paragraphs to categories (step 5 and 6), review of material and categories (step 7), paraphrasing of extracted text passages (step 8) and summary (step 9 and 10) (Mayring 2008: 89).

Seven superordinate categories with various subcategories reflecting the theoretical findings and my research questions have been developed in step 2 of the content structuring:

1. Framework conditions in China for implementing social standards and worker participation
2. Facilitation of worker participation
3. Participatory structures in factories
4. Improved implementation of social standards through participation
5. Improvement of economic situation in factories
6. Influence mechanisms of participation
7. Requirements for participation

For each of these superordinate categories, various subcategories were set up. Category 1 comprises subcategories that contain information about barriers for implementing social standards at factory level, industrial relations in China, and economic, legal and political framework conditions in China.

Statements about the approach of the WE Project and the role of trade unions, government, brands, management and external trainers regarding the facilitation of worker participation are allocated to category 2.

Category 3 contains information about the degree, behaviour, basis and form of participation in the seven factories. Moreover, descriptions of participatory meetings are included as well as statements about how communication and participation structures changed throughout the project.

Information on improvement processes with regard to labour conditions is subsumed under category 4, as are statements about how participation of workers influences these improvements.

Category 5 contains all statements about the economic performance of factories and the influence participation has on change processes.

Category 6 focuses on the influence mechanisms of participation according to motivational and cognitive models and aspects of power-sharing.

In category 7, all information on the identified requirements in section 5.6 (motivation, participatory competence, training, time) is included. Success factors mentioned that were not deducted from theory are also allocated to this category.

The computer software MAX QDA was used for the analysis of the interviews along the described categories.

10 Quantitative Analysis

The quantitative survey of workers and WRs aims at exploring how participation influences the improvement of labour conditions and which participation structures were established and used during the project. Moreover, the quantitative data should provide insights into whether conditions at factory are supportive of participation or not. Here, data about the motivation of workers and WRs for participation, their competences, training of employees, and time resources will be gathered.

10.1 Execution of Quantitative Survey

As already described in the section on the qualitative interviews, a written request introducing my research was sent to the contact persons of eight factories in the project. These contact persons were asked whether I would be allowed to conduct a statistical survey of workers and WRs about their participation in decision-making processes about labour conditions. One of my interpreters contacted the managers to provide further explanation and to ask for their commitment. Afterwards, seven factories decided to support my research.

I suggested to the contact persons in the factories to involve between 40 and 100 workers and all WE Project WRs. A few days before I went to the factories, the contact persons sent me a list of all front-line employees. I randomly chose names according to the number of workers the factory decided to involve. In addition, ten back-up workers were selected, in case chosen employees were absent on the day of the survey. The number of workers and WRs that participated later in the survey can be seen in table 10-1.

Table 10-1 Number of respondents in survey

Factory	N workers	N worker representatives
1	50	6
2	50	10
3	101	17
4	40	6
5	40	20
6	49	7
7	60	4
Total	**390**	**70**

So as to make it possible to handle questions of participants during the survey, workers were divided into groups of 20-30 persons and filled in the questionnaire in a separate room away from the workshop floor. In the beginning, the interpreter explained the purpose of the survey and stayed with the group in order to be able to respond to questions. On average, workers and WRs needed between 30 to 60 minutes to complete the questionnaire.

The questionnaire for workers consisted of 31 questions, and the one for the WRs had 35 questions, all of them standardised and closed.[30] The questionnaires were developed in English and afterwards final versions were translated into Chinese.

According to other researchers' and project team members' advice, I tried to avoid questions in the worker's survey that would have been too sensitive for them to answer (e.g. "How many workers are below 15 years old in your factory?"). In addition, it was suggested that I focus on the level of improvement, instead of asking whether conditions had got worse. I had to take into account the need to prevent any negative consequences for workers if management were displeased by critical responses. As already mentioned, the interviews with project team members and the ILO representatives served the aim of also touching on more sensitive issues with regard to processes at Chinese factories.

Both questionnaires were discussed with several experts and my supervisors. A problem identified referred to the implementation of a pre-test. The questionnaires were tailored to the factories participating in the WE Project. Therefore, a worker from a factory that had not taken part in the WE Project would not have understood all questions. I wanted to avoid presenting the questionnaire to the WE Project factories before my survey so as to reduce the risk of any form of preparation of workers as is known from auditing in some cases. Therefore, I sent the questionnaire only to the WE Project trainers and asked them for feedback. One trainer misunderstood this request and thought that trainers were supposed to ask a few workers in the next factory visit round to fill in the questionnaire. Four workers in two factories were asked by this trainer to fill in the questionnaire without knowing its real purpose. Management was told that the questionnaire would be a preparation for the seventh WE Project supplier workshop. However, when we visited the factories my interpreter and I did not have the impression that any worker or WR was trained on how to respond to the questions. According to the feedback of the four workers, the trainer advised me to change certain wordings and to reduce the number of questions.

Since I could not conduct a real pre-test, I realised after distributing the questionnaire in the first factory that the questionnaire was still too long for the workers and that I needed to shorten it. Therefore I took out one question battery regarding the wish for a certain participation degree ("How would you like to be involved in the improvement/decision-making process?"). Workers at factory 1 had problems in answering this question in a timely manner, and up to 58 per cent of workers did not provide rankings for some items

[30] Only one question about the time the respondent acted as a worker representative was not standardised.

of this question battery. Maybe the question was too sensitive for workers and made them feel uncomfortable as they were asked to express their expected participation degree. This question was therefore changed to the single question “Do you wish to give management more suggestions for improvement in the future?”. Moreover, the question about workers’ participation in the six-step solution finding process and a question about pseudo-participation were deleted, as these questions were already covered in the WRs’ questionnaire. In addition, slight changes were made regarding some Chinese wordings to make the questions easier to understand without changing the actual meaning. The questionnaire for WRs needed no corrections. For my empirical analysis (chapter D), questionnaires from all seven factories will be included.

10.2 Instrumentation: Variables and Items

In the following, an overview of the development of necessary variables and items for testing the hypotheses related to influence mechanisms (figure C-1) is given. The variables are grouped into six main theoretical blocks: participation structures, labour conditions, motivational aspects of participation, cognitive aspects of participation, power-sharing and requirements for participation.[31]

Variables and Items Referring to Participation Structures

In order to analyse the influence of participation which is the core aim of this research, it is important to use variables that characterise participatory structures in the factories. Only if one knows which structures have been set up is it possible to examine their impact. As introduced in chapter 5, participation structures can be characterised according to the subject participating, the participation object, behaviour, the degree of participation, the form of participation (indirect or direct), and the formalisation of participation (formal/informal). These elements are used as variables in the survey and have been translated into various items (see table 10-2).

- To learn about the background of the participation subjects, workers and WRs were asked about their gender, their age, their education background, the time they had been an employee in the factory, their origin, their position, the time they had been a WR and whether they were trade union members.
- The question about the topics of discussions was chosen to indicate the object of participation.

[31] In the following, questions that have been asked only in the questionnaire for factory 2 are not listed (How would you like to be integrated in decision-making processes?; In which stages of the solution-finding process do you take part?; Do workers just seem to have a say in something but actually they don’t?; see appendix of this study).

- The participation behaviour of respondents was indicated by the frequency of talks between workers, WRs and management. It was expected that the more active participants are, the more discussions and meetings will take place.
- The participation degree of workers and WRs was measured by applying a scale modelled after the IPC (see chapter section 5.1). However, in the scale used for the questionnaire, the wording for stage 4 “My opinion is taken into account” was changed into “I discuss with management, but they decide” to make the distinction between stage 3 and 4 easier for respondents. While stage 3 of the IPC (“I can give my opinion”) implies mainly one-way communication and less interaction with management, stage 4 explicitly covers two-way communication (discussions with management). However, in both stages, management decides on the outcome of discussions. Also for the fifth stage (“I take part with equal weight”) another expression was used (“Management and I make joint decisions”) to make the category easier to understand. The last stage (“I decide on my own”) was not included since it did not apply to the given context.
  In addition, WRs were asked about their participation in the six-step solution finding method[32], since the six steps indicate whether WRs tend to be consulted (typical answers would be taking part in problem identification, cause analysis, finding solutions) or are involved in further decision-making (goal analysis, agreeing on solutions, action planning). Workers and WRs were also requested to assess their general influence level on change processes.
- Direct and indirect participation structures were explored by asking about communication channels used by workers, the selection process of WRs, participatory bodies used by WRs, and the occurrence of pseudo-participation structures.
- Questions about the existence of a written policy on worker participation and the compensation of WRs were asked to explore the formalisation of structures.

Table 10-2 provides an overview of the described variables and items.

[32] A description of the methodological approach of the WE Project as well as information about training tools will be given in chapter 11.

Table 10-2 Participation structures – variables and items

Variables	Items
Subject	W25/WR28[33]) Gender Male Female
	W26/WR29) Age
	W28/WR31) Education Primary School Middle School High School Vocational School University
	W27/WR30) Working years in the factory Less than 6 months 6-12 months 1-2 years 3-5 years More than 5 years
	W29/WR32) Origin Local Migrant
	W30/WR33) Trade union member Yes/No
	WR34) Time being a WR 0-6 months 7-12 months 13-18 months More than 18 months
	W31/WR35) Position Supervisor Worker
Object	W3/WR3) Topics that are discussed between workers and WRs W10/WR17) Topics that are discussed between worker/WRs and management
Form	Direct participation: W1) Communication channels used by workers W2/WR2) Frequency of talks with WRs/workers about problems
	Indirect participation: WR1) Selection process of WRs

[33] W indicates that this question was asked in the workers' survey, WRs indicates a question asked in the WRs' survey.

	Nomination and election by workers Nomination by management, elected by workers Nominated by workers, elected by management Designated by management I don't know WR4) Frequency of meetings with other WE Project WRs WR6) Frequency of meetings with management WR9) Existing participatory bodies in factory WR10) Number of committees in which WRs participate WR16) WRs' execution of their tasks
Degree	W12/ WR12 How much influence do you have upon change processes? WR14) Participation in stages of solution-finding processes W6/WR11) Degree of participation in the improvement/decision-making process in the factory regarding Wages Training of workers Handling grievances Discrimination OHS FL CL Overtime Production Quality Welfare
Behaviour	No question, information gathered in interviews
Basis	W8/WR8) Existence of a written policy on worker participation WR15) Compensation of time afforded for representative activities W21/WR20) Assessment of opportunity to participate in decision-making processes after the WE Project is over

Variables and Items Referring to Improvement of Labour Conditions

To measure the influence participation has on the improved implementation of social standards, it is important not only to analyse participation structures, but also to measure improvement processes related to labour conditions. Social standards refer to a broad range of topics and encompass all agreements that aim at improving the labour conditions of employees (Reichert 2002: 3). To structure the field, in chapter 4 social standards were introduced alongside the ILO core labour standards (freedom of association (FoA) and

collective bargaining (CB), forced labour, child labour, discrimination). Moreover, compensation, working time, and OHS have been identified as additional important topics which are also covered by Tchibo's code of conduct besides the ILO core labour standards (Tchibo GmbH 2006). However, an objective assessment of the implementation status of social standards in the factories was not possible in the frame of this study, considering that I was unable to conduct a social audit and that several challenges are connected to the assessment of compliance with social standards as described in section 4.5.2 on social auditing. Thus, the aim of this study is not to demonstrate whether full compliance with social standards described by the ILO Conventions or a brand's code of conduct can be achieved through participation. Instead, the emphasis of the analysis is put on change processes in the areas of social standards that are influenced by workers' participation. Within the framework of my quantitative survey, the perceptions of workers and managers on improvement processes at factories are used as an indicator for assessing the influence of participation on labour conditions.

The variable "satisfaction with discussion results" is used to indicate whether workers and WRs recognise an impact of their participation on improvement processes in the areas of worker participation, forced labour, child labour, discrimination, compensation, OHS, working time, quality, production, and welfare. I did not include any items regarding FoA or CB in the survey, since in China independent trade unions are not allowed. Moreover, the influence of trade unions on labour conditions is not the focus of this study. The question battery about change processes specifies possible improvements in the areas of compensation, overtime, OHS, and forced labour, and requires respondents to rank improvements in a four point Likert scale (see table 10-3). These items are used for testing hypotheses related to motivational and cognitive models and power-sharing (see next paragraphs).

Table 10-3 Labour conditions – variables and items

Variables	Items
Satisfaction with discussion results	W10/WR17) Satisfaction with discussion results with management regarding OHS Wages Discrimination Overtime CL FL Production Quality Welfare Worker participation
Change processes in factory	W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? "Wages have increased" "Overtime has been reduced" "Health and Safety conditions have been enhanced" "Accident rate has been reduced" "Wages are paid on time"

Variables and Items referring to Influence Mechanisms – Motivational Aspects

Two hypotheses were developed in chapter 7.1 that are related to motivational influence mechanisms of participation.

H1 A high participation degree is positively related to work satisfaction.

H2 Work satisfaction has a positive influence on the improvement of labour conditions.

The variable "trusting relationship" is measured through three items which were accompanied by a four point scale in a Likert format (1 – definitely agree; 4 – do not agree). Participation is expected to satisfy intrinsic needs, such as the feeling of being respected. One item in the workers' and WRs' questionnaire is therefore related to the recognition of workers' contributions. As already described, the degree of participation is measured alongside the Influence Power Continuum (questions W6/WR11). Respondents' work satisfaction is measured by a scale taken from Pekruhl (2001: 145), who in turn modified a scale from Fischer and Lück (1972). To adopt the scale to the Chinese context, I changed the last item ("If you could decide again, would you chose the same profession?" into "Are you satisfied with working conditions?". Motivational models predict that work satisfaction is positively influenced by participation because it increases trust between workers and managers. As a result of increased work satisfaction, motivational models expect that commitment increases and fluctuation decreases. The level of commitment and the decrease of fluctuation are measured by two items (see table 10-4).

Table 10-4 Motivational aspects – variables and items

Variables	Items
Trusting relationship	W13/WR21) "I have greater trust in management"
	W22/WR25) "I like to talk to management."
	W13/WR21) "The relationship between managers and workers has been enhanced."
Recognition of workers' contributions	W22/WR25) "I have the feeling that my opinion is acknowledged by management"
Work satisfaction	W24/WR27) "I don't like my job but I should not expect too much." "I really enjoy my work." "My work in quite monotonous; there is nothing I can do about it." "My work is really interesting and satisfactory." "There are enough opportunities during my work to make use of all my abilities." "I'm satisfied with promotion opportunities." "I'm satisfied with working intensity." "I'm satisfied with labour conditions."
Commitment	W13/WR21) "I am more committed to my job"
Fluctuation	W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? "Workers quit their jobs less often"

Variables and Items Referring to Influence Mechanisms – Cognitive Aspects

For cognitive influence mechanisms, one hypothesis was developed:

H3 Workers have relevant ideas and knowledge to enhance decision-making with regard to the implementation of social standards.

Cognitive models expect workers' knowledge and creativity to be an important source for enhancing decision-making with regard to workplace-related issues and productivity. In two questions, workers and WRs were asked about how their knowledge could improve labour conditions. Only if necessary background information is provided can WRs contribute to decision-making successfully. The provision of such information was asked about in question WR7. It is expected that feedback on outcomes of discussions increases the motivation for further participation: two items of the workers' survey and one item of the WRs' questionnaire explore to what extent feedback is provided regarding decisions taken by management, results of meetings, etc. WRs were asked in the questionnaire whether they liked to represent the interests of workers. Due to the exchange of different perspectives and opinions, it was argued that the awareness level of labour issues rises as well.

Therefore, workers and their representatives were asked to assess an increase in awareness towards the topics of child labour, forced labour and discrimination.

Table 10-5 Cognitive aspects – variables and items

Variables	Items
Knowledge for improving labour conditions	W14/WR18) "Workers/WRs have the knowledge to solve relevant problems so that the factory's labour conditions can be improved."
	W14/WR18) "I have many ideas how to improve labour conditions."
Information sharing	WR7) Provision of information needed for participation
	W4) Feedback on workers' opinions and contributions W5) Feedback on decisions made by WE Project WRs and management WR5) Feedback on results of WE Project WRs meetings to workers
Awareness raising	W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? "My awareness of FL has increased" "My awareness of discriminatory practice has increased" "My awareness of CL has increased"

Variables and Items Referring to Power-Sharing

Another two hypotheses were developed to investigate aspects of power-sharing.

H4 The participation degree has positive influence on developing win-win solutions that increase economic performance and improve labour conditions.

As already described, the degree of participation is measured on the basis of the Influence Power Continuum and two more items (table 10-6).

Moreover, I argued that in participatory decision-making, win-win solutions can be developed through consensus-finding that both enhance economic performance as well as improve labour conditions. Economic benefits resulting from increased productivity and better quality of products have to be invested into the improvement of labour conditions. In the questionnaire, workers and WRs were asked to assess the economic situation in the factory and the scope for investment in better labour conditions (W9/WR13). Questions on the improved production performance with regard to quality and productivity indicate

whether the economic situation has been improved (table 10-6). For measuring the improvements of labour conditions, see variables and items in table 10-3.

H5 The participation degree has a positive influence on workers' knowledge about their labour rights.

According to democratic theory, participation has educational effects. Therefore, I argued that workers and WRs increase their knowledge about their labour rights by participating in decision-making processes. One item measures the increase of knowledge on labour rights, and one item enquires about the competence of WRs to represent workers (table 10-6).

Table 10-6 Power-sharing – variables and items

Variables	Items
Degree of participation	W12/ WR12 How much influence do you have upon change processes? WR14) Participation in stages of solution-finding process W6/WR11) Degree of participation in the improvement/decision-making process in the factory regarding Wages Training of workers Handling grievances Discrimination OHS FL CL Overtime Production Quality Welfare
Economic situation	W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? "Productivity has increased." "Quality of products has been improved"
	W9/WR13) Assessment whether factory is able to spend more money to improve labour conditions

Increase of knowledge	W13/WR21) “I know more about my labour rights.”
Satisfaction with worker representatives	W15) Satisfaction with work of WE Project WRs
	W16) Representation of workers’ interests by WRs WRs are representing workers’ interests WRs are representing workers’ interests and their own interests WRs are only representing their interests I don’t know
Belief that worker participation improves social standards	W22/WR25) “Through worker participation labour conditions can be improved.”

Variables and Items Referring to Requirements for Participation

In section 5.6, several requirements for successful participation were deduced from theory: the motivation of participants, their competences for participation, investments in training offerings and time for participating in decision-making processes.

The motivation degree for participation is measured by asking workers whether they wish to provide more suggestions to management, whether they like to talk to management and would like to become a WR. In addition, WRs were asked whether they like to represent workers’ interests. One item refers to the satisfaction of workers with worker representatives. It was argued in chapters 5 and 7 that a fear of negative consequences decreases the motivation for participation. One item in the workers’ questionnaire and two items in the WRs questionnaire refer to this variable. The attitude towards participation as another factor that influences the motivation is measured by two items in both questionnaires (table 10-7).

Table 10-7 Motivation – variables and items

Variables	Items
Motivation for participation	W7) Wish to give management more suggestions for improvement in the future
	W22/WR25) “I like to talk to management.”
	W17) Wish to be a worker representative
	WR25) “I like to represent the interests of workers”
Satisfaction with worker representatives	W15) Satisfaction with work of WE Project WRs
Fear of negative consequences	W22) “I fear negative consequences if I talk about sensitive issues with management.”
	WR25) “I fear negative consequences because I am a worker representative”
	WR24) Talk with management about sensitive issues
Attitude towards participation	W22/WR25) “It is good that workers influence decision-making” “Through worker participation labour conditions can be improved.”

Participation requires certain competences from participants to make it effective, as described in section 5.6.2. The variables under the section “Influence mechanisms - cognitive aspects” already provide insights into the question of whether workers/WRs feel competent to participate (table 10-5). Moreover, workers were requested to assess whether WRs are able to represent their interests (table 10-6). In addition, workers and WRs are asked to indicate their education degree in the questionnaires (10-8).

Table 10-8 Competences – variables and items

Variables	Items
Ability to represent workers' interests	W16) Representation of workers' interests by WRs WRs are representing workers' interests WRs are representing workers' interests and their own interests WRs are only representing their interests I don't know
Education degree	Education (W/WRs) Primary School Middle School High School Vocational School University

Training has been identified as an important tool for increasing workers' and WRs' skills, providing background information and increasing their awareness. To analyse the situation in the factories, workers and WRs are asked about training topics, the frequency of trainings and their wish for more training (table 10-9).

Table 10-9 Training – variables and items

Variables	Items
Training topic	W18/WR22) Training offering for OHS Wages Discrimination FL Overtime Worker Participation Production CL
Frequency of training	W19) Frequency of training
Training requirement	W20/WR23) Wish for more training sessions

One question is included in the questionnaire to learn about which support WRs need for their work. The answer possibilities refer not only to the commitment of management and their participation degree, but also to the time and equipment they need for their work (table 10-10).

Table 10-10 Further support – variables and items

Variables	Items
Support of work of WRs	W23/WR26) Which support do you think WE Project WRs currently need for their work? More commitment by top management More time to consult workers More time to meet other WRs More integration into committees Better equipment More influence in decision-making They don't need any additional support I don't know

D Analysis of the Influence of Participatory Structures on Labour Conditions

In the following chapter, theoretical assumptions and hypotheses developed in the previous chapters will be analysed in a case study of seven textile factories which took part in the project “Worldwide Enhancement of Social Quality” (WE Project). First, I will provide an overview of the project structure, its goals and methodology (section 11). The empirical analysis will start with a summary of the interview statements about the political, economical, legal and cultural framework conditions in China regarding the implementation of social standards and the influence of participation (section 12). Since the introduction of workplace cooperation in the seven factories of this case study was facilitated by external stakeholders, section 13 will further explore their role by analysing the interview statements of project team members and the ILO representative. In order to discuss the question of how the implementation of social standards is influenced by participation, first participation structures set up in the factories will be analysed based on interview statements and quantitative results of the worker survey (section 14.1). In a second step, quantitative and qualitative data on improvements processes and influence mechanisms of participation will be presented (section 14.2 – 14.5). The extent to which the proposed requirements for participation are implemented in the factories and their actual influence on the effectiveness of participation will be covered in section 15.

11 Worldwide Enhancement of Social Quality (WE Project)

The pilot project “Worldwide Enhancement of Social Quality” (WE Project) was launched in September 2007 by the German retailer Tchibo GmbH and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), a federally owned organisation working in the field of international cooperation for sustainable development, in the framework of a public private partnership. The project was completed in August 2010. Ten suppliers producing textiles, jewellery, furniture, kitchenware or metal and leather goods for Tchibo had been selected in four project regions (two regions in China, one in Bangladesh and one in Thailand). These 40 suppliers took part in training activities which emphasised in-house dialogue and the introduction of participative structures to overcome internal barriers at factory level regarding the implementation of social standards. The total budget amounted to 2.6 million Euros and was shared between Tchibo (55%) and GIZ (45%) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The money was invested in the development of training tools, capacity building of trainers, training of suppliers, establishment of a web platform, conducting stakeholder conferences

in China, Bangladesh, Thailand and Germany, project management staff and an external impact assessment (Tchibo GmbH et al. 2010).

In each of the four project regions, seven workshops (WS) and six factory visit (FV) trainings took place at each production site. The last training activity in China was conducted in October 2009. Training activities covered technical topics such as child labour, forced labour, discrimination, compensation, and working time as well as tools for enhancing dialogue between workers and managers. For an overview on training activities, see figure 11-1.

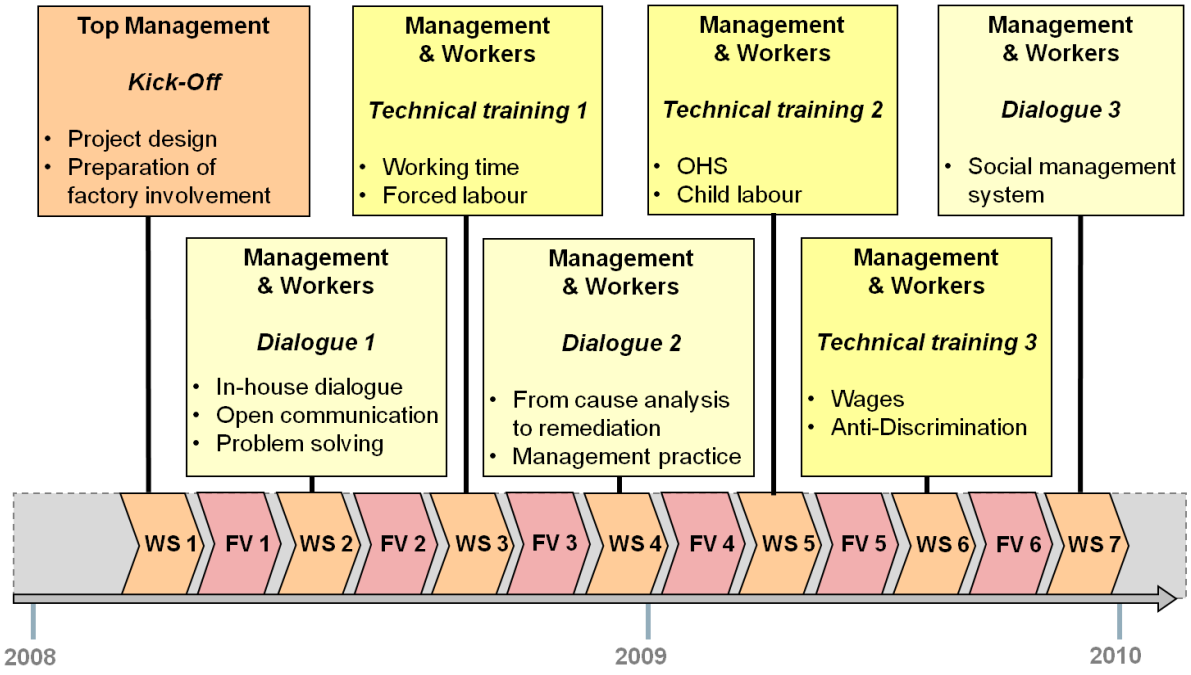


Figure 11-1 Timeframe and sequence of project activities in China (Source: WE Project)

The training was delivered by 18 local trainers accompanied and trained by international coaches for the whole course of the project. One five-day training-of-trainer workshop was conducted prior to the beginning of the project, and three two-day training-of-trainer workshops were held in between project activities.

11.1 Goals of the Project

The WE Project was designed as a pilot to learn about how dialogue and workplace cooperation contribute to the improvement of working conditions. It aimed at enhancing working conditions by establishing a platform for workers in the factories to contribute to change and improvement processes. One core objective of the WE Project was to support factories in Asia to comply with social standards in the areas of working hours, compensation, worker participation, child labour, forced labour, occupational health and safety and non-discrimination. The project also promoted the achievement of competitive advantages

of production sites through realising humane living and working conditions, which is one of the key goals of German development cooperation. Moreover, GIZ and Tchibo targeted at upscaling the WE approach by providing access to qualified local trainers and developed training materials (Tchibo GmbH et al. not dated).

11.2 Methodology of the Project

A key feature of the WE methodology is the emphasis on dialogue between all involved parties – managers, workers, buyers and external stakeholders. The dialogue approach is based on methods of problem-solving and conflict mediation. In workshops and factory visit activities, managers and workers learn to solve workplace-related issues through the application of the six-step solution finding process in which they first identify problems (step 1) and analyse causes (step 2). In step 3, the parties define their goals and negotiate a common goal in order to develop and agree on solutions (step 4 and 5). By developing an action plan (step 6), concrete responsibilities and deadlines for implementing the solutions are fixed (figure 11-2).

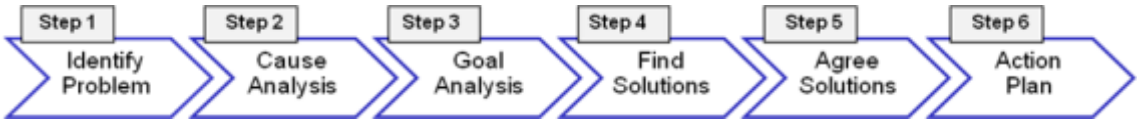


Figure 11-2 Six steps of the solution-finding process (Source: WE Project)

For each step, training in certain methods (such as meta plan method, statement rounds, value-benefit analysis) took place so as to effectively accomplish the steps. Workplace cooperation structures and open communication channels need to be established in the factories, so that management is able to apply these six steps jointly with workers. The development of these kinds of structures and their requirements were covered in the first and second dialogue workshop, while the third dialogue workshop focused on setting up social management structures to achieve long-term effects.

A group of ten suppliers continuously met at the workshops and shared their best practice, which was expected to stimulate peer learning and positive competition within the group. In all training activities for suppliers, managers and workers were put in the centre of attention and were enabled to take ownership of their performance and improvement process. Therefore, trainers stimulated solution-finding processes but did not interfere in decision-making. For example, in the kick-off workshop, the concept of worker participation was introduced to top management, but it was left up to the management whether or not to involve workers and how to organise the selection process of Project WRs (either designated by management or elected by workers). From the second workshop onwards and in all factory visits, workers were invited to activities so they could play a crucial role in the enhancement process.

The training approach follows the principle of action learning: participants work on concrete issues at their workplaces and reflect on their learning process. The review of their own and the factory performance guides future action and is expected to lead to an effective change process.

In the belief that labour conditions can only be improved if managers do not try to hide compliance issues, it was decided to abandon auditing for the time of the project.

Besides improving dialogue at workplace level, focus was also put on buyer-supplier relations in order to build up a trusting relationship with factories in order to achieve an open exchange on challenges which factories experience regarding compliance with social standards. The dialogue with external stakeholders was facilitated by holding four stakeholder conferences in China, Thailand, Bangladesh and Germany.

11.3 Comments of Project Team Members on the Training Approach of the WE Project

In the following, statements of project team members are summarised with regard to the training approach of the WE Project in order to illustrate the project's methodology from their point of view.

In the interviews, project team members highlighted several aspects of the WE Project methodology which were important for them regarding the impact of the project. For project team member R, one essential feature of the WE Project was its focus on the process and its outcomes and only to a lesser extent on the establishment of structures (R-52[34]). Relating this approach to the way how worker participation in the WE project was introduced, priority in the first instance was given less to building up representative structures completely in line with ILO regulations than to making workers and managers understand how participation contributes to the sound development of the factory. In the long term, this pragmatic approach was expected to develop mature structures of worker participation (R-52). The training approach of the WE Project did not aim at controlling the factories' improvement process by setting specific targets. Instead, workers and managers were required to take ownership to develop solutions that fit their factory according to their priorities (S-76; X-43). Dialogue about problems in the factory was considered a very new way of achieving improvements in Chinese factories according to X (X-43). The belief that managers and workers need to develop a sense of responsibility for the change process was clearly expressed by U:

[34] The number behind the code of each interview partner refers to the numbering of lines in the MAX QDA file where all interview transcripts are uploaded.

> "Cause the first shocking thing that I learned from our coach through this project. At the very beginning, I heard him saying, 'you think you can help them? No way. You know, you cannot change their situation. The overtime, you try to remediate that? In six months? Don't be so unrealistic! So, and second thing is, do you think you know the answers? No! You don't know!' And I think this is really a wrong direction that we were heading, we thought we knew the answers. And we try to present the ideal case, the best practice and then we try to adapt this to their situation and we present, we try to develop a package, a solution package and then go ahead for it. And then we get so frustrated because they are not doing it or they are doing it in a wrong way." (U-43)

Another stressed success factor of the project was related to the involvement of buyers in project activities and their increasing awareness of the situation of the factories:

> "the participation of workers has allowed us as brands and specifically of course our buyers who have a completely economic outlook to also look at these factories differently. […] it has changed our buying department." (P-40)

For P, another opportunity of the WE Project was to change the discourse of how to implement social standards and to move away from the standards and auditing-oriented approach which caused a lot of frustration (P-30; P-40).

12 Interview Statements with regard to Framework Conditions in China for the Implementation of Social Standards and the Introduction of Worker Participation

In the following section, statements of the interviewed project team members, the representative from the ILO China, and the 15 factory members are summarised with regard to framework conditions in China and their influence on participation as well as on the implementation of social standards.

12.1 Emphasis on Economic Targets after the Opening of Markets

After opening the markets in 1978, the government prioritised economic development at social costs according to Z (Z-3). At that time, China's competitive advantage resulted from low labour costs and the exploitation of labour (R-81, Z-5, T-4). Although the labour law was amended in 1995, the enforcement of the law was ignored "for the sake of economic development and attracting investment" (Z-3). Corresponding with these statements, factory manager E3 pointed out that in the 1990s, the first target of the enterprise was to accumulate money. The factory did not pay social insurance or overtime wages, and social compliance was considered "a very remote goal" (E3-9). Another

reason attached to poor working conditions was related to the huge supply of labour, which far exceeded the demand in the factories. Therefore workers were

> "willing or even desperate to take jobs at any cost and any price at whatever working conditions. That created a huge imbalance in terms of power between workers and employers." (Z-3)

A labour shortage in the east coast regions in 2003 balanced the labour market to a certain degree (Z-3; R-3). However, this trend could not be stabilised, since during the economic crisis many factories closed and workers were laid off (Z-3; R-3). In line with these observations, manager N7 reflected on the fact that in the past workers were proud to be recruited to the factory (N7-52). Three to four years ago however, the supply of labour decreased due to improving work opportunities in the factory's locality. Management became aware that workers were less dependent on the factory and therefore less willing to accept supervisors' commands:

> "Workers are no more just receiving orders from their supervisors. Like whatever supervisor says, you have to obey. And if you do not obey and have any disagreement, then we can just as well fire you. Now, the situation has totally changed and we are under this pressure how we can tackle this challenge so that our company can have a healthy development." (N7-52)

12.2 Aiming at a "Harmonious Society"?

After Hu Jintao's proclamation of a "harmonious society", emphasising the need to integrate social and environmental benefits into economic targets, the government increasingly tried to balance economic goals and social objectives (Z-3). Three interview partners (Q, R, P) stressed the enhancement of legal framework conditions in China that supported worker participation and the implementation of social standards. Interview partner R referred to the amendments of the trade union law in 1992 and 2001 and the strengthening of participatory rights, such as the consultation of workers and worker representatives, by the Labour Contract Law in 2008 (R-7). P acknowledged the positive influence of the government on companies, encouraging them to comply with labour law as well:

> "one thing which we can see here in China is that through the way the Chinese government has been putting pressure on suppliers to implement social standards a lot more has been achieved compared to other Asian countries." (P-2)

According to Z, the labour law enforcement agencies have been increasingly empowered in recent years. However, the weak enforcement of the law still poses serious challenges to the improvement of labour conditions according to R, V, T, Q, X, and Z.

> "the remaining challenge is a broad scale enforcement of the labour law and the prevailing knowledge of the private sector firms that this process will still take time" (Q-4)

X was of the opinion that while one might be aware of a lack of enforcement, opposing the government in this regard would be impossible (X-15). Instead, X recommended cooperating with the government and demanding resources from labour bureaus such as labour law information or the execution of fire fighting training (X-15).

One interview partner referred to the non-existence of freedom of speech as a barrier for the weak implementation of social standards, due to the lack of media pressure on the government (V-14, V-61). In contrast, interview partner C2 stressed the rising power of the internet in documenting labour law violations (C2-9).

12.3 Factories' Response to CSR Activities of Brands

For T and C, the topic of CSR had emerged through the influence of Western brands that put pressure on the factories to comply with social standards by conducting audits (T-4; C2-9). A number of causes were mentioned for auditing's limited success with regard to the improvement of labour conditions. Several interview partners mentioned a general lack of awareness regarding the importance of implementing social standards. Moreover, managers had insufficient knowledge about laws, regulations, brands' requirements and how to implement them (X-5, R-3; U-10; S-3; S-7). Project team member U stressed that China lacks skilled CSR managers as well as training providers able to support factories in meeting social requirements (U-20). In addition, managers fear economic losses resulting from higher social compliance (S-5; P-2; Q-4).

> "For workers and managers it is theory to say, with better social performance you will make more profit, because this is not necessarily true. You really have to convince them and give them the proof that they will gain something. Economically and socially." (R-9)

Due to the competitive market and the lack of awareness and knowledge of how to integrate CSR without losing economic advantages, managers try to escape the pressure by cheating auditors (V-4, T-8, W-3):

> "Chinese manufacturers, they are […] in a stage of concentrating the capital. And suddenly there is a big pressure coming in to implement CSR, for them it is completely out of the blue. Before, even the labour law was not well enforced. […] They don't really understand what is the meaning of implementing social compliance, what it means to the development of their factory. Because many factories only try to get production orders, make profit and survive in the very competitive Chinese industrial market. So they find a short solution, double-booking, and that kind of thing. Just try to pass the audit. I think the awareness is the biggest barrier." (T-4)

Another way of undermining auditing is explained by Z, who stated that many factories have hidden production sites which are not known to brands or auditors. Instead, during audits only "prepared" production sites are shown that meet the requirements of the codes of conduct (Z-3). S mentioned another critical aspect related to audits: if insufficient

information about auditing procedures and requirements is passed on to the suppliers, this might cause general distrust and a rejection of cooperation with brands, which again increases the likelihood of cheating auditors (S-4).

The Western "standard-oriented approach", which mainly tries to introduce standards through auditing, according to R is "destructive" (R-81) due to the fact that instead of improving working conditions in factories, managers just fake audits in order to achieve a pragmatic "quick fix" to the problem. T was of the opinion that managers with traditional management styles need more time to understand the new requirements and to change their managerial approaches accordingly (T-6). T recognised that brands realise this dilemma and increasingly focus on training (T-6). In line with these observations, factory manager E3 reported that the management's commitment to CSR had increased after realising during training on SA8000 that step-by-step improvement is possible:

> "I realised that SA8000 is a humanised system. It is not like you are not fully in compliance and you are out. They really give you time to make improvements as long as you have a good plan in place, they still acknowledge your improvement." (E3-9)

12.4 Social Standards: A Competitive Disadvantage?

Several stakeholders and managers referred to the question of whether the implementation of social standards results in a competitive disadvantage. The statement of factory manager E3 expressed scepticism towards brands' CSR activities and the aforementioned belief that a sound social performance could not be combined with low product prices:

> "Because in the past I thought […] the brands are trying to make two requirements in the same time. First, they want that you have good conditions and secondly they reduce their prices every year. So this is impossible." (E3-9)

Project team member W was of the opinion that the financial situation of smaller factories is not stable enough to invest in the improvement of working conditions (W-6). In line with this argument, R, D and X stated that the biggest barrier to improving working conditions is related to price pressure in the market and factories' weak economic performance (R-66; X-3; D2-44).

T stated that many factories believe they could only make profit and offer competitive prices if employees work excessive overtime that is not paid according to legally mandated overtime rates (T-8; U-6). In addition, workers were often willing to work overtime to earn more money (W-3). Factories need more management knowledge of how to increase productivity and to establish management systems that ensure a continuous improvement of working conditions (U-10, W-3).

For R, the question arose of whether factories first need to increase their productivity in order to gain more profit, or whether buyers need to pay higher unit prices. A compromise would be to invest in training for factories in order to enable them to increase productivity.

However, factories still would be afraid that if an increase in productivity was achieved and disclosed to brands, prices would be reduced again in turn (R-68). Raising unit prices has implications for Western consumers, who are currently benefitting from low prices for goods. Therefore, R questioned whether consumers are really interested in increasing product prices:

> "We all know that China enables the Western world to compensate for the decrease of real income of lower wage population groups." (R-74)

R expected that in future, the demand for domestic goods in China would increase due to the growing middle class. In turn, dependence on Western markets would decrease and suppliers would be able to increase product prices (R-74).

Another topic linked to the implementation of social standards is related to the business relationship between brands and suppliers. Interview partner S claimed that the buying practice of brands is of high importance. Short delivery times as well as last-minute changes, for example of the product design, are likely to result in additional overtime (S-5). Therefore, a supplier will only be convinced to improve its own practice if the buyers also attach as much importance to social compliance as, for example, to quality (S-5) and are willing to pay higher prices (Z-3).

12.5 A Remaining Challenge: Representation of Workers through Trade Unions

The non-existence of independent trade unions in China and the interlocking of management and worker representatives were regarded as a severe hindrance for a representation of workers that could have real impact on labour conditions (R-46; R-18; T-64; T-70; S-20; Z-20: Z-22, Z-31, Z-35).

> "For instance, quite often the trade union chair man at the workplace is maybe the deputy general director. And then the unions in the state sectors are completely under control of the Party. […] in other countries the unions are almost independent from the management control and political control at the workplace. But in China the situation is different. There is no separation of labour and management and employees interest in the union structure. It creates a very important barrier for effective representation of workers." (Z-20)

T mentioned the traditional role trade unions had in the past and still execute today in China, namely to act as the facilitators for welfare benefits and entertainment programmes, such as organising picnics or worker clubs (T-64). The interview partner pointed out that only some factories do collective bargaining in the sense of a sound representation of workers. In most cases, workers would not know whether a trade union was present in the factory (T-64). T added that often when an effective trade union is working inside the factories, a brand is providing special training for them (T-76):

> "I know one factory from Adidas; they even hire the Hong Kong experts come to China every Saturday to provide training to the internal union. Of course that union will perform much better. But that is only valid for the big brands." (T-64)

For T, a positive point about the role of the Chinese trade union is their cooperation with management, which on the one hand can be criticised (T-70) but on the other hand does not increase conflicts either:

> "[O]ne good thing about Chinese union, they don't increase the conflicts between workers and management to cause strikes […], we need a stabilisation in our development stage. We don't want to have so many strikes and we don't want workers lose their jobs. We don't want to close factories down because the union is getting too strong." (T-70)

Regarding the question of whether informal representative structures built up for example in the WE Project come into conflict with traditional trade union structures, three interview persons were sure that at this stage there seemed to be no disagreement from the side of the trade union (S-19; R-46; Z-29).

> "The trade union is integrated in the WE Project, for example some trade union members are part of the WE Project team, and they are quite supportive about the participatory approach which I was not sure about in the beginning. They do not see worker representatives as a threat, but as something different from their own role. In China and Laos the governmental communist party trade union has accepted that elections of worker representatives take place in the factory we were supporting. So on the side of the trade union, there was also support, and it is good because they could also have seen workers' participation as a competition." (S-19)

Interview partner U pointed out that traditionally, Chinese workers have shown no strong motivation to build up a trade union movement, which U linked to government propaganda that economic improvement has to be prioritised in order to reduce poverty:

> "So I do think that most Chinese people are of the opinion that as long as they have a way to make a living even if there are a lot of a problems attached to it, somehow they will manage. That's why we do not have so many people who want to organise unions. We do not have that culture to organise unions. […] That's why regarding freedom of association, in all the factories that I went to, people were not interested in talking about trade unions." (U-16)

Regarding the influence of trade union representatives, person V stated that whenever the representatives are aware of their rights, they can execute a lot of pressure on the management and the government (V-14). Z was also of the opinion that the SWRCs for example can play an important role regarding the enhancement of social standards.

> "Workers' representative congress, I would say, principally yes, there are opportunities for indirect participation enhancing social standards at the workplace in China. For instance, if people get the mandate of workers' congress they can play a very

> good check and balance role at the workplace. Because they can monitor management behaviour and then some of the decisions affecting workers should be made in very constitutional manner." (Z-20)

However, Z was unsure of whether those findings could be generalised for China as a whole (Z-20). Since the trade union is increasingly aware that currently they cannot fulfil their "mandate as a social safety bearer" (Z-22), indicated by the rising numbers of strikes and unrest, new attempts to strengthen the representation of workers by trade unions have been developed, such as the "socialisation and professionalisation approach" (Z-22, Z-31) (see section 6.2.3):

> "previously for instance I am a union chair but at the same time I am the number two of the management. Then I have so much strong incentive to ignore social standards, labour standards. But if I am hired by external union, that is district union, assessed by this union […] outside the factory, I don't have incentive to ignore violation of social standards. So, I may behave more like labour inspector. […] This is an improvement compared to a number of years ago." (Z-22)

Although the socialisation and professionalisation campaign is expected to result in a certain independence of trade unions from management, it does not automatically result in independence from the Party's influence (Z-22). The professionalisation of trade unions is applied most often in small and medium sized organisations, because larger organisations have their own enterprise unions and therefore would refuse to work with external unions (Z-22).

Z reported research findings about governance structures of Chinese trade unions and their impact on labour conditions (Z-31). According to Z, three factors are essential in order to improve the influence of trade unions in China: First, trade union representatives should be elected and not appointed; second, a full time trade union officer should work in the factories and third, a mechanism for collective bargaining should be established. Z found that an implementation of these three factors correlated with positive effects on wage equality, work satisfaction and on the reduction of workforce turnover. However, wage levels in unionised factories in China were no higher than in non-unionised factories. Z based this finding on the fact that Chinese trade unions have only restricted bargaining power due to the absence of the right to strike (Z-31). Regarding the role of NGOs, Z acknowledged their work, such as the provision of legal advice; however, Z did not see NGOs as in a position to empower workers. For Z, this effect could only be achieved through the democratisation of trade unions and the effective introduction of social dialogue.

12.6 Changing Traditional Chinese Organisation Structures

Traditional Chinese organisational structures were described in the interviews as hierarchical and top-down oriented, where workers take over the position of "listeners" (V-22). Challenges to introducing participatory structures were related to the non-democratic political system in China (V-24) and a "culture of not speaking with each other, of not openly criticising" (P-2). Q regarded the hierarchical structures as a general barrier to implementing social standards. The low participation degree in factories has its roots in the educational system in China, which "does not emphasise the idea of participation and debate" (Q-4). For managers and workers, a participatory management style is therefore unusual (Q-4). However, P was of the opinion that an environment that does not support worker participation at first sight should not be used as an argument not to initiate such structures (P-2). With regard to the dialogue approach of the WE Project, interview partner T pointed out that the idea of worker participation is not really new to the factories, since in SOEs workers were regarded as the "masters" of the factory (T-40). However, organisational decisions had always been made in a top-down manner by factory management without any real involvement of workers. After the opening of markets, the strict top-down management style had continued. For T, the WE Project is an opportunity to change those traditional hierarchical structures:

> "But traditionally, the decisions made from the top were always there. It has never gone. Then, later many profit companies have been set up. […] the management style became really strict, top down process. And now, this WE Project brings this idea back and reminds me of the old image of workers because it provides a tool to the factories how to make decisions jointly. I think this is a revolution in the industry." (T-40)

For W, it is possible that brands successfully introduce new management approaches at supplier factories. By cooperating with brands, factories "accept so many new opinions" (W-14). The introduction of participatory structures would not be organised by the factory itself according to S, since the understanding of participation was limited at the beginning of the WE Project and therefore external facilitation is needed (S-12):

> "There was no culture of participation prior to the start of the project, for example that the workers can express their needs. We needed to change this whole culture." (S-14)

At the beginning of the WE Project, management of factory 7 had the concern that workers might not be interested in electing worker representatives and cooperating with management. During the project, management realised that workers respond positively to their involvement:

> "They are really active and they are for the idea to elect their WRs. This shows that the workforce mentality has totally changed. We are facing a new generation of our garment industry workers." (N7-52)

U was also sceptical in the beginning whether managers and workers would be interested in committing to participatory structures. But over the course of the project, U experienced that changes can be made towards improving communication and involvement of workers. In every factory, there were at least "some workers who dare to raise questions" (U-45).

With regard to hierarchical structures, U perceived that the social gap is wider in factories located in the Pearl River Delta. Here, managers involved workers to a lesser degree (U-63). Both factory manager N7 and V pointed out that workers' behaviour had changed in the past years, which made it easier to implement participatory structures.

> "They are young, they are the only kid in the family, they are born in the 80s and 90s and they have more knowledge than the workers in the past. They have more ideas how to improve their conditions and they can come up with productivity suggestions to help the company. So we think this is really a good decision to have WRs." (N7-52)

In contrast to that statement, T claimed that many Chinese workers lack the knowledge and skills to fulfil their role as industrial employees. X also stated that a large majority of workers come from the countryside and know very little about how enterprises are organised and how the overall performance of a factory could be improved (X-41). The workers' background imposes challenges to factories and widens the gap between the two parties (X-41; T-49). For T, factories therefore need to invest in training their staff (T-49).

In the next section, interview statements will be presented that reflect which actors might be involved in facilitating worker participation.

13 Actors for Facilitating Participation – the Perspective of Interview Partners

Due to the fact that an increasing number of brands conduct training programmes aiming at introducing worker participation at factory level in order to achieve higher compliance levels, the question arises of who actually should facilitate participation and which role brands should play. In the interviews, worker organisations/trade unions, brands, external trainers and the factory management were named with regard to facilitating roles for worker participation.

Several interview partners (Q, R, W, P, Z, X) were of the opinion that the best option would be for **worker representative organisations or trade unions** to be the main players responsible for initiating and enlarging participatory structures.

> "Key players should be workers themselves in terms of effective workers' representation to express their collective voice so that they can play a check and balance role at the workplace." (Z-5)

However, R mentioned that workers' organisations are currently not strong enough and lack the capability to promote participatory structures on a large scale (R-11). Moreover, one interview partner was sceptical of whether brands could have an interest in cooperating with the ACFTU:

> "I don't know what would happen with the ACFTU, its gonna be very complicated because the brands will be under too much pressure if they work too close with ACFTU, then ACFTU is now still having that reputation although I see more and more articles saying that ACFTU is changing […]." (U-18)

Several interview partners (V, P, R, Q, T, U) also favoured **brands** as the main players for fostering participation at factory level. One reason for the importance of brands was attached to the pressure brands can put on factories.

> "External one is the brand, my experience, because they are the ones giving production orders. They really have the power to tell the factory. And the factory is willing to listen and to do anything just for getting the business. They are the most powerful facilitators if you use that word for pushing the factory, doing the social compliance. […] Sourcing agent, also. […] Because if we […] come into the factory, tell them, implement this social standards program, why they have to install fire extinguisher, why they have to spend money for this and that. And they answer: 'Our local fire department didn't say anything', what do you say? But if we say, 'Tchibo wants you to do it', they say, 'oh we do it'." (T-12)

R pointed out that certain abilities are required particularly on the side of brands or buyers, since they are facing conflicts of interests.

> "It depends on the individual person. Because if you are a committed buyer with the necessary skills, the social skills, the emotional skills, the awareness, the experience, then even a buyer can facilitate the process. There are buyers; they are facilitating the process for the factories because even in their position and with their conflict of interest, they have the capacity to say, ok, let's go for it." (R-11)

Representatives of brands could also encourage workers to speak out. Furthermore, a close exchange between brand's representatives and workers could convince managers to engage in dialogue with their workforce (P-8).

A broad and intense involvement of brands was also seen as critical where structures solely depend on the pressure of brands. Once orders are no longer placed at a factory, management might return to their original structures and behaviour (X-13).

External trainers from a consultancy specialised in labour rights or with an NGO background were also regarded as important facilitators by several interview partners (U, P, S, T, X). S mentioned that without external facilitation, Chinese factories would not implement participatory structures. The suppliers would need input first to truly understand what participation is about (S-12). Two interview partners were of the opinion that collaborating

with NGOs or external trainers is helpful in reaching long-lasting improvements at factory level.

> "Ideally, of course the brands have presence at the factory. That would be a great thing. But in reality, you can't have a brand's representative flying all over the globe, being present at the factory periodically for help. So, I think the combination, brands do visit for sending the message and the local organisations perform and visit and are present. So that is a good combination." (T-14)

> "Today quite a few brands are convinced that the auditing approach and generally checking and controlling their suppliers are not enough, but that they need to invest in awareness raising and qualification along their supply chains. Overall, I believe that brands should not intervene too much and most importantly collaborate with NGOs and training providers with local insight when aiming at achieving a sustainable improvement of workplace conditions." (Q-8)

For R, an advantage of the WE Project was the way it worked with mixed teams to make use of each player's role resulting from their different cultural and social backgrounds (R-13):

> "Because then you can facilitate it as a team, you can make use of the different cultural and social background. This part might be better presented by the team member from the West; this part is done by a local. The locals can make use of the team member of the West: 'It will be better, if you will emphasize this, because the managers will believe you more, or it would put us (the locals) in precarious position to push in this direction.' In other situations it is better that the team members of the West keep out." (R-13)

The role of **management** as a facilitator and initiator was emphasised by interview partners (W, X, T, V, Q).

> "Especially the top management, the director. He has to be convinced. If you can convince the director of the board, you can get support and trust from the top management group, you can reach a lot." (X-13)

> "I believe that in the first place it has to be owner and the top management who has to show certain openness, otherwise nobody will get access to factories and nobody will be able to provide such innovative types of trainings. So first of all, it is the top management's decision. At a later stage it should definitely be the HR department who should be involved." (Q-6)

One person referred to the SA8000 standard, which determines that a management representative is designated as responsible for establishing and maintaining the social compliance management system (W-10).

However, another interview partner mentioned that many managers lack knowledge of CSR or leave the factory, which hinders the further development of factories with regard to their CSR practice.

> "But this is worth mentioning that we are at a very difficult starting point to build HR resources for the CSR implementation on the factory level. [Name of colleague] told me that a lot of CSR managers that attended our trainings have left. And then all the factories have difficulties to recruit new people. There is no school, there are no systematic courses or training for this kind of young graduates to being trained on this and to be able to serve this role on the factory level." (U-20)

The **governments' role** was not explicitly linked to worker participation, but the role of law enforcement agencies in promoting and controlling compliance with labour law was stressed (V-61; Z-5).

Most of the interview partners did not allocate the facilitator's role to one single party, but highlighted the need for joint action.

> "What goes without saying to be able to have broad scale worker participation at the factory level which is accepted from the outside, you need to involve the classic stakeholders as well: NGOs, trade unions, government representatives." (P-8)

In the following sections (14.1-14.5), empirical data of the quantitative and qualitative research at the seven garment factories will be presented in order to analyse implemented participation structures and their influence mechanisms regarding the improvement of labour conditions.

14 Influence of Participation on the Improvement of Labour Conditions in Seven Garment Factories – Quantitative and Qualitative Data

The suppliers that took part in the WE Project were based in the Greater Shanghai region[35] and in the provinces of Guangdong and Hubei. All factories were private and were founded in the 1990s, except factory 1, which was founded in 2004, and company 2, which was founded in 1987. The number of employees ranged from 100 to 800 and the large majority of workers were female. One factory was already SA8000-certified before the start of the project, and another supplier achieved the SA8000 certification and the Organic Exchange 100 Standard (OE 100)[36] during the project. All factories were in a business relationship with Tchibo for several years. The data included in table 14-1 is extracted from factory visit reports and the interviews.

[35] The Greater Shanghai region covers Shanghai and the provinces Jiangsu, Anhui and Zhejiang.

[36] OE 100 is a standard for tracking, documenting purchase, handling and use of 100% organically grown cotton fibre (Organic Exchange 2010).

Table 14-1 Background information about sample factories

Factory	1	2	3	4	5	6	7
Industry	Clothing	Clothing	Clothing	Clothing	Clothing	Clothing	Clothing
Founding year	2004	1987	1995	1998	1996	collectively owned till 1999	1992
Number of workers (approx.)	200	400	700	800	700	180	100
Gender	Ca. 65% female, 35% male	Ca. 65% female, 35% male	Ca. 80% female, 20% male	Ca. 80% female, 20% male	Ca. 70% female, 30% male	Ca. 85% female, 15% male	Ca. 80% female, 20% male

14.1 Implemented Participation Structures

Regarding the interview question of why management decided to implement new participatory structures in the context of the WE Project, one manager replied that the management team had just followed the recommendations given in the workshops and factory visits (G3-18). Another factory manager stated that his management team learned from other factories during the workshop that worker representatives could play a helpful role within the factory (D2-18). One manager was not convinced by the approach in the beginning, but wanted to cooperate with Tchibo. Two factories had no doubts right from the beginning regarding the project's dialogue approach and the election of WE Project worker representatives (L6-25, N7-52).

In section 5.1 of this study, basic characteristics of participation structures were introduced. These categories (subject, object, form, degree, behaviour, and formalisation) will be used in the following sections to analyse the participation structures that existed in the factories at the end of the WE Project.

14.1.1 Participation Subject

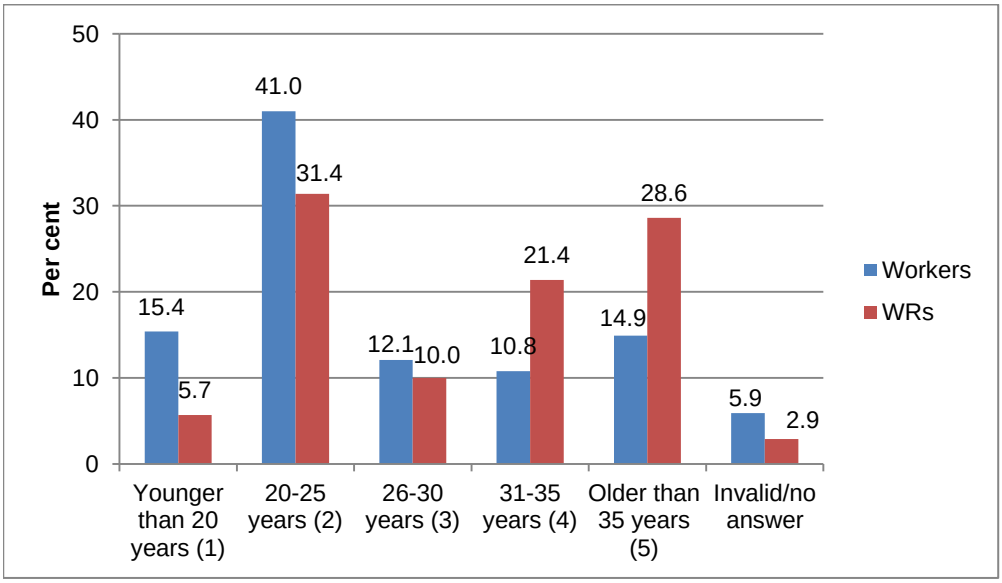
The subjects of participation in the seven factories were management members, employees, WE Project WRs and trade union representatives. The majority of the participating workers and WRs of the quantitative survey was female (see table 14-2), which also reflects the specifications of management in the interviews. In the textile industry in China, it is common that the largest share of employees is female (ILO 2000: 25). There is no significant correlation between gender and becoming a WR.

Table 14-2 Gender

%	Female	Male	Invalid/no answer
Workers	69.2	24.6	6.2
WRs	67.1	30.0	2.9

N workers=366; N WRs=68

More than half of the workers and more than a third of the WRs that took part in the survey were younger than 26 years of age. A comparison of the age of WRs and workers shows that WRs were significantly ($p \leq 0.001$) older than workers (mean workers: 2.67 and mean WRs: 3.37) (figure 14-1).



N workers=367; N WRs=68

Figure 14-1 Age

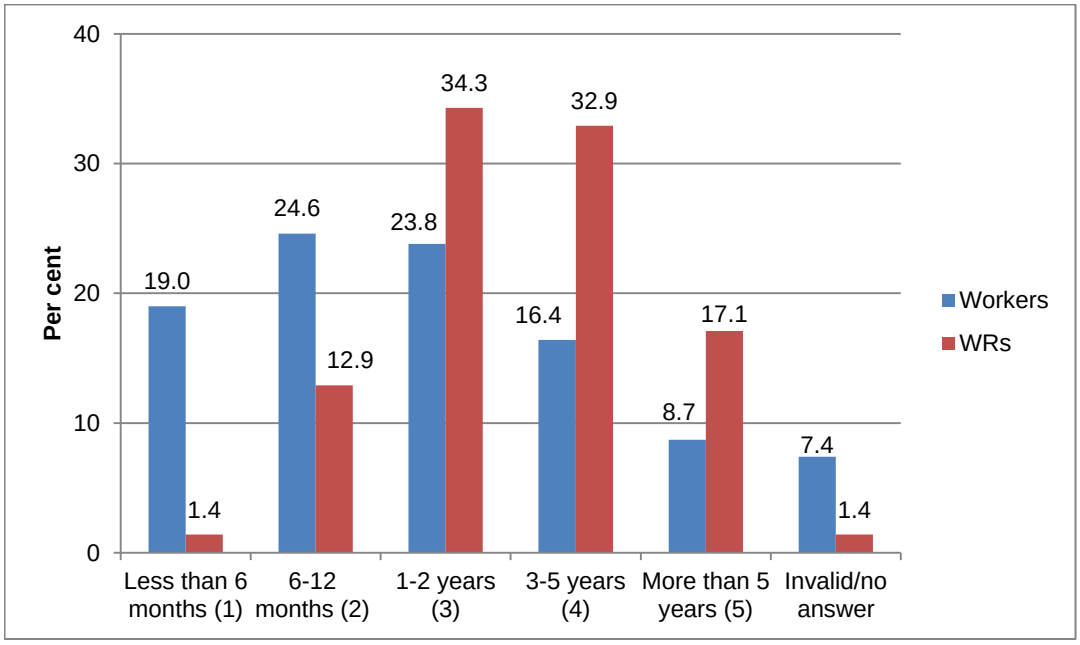
The answers of workers and WRs indicate that workers' level of education was not significantly higher than that of WRs (mean workers 2.20 and mean WRs 2.09) (table 14-3).

Table 14-3 Level of education of workers and WRs

%	Primary School (1)	Middle School (2)	High School (3)	Vocational School (4)	University (5)	Invalid/No answer
Workers	8.5	66.4	11.3	6.7	1.0	6.2
WRs	12.9	70.0	7.1	7.1	0	2.9

N workers=366; N WRs=68

Workers reported significantly (p≤ 0.001) less work experience than WRs (mean workers 2.69 and mean WR 3.52). The majority of workers were employed between six and twelve months in the factory, whereas most WRs had been working in the factory between one and two years at the time of the survey (figure 14-2).



N workers=361; N WRs=69

Figure 14-2 Working time in factory of workers and WRs

The majority of workers and WRs that took part in the survey were migrant workers, which is again common for Chinese textile companies (see chapter 6) (table 14-4). A worker's origin shows no significant correlation with becoming a worker representative.

Table 14-4 Background of workers and WRs

%	Migrant	Local	Invalid/No answer
Workers	63.1	30.5	6.4
WRs	57.1	42.9	0

N workers=365; N WRs=70

Significantly more WRs were trade union representatives than workers (p≤ 0.001). Only 5.4 per cent of workers stated that they were trade union representatives, whereas 54.3 percent of WE Project WRs replied that they were a member of the trade union (table 14-5).

Table 14-5 Trade union representative

%	Yes	No	Invalid/No answer
Workers	5.4	85.9	8.7
WRs	54.3	42.9	2.9

N workers=356; N WRs=68

A large majority of workers and worker representatives declared that they were production floor workers (table 14-6). There is no significant correlation between being a worker representative and the job task.

Table 14-6 Job

%	Supervisor (incl. group leader)	Production floor worker	Invalid/ no answer
Workers	4.1	90.0	5.9
WRs	8.6	88.6	2.9

N workers=353; N WRs=69

Most WRs had been working as a WR for half a year, 18.6 per cent stated 7-12 months of experience with this role, 24.3 per cent had been a WR for 13-18 months and only 2.9 per cent had been doing this job for more than 18 months (see table 14-7).

Table 14-7 Time working as a WE Project WR

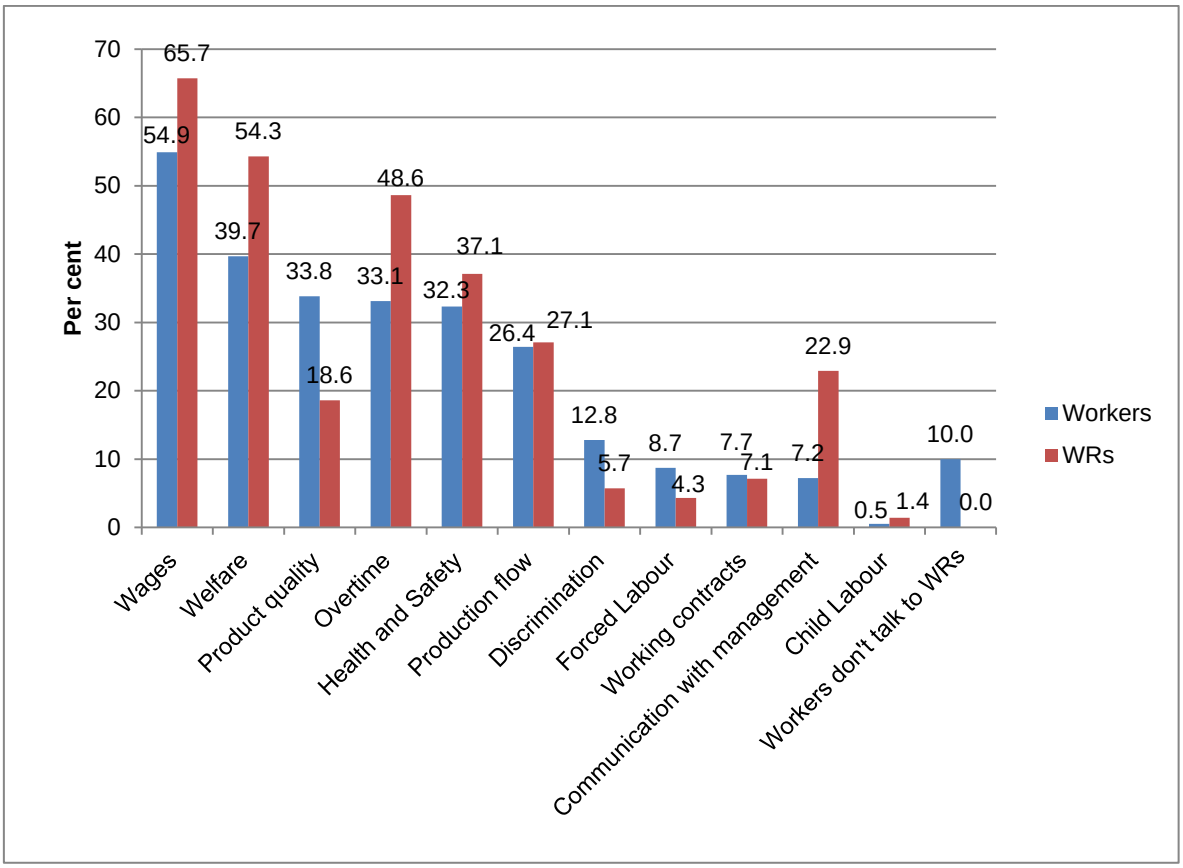
%	0-6 months	7-12 months	13-18 months	More than 18 months	Invalid/ no answer
WRs	45.7	18.6	24.3	2.9	8.6

N WRs=64

14.1.2 Participation Object

Figure 14-3 shows the percentage of different topics discussed between workers and WRs. WRs reported that talks between workers and WRs most often refer to wages (65.7%), overtime (48.6%) and welfare (54.3%). Workers answered that they speak to WRs most often about wages (54.9%) and welfare (39.7%). About one third of all workers ticked product quality (33.8%), overtime (33.1%) or health and safety (32.3%). As can be seen in the figure, 22.9 per cent of WRs stated that communication with management is a discussion topic, whereas only 7.2 per cent of workers said so. The topics discrimination, forced labour and child labour were not mentioned often by workers and WRs. 10 per cent

of workers stated that they do not talk to WE Project WRs. In contrast, none of the WRs reported that workers do not approach them.



N workers=380; N WRs=69

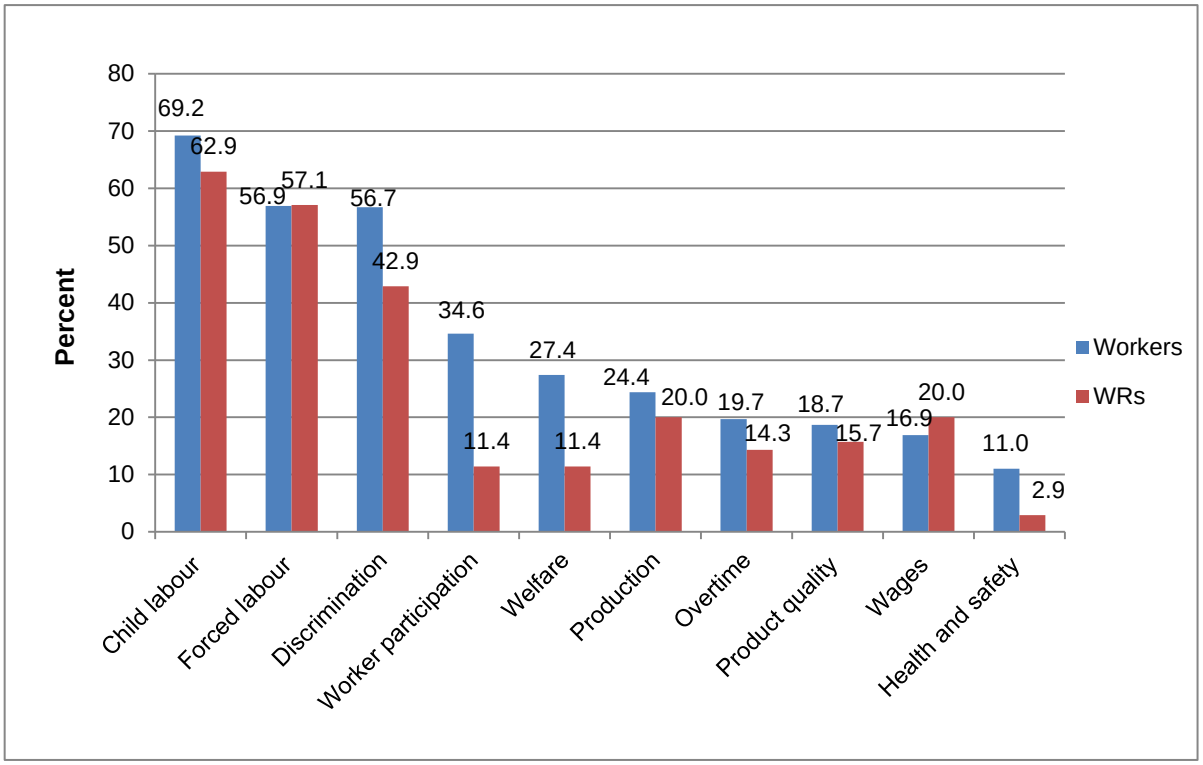
Figure 14-3 Discussion topics of workers and WE Project WRs

W3) *About which topics do you talk to WE Project worker representatives most often? Please tick the 3 most frequently discussed topics. If you don't talk to WRs please tick only the last answer.*

WR3) *About which topics do workers talk to you most often? Please tick the 3 most frequently discussed topics. If workers don't talk to you tick only the last answer.*

Figure 14-4 provides additional data about the participation object. In question W10 and WR 17, workers and WRs were asked which topics they had not discussed with management. Again, the topics of child labour, forced labour and discrimination did not form the content of discussions to a large extent. For example, 69.2 per cent of workers and 62.9 per cent of WRs had not talked with management about child labour. These topics were also of low priority for discussions between workers and WRs. Topics of conversation which seem to have a high priority for workers and WRs, such as wages, welfare, quality

of products, OHS and overtime, were also discussed with management by most of the respondents (figure 14-4).



N workers=301-353; N WRs=58-66

Figure 14-4 Topics not discussed

W10/WR17) Which topics have you not discussed with management?

14.1.3 Form of Participation

Direct and indirect forms of participation were implemented during the project (table 14-14). In order to explore direct participatory structures, workers were asked how they expressed their opinion in their factories (table 14-8). Most workers talked to supervisors, met in working groups or used the suggestion box, while fewer talked to WE Project WRs or took part in surveys. Less than one third of workers talked to trade union representatives, and 9.2 per cent answered that they did not express their opinion in general. This information does not contain any information on the content or the outcome of using such channels, but it indicates that the vast majority of workers participate directly by expressing opinions through various communication channels.

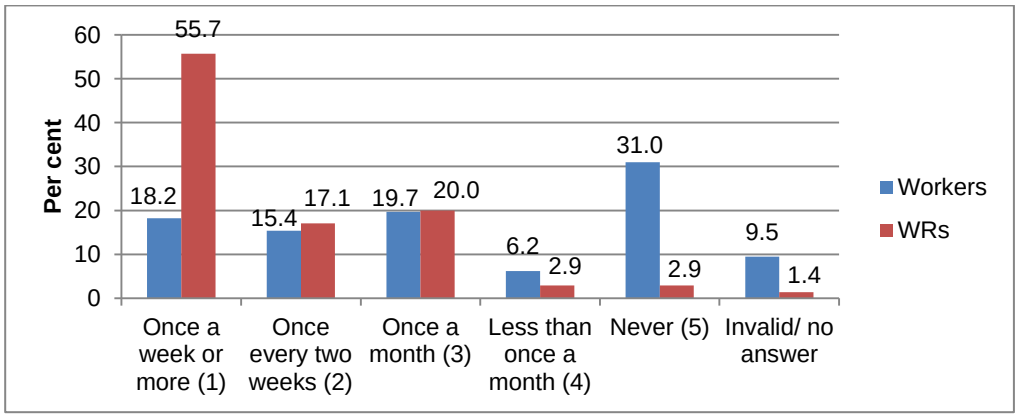
Table 14-8 Communication channels used by workers

%	Yes
Talking to superiors	67.9
Meeting in working groups	53.1
Using suggestion box	53.1
Talking to WE Project WRs	41.0
Participating in surveys	39.0
Talking to trade union representatives	28.5
Generally not at all	9.2
Invalid/no answer	3.1

N workers=378

W1) *In general, how do you express your opinion in the factory? Tick all applicable answers.*

WRs and workers differed significantly in their perception of how often they talk with each other (p≤ 0.001): WRs expressed a higher frequency of talks with workers (mean WRs 1.78; mean workers 3.18). More than 80 per cent of the WRs talked with workers at least once every two weeks, and only 2.9 per cent stated that they "never" talked to workers about problems. In contrast, only 33.6 per cent of workers stated that they talked to WRs at least once every two weeks, 19.7 per cent talked to WRs once a month and 31 per cent stated that they never talked to WRs (figure 14-5). The different perception of workers and WRs could be explained by the number of WRs and their limited time resources in which to approach all workers. Moreover, it is possible that WRs do not represent all workshops. For example, certain workshops do not elect WRs.



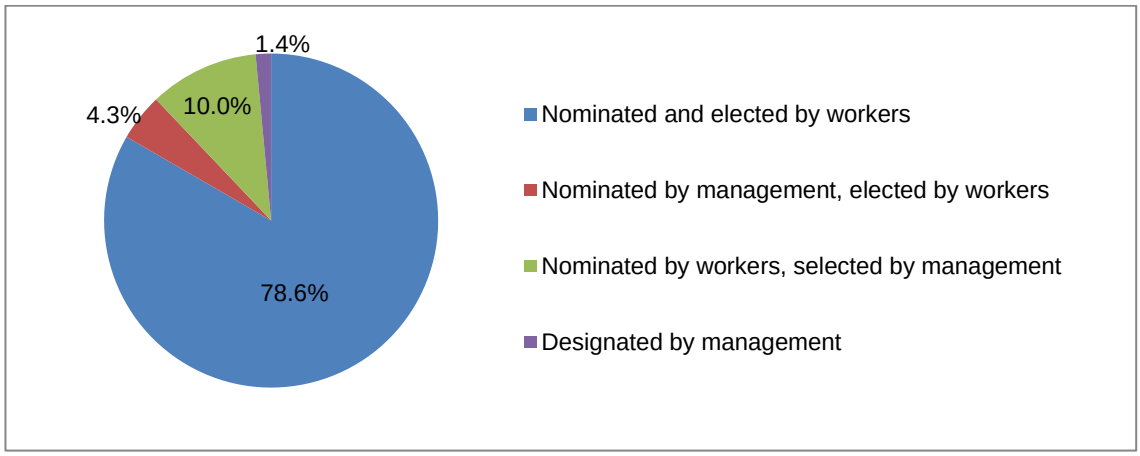
N workers=353; N WRs=69

Figure 14-5 Frequency of talks between workers and worker representatives

W2/WR2) *How often do you talk with workers/WRs about problems in the factory?*

D Analysis of the Influence of Participatory Structures on Labour Conditions

Indirect participation takes place if workers are represented in committees by elected representatives or trade union members. Regarding the selection procedure of WE Project worker representatives, 78.6 per cent of the WRs replied they were nominated and elected by workers, 4.3 per cent were nominated by management and afterwards elected by workers, 10.0 per cent were nominated by workers and elected by management and 1.4 per cent were designated by management. 5.8 per cent did not know, gave invalid answers or no answer at all (figure 14-6).



N WRs=66

Figure 14-6 Nomination and election procedure of WRs

WR1) How were you selected to be a (WE Project) worker representative?

A large majority of WRs met other WRs at least once a month. 7.1 per cent had meetings with their colleagues less than once a month, and another 7.1 per cent conducted no meetings at all (table 14-9). Therefore, worker representation was de facto in place in all factories.

Table 14-9 Frequency of WRs' meetings

%	Once a week or more	Once every two weeks	Once a month	Less than once a month	Never	Invalid/ no answer
WRs	17.1	18.6	48.6	7.1	7.1	1.4

N WRs=69

WR4) How often do you have meetings with other WE Project worker representatives?

WRs were asked how often they talk to management about the results of WE Project worker representative meetings (table 14-10). Most often, WRs met with management once a month. 31.4 per cent replied that they met management once every two weeks or more often. No meetings between management and WRs took place according to 10.0 per cent of WRs.

Table 14-10 Frequency of talks with management about results of WRs' meetings

%	Once a week or more	Once every two weeks	Once a month	Less than once a month	Never	Invalid/ no answer
WRs	21.4	10.0	47.1	5.7	10.0	5.7

N WRs=66

WR6) How often do you talk with management about results of WE Project WRs' meetings?

Regarding existing participatory bodies, the majority of WRs answered that trade unions were represented in factories and that a health and safety committee existed. WE Project teams, workplace cooperation boards, welfare committees, round tables and WE Project teams were established in the factories as well (table 14-11).

Table 14-11 Participatory bodies in companies

%	Yes
Employee representative assembly (trade union)	60.0
Health and Safety committee	54.3
WE Project team	48.6
Workplace cooperation board	40.0
Round table	32.9
Welfare committee	17.1
Other committee	0
I don't know	7.1
Invalid/no answer	4.3

N WRs=67

WR9) What kind of participatory bodies exist in your company?

48.6 per cent of the WRs participated in two to three committees and 30 per cent took part in more than three committees, whereas only 5.7 per cent did not participate in any committee (table 14-12).

Table 14-12 Number of committees in which WRs take part

%	0	1	2-3	4-5	more	Invalid/ no answer
WRs	5.7	11.4	48.6	20.0	10.0	4.3

N WRs=67

WR10) In how many committees do you participate?

The majority of WRs stated that all worker representatives fulfilled their tasks as representatives. 15.7 per cent answered that one or more representatives did not carry out their role as a representative. 20 per cent did not know or gave an invalid answer (table 14-13).

Table 14-13 Execution of tasks

%	0	1-2	3-4	5-10	more	I don't know	Invalid/ no answer
WRs	64.3	7.1	4.3	1.4	2.9	15.7	4.3

N WRs=56

WR 16) How many WE Project WRs are selected but do not serve as worker representatives in your factory?

Qualitative Data about the Participation Form in the Factories

Table 14-14 provides an overview of direct and indirect participatory structures within the factories, based on the information gathered through the interview statements of the managers and the descriptions in the WE Project's factory visit reports. Channels for direct participation were employee assemblies, suggestion boxes, participatory morning meetings, employee surveys, communication with management through text message or email exchange, and consultation by WRs. Indirect channels for worker participation were the election of WE Project WRs, the formation of WRs committees, OHS committees, round tables, subject-oriented committees[37], trade union committees and meetings between management and project WRs. In factory 4 it was decided not to elect new WE Project WRs, but instead to involve the trade union committee in project activities. This

[37] In the round tables, OHS and subject-oriented committees, mainly WRs took part. Therefore, the structures are related to indirect participation.

committee already existed before the WE Project was launched. Moreover, this company had a regular WRs conference (H4-20). According to project team member T, no conflict emerged from this involvement of trade union WRs in the WE Project (T-66). However, the union chairman in factory 4 was a manager and some worker representatives were also designated by management without elections. Project team member U added that factory 4 was strongly influenced by the CCP and was often visited by government officials.

Table 14-14 Direct and indirect participation structures (mentioned in factory visits reports and interviews)

Factory	1	2	3	4	5	6	7	Total
Direct Participation								
Employee assembly	1		1	1	1	1		**5**
Suggestion box	1	1	1	1	1	1	1	**7**
Morning meeting			1	1	1		1	**4**
Employee survey		1	1	1	1	1	1	**6**
text message/phone calls to management	1				1			**2**
Workers exchange with Project WRs	1	1	1	1	1	1	1	**7**
Indirect Participation								
Project WRs	1	1	1		1	1	1	**6**
Meeting Mgt – WE Project-WRs	1	1	1		1	1	1	**6**
Round table (Mgt - trade union representatives)				1				**1**
Subject Oriented Committee		1			1		1	**3**
OHS Committee		1	1		1	1	1	**5**
Trade union	1	no	1	1	1	1	1	**6**

Comparing the answers to question WR9 (table 14-11) with the qualitative data, it can be assumed that there is slight confusion about the names of committees and working groups. The establishment of a workplace cooperation board was not mentioned in any interview and only one factory mentioned the use of round tables. Instead, at least one third of WRs mentioned the existence of such structures. It is possible that names for structures were not used consistently by managers and WRs according to the definitions

introduced in the WE Project. Another reason could be that WRs did not understand the answer possibilities given and just chose randomly.

Since a trade union was in place in six out of seven factories, it is remarkable that only 60 per cent of WRs stated this was the case. Possibly, WRs were not aware of the union's existence due to the trade union's rather passive behaviour. WRs' specifications about the existence of OHS committees and subject-oriented committees (for example on welfare matters) match the outcomes of the interviews and factory visit reports.

Election of WE Project Worker Representatives

During the first dialogue workshop of the WE Project, factories were given the recommendation to let workers elect worker representatives for the WE Project. The majority of WRs stated in the questionnaires that they were nominated and elected by workers. Managers of three factories pointed out that workers were able to nominate candidates first and then to elect their representatives without management interference. In two factories the nomination procedure was not mentioned, but the managers stated that secret ballots were conducted. In factories 2 and 4, worker representatives were partially nominated and elected by workers but also designated by management. In line with these results, project team member R voiced doubts in the interview whether all WE Project WRs' elections were in accordance with ILO Workers' Representation Convention 135/Workers' Representatives Recommendation 143 and were really organised in such a way that WRs were elected freely and in secret.

> "We know that some of the worker representatives have been elected. And definitely also have been elected due to let's say democratic structures. Secret ballot, nomination, independent nomination, etc. Somehow the factories did. But I would never name it now as a democratic workers' representation because it is not a FoA structure in compliance with the ILO regulations and other international and national regulations. The whole framework situation is not providing the necessary groundwork for this." (R-44)

Achieving free elections of worker representatives was also mentioned as a challenge by project team member V (V-44, V49):

> "The election of real worker representatives is a challenge. That was why in the last factory visit, we strongly recommended the factories to set up the mechanism to let the workers themselves select the worker representatives. And they all promised. But we will see if this will happen." (V-42)

The formalisation of representative structures is a sensitive topic, since the establishment of workers' organisations financially supported or dominated by employers or employers' organisations is characterised as an act of interference in the freedom of association (ILO Convention 98, Art. 2.2). Compliance with ILO Convention 98 requires that workers by themselves organise free and democratic elections to constitute a worker organisation. Therefore, WE Project worker representatives cannot be understood as a formal indirect

representation of the workforce, since their election was initiated by management and in some factories, management also designated worker representatives. Project team member U argued that setting up this kind of informal representation just for the WE Project had the advantage that structures could be set up easily (U-48) without violating Chinese labour law, which stipulates that worker representatives shall be established under the guidance of the upper-level trade union branch of the ACFTU in case they conclude collective contracts together with management (see chapter 6.2.4). Whether WRs are elected or designated was not of high relevance for U, because the most important factor was that factories first of all initiate workplace cooperation structures (U-48).

For project team member S, this kind of informal election process was already a huge step in the right direction. S pointed out that some factories had worker representatives before the project, but that these were not workers but mostly management members (S-49). For project team member W, the main opportunity afforded by the worker representation established under the WE Project was that WRs were in real exchange with their workers and got to know their expectations.

> “Because in the past, WRs never knew the workers have some expectations, have some requirements for WRs. They only did some welfare things or some injury handling. They didn’t know they have other responsibilities.” (W-20)

As described in chapter 6, the traditional tasks of trade union members in the factories are related to OHS issues and welfare matters such as the organisation of recreational events. Project team member Q pointed out that at the beginning, WE Project WRs also usually started with conducting easier and more tangible tasks, e.g. a survey on worker satisfaction with the canteen. Having gained more experience over a certain period of time, they gradually began to deal also with more sensitive issues like the payment system (Q-12).

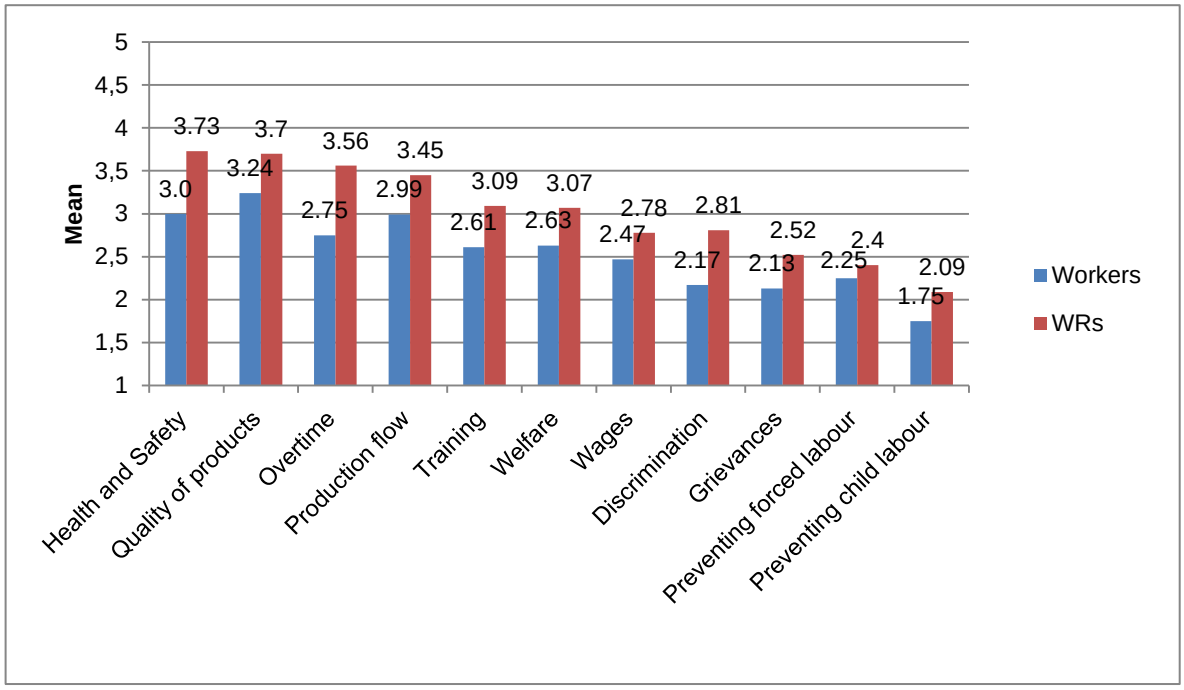
One challenge was the fluctuation of WRs: in all factories, at least one or two WRs left the company. High fluctuation (around 50% of WRs left or were replaced) was mentioned by managers of four factories. It was reported that elections were conducted once a year in three factories; for the other factories this information was not stated in the interviews or factory visit reports. The number of WRs in November 2009 ranged from four to 22 WRs in the seven factories (table 14-15).

Table 14-15 Number of WRs, election frequency and fluctuation of WRs

Factory	1	2	3	4	5	6	7
Number of workers	200	400	700	800	700	180	100
Number of WRs (Nov.2009)	8	10	ca. 17 (concrete number not available)	ca.10 (concrete number not available)	22	7	4
Election frequency	No data availa-ble	once a year	No data available	No data available	once a year	No data available	once a year
High fluctuation of WRs (around 50%)	Yes	Yes	No data available	Yes	No	No	Yes

14.1.4 Participation Degree

The participation degree of workers and WRs was measured by applying a scale modelled after the IPC (see section 5.1). Figure 14-7 displays mean values of the perceived participation degree with respect to various areas. Except for the topic forced labour, WRs ranked their participation degree significantly higher than workers. The highest involvement was stated by WRs for health and safety issues, quality of products and overtime. Workers' highest involvement occurs in the areas of product quality, health and safety, and production flow. The lowest participation degree was perceived by WRs in the areas of child labour, forced labour, and grievances, and by workers in the areas of child labour, grievances, and discrimination.



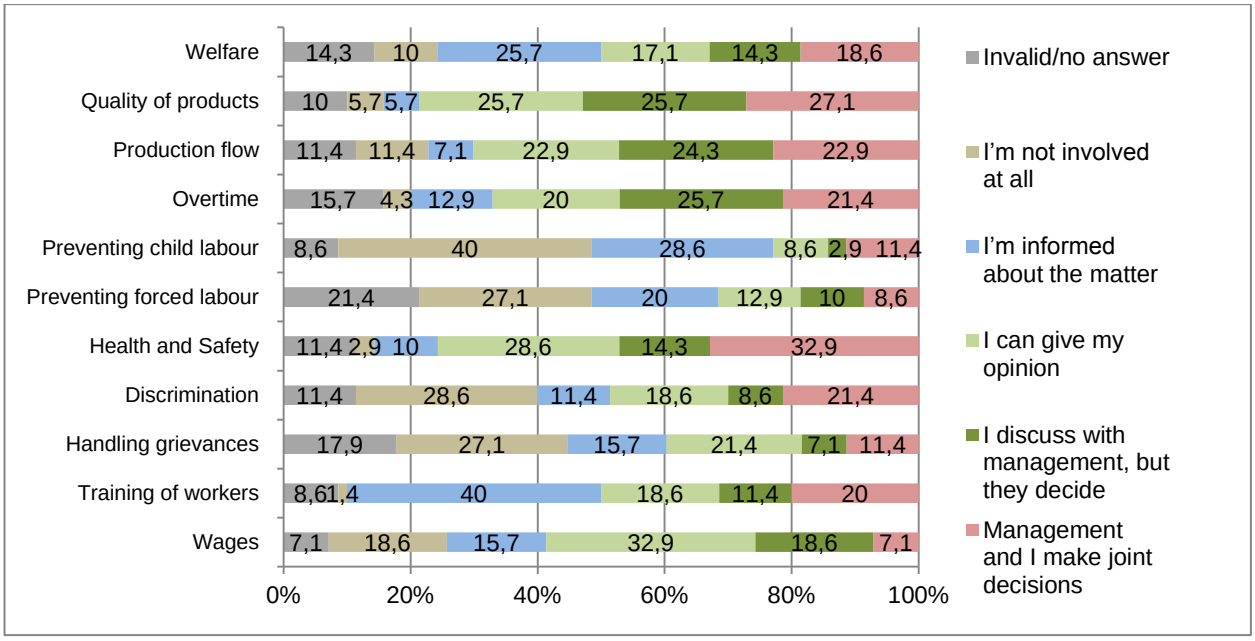
N workers=310-353; N WRs=55-65

Figure 14-7 Means participation degree of workers and WRs

W6/WR11) *To what extent are you involved in the decision-making process in the factory? (1- I'm not involved at all; 2- I'm informed about the matter; 3- I can give my opinion; 4- I discuss with management, but they decide; 5- Management and I make joint decisions)*

Figure 14-8 and figure 14-9 present the frequencies of WRs' and workers' answers regarding their participation degree within different areas. Regarding welfare topics, most WRs (25.7 per cent) and workers (23.3 per cent) answered that they were informed about the matter. In the area of product quality, WRs stated a significantly higher participation degree ($p \leq 0.01$): most WRs (27.1 per cent) answered that they made joint decisions with management, while most workers were of the opinion that they were consulted regarding the topic. WRs also perceived a significantly higher degree for topics related to production flow ($p \leq 0.01$) and overtime ($p \leq 0.001$). For both topics, more than 20 per cent of WRs thought they made joint decisions and more than 45 per cent were of the opinion that they were consulted by management (I can give my opinion/I discuss with management, but they decide). Regarding production, only 9.2 per cent of workers thought they took joint decisions with management, and regarding overtime most workers stated they were informed (31 per cent); 7.2 per cent answered they took joint decisions with management. Around 40 per cent of WRs and workers said that they were not involved in decision-making in the area of child labour. Regarding forced labour, most WRs (27.1 per cent) were of the opinion that they were not involved in decision-making processes and 20 per cent said they were informed about the matter. These findings are in line with workers' perceptions. Most of them were not involved in decision-making in the areas of forced

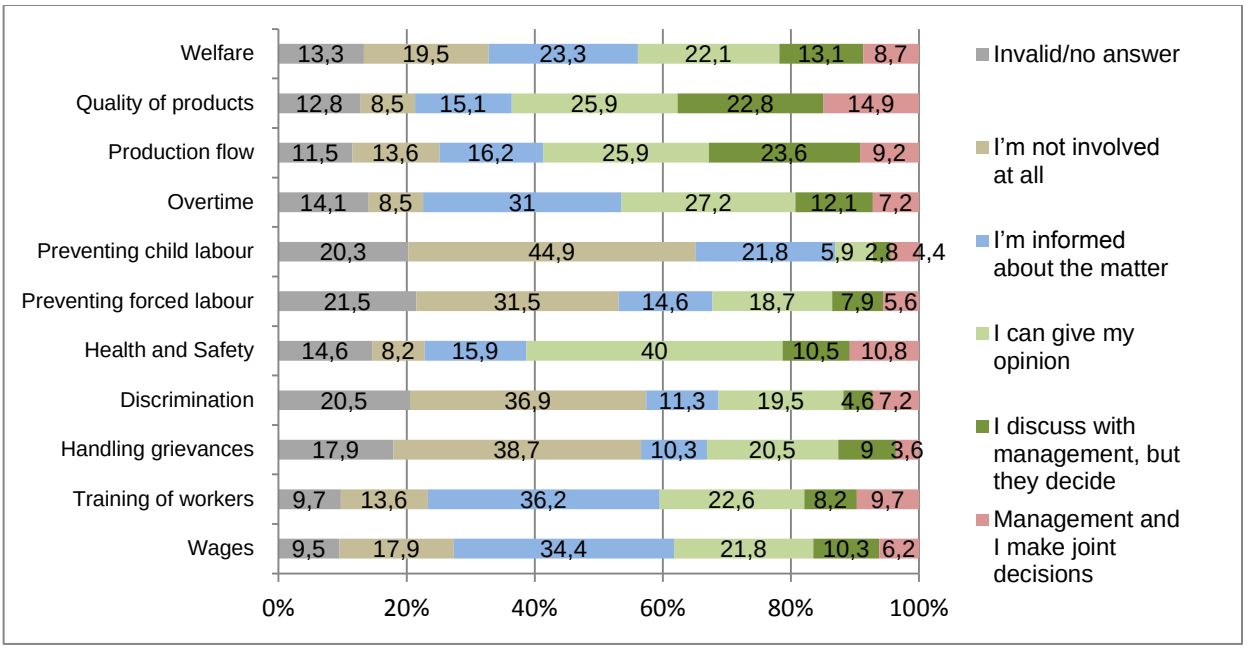
labour. Here, no significant correlation exists between the participation degree and the role (WRs or worker) of the respondents. Most WRs (32.9%) answered that they took joint decisions with management in the area of OHS. Most workers (40 per cent) however stated they were only consulted about the matter. Discrimination and handling grievances are areas in which workers and WRs perceived a lower participation degree: most WRs and workers had never been involved in decision-making processes. Most WRs (40 per cent) and workers (36.2 per cent) felt informed about training, while in the area of compensation most WRs (32.9 per cent) stated that they could give their opinion and most workers (34.4 per cent) replied that they were informed about the matter. The frequencies of invalid/no answers reveal that workers had difficulty in answering the question for the areas of discrimination, forced labour and child labour: in these three categories, invalid/no answers were given by more than 20 per cent.



N WRs=55-65

Figure 14-8 Participation degree WRs

WR11) To what extent are you involved in the decision-making process in the factory?



N workers=310-353

Figure 14-9 Participation degree workers

W6) *To what extent are you involved in the decision-making process in the factory?*

WRs were asked to indicate which steps of the solution-finding process they were involved in. Obviously, a large majority of them took part in step 1 (problem identification), step 2 (cause analysis) and step 4 (solution finding). These steps have a connection to consultative processes, in which worker representatives are usually asked about problems (step 1), possible causes (step 2) and their suggestions (step 4). In contrast, joint decision-making is applied if a common goal can also be identified and a joint agreement on implementing solutions and action planning is taken. The fact that fewer worker representatives ticked the related steps (especially step 3 and 6) is again an indicator that mainly consultative processes took part and that joint decision-making was applied less frequently (table 14-16).

Table 14-16 Use of six step solution-finding process

%	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	I don't know/ never partici-pated	Invalid/ no answer
WRs	81.4	78.6	41.4	67.1	52.9	34.3	8.6	4.3

N WRs=67

WR14) In general, in which stages of the solution-finding process do you take part? Tick all applicable answers. (Step1 – Identifying problems; Step 2 – Cause analysis; Step 3 – Goal analysis; Step 4 – Solution finding; Step 5 – Agreeing on solutions; Step 6 – Action planning)

Neither the length of time working for the factory nor the education level are significant predictors for the participation degree of workers and WRs according to a one-way ANOVA analysis conducted (table 14-17 and table 14-18). Through an ANOVA variance analysis, several means can be compared, whereas a t-test can only test means of two variables. A description of the calculation of the sum scale of "Participation degree" can be found in section 14.3.1, table 14-52.

Table 14-17 Relation education level and participation degree (ANOVA analysis)

Workers & WRs	N	Mean
Primary School	37	3.56
Middle School	298	3.51
High School	48	3.49
Vocational School	30	3.47
University	4	2.36
All	417	3.50

F=1.830 (n.s.)

Table 14-18 Relation length of working time and participation degree (ANOVA analysis)

Workers & WRs	N	Mean
Less than 6 months	74	3.58
6-12 month	102	3.50
1-2 years	113	3.31
3-5 years	80	3.57
More than 5 years	46	3.68
All	415	3.50

F=2.194 (n.s.)

Qualitative Data about the Participation Degree in the Factories

Table 14-19 gives an overview of the participation level of workers and WRs per factory based on interview statements and factory visit reports. In the category “Information”, all factories are listed that provided, for example, written information on the respective topic (e.g. on bulletin boards) or conducted training sessions. Under “Consultation” all activities are considered where workers/WRs pass on suggestions and opinions to management without having further influence on the outcome. The category “Joint decision-making” is used whenever all steps of the six-step solution-finding process[38] were applied in meetings between management, workers and WRs. In step 5, “agree on solutions”, participants are encouraged to vote for a solution they favour which serves to come to a democratic decision about a possible solution. However, the change from consultation to joint decision-making is difficult to assess. Even if workers are able to vote for a solution, it depends on the composition of the participants in the meetings (number managers/workers) and the voting rights, which are usually not formalised. Nevertheless, in the context of the study the application of all six steps is regarded as an indicator that workers not only provide comments and suggestions, but are integrated in the whole decision-making process. Overall, all factories informed or consulted workers/WRs regarding one or more topics related to the areas of discrimination, OHS, working time, compensation, forced labour or child labour. In three factories, the use of the complete six-step method in joint meetings of workers/WRs and management to improve identified problems was mentioned in the factory visit reports and interviews at least for one topic or in one meeting of workers and managers. However, since qualitative statements only provided rather superficial information on how decisions were taken jointly, it is difficult to assess whether the three factories really applied the complete six-steps methodology, including for

[38] For a description of the six-step methodology, see section 11.2.

example voting on solutions. It also seems possible for these three factories that workers/WRs basically contributed their opinions but management took final decisions.

Table 14-19 Participation degree per factory

Factory	1	2	3	4	5	6	7	Total
Information	×	×	×	×	×	×	×	7
Consultation	×	×	×	×	×	×	×	7
Joint decision-making			(×)		(×)	(×)		(3)

Figure 14-10 shows the participation degree per topic as indicated in factory visit reports and interviews. Most factories informed their workforce in the areas of discrimination, OHS and productivity. Consultation took place especially in the areas of OHS, productivity, compensation, working time and discrimination. Regarding forced labour, only two factories informed workers about the topic by conducting training, and no consultation or joint decision-making process took place. Child labour was covered by the training activities of one factory. Joint decision-making processes were related to compensation, working time, OHS and productivity – however, as stated above, joint-decision making was only adumbrated by managers and not described extensively.

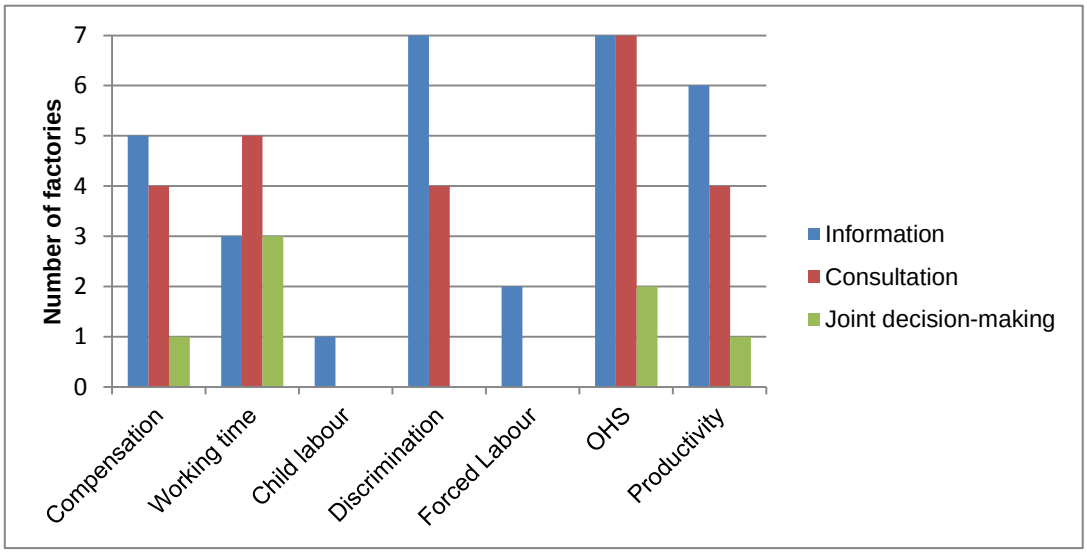


Figure 14-10 Participation degree per topic

In the interviews, most managers described how they consult workers regarding the different topics, but did not explain in detail how they inform their workers. Data on information and training activities is therefore mainly gathered from the factory visit reports. Interview person F3 stated in the interview that workers were informed about the content of the training workshops through the worker representatives and by publicising the developed action plan (F3-8). However, F3 did not mention the communication channels that WRs use for informing workers. Many factories reported that WRs were like a "communication bridge" between workers and management (A1-14; D2-38; B1-33, C2-15, K5-48). WRs collected opinions and suggestions from workers in an informal way, for example during lunch or after work, and summarised the input in management meetings (A1-20, K5-90, B1-22, N7-21). The consultative character of a meeting is clearly described in the following quote:

> "And another way if workers do not want to talk to management directly, you can go to worker representatives and tell them your problems, your suggestions, opinions. WR write down because the WRs have a monthly meeting […] with management. And then management will tell WRs, […] we can solve this problem and how. But if we can't we will [tell] WRs why we cannot. WRs go back and feedback to workers." (D2-8)

Joint decision-making in the sense that workers and managers made full use of the six steps-methodology was reported by managers of factory 3, 5 and 6 in the interviews. Interview partner L6, who was the general manager of the factory, described a meeting in which the reduction of overtime was discussed with WRs. L6 stated that participants of the meetings agreed "jointly" on solutions and decided on concrete action plans. Nevertheless, L6 did not express exactly how the decision was taken, whether they voted to select solutions, how many managers took part, etc.

> "Last time we discussed overtime. […] We touched on various issues like the solutions; we focussed on the solution seeking also based on cause analysis. We discussed how we could adjust the production pressure to have a reasonable overtime schedule. Maybe we should subcontract some orders to outside factories. We decided jointly, among several options, to receive fewer orders and to subcontract other factories. Workers were saying when they work overtime, the total amount, the production volume is the same as no overtime. That means during overtime hours workers have really low efficiency. At the end of the meeting we decided on concrete action plans. We receive fewer orders and we will subcontract more and we will develop a plan to really document and compare the data regarding the overtime efficiency. So later on we could base on this and decide not to work overtime that much." (L6-27)

Several project team members (U, T, Q, S) assessed that in most factories workers and worker representatives were consulted on labour conditions and production-related topics, which is in line with the findings from factory visit reports and managements' statements.

> "What we have definitely seen is that the companies have made use of the concept of the WE Project with its four stages of worker participation and its problem solving tool, informing workers as a first stage, and then consulting and involving them in the next stages, so progress has been made with regard to the first three stages. The fourth step of participation of course is a more difficult issue." (Q-14)

Interview partner U gave an example from a situation where a worker representative raised a controversial issue in front of a manager:

> "They will have a small say, but for example what the WR did yesterday: can you say that he has an influence or not? He is raising that controversial issue but something needs to be done. But how it will be changed, this decision-power is with top management. But obviously his opinion is making a difference." (U-69)

The stage of joint decision-making had been reached only in sporadic cases without a high degree of formalisation (U-32, 39). Project team member T pointed out that the influence level depended on the discussion topic:

> "Wage decisions that will be far away for a joint decision. But in terms of some health and safety programs and in terms of grievance, I can see a couple of factories which took a lot of the suggestions from workers and make use of it." (T-42)

In line with the last statement, S also concluded that managers and workers also discussed sensitive issues. However, with regard to wages for example, S stated that no real negotiations were conducted (S-67).

R added that worker representatives were beginning to learn how to represent and negotiate with management and that they strongly believed in the approach of collecting opinions from workers, forwarding them to management, and developing goals and solutions. R characterised the behaviour of worker representatives as "innocent" and "very honest". For R, the question of power and how to make use out of it was, at the stage of the project, no issue in the Chinese factories.

> "I think this is a learning process for them how to negotiate and how to represent their colleagues. I think, they try, they started to do this. Because it was quite obvious how strongly they believe in this approach. […] So they are still very honest and innocent somehow. They haven't started to do politics which was in Bangladesh already different, because some of the worker representatives started already to do some politics. I have the power and I have this interest to promote my peers." (R-54)

Managers were asked in the interviews about the biggest change they perceived in the course of the project. Most managers (factory 1, 3, 4, 5, 6, 7) referred to the introduction of worker participation and enhanced communication flow between WRs and management. They indicated an increase in participation degree compared to the time before the project:

> “Listening to workers. That is the biggest change. And also make some improvements, based on workers' opinions, suggestions. Like reduce the work or change the overtime schedule.” (M6-34)

> “Because in the past lot of decisions were made solely by management in a top down traditional manner. But now, it is really workers who are encouraged to voice their own thoughts. This is a change that I have seen.” (H-20)

> “In the past we were not much focussing on workers. But since the WE Project we elected the WRs and we do see a lot of communication going on among the WRs. And also the communication between WRs and management team has been enhanced, too.” (A1-12)

14.1.5 Participation Behaviour

Not much information on participation behaviour could be gathered in the interviews. Overall, participatory processes were initiated by management in the factories, and therefore the direction of participation was top-down. For some factories, WRs’ behaviour seemed rather passive as the manager dominated the participation process by setting discussion topics:

> “I attended the meeting with the WRs. I pointed out the issue, the topic for discussion and I asked each WR to tell us what they are thinking.” (A1-18)

In factory 3, management tried to stimulate participation by giving incentives. Again, workers tended to react to managements’ requests instead of organising consultative processes by themselves:

> “And also we give an award for those workers who have good ideas; we have these “new idea stars” elected. Workers feel proud and think this is a glory thing for them to participate.” (E3-48)

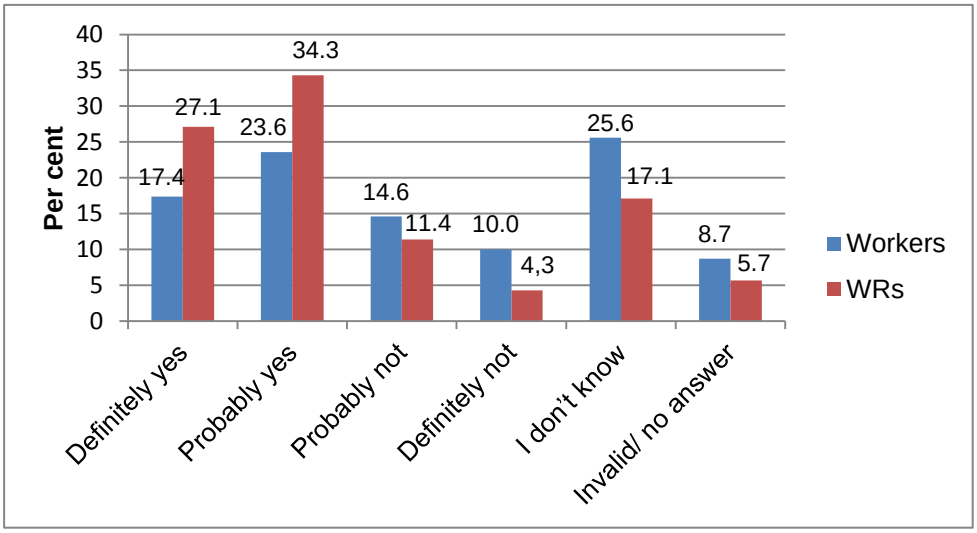
Interview partner U was asked about the reactions of the workers selected or elected as worker representatives. U replied that in general, workers were familiar with representational trade union structures. Since at factory level, management members often took over the job of worker representatives, they often understood their task as if they were a “sub-supervisor” – someone in between a management position and the position of a front-line worker.

> “And maybe to a great extent, they understand that a WR is a sub-supervisor. They only sense this way because this is obviously a management dominated process. They will think that they will just step a level higher than normal workers, closer to supervisor. This is normal, this is understandable. I don't see that much shocking on them. They feel unsecure because they do not know your expectations.” (U-50)

In this statement it again becomes clear that management dominated the process, and participatory structures were not initiated based on workers' wishes to express their interests.

14.1.6 Formalisation of Participation

As described in chapter 5.1, participation can be formalised through written agreements, policies and regulations, or is organised in an informal way if participatory processes are not regulated. Workers and WRs were asked whether they think they would be able to participate in decision-making processes once the WE Project was over. It was assumed that if a certain formalisation of structures had been achieved, workers and WRs would feel more certain about the continuation of their participation. Overall, answers of WRs significantly indicate ($p \leq 0.01$) a stronger belief in future participation than workers' answers do (mean workers 2.26; mean WRs 1.91) (figure 14-11).



N workers=256; N WRs=54

Figure14-11 Long-term participatory structures

W21/WR20) Do you think you will get the opportunity to participate in decision-making processes after the WE Project is over?

Since structures for indirect participation might have a higher degree of formalisation (elected representatives or committees meet regularly according to defined dates, minutes are taken, etc.), WRs might have a higher degree of trust that such structures would continue. In contrast, workers mainly expressed their opinions in face-to-face discussions and surveys. These were most probably less formalised, as the following quote of the manager reflects:

Question: How often do workers approach the WRs?

"There is no fixed term, it is quite flexible. It is informally, workers will just tell WRs maybe on their way to the dormitory after work and some WRs may note down their comments. Some may not." (B1-24)

66.7 per cent of WRs and 73.6 per cent of workers stated in the questionnaires that the company has a written policy on worker participation (W8/WR8). Most worker representatives replied to question WR15 that they were compensated for their representative work (table 14-20).

Table 14-20 Compensation of WRs

%	Yes	No	I don't know	Invalid/ no answer
WRs	67.1	18.6	12.9	1.4

N WRs=60

WR15) Are you paid by your employer for the time spent on representative activities while at work?

A similar picture was provided by the managers in the interviews. According to their statements, participation structures were formalised through written guidelines and policies in six factories. In five factories, WRs received compensation for their work as representatives (table 14-21).

Table 14-21 Formalised participation structures

Factory	1	2	3	4	5	6	7	Total
Policy on worker participation	-	×	×	×	×	×	×	**6**
WRs get compensation	×	×	-	-	×	×	×	**5**

× = topic mentioned in interview

One project team member referred to one factory of the WE Project (not included in the sample of this survey) in which workers favoured setting up informal structures.

"In another case, in China, the female workers opposed the whole idea to have formal meetings and election processes. They set up their own structure, clearly not in compliance with national and international FoA regulations, but highly effective."(R-31)

With an increasing formalisation of structures, workers might feel under pressure and vulnerable because they do not know exactly what kind of responsibilities they have to fulfil.

Formalised mechanisms such as collective bargaining agreements were not mentioned in any interview or factory visit report.

14.1.7 Summary

Direct and indirect participatory structures have been implemented in the factories, such as the establishment of a WRs structure, surveys, working group meetings, or suggestion boxes. In all factories, WE Project WRs were elected by workers and partially designated by management. Workers and WRs most often discussed the topics of wages, welfare, product quality and overtime. With management, WRs and workers talked most often about health and safety, wages and product quality. Management mainly consulted workers and WRs. However, particularly WRs tended to perceive a higher participation degree – up to joint decision-making – with management. Participation of workers was often initiated by management. Most factories developed policies for the set-up of participatory structures, which indicates a certain level of formalisation.

14.2 Improvement Processes with Regard to Labour Conditions and Economic Performance

In the following, improvement activities of the factories in the areas of health and safety, compensation, child labour, forced labour, working time, discrimination, productivity, quality and welfare/recreational activities are summarised. It is not possible to exclusively link each improvement measure to the involvement of workers. However, examples are provided which demonstrate how worker participation structures are related to improvement measures. In a second step, the influence mechanisms of participation will be analysed with regard to motivational (section 14.3), cognitive (section 14.4) and power-sharing aspects (section 14.5).

14.2.1 Occupational Health and Safety

According to the answers of the questions W11 and WR19, workers and WRs recognised positive changes with regard to occupational health and safety (table 14-22). A majority of WRs (74.3 per cent) and workers (60.2 per cent) said that health and safety conditions had been enhanced “very much” or “much”. 45.8 per cent of WRs and 45.7 per cent of workers were of the opinion that the accident rate had been reduced “very much” or “much”.

Table 14-22 Perceived changes in the area of OHS

%	Very much		Much		A little		No change		I don't know/ invalid/no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Health and safety conditions have been enhanced.	27.9	30.0	32.3	44.3	12.6	12.9	8.7	2.9	18.5	10.0
Accident rate has been reduced.	26.2	22.9	19.5	22.9	9.7	7.1	11.5	8.6	33.0	38.5

N workers=318, 261; N WRs=63, 43

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

Overall, 45.7 per cent of WRs and 25.9 per cent of workers were very satisfied with discussion results with regard to OHS, while only 2.9 per cent of WRs and 5.6 per cent of workers stated dissatisfaction with results (see table 14-23).

Table 14-23 Satisfaction with discussion results – OHS

%	Very satisfactory		Fairly satisfactory		Somewhat dissatisfactory		Very dissatisfactory		Not discussed/ I don't know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
OHS	35.9	45.7	29.0	38.6	4.1	2.9	1.5	0	29.5	12.8

N workers=275; N WRs=61

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding OHS Improvements

Table 14-24 provides a more detailed overview of the activities implemented in the field of OHS based on the interview statements and the factory visit reports. Four factories were able to reduce the number of accidents as an outcome of an improved handling of OHS issues and hazards. Several factories enhanced their equipment (e.g. installation of sewing machine guards, safety devices for buttoning), developed safety manuals or new regulations and/or conducted fire drills. Two factories successfully ensured that more

workers wore PPE. Further improvements can be gathered from the table. Every factory implemented at least one OHS improvement measure.

Table 14-24 Stated improvements related to OHS

Factory	1	2	3	4	5	6	7	Total
Reduction of accidents		×	×		×		×	4
Equipment enhanced	×	×	×	×				4
Development of safety manual/regulations	×			×		×		3
Fire drill accomplished	×	×	×					3
More workers are wearing PPE		×					×	2
OHS performance system introduced			×		×			2
First aid improvement		×		×				2
Health examination							×	1
Warning signs installed				×				1
Higher awareness					×			1

The following quotes are selected to demonstrate how factories worked on the topic of OHS. Factory 2 decided to set up an OHS committee in which WRs participate and to conduct monthly meetings to improve OHS issues.

> "After the WS 4 or 5 we discussed about OHS, when we came back we set up an OHS committee. And also we have monthly regular meeting which can list out which problems this month happened in each department in each workshop. And what is the potential possibility that the problem will happen in the future. The committee will have the responsibility to tell workers to wear PPE which is very important for workers to protect themselves. They also had the fire drill twice a year. That is definitely done after the committee has been set up. They also tell the workers which machine can hurt you and how to use it. I realised recently around last three months, there was no accident. Because they always cut the fingers, always happened in the cutting department and also knitting department because of the knitting needle." (D2-20)

In contrast to factory 2, interview partner A1 stated that they tried to improve workers' behaviour by monitoring workers and setting stricter regulations instead of involving them in a participatory manner. Without a daily checking procedure, workers would return to their old behaviour.

> "We have trained our workers, telling them that the OHS issues will have an impact on your efficiency. Some OHS issues, if you really monitor and you check them on a daily basis, you really watch them closely, they will fix it, somehow in a short term. But if you get loose, they will go back to their old behaviour. And overall, we are re-

ally increasing our level of requirements. For example, buttoning and cutting. This is our two focus areas, workshops. They have improved. And these two workshops are most dangerous. […] So we also implement stricter rules for them." (A1-38)

14.2.2 Forced Labour

57.2 per cent of WRs and 39.7 per cent of workers were of the opinion that their awareness of forced labour had increased "very much" or "much". 22.9 per cent of WRs and 16.2 per cent of workers recognised no changes in this area (table 14-25). Workers seem to be unsure about this topic, since about one third did not answer the question or gave an invalid answer. On the side of the WRs, only 10 per cent did not give an answer or did not know.

Table 14-25 Awareness forced labour

%	Very much		Much		A little		No change		I don't know/ invalid/no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
My awareness of forced labour has increased.	12.8	22.9	26.9	34.3	10.8	10.0	16.2	22.9	33.3	10.0

N workers=260; N WRs=63

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

On being asked whether topics related to forced labour had been discussed with management, a large majority of WRs (77.1 per cent) and workers (82.1 per cent) answered with "no", gave an invalid answer or did not know an answer. Most of the ones who discussed the topic with management were fairly satisfied (12.9 per cent of WRs) or somewhat dissatisfied (6.9 per cent of workers) (table 14-26).

Table 14-26 Satisfaction with discussion results – forced labour

%	Very satisfactory		Fairly satisfactory		Somewhat dissatis-factory		Very dis-satisfactory		Not discussed/ I don't know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Forced Labour	3.1	4.3	5.4	12.9	6.9	2.9	2.6	2.9	82.1	77.1

N workers=70; N WRs=16

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding Forced Labour

In the interviews, five managers stated that forced labour was not a serious topic in their factories. Therefore, not many activities were reported in this area. One factory abolished deductions from wages and one company reviewed company manuals (table 14-27).

Table 14-27 Improvements in the field of forced labour

Factory	1	2	3	4	5	6	7	Total
Not a problem	x	x	x	x	x			5
Abolished deduc-tions						x		1
Review of company manual		x						1

Manager N7 mentioned that their main concern with regard to forced labour was overtime, since management is not allowed to make overtime work compulsory. Nevertheless, many factories need to work overtime hours to meet delivery deadlines. Factory 7 informed workers about overtime, and if complaints arose adjustments were made:

> "In terms of forced labour our main focus is on this overtime. Our way is really communicate with our workers and we make adjustments if workers are complaining. But overall we really try to convince our workers and gain their cooperation to do overtime as needed and we pay our overtime wages as per legal overtime rates. And this is not realistic if we stop all overtime. We really try to work out together with our workers." (N7-86)

14.2.3 Discrimination

58.6 per cent of WRs stated that their awareness of discrimination had increased “very much” or “much”, whereas 40.5 per cent of workers said so. Little or no change of awareness was recognised by 25.7 per cent of WRs and 24.4 per cent of workers. About one third of workers and 15.7 per cent of WRs did not know an answer or did not give a valid answer (table 14-28).

Table 14-28 Awareness discrimination

	Very much		Much		A little		No change		I don’t know/ invalid/no answer	
%	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
My awareness of discriminatory practice has increased.	20.8	24.3	19.7	34.3	8.5	11.4	15.9	14.3	35.2	15.7

N workers=253; N WRs=59

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

Similarly to the area of forced labour, most WRs and workers did not discuss the topic of discrimination with management or did not provide an answer to question W10/WR17. However, the majority of those who talked with management about discrimination were either very satisfied or fairly satisfied (30 per cent of WRs and 12.9 per cent of workers) (see table 14-29).

Table 14-29 Satisfaction with discussion results - discrimination

	Very satisfactory		Fairly satisfactory		Somewhat dissatis-factory		Very dis-satisfactory		Not discussed/ I don’t know/ no answer	
%	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Discrimination	6.2	17.1	6.7	12.9	2.1	2.9	3.8	1.4	81.3	65.7

N workers=73; N WRs=24

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding Discrimination

Most factories reviewed policies or wrote new policies to prevent discriminatory practice. Four developed and published anti-discrimination statements to raise awareness among the workforce. A review of recruitment advertisements regarding discriminatory language was conducted by three factories. One factory provided adjusted workplace equipment for disabled employees (see table 14-30). Project member U commented on the activity level of factories in this area by stating that, in general, the awareness of discriminatory practice was low (U-8). Also one manager mentioned that Chinese society did not know much about it (C2-21).

Table 14-30 Activities in the field of anti-discrimination

Factory	1	2	3	4	5	6	7	Total
Review of or new policy	x	x	x		x		x	5
Developing and publishing of anti-discrimination statement			x		x	x	x	4
Review of recruitment advertisements		x		x			x	3
Provision of workplace equipment for disabled employees	x							1

Factory 5 established an anti-discrimination committee, which had the objective of raising employees' awareness of discrimination (K5-66).

> "A lot of workers do not have a basic understanding, so after training by our WRs and broadcasting we make people understand. Sometimes they say things with good will, but they are still discriminatory. So we had this anti-discrimination team to work on this. We have this PA system during the night. That is our main channel for spreading the information. For example people with hepatitis, when they went to the canteen they were discriminated. […] we also make people know about relevant local laws and the international labour rights." (K5-66)

14.2.4 Compensation

Overall, workers and WRs gave a positive assessment regarding wage increases: 71.4 per cent of WRs and 52.8 per cent of workers were of the opinion that wages had increased "very much" or "much". For 4.3 per cent of WRs and 10.8 per cent of workers, no change was visible. Around 45 per cent of workers and WRs were not of the opinion that any changes regarding the punctuality of the wage payment had taken place (table 14-

31). However, at this point it cannot be concluded whether wages were paid on time before the project started.

Table 14-31 Perceived changes in the area of compensation

%	Very much		Much		A little		No change		I don't know/ invalid/no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Wages have increased in my factory.	16.4	15.7	36.4	55.7	26.4	20.0	10.8	4.3	10.0	4.3
Wages are paid on time more often than before.	19.0	18.6	12.6	17.1	7.9	5.7	45.6	44.3	14.9	14.3

N workers=351, 332; N WRs=67, 60

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

Most WRs (47.1 per cent) and workers (39.7 per cent) who discussed the topic compensation with management were very satisfied or fairly satisfied. 17.2 per cent of WRs and 18.8 per cent of workers were rather unsatisfied or very dissatisfied with the outcome (table 14-32).

Table 14-32 Satisfaction with discussion results - compensation

%	Very satisfactory		Fairly satisfactory		Somewhat dissatis-factory		Very dis-satisfactory		Not discussed/ I don't know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Compensation	11.8	20.0	27.9	27.1	13.2	14.3	5.6	2.9	41.3	35.7

N workers=229; N WRs=45

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding Compensation

Five factories implemented a new bonus or incentive system and four factories were able to increase their employees' wages according to interview statements and factory visit reports. The transparency of the piece rate system was improved by four factories. Factory 1 and 6 stated that they increased the overtime supplements. Further activities can be seen in table 14-33.

Table 14-33 Improvement activities in the field of compensation

Factory	1	2	3	4	5	6	7	Total
Not a problem		×						1
Implementation of bonus/incentive system	×		×	×	×		×	5
Increase of wages			×	×	×		×	4
Transparency of piece rate system enhanced	×		×		×		×	4
Overtime supplements increased	×					×		2
Enhancement of piece rate system						×		1
Keep wage records	×							1
Provision of pay slip introduced	×							1
Basic needs wage assessment implemented			×					1
Awareness of social insurance increased					×			1

Factory 3 distributed several questionnaires on topics related to social standards in order to gather workers' opinions and suggestions. One questionnaire was related to compensation; in it, the management asked which wage increase workers would be satisfied with. The suggestions of workers were used to improve the wage level, which also had an impact on productivity and satisfaction.

> "We did the questionnaire again about this wage issue and as you see we applied immediately what we have learnt and we put it into practice. Because in the past the wage issue was considered to be a little bit sensitive issue and the communication between management and workers was not very good, so now after this workshop and we really went through that questionnaire and we really understand what workers are thinking and what are their needs. So we really benefit from this kind of practice, for example after this wage thing, this wage improvement, our piece rate has increased and we have more production bonuses. And workers really feel that after this questionnaire, after they voice out their thoughts, they really get concrete benefits. And we also see that given this more motivated workforce, workers have higher production volume, productivity increase and the morale overall is very high." (G3-8)

Manager of factory 4 described how measures were developed in order to increase workers' wages:

> "In terms of wages, as I can remember, at least three focussed round table meetings had been held where the vice GM on production matters, and factory managers and workshop leaders, HR people and also our worker representatives, they all sit together to discuss the transparency issue of our piece rate and also try to come up with solutions or practical measures how to increase workers' pay without working more overtime. As a part of this solution seeking process, we installed new machineries to improve our productivity." (H4-43)

14.2.5 Child Labour

Awareness of child labour had increased "very much" or "much" for 27.1 per cent of workers and 47.1 per cent of WRs. Little or no change was visible for 22.8 per cent of workers and 32.9 per cent of WRs (table 14-34).

Table 14-34 Awareness of workers regarding child labour

	Very much		Much		A little		No change		I don't know/ invalid/no answer	
%	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
My awareness of child labour has increased.	19.5	20.0	17.7	27.1	7.2	12.9	15.6	20.0	40.0	20.0

N workers=234; N WRs=56

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

Only 20 per cent of WRs were able to state their satisfaction level with discussions about child labour. 17.1 per cent of were very or fairly satisfied, while 2.9 per cent were somewhat dissatisfied with discussion results. On the side of the workers, only 7.4 per cent talked about the issue with management. Among them, 6.6 per cent were very or fairly satisfied while 3.4 per cent were rather dissatisfied or very dissatisfied (table 14-35).

Table 14-35 Satisfaction with discussion results – child labour

%	Very satisfactory		Fairly satisfactory		Somewhat dissatis-factory		Very dis-satisfactory		Not discussed/ I don't know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Child Labour	2.8	10.0	3.8	7.1	0.3	2.9	0.5	0	92.6	80.0

N workers=29; N WRs=14

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding Child Labour

Similarly to the topic of forced labour, many factories regarded child labour as a problem that did not occur in their factories. Two factories reviewed their policies and implemented physical examinations for young labourers. Another two factories improved the checking procedure for ID cards. One factory decided that young labourers should not work over-time or be allocated a hazardous workplace (table 14-36).

Table 14-36 Improvement activities in the field of child labour

Factory	1	2	3	4	5	6	7	Total
Not a problem/already full compliance		×	×	×		×		4
Review of or new manual/policy	×	×						2
Health check for young labour ensured	×	×						2
Improvement check ID cards					×		×	2
Eliminated overtime for young labourers		×						1
No hazardous posi-tion for young labourers		×						1

No explicit statements were made in the interviews on how workers were involved in decision-making in the area of child labour.

14.2.6 Working Time

55.7 per cent of WRs thought that overtime had been reduced "very much" or "much", whereas 18.6 per cent were of the opinion that working hours had decreased "a little", and

for 22.9 per cent no change was visible. Significantly fewer workers (35.1 per cent) made the assessment that overtime had been reduced “very much” or “much” (table 14-37).

Table 14-37 Assessment workers and WRs

%	Very much		Much		A little		No change		I don’t know/ invalid/no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Overtime has been reduced.	12.8	20.0	22.3	35.7	19.2	18.6	31.8	22.9	13.9	2.9

N workers=336; N WRs=68

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

45.7 per cent of WRs and 35.9 per cent of workers were very or fairly satisfied with the outcome of discussions about working time. In contrast, 17.1 per cent of WRs were somewhat dissatisfied and 17.7 per cent of workers were either rather dissatisfied or very dissatisfied (table 14-38).

Table 14-38 Satisfaction with discussion results – working time

%	Very satisfactory		Fairly satisfactory		Somewhat dissatisfactory		Very dissatisfactory		Not discussed/ I don’t know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Working time	10.5	17.1	25.4	28.6	11.5	17.1	6.2	0	46.4	31.1

N workers=209; N WRs=44

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding Working Time

Five factories were able to reduce overtime working hours and three factories implemented one day off a week (table 14-39). One factory manager stated that they were able to eliminate excessive overtime for one factory site (E3-40).

Table 14-39 Improvement activities in the field of working time

Factory	1	2	3	4	5	6	7	Total
Reduction of overtime	x	x	x	x	x			5
Implementation of one day off in a week			x	x	x			3
Elimination of excessive overtime			x					1

Interview person K5 described that they were able to reduce overtime by introducing a new production model called “one piece flow”[39] which increased productivity. Decisions on improvements were taken in participatory meetings.

> “Our working time has been reduced after this WE Project. We had a relatively long overtime before the WE Project. […] Top management, middle management, worker representatives and also normal workers from the production line. They sit together at the round table meeting to discuss this excessive overtime issue. One way to increase our productivity is we introduced this so called one-piece production flow. We really try to develop counter measures based on the causes identified. So now, currently we do not work on Sundays. Every week we have two nights, where we do not have overtime. Two out of seven days, they only work 8 hours. Then, they have also the Sunday off. Before the WE Project, sometimes they only get one day off every two weeks.”(K5-74)

14.2.7 Welfare/Recreational Activities

About half of respondents from the worker group and one third of WRs did not discuss topics related to welfare or recreational activities with management, or did not provide an answer. The majority of those who talked with management about the issue were very or fairly satisfied with the outcomes (60 per cent of WRs and 35.6 per cent or workers). Around 10 per cent of workers and WRs stated they were rather dissatisfied or very dissatisfied with results (table 14-40).

[39] One-piece flow is a method of lean management in order to enhance production efficiency.

Table 14-40 Satisfaction with discussion results - welfare

%	Very satisfactory		Fairly satisfactory		Somewhat dissatisfactory		Very dissatisfactory		Not discussed/ I don't know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Welfare	11.5	22.9	24.1	37.1	8.5	5.7	2.1	2.9	53.8	31.4

N workers=180, N WRs=48

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Qualitative Data regarding Welfare/Recreational Activities

Many factories focused on improving welfare conditions for workers. Five factories enhanced food in the canteen, four factories increased the range of entertainment activities, and three factories improved workers' dormitories.

Table 14-41 Improvement activities in the field of welfare

Factory	1	2	3	4	5	6	7	Total
Better food/canteen		×	×	×	×		×	5
More entertainment activities	×			×		×	×	4
Better dormitories				×	×		×	3
Other welfare improvements		×			×			2

The decision procedure on how to organise birthday parties is described by interview partner B in the following quote.

> "For example about this birthday party thing, we hold round table meeting. So that we gather all the WRs together at this table and then we ask them what is the option we should take. Play a song for the workers who are having their birthdays through our PA system or give them a birthday card. Brainstorming. All the WRs are coming up with all kinds of options. And then they will bring these options back to their groups to ask workers for their opinions and then they get opinions back. At this round table, everyone is equal, so focus on this on specific topic, everyone feels that they have a say. This is my understanding. There is no hierarchy. Everyone is really being honest, candid." (B1-35)

14.2.8 Economic Benefits

75.7 per cent of WRs and 60.3 per cent of workers agreed with the statement that productivity had been increased “very much” or “much”. The enhancement of product quality was regarded in a similarly positive way. Around ten per cent of workers and WRs saw only little improvement in the area of quality (table 14-42). Considerably fewer workers and WRs supported the statement that workers quit their jobs less often. 39.5 per cent of workers and 44.3 per cent of WRs agreed “very much” or “much”.

Table 14-42 Assessment of improvements

%	Very much		Much		A little		No change		I don’t know/ Invalid/no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Productivity has increased. We produce more pieces in the same time.	30.3	31.4	30.0	44.3	12.6	8.6	6.4	1.4	20.7	14.3
Quality of products has been improved.	31.8	27.1	39.2	50.0	9.2	10.0	4.6	1.4	15.1	11.4
Workers quit their jobs less often.	18.2	15.7	21.5	28.6	16.2	24.3	16.9	14.3	27.1	17.1

N workers=253, 331, 284; N WRs=60, 62, 58

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory?

With regard to production, the majority of WRs (52.8 per cent) and workers (43.4 per cent) were very satisfied or fairly satisfied with discussion outcomes. Less than 10 per cent of WRs and workers were rather or very dissatisfied. In regard to quality, workers and WRs stated similar satisfaction levels. Here, about 62.9 per cent of WRs and 50 per cent of workers were very or fairly satisfied with outcomes. No worker or worker representative was very dissatisfied with outcomes (table 14-43).

Table 14-43 Satisfaction with discussion results – production and quality

%	Very satisfactory		Fairly satisfactory		Somewhat dissatis-factory		Very dis-satisfactory		Not discussed/ I don't know/ no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Production	17.2	21.4	26.2	31.4	6.2	7.1	1.8	0	48.7	40.0
Product quality	19.7	24.3	30.3	38.6	4.9	4.3	0	0	45.1	32.9

N workers=200, 214; N WRs=42, 47

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result?

Cognitive and motivational models assume that participation leads to an increase in productivity and better decisions. Therefore, economic benefits are expected to be an outcome of participation. The managers, workers and WRs stated in the interviews and in the questionnaires that productivity had been increased in some factories. In order to achieve an improvement of social standards, it was concluded in section 7 that economic benefits have to be invested into social standards. In questions W9 and WR13, workers and WRs were asked about their opinion whether the management is able to spend more money on improving labour conditions (table 14-44). More than 40 per cent of workers and WRs stated that investment is definitely possible. None of the WRs and only 1 per cent of workers were of the opinion that factories were definitely not able to invest money in improving labour conditions. 21.5 per cent of workers and 12.9 per cent of WRs did not know how to answer the question. Therefore, workers found it more difficult to assess the situation in their factory. This might be explained by the higher involvement of WRs and their insight into factories' financial situations.

Table 14-44 Investment in labour conditions

%	Definitely yes	Probably yes	Probably not	Definitely not	I don't know/ invalid/ no answer	Mean
Workers	41.5	27.2	3.3	1.0	27.1	1.51
WRs	44.3	38.6	1.4	0	15.8	1.49

N workers=285, N WRs=59

W9/WR13) Under the current financial situation, do you think the factory is able to spend more money to improve labour conditions? (1- definitely yes; 2- probably yes; 3- probably not; 4- definitely not)

D Analysis of the Influence of Participatory Structures on Labour Conditions

Qualitative Data regarding Production Matters

Managers of five factories reported an increase in productivity. Measures to achieve this comprised enhanced maintenance of machines, the introduction of lean management, improved work assignments, better production planning, etc. (see table 14-45).

Table 14-45 Improvement activities in the field of production

Factory	1	2	3	4	5	6	7	Total
Productivity increased	×		×	×	×		×	5
Better production planning				×	×	×	×	4
Enhanced maintenance of machines/new machines			×	×		×		3
Lean management introduced			×		×		×	3
Improved work assignment						×	×	2
Re-work rate reduced					×	×		2
Cost saving regulations implemented					×			1
Turnover decrease	×	×		×	×			4
Cleaned workplaces					×			1

Regarding the quality of products, four factories stated that they were able to achieve higher product quality and two suppliers mentioned in the interviews that workers' awareness of quality issues could be raised (see table 14-46).

Table 14-46 Improvement activities in the field of quality

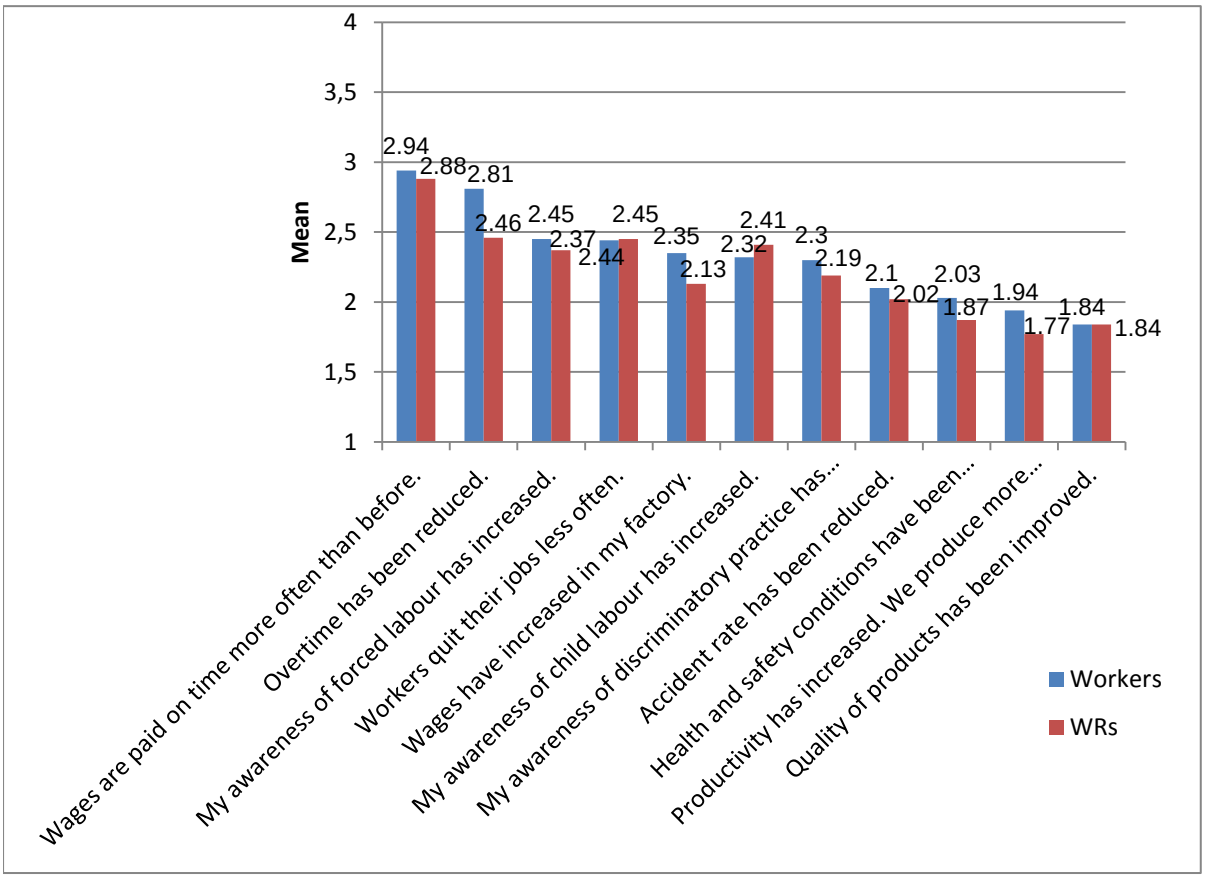
Factory	1	2	3	4	5	6	7	Total
Higher product quality			×	×	×		×	4
Awareness has been raised			×			×		2

Interview partner E3 described that production targets were set during morning meetings by involving the workers of each production line (E3-35).

> "Before workers were just receiving the instructions from management that they should produce more and more but their performance was limited. However now, after defining the goals, workers are really telling us. If you prepare all the materials, make this conditions, we can produce more, how many, in the same time." (E3-35)

14.2.9 Summary

In order to summarise the perception of improvement activities, figure 14-12 provides the mean values of workers' and WRs' answers with regard to change processes in the areas of compensation, OHS, working time, forced labour, child labour, discrimination, workforce fluctuation, productivity, and quality (questions W11/WR19). The highest agreement with positive changes was given by workers and WRs to the topics of quality, productivity and OHS. WRs' and workers' answers regarding the issue of timely payment of wages reveal that in this area the least change in processes was recognised. This can either be explained by the fact that fewer improvements took place or that wages had been paid on time in most factories. A t-test revealed that, with the exception of the items "Wages have increased" and "Overtime has been reduced"[40], answers of workers and WRs do not differ significantly.



N workers=234-336; N WRs=43-68

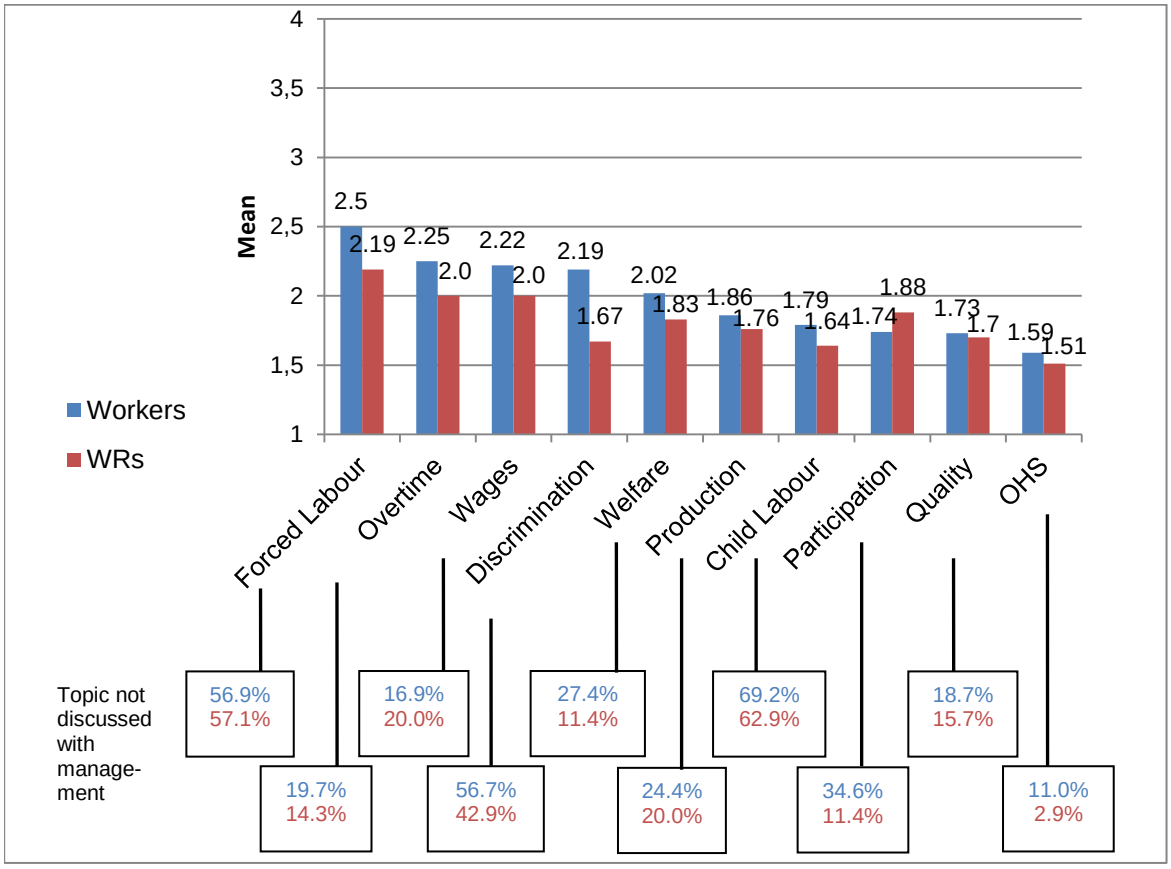
Figure 14-12 Means change processes

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? (1-very much; 2-much; 3-a little; 4-no change)

[40] Both p≤0.05

D Analysis of the Influence of Participatory Structures on Labour Conditions

Questions W10 and WR17 asked workers and WRs to rank their level of satisfaction with the outcomes of discussions with management. The highest satisfaction level of workers and WRs is related to the area of OHS. The lowest satisfaction level was indicated by workers and WRs in the areas of forced labour, overtime and wages. A significantly different assessment of discussion outcomes was stated in the area of discrimination. Workers were less positive about the outcomes (mean 2.19) than WRs (1.67) ($p<0.05$). Regarding the other topics, workers' and WRs' answers show no significant difference. Overall, the valid numbers of answers vary to a large extent among the items, since workers and WRs did not discuss topics from all areas with management. For example, almost 70 per cent of workers stated that they did not discuss child labour with management.



N workers=29-275; N WRs=14-61

Figure 14-13 Means satisfaction level with outcome

W10/WR17) Which topics have you discussed with management? Have you been satisfied with the result? (1- very satisfactory; 2- fairly satisfactory; 3- somewhat dissatisfactory; 4- very dissatisfactory)

In the following sections, quantitative and qualitative data on the influence mechanisms of participation will be presented.

14.3 Motivational Influence Mechanisms of Participation

Motivational models predict that participation will lead to an increased exchange between workers and managers, supporting the development of a working relationship based on mutual trust and respect. Enhanced interaction, cooperation, and satisfaction of needs are related to an increase in work satisfaction. As has been concluded in section 5.3 and section 7, motivational aspects are expected to exert a positive influence on economic performance and on working conditions. Motivational influence mechanisms of participation are summarised in figure 14-14. For several reasons, only the aspects marked in bold have been included in the quantitative analysis and transformed into variables. Initially, I attempted to compose a rather simple questionnaire, avoiding too many items so as not to overwhelm workers. With regard to the selection of items, trainers suggested to avoid asking about conflicts so as not to put workers in a difficult situation. Instead of asking about absenteeism, I chose to focus on worker turnover, since it might be more obvious for workers whether other workers had quit their job or whether they were just absent for a day. It was expected that information about the remaining motivational aspects (enhanced cooperation, sense of control, identification, less resistance, absenteeism, conflicts) would be gathered through the interviews.

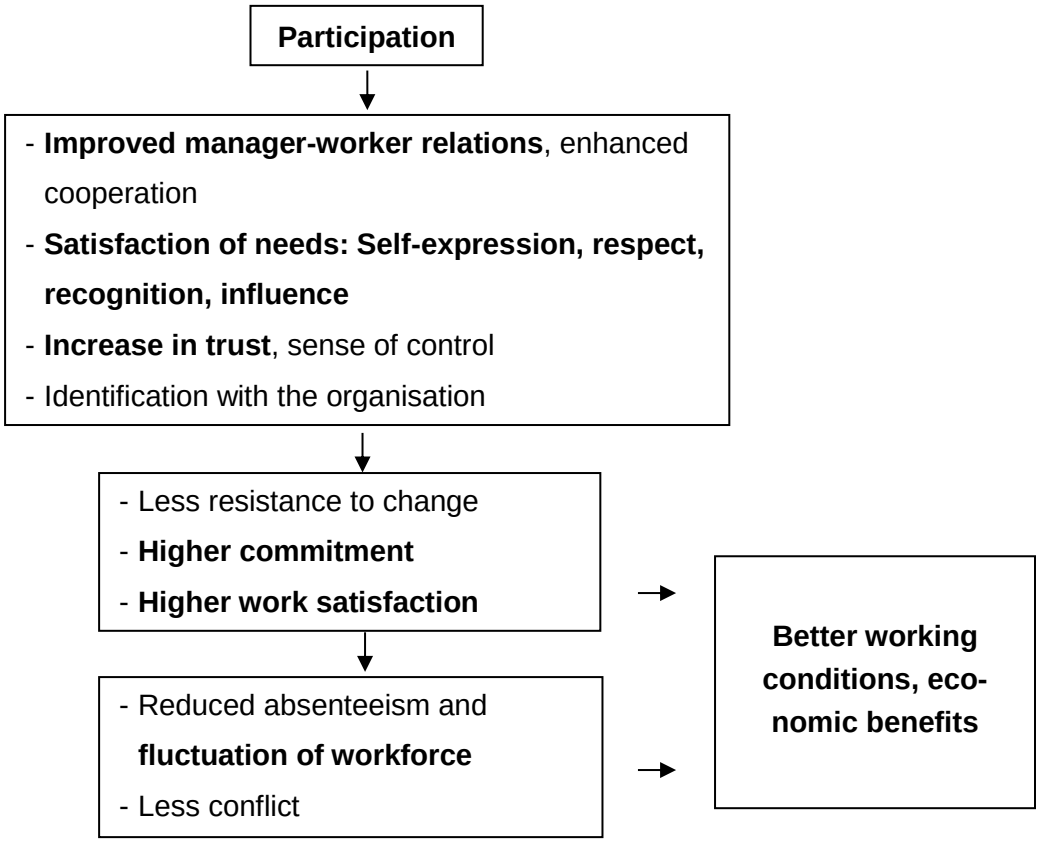


Figure 14-14 Motivational influence mechanisms of participation

In the survey, a large majority of workers and WRs stated they “definitely” or “mostly agree” that they have greater trust in management. According to the t-test conducted, the answers of workers and WRs do not differ significantly here. The highest agreement with the statement that the relationship between management and workers has been enhanced was given by the WRs (mean 1.66). For this item, the answers of workers were significantly less supportive of the statement (p≤0.01). However, around two thirds of workers still definitely or mostly agreed with the statement. Regarding the third statement (“I like to talk to management”), the answers of WRs and workers differ significantly, too (p≤0.01). About two thirds of workers definitely or mostly agreed, while more than 80 per cent of WRs supported the statement (table 14-47).

Table 14-47 Motivational aspects – perception relationship

%	Definitely agree		Mostly agree		Hardly agree		Do not agree		Mean	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
I have greater trust in management.	33.1	40.0	39.5	41.4	19.7	15.7	2.6	0	1.91	1.75
The relationship between managers and workers has been enhanced.	31.5	40.0	33.1	42.9	24.1	8.6	2.8	0	1.98	1.66
I like to talk to management.	27.2	44.3	36.7	40.0	15.6	12.9	5.6	0	2.0	1.68

N workers=332-370; N WRs=64-68

W13/WR21 *What has changed in the past one and a half years/since you came to the factory? To what extent do you agree or disagree with the following statements? / Since I am a WE Project worker representative… (1- definitely agree, 2- mostly agree, 3- hardly agree, 4-do not agree)*

W22/WR25 *Do you agree or disagree with the following statements? (1- definitely agree, 2- mostly agree, 3- hardly agree, 4-do not agree)*

The perceived respect towards workers’ contributions was measured by the statement “I have the feeling that my opinion is acknowledged by management” (table 14-48). Here, significantly more WRs perceived acknowledgement from management regarding their contributions (p≤0.001).

Table 14-48 Feeling of being acknowledged

%	Definitely agree		Mostly agree		Hardly agree		Do not agree		Mean	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
I have the feeling that my opinion is acknowledged by management.	20.8	40.0	40.3	41.4	16.2	15.7	8.5	0	2.14	1.75

N workers=334; N WRs=68

W22/WR25 Do you agree or disagree with the following statements? (1- definitely agree, 2- mostly agree, 3- hardly agree, 4-do not agree)

Table 14-49 displays the frequencies of workers' and WRs' answers to the items related to work satisfaction. The highest level of agreement was stated by workers regarding satisfaction with working conditions. Most WRs agreed with the statements "I really enjoy my work" and "I'm satisfied with working conditions". Only the statements of workers and WRs regarding opportunities to make use of abilities and to be promoted differ significantly ($p<0.05$).

Table 14-49 Frequencies work satisfaction

%	Definitely agree		Mostly agree		Hardly agree		Do not agree		Mean	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
I don't like my job but I shouldn't expect too much. (a)	11.8	8.6	20.5	18.6	21.8	17.1	34.1	51.4	2.89 (2.39 inverted)	3.16 (1.83 inverted)
I really enjoy my work. (b)	33.8	44.3	29.7	27.1	16.4	20.0	9.7	4.3	2.02	1.84
My work is quite monotonous; there is nothing I can do about it.(c)	13.1	18.6	15.9	14.3	23.8	22.9	29.5	34.3	2.85 (2.15 inverted)	2.81 (2.19 inverted)
My work is really interesting and satisfactory. (d)	24.1	17.1	31.5	38.6	16.9	28.6	11.0	10.0	2.18	2.33
There are enough opportunities during my work to make use of all my abilities. (e)	25.9	40.0	34.6	31.4	13.3	14.3	7.9	2.9	2.04	1.77

I'm satisfied with promotion opportunities. (f)	20.3	34.3	33.1	31.4	21.0	17.1	9.2	7.1	2.23	1.97
I'm satisfied with working intensity. (g)	21.5	21.4	30.0	32.9	23.8	22.9	9.7	8.6	2.26	2.22
I'm satisfied with labour conditions. (h)	29.0	28.6	36.2	45.7	15.6	14.3	5.4	0	1.97	1.84

N workers=315-349; N WRs=62-67

W24/WR27 Do you agree or disagree with the following statements? (1- definitely agree, 2- mostly agree, 3- hardly agree, 4- do not agree)

Both workers and WRs stated high agreement with the question of whether job commitment has increased. 75.9 per cent of workers and 91.4 per cent of WRs definitely or mostly agreed with that statement (mean workers 1.41; mean WRs 1.18) (table 14-50).

Table 14-50 Job commitment

%	**Definitely agree**		**Mostly agree**		**Hardly agree**		**Do not agree**		**Mean**	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
I'm more committed to my job.	65.9	77.1	20.0	14.3	5.9	1.4	2.3	0	1.41	1.18

N workers=367; N WRs=65

W13/WR21) What has changed in the past one and a half years/since you came to the factory? To what extent do you agree or disagree with the following statements? / Since I am a WE Project worker representative… (1- definitely agree, 2- mostly agree, 3- hardly agree, 4- do not agree)

With regard to fluctuation of workers (table 14-51), 39.7 per cent of workers and 44.3 per cent of WRs were "very much" or "much" of the opinion that workers quit their jobs less frequently. Little or no change was recognised by 33.1 per cent of workers and 38.6 per cent of WRs. The frequencies of workers' and WRs' answers do not differ significantly.

Table 14-51 Perception fluctuation of workers

%	Very much		Much		A little		No change		Mean	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Workers quit their jobs less often.	18.2	15.7	21.5	28.6	16.2	24.3	16.9	14.3	2.44	2.45

N workers=284; N WRs=58

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? (1-very much; 2-much; 3-a little; 4-no change)

14.3.1 Bi- and Multivariate Analysis of Motivational Aspects

In the following section, bi- and multivariate analyses are conducted to explore the relation of participation, working conditions and motivational aspects. The datasets of workers and WRs have been merged in order to achieve the sufficiently high N (N>60) required for these statistical operations (Raithel 2006: 109). For example, due to the fact that the number of valid answers of WRs was below 60 for a couple of items, a factor analysis could not have been conducted only using the sample of WRs.

In order to reduce the number of items, several factor analyses were conducted to further operate with the variables related to participation degree, improved working conditions, worker-management relationship and work satisfaction. The purpose of a factor analysis is to describe latent variables (factors) that explain the relation between a number of selected items. Through a factor analysis it is possible to replace correlated variables with latent variables in order to reduce data and to differentiate homogeneous subgroups of characteristics. Moreover, factor analysis is used to compose and test sum scales. The reliability of items of a sum scale needs to be analysed by calculating Cronbach's Alpha coefficient (Raithel 2006: 107ff).

The variable "participation degree" is operationalised by questions W6 and WR11, in which respondents had to rank their participation degree related to various areas (discrimination, child labour, forced labour, overtime, grievances, OHS, compensation, see table 14-52). A factor analysis for workers and WRs reveals that the perceived degree of participation in these areas can be allocated to one factor/one latent variable (in the following named "Participation degree") (table 14-52). All items for this factor analysis have been inverted. The factor loading for each item (e.g. W6/WR11_degreediscrimination = .728) explains the correlation between the respective variable and the factor (here "Participation degree"). Since the reliability of the items is high (α= .811), the latent variable can be used for further analysis to investigate the influence of the degree of participation on matters of research interest, such as working conditions, motivational, cognitive, and power-sharing aspects.

Table 14-52 Factor analysis – participation degree

Workers & WRs	Participation degree
W6/WR11_degreediscrimination	.728
W6/WR11_degreechildlabour	.724
W6/WR11_degreeforcedlabour	.691
W6/WR11_degreeovertime	.690
W6/WR11_degreegrievances	.681
W6/WR11_degreeohs	.606
W6/WR11_degreewages	.551
Explained Variance	44.89%
Reliability	α= .811 (N=306)

Extraction: Principal component analysis, rotation Varimax, missing pairwise, one factor extracted

W6/WR11) To what extent are you involved in the decision making process in the factory? (1- I'm not involved at all; 2- I'm informed about the matter; 3- I can give my opinion; 4- I discuss with management, but they decide; 5- Management and I make joint decisions)

Besides the degree of participation, change processes related to labour conditions are of interest for the present study. Therefore, a factor analysis was conducted with items of questions W11 and WR19 related to change processes in the areas of OHS, overtime, wages and forced labour.[41] Data of table 14-53 indicate that all items can be allocated to one factor with an explained variance of 52.03 per cent and Cronbach's Alpha of 0.751. Comparing the factor loads of the items, changes related to OHS, overtime, and wage increase show a similar correlation with the factor, whereas the item of timely payment has a lower correlation coefficient (factor loading = .597). A sum scale has been built accordingly and named "Improved labour conditions (OHS, overtime, wages, forced labour)".

[41] The aspect of forced labour is included by asking about timely payment (see also section 6.5.1 about criteria of forced labour).

Table 14-53 Factor analysis – labour conditions

Workers & WRs	Improved labour conditions (OHS, overtime, wages, forced labour)
W11/WR19_Changes OHS	.792
W11/WR19_Changes Overtime	.755
W11/WR19_Changes Wage increase	.733
W11/WR19_Changes Accident	.714
W11/WR19_Changes Payment on time	.597
Explained variance	52.03%
Reliability	α=.751 (N=258)

Extraction: Principal component analysis, rotation Varimax, missing pairwise, one factor extracted

W11/WR19) What has changed in the factory in the past one and a half years/since you came to the factory? (1- very much; 2- much; 3- a little; 4- no change)

Questions W10 and WR17 about the satisfaction with discussion outcomes were asked in order to understand workers' perception of the results of participatory meetings with management. In order to conduct a factor analysis with items related to these questions, the number of valid answers of WRs and workers should be N>60. Since only 14 WRs and 29 workers provided a valid answer to the question of how satisfied they are with discussion results in the area of child labour, the item could not be included in a factor analysis with datasets of both groups. A factor analysis of the remaining items related to labour conditions (wages, overtime, OHS, forced labour, discrimination) showed that all items can be allocated to one factor with an explained variance of 68.59 per cent and Cronbach's alpha of .881 (table 14-54). Again, a sum scale has been built accordingly for further operations.

Table 14-54 Factor analysis – satisfaction discussion outcome

Workers & WRs	Satisfaction discussion outcome
W10/WR17_Satisfaction Wages	.898
W10/WR17_Satisfaction Discrimination	.855
W10/WR17_Satisfaction Forced Labour	.812
W10/WR17_Satisfaction OHS	.786
W10/WR17_Satisfaction Overtime	.784
Explained variance	68.59%
Reliability	α=.881 (N=35)

Extraction: Principal component analysis, rotation Varimax, missing pairwise, one factor extracted

W10/WR17 Which topics have you discussed with management? If yes, the outcome for workers was… (1- very satisfactory; 2- fairly satisfactory; 3- somewhat dissatisfactory; 4- very dissatisfactory)

Motivational models claim that the relationship between workers and managers is of key importance regarding the impact of participation. Therefore, a factor analysis has been conducted to investigate whether a respective latent variable exists in the data. The three items (see table 14-55) load on one factor with α= .749 and an explained variance of 66.95 per cent. This latent variable is named “Trusting relationship”.

Table 14-55 Factor analysis – relationship

Workers & WRs	Trusting relation-ship
W13/WR21_Enhanced relationship	.855
W13/WR21_Higher trust	.831
W22/WR25_Like to talk to management	.766
Explained variance	66.95 %
Reliability	α= .749 (N=383)

Extraction: Principal component analysis, rotation Varimax, missing pairwise, one factor extracted

W13/WR21) "The relationship between managers and workers has been enhanced." (1- definitely agree; 2- mostly agree; 3- hardly agree; 4- do not agree)

W13/WR21) "I have greater trust in management" (1- definitely agree; 2- mostly agree; 3- hardly agree; 4- do not agree)

W22/WR25) "I like to talk to management." (1- definitely agree; 2- mostly agree; 3- hardly agree; 4- do not agree)

For the merged dataset of workers and WRs, factory analysis revealed that the items related to work satisfaction can be allocated to two factors. Items a) and c), which had to be inverted (see also table 14-49), relate to factor 2, and all other items relate to factor 1 ("Work Satisfaction"). Items a) and c) show a significant negative correlation with the other items (r=473**). This result demonstrates that workers understood both statements, and did not answer in the same pattern as with the other items. However, for further analysis, a sum scale has been built only from the factor "Work satisfaction" (table 14-56).

Table 14-56 Factor analysis – work satisfaction

Workers & WRs	Work satisfaction	Factor 2
W24/WR27h_labourconditions	.792	.182
W24/WR27e_opportunities	.762	.166
W24/WR27f_promotion	.740	.269
W24/WR27g_workingspeed	.732	.045
W24/WR27d_interestingjob	.647	.408
W24/WR27b_reallyenjoy	.631	.514
W24/WR27a_dontlikemyjob (inverted)	.106	.885
W24/WR27c_monotonous (inverted)	.223	.744
Explained variance	39.63%	23.78%
Reliability	α= .860 (N=336)	α= .642 (N=381)

Extraction: Principal component analysis, rotation Varimax with "Kaiser-Normalisierung", rotation has been converted into three iterations, two factors extracted

W24/WR27)

a) "I don't like my job but I should not expect too much."

b) "I really enjoy my work."

c) "My work in quite monotonous; there is nothing I can do about it."

d) "My work is really interesting and satisfactory."

e) "There are enough opportunities during my work to make use of all my abilities."

f) "I'm satisfied with promotion opportunities."

g) "I'm satisfied with working intensity."

h) "I'm satisfied with labour conditions."

(1- definitely agree; 2- mostly agree; 3- hardly agree; 4- do not agree)

In a further step, several correlations were run with the variables of the previously described factor analysis and other variables of the questionnaire, in order to understand the relations between participation, motivational aspects, working conditions, and productivity. The correlation matrix (table 14-57) shows that a significant correlation exists between all items related to these aspects. A strong relation is indicated especially between a trusting relationship and work satisfaction (r=.674**) as well as between the relationship and the perceived change of labour conditions (r=.638**). Work satisfaction also strongly correlates with the satisfaction with discussion results (r=.606**). Moreover, the acknowledgement of opinions also has a strong relation with trusting relationships (r=.665**), work satisfaction (r=.646**), and improved labour conditions (r=.460**), and correlates with satisfaction with discussion outcome (r=.510**) as well.

Table 14-57 Correlations (Pearson) between participation degree, motivational aspects and outcomes of participation

	Trusting relationship	Acknowledgement of opinions	Work satisfaction	Commitment	Fluctuation of workers	Improved labour conditions (OHS, overtime, wages, forced labour)	Satisfaction discussion outcome	Productivity
	Calculation of variable see table 14-55	W22/WR25 "I have the feeling that my opinion is acknowledged by management"	Calculation of variable see table 14-56	W13/WR21 "I'm more committed to my job"	W11/WR19 "Workers quit their jobs less often"	Calculation of variable see table 14-53	Calculation of variable see table 14-54	W11/WR19 "Productivity has increased"
Participation degree Calculation of variable see table 14-52	.362** (N=433)	.268** (N=368)	.367** (N=426)	.174** (N=418)	.231** (N=334)	.421** (N=429)	.352** (N=380)	.291** (N=362)
Trusting relationship	-	.665** (N=401)	.674** (N=434)	.406** (N=428)	.325** (N=338)	.638** (N=440)	.588** (N=387)	.483** (N=366)
Acknowledgement of opinions	.665** (N=401)	-	.646** (N=397)	.232** (N=396)	.197** (N=321)	.460** (N=398)	.510** (N=360)	.269** (N=349)
Work satisfaction	.674** (N=434)		-	.316** (N=423)	.307** (N=337)	.542** (N=432)	.606** (N=385)	.409** (N=365)
Commitment	.406** (N=428)		.316** (N=423)	-	.297** (N=335)	.297 (N=424)	.210** (N=377)	.359** (N=363)
Fluctuation of workers	.325** (N=338)		.307** (N=337)	.297** (N=335)	-	.418** (N=342)	.300** (N=310)	.318** (N=315)

Significance for all: **p<0.01

In contrast to bivariate correlations, multiple regression analysis offers the opportunity to test the influence of several variables on one depending variable. Therefore, it is possible to assess all relevant variables related to motivational models for their influence on working conditions. This kind of analysis enables me to examine theoretical assumptions and to verify them with empirical data.

Work satisfaction is expected to result from participative decision-making according to motivational models (see figure 14-14). In order to test the relation between the participation degree, motivational aspects and work satisfaction, a multiple regression analysis was conducted (table 14-58). The regression analysis reveals that a trusting relationship is a strong predictor of work satisfaction (Corr R^2 = 45.3%, β = .323). The acknowledgement of opinions, the degree of participation and the perception of improving working conditions also predict work satisfaction, but to a considerably lesser extent. The commitment shows no significant relation. The explained variance of the model (stepwise regression) is 54.5 per cent. The membership of a company has low influence on the model, since only belonging to factory 2 (Corr R^2 = 0,9%) and factory 7 (Corr R^2 = 0,5%) are indicated as low predictors for work satisfaction. Dummy variables for the respective factories were used to run this extended regression model.

Table 14-58 Multiple regression analysis: work satisfaction

Workers & WRs		**Work satisfaction** Calculation of variable see table 14-56
Participation degree	Calculation of variable see table 14-52	0.7%
Trusting relationship	Calculation of variable see table 14-55	45.3%
Commitment	W13/WR21 "I'm more committed to my job"	
Acknowledgement of opinion	W22/WR25 "I have the feeling that my opinion is acknowledged by management"	6.9%
Improved labour conditions	Calculation of variable see table 14-53	1.6%
Explained variance (stepwise regression[42])		54.5% (F=117.993***)
Explained variance (enter method[43])		54.6% (F=95.212***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

A core interest of this study is to understand whether participation has an influence on working conditions. Therefore, another multiple regression analysis was conducted to understand the influence of items connected with participation on improved labour conditions (table 14-58). The variable "Trusting relationship" shows strongest impact on perceived changes of working conditions. The explained variance (Corr. R^2 = .405) means that the variable "Trusting relationship" explains 40.5 per cent of the variance of the dependent variable "Improved labour conditions". The regression coefficient β is .419. A strongly significant relation also exists between participation degree (β = .174) and fluctuation of workers (β = .201).Therefore, trusting relationships, a higher degree of participation and less fluctuation of workers are predictors for improving working conditions. Work satisfaction also exerts a positive influence, but its impact is low (β = .135). In this model, no significant relation exists between commitment and acknowledgement of opinion with improved labour conditions; therefore, commitment and acknowledgement are excluded from the model. The explained variance of the model (stepwise regression) is 49.1 per cent (table 14-59).

[42] Explanation of stepwise regression: In a stepwise regression, each variable is tested independently of the others. They are only included if they meet the defined criteria for inclusion into the model (probability of F≤0.05). Variables are excluded if probability of F is ≥ 0.1.

[43] Explanation of enter method: The enter method includes all independent variables simultaneously in the regression model (Raithel 2006: 169).

Table 14-59 Multiple regression analysis: positive changes working conditions (OHS, wages, FL, overtime)

Workers & WRs		**Improved labour conditions (OHS, overtime, wages, forced labour)** Calculation of variable see table 14-53
Participation degree	Calculation of variable see table 14-52	3%
Trusting relationship	Calculation of variable see table 14-55	40.5%
Acknowledgement of opinion	W22/WR25 "I have the feeling that my opinion is acknowledged by management"	
Work satisfaction	Calculation of variable see table 14-56	0.8%
Commitment	W13/WR21 "I'm more committed to my job"	
Fluctuation of workers	W11/WR19 "Workers quit their jobs less often"	4.8%
Explained variance (stepwise regression)		49.1% (F=78.053***)
Explained variance (enter method)		48.8% (F=51.743***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

The membership in a company has a small impact in the multiple regression analysis on the relation between motivational aspects and improved labour conditions (Corr. R^2 (factory 7) = 1.9%, Corr. R^2 (factory 6) = 2.1%, Corr. R^2 (factory 5) = 0.8%, the other factories are not a predictor). At this point, one could further investigate different framework conditions at factories and their influence on participation. However, I do not have space here to focus on this aspect in more detail and it will have to remain a subject for future studies.

Another multiple regression analysis was conducted including motivational aspects and satisfaction with discussion results. If workers are satisfied with discussion outcomes with management, it implies that workers are involved in discussions and see improvements with regard to working conditions. In the regression model, the strongest predictor is work satisfaction (Corr. R^2 = 36.5%, β = .272). The degree of influence and the relationship also have a significant impact, but to a lesser extent. Commitment and fluctuation of workers show no significant influence. Overall, the model explains 46.8 per cent of the variance of satisfaction with discussion results (stepwise regression) (table 14-60).

Table 14-60 Multiple regression analysis: satisfaction discussion outcome

Workers & WRs		**Satisfaction discussion outcome** Calculation of variable see table 14-54
Influence	W12/WR12 "How much influence do you have upon change processes?"	8.1%
Trusting relationship	Calculation of variable see table 14-55	2.2%
Acknowledgement of opinion	W22/WR25 "I have the feeling that my opinion is acknowledged by management"	
Work satisfaction	Calculation of variable see table 14-56	36.5%
Commitment	W13/WR21 "I'm more committed to my job"	
Fluctuation of Workers	W11/WR19 "Workers quit their jobs less often"	
Explained variance (stepwise regression)		46.8% (F=91.699***)
Explained variance (enter method)		47.4% (F=47.363***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

14.3.2 Qualitative Data

All managers recognised motivational aspects related to participation. Most often, managers reported an improving working climate and higher commitment of workers. In the following quote, a manager describes how the relation between management and workers has changed and, accordingly, the working climate has improved:

> "With regard to the working climate between the workers and the management […], I see more of a so called humanised management and I see a lot more cases when the management really cares about the workers and try to help them when they face difficulties. […] And also compared to the past I see a lot […] more often, that factory managers and the floor supervisors approach workers actively in order to tackle potential conflicts or to tackle specific problems. In the past, we saw a lot of female workers when they got emotional they just cried but nobody cared. But now, they are really caring." (H4-58)

Related to a better working climate, four managers expressed that the sense of belonging to the factory had increased on the side of workers.

> "And now […] workers really feel they are part of this family." (J5-18)

> "And the working climate is more harmonious. After we have this worker participation, the mood has really changed. It is not like they are totally passive and waiting for the management to do everything. This is the main advantage. And workers really have the feeling that the company cares about them." (A1-67)

Three managers stated that the distance between workers and managers had been reduced by enlarging communication opportunities (A1-12, O-12; E3-48). The personal development of employees was mentioned by managers of three factories, who claimed that participation leads to the personal growth of workers and managers and provides learning opportunities. Manager K referred to those workers who were initially very shy but learned to express their opinions:

> "Workers really changed their personality. Before they were elected, they were really shy and inward and showed no trust in management. After they were elected they really try to face those unfair things that happen in their group. In the past, they were thinking you are doing a show." (K5-91)

Several managers reported that, generally speaking, workers were more motivated due to participation. In two factories higher commitment was linked to increased productivity. For example, in one factory wages were increased after a survey had been conducted on this topic. The manager reported that this improvement motivated workers to increase their productivity:

> "And workers really feel that after this questionnaire, after they voice out their thoughts, they really get concrete benefits. And we also see that given this more motivated workforce, workers have higher production volume, productivity increase and the morale overall is very high." (G3-8)

A higher cooperation level between workers (B1-71) or between managers and workers (M3-25; H4-58) was highlighted. For example, one manager stated that workers had the feeling that they were part of the development process and therefore had a higher motivation to cooperate during the implementation process.

> "And they really cooperate when we implement. Because they discovered it and they identify the solutions and then of course they cooperate in the implementation." (J5-30)

One manager related the decrease in turnover rate to the improved working climate and higher work satisfaction:

> "Overall, the environment, the atmosphere is good, positive. At least from the reduced turnover rate, you can see that workers have now high level of satisfaction." (A1-65)

Higher trust and a reduction of conflict were mentioned by managers of three factories. Increased work satisfaction, reduced absenteeism and better promotion opportunities were each stated by one manager. Table 14-61 provides an overview of the frequency of stated motivational aspects.

Table 14-61 Aspects of motivational models (source: interviews)

	Factory							Total factories	Project team members/ ILO
	1	2	3	4	5	6	7		
Better working climate/better social relations	×	×		×	×	×	×	6	1
Sense of belonging to factory increased	×		×	×	×			4	2
Higher trust		×			×		×	3	1
Increased work satisfaction of workers	×							1	0
Higher cooperation level	×		×	×	×			4	1
Better promotion opportunities			×					1	0
Less conflict					×	×	×	3	1
Turnover decrease	×	×		×	×			4	2
Less absenteeism					×			1	0
More commitment	×		×	×	×	×	×	6	2
Personal development	×		×		×			3	3
Less resistance				×	×	×		3	0
Higher productivity due to motivational aspects			×	×				2	2

The nine project team members and the ILO representative referred to motivational aspects of participation, not only in regard to observed processes in the factories but also from a rather theoretical perspective (table 14-60). Two project team members related a decrease in turnover to participation and observed an increase of productivity due to motivational effects of participation. Moreover, two project team members referred to a stronger identification with the organisation (sense of belonging).

> "Make workers feel they are part of the organisation. That is the more important opportunity actually. […] by participating in any kind of group and doing little bit of work, they realise: 'My voice can be heard and I can do something different than working on my piece.' So the value, the awareness will raise their value as a factory worker and they become confident." (T-24)

With regard to personal development, three project team members stated that participation led to an increase in respect towards workers (U-35) and contributed positively to higher confidence of managers and workers (P-26; T-24). Moreover, participation was expected to inspire individuals, and to be a source of creativity (P-24). Higher commitment of workers was mentioned by one project team member and the ILO representative. A better working climate, higher trust, a higher level of cooperation, and less conflict were stated by one project team member each. Neither project team members nor the ILO

representative mentioned an increase in work satisfaction, better promotion activities, less absenteeism and less resistance to the implementation of decisions.

In the interviews, neither managers, project team members nor the ILO representative concluded there was a direct effect of motivational aspects on the improved implementation of social standards.

14.4 Cognitive Influence Mechanisms of Participation

Improved decision-making quality resulting from improved knowledge and information sharing is expected to contribute to better economic performance and to improvements in the area of working conditions (figure 14-15). Moreover, taking part in decision-making improves awareness regarding the discussed issues and increases knowledge on the topic (see also section 5.4). Several items were used in the questionnaire to explore whether workers and WRs feel sufficiently knowledgeable and creative to solve issues, and to what extent their opinion is acknowledged by management. These items have been marked in bold in the figure. The reason that not all aspects could be transformed into items was to avoid too many items in the questionnaire so as not to overwhelm workers. It was expected it would be possible to gather information in the qualitative research on the items left out of the questionnaire.

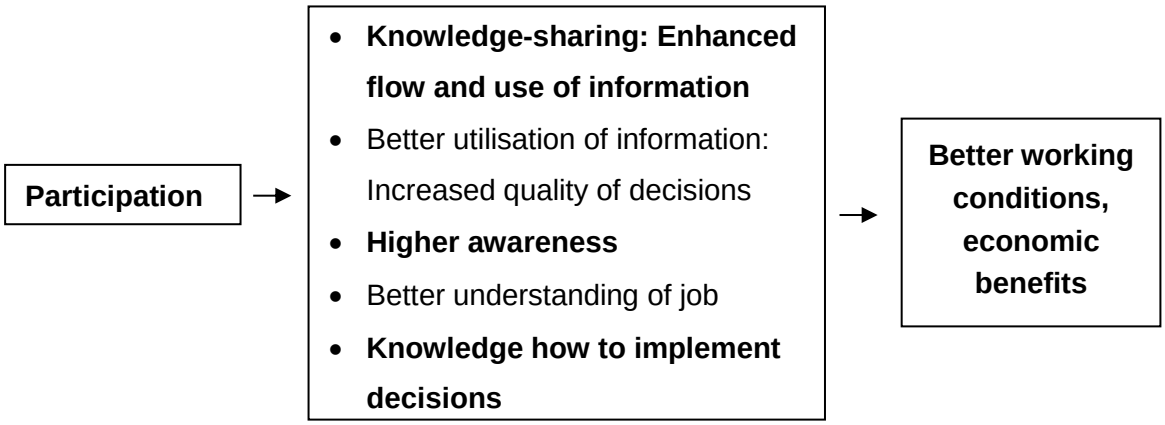


Figure 14-15 Influence mechanisms cognitive models

Highest agreement was given by both workers and WRs to the statement “Workers/WRs have the knowledge to solve relevant problems so that the factory’s labour conditions can be improved” (mean workers and WRs 1.74). 75.8 per cent of WRs and 68.4 per cent of workers definitely or mostly agreed to the statement “I have many ideas how to improve labour conditions” (mean workers 1.89; mean WRs 1.88) (table 14-62).

Table 14-62 Statements related to cognitive models

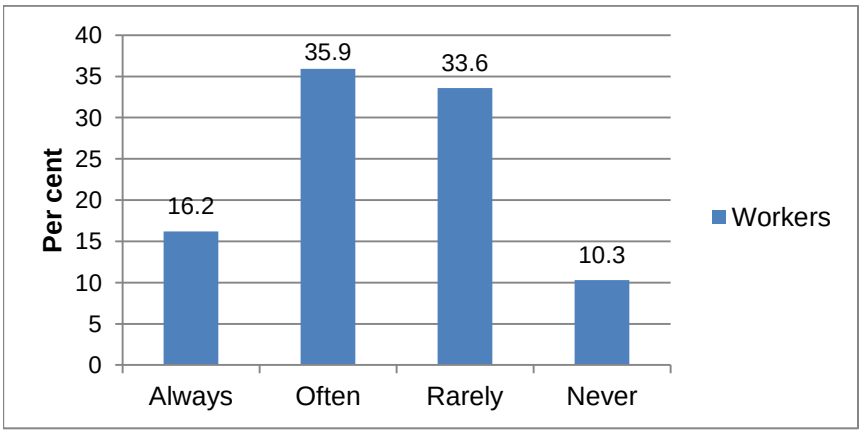
%	Definitely agree		Mostly agree		Hardly agree		Do not agree		Invalid/no answer	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Workers/WRs have the knowledge to solve relevant problems so that the factory's labour conditions can be improved.	47.9	41.4	27.9	41.4	11.8	12.9	5.9	1.4	6.4	2.9
I have many ideas how to improve labour conditions.	29.2	32.9	39.2	42.9	14.9	15.7	2.3	2.9	14.4	5.7

N workers=334, 365; N WRs=66, 68

W14/WR18 *To what extent do you agree or disagree with the following statements? (1- definitely agree; 2-mostly agree; 3-hardly agree; 4- do not agree)*

W22/WR25 *Do you agree or disagree with the following statements? (1- definitely agree; 2-mostly agree; 3-hardly agree; 4- do not agree)*

Regarding sharing of knowledge and information, workers were asked whether they receive feedback on their opinions and contributions (figure 14-16). Half of respondents indicated that they often or even always got feedback, whereas 43.9 per cent received less feedback.

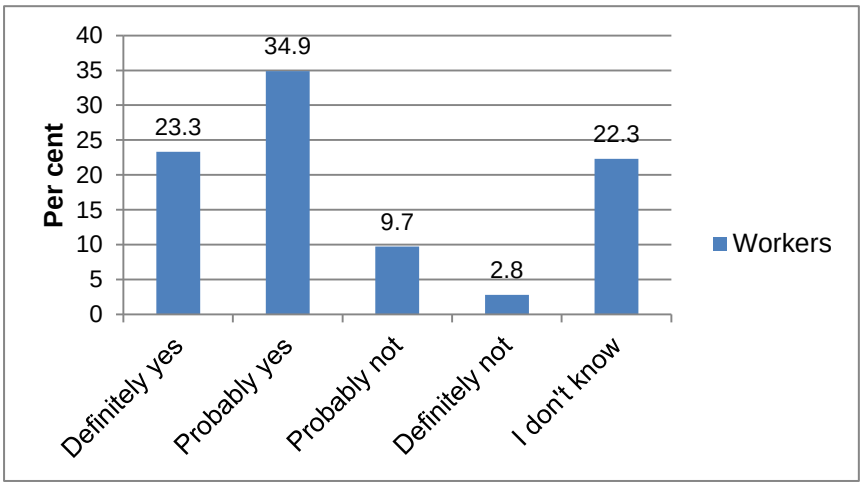


N workers=374

Figure 14-16 Receiving feedback

W4) *In general, do you get feedback on your opinions and contributions?*

With regard to the provision of information on decisions made between WRs and management, more than 50 per cent stated that they definitely or probably received information on decision-making results. About one third of the respondents did not know an answer or indicated that they did not get information (figure 14-17).

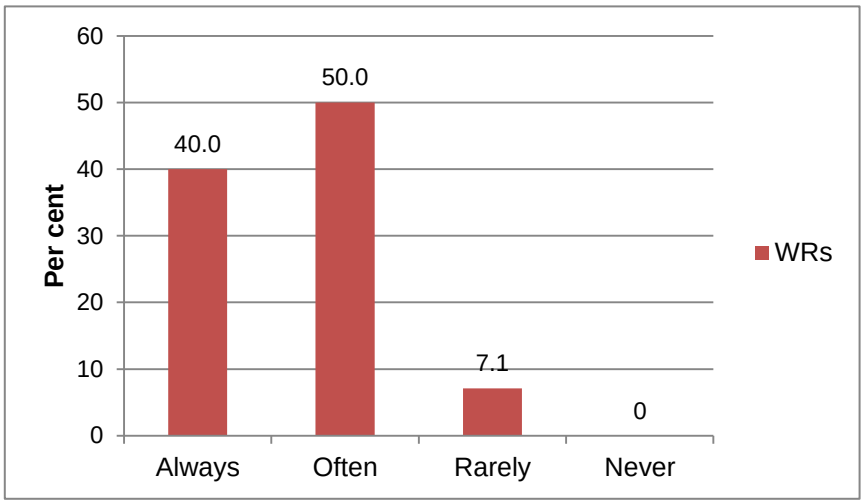


N workers=276

Figure 14-17 Information about decision-making

W5) *Can you get to know the decisions made by WE Project WRs and management?*

In contrast to the mixed answers of workers regarding the provision of feedback, a large majority of WRs were of the opinion that they frequently provided feedback to workers (figure 14-18).



N WRs=68

Figure 14-18 Providing information on decisions

WR5) *Do you forward results of WE Project worker representative meetings to workers?*

Moreover, 51.4 per cent of WRs stated that they definitely received enough information for their job as a WE Project WR (WR7). 37.1 per cent answered the question with “probably yes”, whereas only 2.8 per cent were of the opinion that they did not receive enough information (table 14-63).

Table 14-63 Receiving necessary information from management

%	Definitely yes	Probably yes	Probably not	Definitely not	Invalid/no answer/I don’t know
WRs	51.4	37.1	1.4	1.4	8.6

N WRs=64

W7) Do you receive the information you need for your job as a WE Project worker representative from management?

With regard to three topics (forced labour, child labour and discriminatory practice), workers and WRs were asked to rank whether their awareness had increased. Answers of workers and WRs do not differ significantly according to the t-test conducted. In a factor analysis, both datasets were merged. One factor could be extracted with α= .803 and an explained variance of 71.37 per cent, which was named “Awareness” (table 14-64).

Table 14-64 Factor analysis – awareness

Workers & WRs	Awareness
W11/WR19_Awareness_discrimination	.853
W11/WR19_Awareness_childlabour	.850
W11/WR19_Awareness_forcedlabour	.831
Explained variance	71.37%
Reliability	α= .803 (N=235)

Extraction: Principal component analysis, rotation Varimax, missing pair wise, one factor extracted

W11/WR19 “My awareness of forced labour has increased.”
“My awareness of child labour has increased.”
“My awareness of discriminatory practice has increased.”
(1- very much, 2- much, 3- a little, 4- no change)

14.4.1 Bi- and Multivariate Analysis of Cognitive Aspects

The following matrix (table 14-65) gives an overview of correlations between items referring to cognitive models and improved performance in the areas of working conditions and productivity. As it can be taken from the table, a significant correlation exists between almost all items. For example, the perception of improved labour conditions correlates strongly with awareness (r=.566**) and the knowledge to solve problems (r=.427**). No correlation exists between ideas and satisfaction with discussion outcomes.

Table 14-65 Correlations (Pearson) between participation degree, cognitive aspects and outcomes of participation

	Knowledge to solve problems W14/WR18 Workers/WRs have the knowledge to solve problems so that the factory's labour conditions can be enhanced"	**Ideas** W14/WR18 "I have many ideas how to improve labour conditions"	**Awareness** Calculation of variable see table 14-64	**Improved labour conditions** Calculation of variable see table 14-53	**Satisfaction discussion outcome** Calculation of variable see table 14-54	**Productivity** W11/WR19 "Productivity has increased"
Participation degree Calculation of variable see table 14-52	.182** (N=418)	.109* (N=392)	.272** (N=360)	.421** (N=429)	.352** (N=380)	.291** (N=362)
Knowledge to solve problems	-	.276** (N=395)	.343** (N=359)	.427** (N=428)	.257** (N=379)	.368** (N=359)
Ideas	.276** (N=395)	-	.205** (N=347)	.209** (N=396)	n.s.	.300** (N=345)
Awareness	.343** (N=359)	.205** (N=347)	-	.566** (N=367)	.287** (N=336)	.412** (N=333)

Significance:*p<0.05; **p<0.01

A multiple regression analysis was conducted to test items related to cognitive models and the participation degree regarding their influence on improved labour conditions.

Here, it is again awareness that shows the strongest impact on perceived changes in working conditions (β = .413). The degree of participation (β = .265) and knowledge (β =.238) have also a positive impact, but the relation is less significant. In this model, no significant relation exists between ideas and improved labour conditions. The explained variance of the model (stepwise regression) is 44.2 per cent (table 14-66).

Again, the membership in a factory is a predictor for the perception of improved labour conditions in this model if dummy variables are added for each factory (Corr R^2 for factory 7= 10.1%, Corr R^2 for factory 6 = 1.1%, Corr R^2 for factory 2 = 0.7%).

Table 14-66 Multiple regression analysis: improved labour conditions

Workers & WRs		**Improved labour conditions (OHS, overtime, wages, forced labour)** Calculation of variable see table 14-53
Participation degree	Calculation of variable see table 14-52	7.5%
Awareness	Calculation of variable see table 14-64	31.9%
Knowledge to solve problems	W14/WR18 Workers/WRs have the knowledge to solve problems so that the factory's labour conditions can be enhanced"	4.8%
Ideas	W14/WR18 "I have many ideas how to improve labour conditions"	
Explained variance (stepwise regression)		44.2% (F=92.386***)
Explained variance (enter method)		44.1% (F=69.377***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

A second multivariate regression analysis was conducted to analyse the influence of cognitive aspects on the satisfaction with discussion outcomes. The only significant correlation that exists is between the perceived influence level (β = .603) and the satisfaction with discussion results. No significant relation is found between awareness, knowledge and ideas with regard to discussion outcomes. The model has an explained variance (stepwise regression) of 40.3 per cent (table 14-67).

Table 14-67 Multiple regression analysis: satisfaction discussion outcome

Workers & WRs		**Satisfaction discussion outcome** Calculation of variable see table 14-54
Influence	W12/WR12 "How much influence do you have upon change processes?"	36.2%
Awareness	Calculation of variable see table 14-64	
Knowledge to solve problems	W14/WR18 Workers/WRs have the knowledge to solve problems so that the factory's labour conditions can be enhanced"	
Ideas	W14/WR18 "I have many ideas how to improve labour conditions"	
Explained variance (stepwise regression)		36.2% (F=190.827***)
Explained variance (enter method)		36.6% (F=49.330***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

14.4.2 Qualitative Data

Six out of seven factories related the positive impact of participation on social standards to better information and knowledge exchange (table 14-68). Ideas and suggestions provided by workers were of high value and had not been expected by management, as manager J5 stated:

> "They are pointing out issues and good ways to improve solutions that I did not expect. Valuable suggestions that we have been implementing. This is really out of their own mouth. Some of their suggestions really echo with what we are thinking but some of them really go beyond our expectation that we have to say they are really smarter than we have expected. This is my personal experience. They have a lot of ideas, very good ideas." (J5-40)

A1 referred to the information gap of the communication structures before the WE Project. The manager liked that the suggestions of WE Project WRs were more authentic and reliable since they had a closer connection to workers than before.

> "Because in the past when you sit in the office and try to understand and to get to know what workers are thinking you really have to make personal efforts. And if you try, no matter what way, the information may not be authentic. But the WRs they are equal to other co-workers. And they really have the possibility to get true ideas from other workers. The information is more reliable." (A1-69)

Higher awareness of the implementation of social standards was mentioned by managers of three factories.

> “In the past we treated workers like working machines. How much they produce and this is how much they earn. But now we really are more aware of what their obligations are and what their rights are, and what their role [is].” (E3-3)

A better understanding of social standards on the side of managers and workers was recognised by interview partners in two factories.

> “For example through WE Project when we conducted the on-site factory training, workers were able to know about relevant social compliance standards and they know how they can voice their own opinions and suggestions.” (I4-10)

The manager of factory 5 stated that they managed to improve decision-making due to the involvement of workers and their valuable input which reduced the resistance to adhering to decisions:

> “We make better decisions and workers support us better. ‘Cause this is coming from them and serving their needs. And they are observing the rules developed by themselves. This is the good effect.” (K5-88)

Manager A1 emphasised that many problems had been solved through improved communication:

> “Just through this kind of communication a lot of problems have been solved. Our boss also attended several project activities. So I think it also has an impact on him. Through some meetings, through WRs suggestions, we made some improvements in regard of workers' benefits.” (A1-34)

An increase in productivity was related to cognitive aspects by managers of four factories. For example, one factory linked the productivity increase to a new bonus system that workers suggested to management (B1-58-60). Manager of factory 4 was of the opinion that because workers’ awareness had increased with regard to causes of overtime, productivity had improved as well (I4-43).

Table 14-68 Cognitive aspects (source: interviews)

	Factory							Total factories	Project team members/ ILO
	1	2	3	4	5	6	7		
Better understanding of social standards (mgt & workers)			×	×				2	3
Improved implementation of social standards through better infomation/knowledge exchange	×	×	×		×	×	×	6	5
Higher awareness (mgt. & workers)	×		×	×	×		×	5	3
Better decision-making					×			1	4
Increase of organisational creativity								0	1
Increase in productivity through cognitive aspects	×		×	×	×			4	0

For the project team members, too, improved information and knowledge exchange to solve workplace-related problems are benefits of participation. Project team member S referred to workers' knowledge of production processes and how this insight is linked, for example, to the reduction of overtime:

> "Because the workers know the machines and the processes, they have an idea about what needs to be improved and changed. They can give good inputs for management. And this potential should be used. Why is it relevant for social standards? Because workers can participate in the analysis of the causes of overtime and give precious inputs. Overtime is the top of the iceberg and when you analyse the causes, you are very quickly back to questions of productivity and quality and the whole question of the organisation of production. And that's why it is important to involve workers, to increase their participation in meetings on how to improve production. That's a very clear example of how direct participation like quality circles can improve in the end working time and the implementation of social standards. There are many examples." (S-22)

Better decision-making by involving workers was stated by four project team members. Three interview partners explicitly referred to a better understanding of social standards and an increase in awareness (table 14-68). Neither project team members nor the ILO

representative mentioned an increase in productivity due especially to the cognitive effects of participation.

14.5 Aspects of Power-Sharing

The following section focuses on aspects of power-sharing and decision-making. The extent of the influence workers and their representatives have on decision-making is an essential part of participation. In section 14.1.4, the perceived degree of participation assessed by workers and WRs has already been presented. It was concluded that – except for the topic of forced labour – WRs stated a higher participation degree than workers. The highest involvement of WRs was indicated for the areas OHS, quality and overtime. Workers perceived a high participation degree for the topics OHS and production. The lowest involvement was stated by WRs and workers for the areas of forced labour, child labour, discrimination and grievances. Overall, it was the stage of consultation that was mainly applied by all factories. In three factories, the stage of joint decision-making had been achieved; however, processes were not highly formalised and did not cover all topics related to social standards.

Besides the perceived participation degree with regard to specific topics, in the survey workers and WRs were also asked to assess their overall influence upon improvements of labour conditions in the factory. Again, on average workers perceived their influence degree as significantly lower (mean 2.53) than WRs (mean 2.11) ($p<0.001$). 46.7 per cent of workers and 65.7 per cent of WRs were of the opinion that they have “very much” or “much” influence upon improvement of labour conditions in the factory. 40.2 per cent of workers and 25.7 per cent of WRs stated that they have “a little” or “very little” influence (table 14-69).

Table 14-69 Influence degree of workers and WRs

%	Very much	Much	A little	Very little	I don’t know	Invalid/ no answer	Mean
Workers	14.9	31.8	19.2	21.0	9.2	3.8	2.53
WRs	20.0	45.7	21.4	4.3	4.3	4.3	2.11

N workers=339; N WRs=64

W12/ WR12 How much influence do you think workers/WE Project worker representatives have upon improvement of labour conditions in the factory? (1- very much; 2- much; 3- a little; 4- very little)

About half of WRs and one third of workers were very or fairly satisfied with discussion outcomes regarding worker participation (table 14-70). Workers’ and WRs’ answers did not differ significantly in this regard. The majority of workers (65.1 per cent) and almost 40

per cent of WRs did not discuss the issue, did not know an answer or gave an invalid answer.

Table 14-70 Satisfaction with discussion results regarding worker participation

%	Very satisfactory		Fairly satisfactory		Somewhat dissatis-factory		Very dis-satisfactory		Not discussed/ I don't know/ invalid answer	
	WRs	W	WRs	W	WRs	W	WRs	W	WRs	W
Worker participation	14.3	12.3	40.0	20.3	5.7	1.5	1.4	0.8	39.9	65.1

N workers=136; N WRs=42

W10/WR17 Satisfaction with discussion results (1- very satisfactory; 2-fairly satisfactory; 3-somewhat dissatisfactory; 4- very dissatisfactory)

67 per cent of workers and 77.1 per cent of WRs were of the opinion that they had improved their knowledge on labour rights in the last one and a half years or since they came to the factory. Overall, WRs were significantly more supportive of the statement than workers ($p<0.05$) (table 14-71).

Table 14-71 Agreement with statement "I know more about my labour rights"

%	Definitely agree	Mostly agree	Hardly agree	Do not agree	Invalid/no answer	Mean
Workers	32.6	34.4	12.1	10.0	11.0	1.99
WRs	51.4	25.7	11.4	4.3	7.1	1.66

N workers=347; N WRs=65

W13/WR21 What has changed in the past one and a half years/since you came to the factory?/To what extent do you agree or disagree with the following statements?/Since I'm a WE Project worker representative …"I know more about my labour rights." (1-definitely agree; 2- mostly agree; 3- hardly agree; 4- do not agree)

Question W16 asked workers whether WRs represented their interests (table 14-72). Most workers (37.7 per cent) agreed with the statement that WRs represented workers' interests. 30.5 per cent were of the opinion that WRs follow their own interests and the interests of workers. 3.9 per cent thought that WRs only represented their own interests. 29 per cent did not know or gave no valid answer.

Table 14-72 Representation of workers' interests

%	They are representing workers' interests.	They are representing workers' interests and their own interests.	They are only representing their interests.	I don't know	Invalid/ no answer
Workers	36.7	30.5	3.9	18.7	10.3

N workers=277

W16) Do you think WE Project worker representatives are representing your interests? Which statement do you support most?

As already presented in section 14.2, improvements have taken place in the factories with regard to social standards and production issues (quality, productivity). The following bi- and multivariate analysis will examine further whether there is any relation between improved labour conditions and productivity. The qualitative analysis will afterwards provide insight into the decision-making processes described and the development of win-win solutions.

14.5.1 Bi- and Multivariate Analysis of Power-Sharing Aspects

In the following matrix, results of correlations between the degree of participation, perceived influence level, educational benefits of participation and outcomes of participation regarding labour rights and productivity are shown (table 14-73). Significant relations exist between all items. For example, a strong significant correlation is indicated between perceived influence and improved labour conditions (r=.593**) as well as satisfaction with discussion outcomes (r=.603**). An increased understanding of labour rights and higher productivity both also have a strong significant relation with improved labour rights (r=.529**).

Table 14-73 Correlations (Pearson) between participation degree, educational effects and outcomes of participation

Workers & WRs	Participation degree Calculation of variable see table 14-52	Influence W12/WR12 **"**How much influence do you have upon change processes?"	Participation degree production flow W6/WR11 "To what extent are you involved in the improvement process in the factory?"	Increased understanding of labour rights W13/WR21 "I know more about my labour rights"	Improved labour conditions (OHS, overtime, wages, forced labour) Calculation of variable see table 14-53	Satisfaction discussion outcome Calculation of variable see table 14-54	Higher productivity W6/WR19"Productivity has increased"
Participation degree	-	.436** (N=388)	.473** (N=406)	.336** (N=405)	.421** (N=429)	.352** (N=380)	.291** (N=362)
Influence	.436** (N=388)	-	.380** (N=365)	.481** (N=369)	.593** (N=397)	.603** (N=354)	.356** (N=340)
Participation degree production flow	.473** (N=406)	.380** (N=365)	-	.335** (N=382)	.343** (N=401)	.229** (N=359)	.316** (N=348)
Increased understanding of labour rights	.336** (N=405)	.481** (N=369)	.335** (N=382)	-	.503** (N=404)	.440** (N=365)	.363** (N=350)
Higher productivity	.291** (N=362)	.356** (N=340)	.316** (N=348)	.363** (N=350)	.529** (N=369)	.293** (N=338)	-

Significance for all: **p<0.01

Table 14-74 provides data regarding correlations of various areas of social standards with perceived changes (if asked about in the questionnaire) and satisfaction with discussion results.

Table 14-74 Bivariate correlations (Pearson)

Participation degree (Workers & WRs)	**Improved labour conditions (OHS, overtime, wages, forced labour)** Calculation of variable see table 14-53
W6/WR11_OHS	.302** (N=344)
W6/WR11_Wages	.248** (N=391)
W6/WR11_Overtime	.279** (N=367)
W6/WR11_Discrimination	n.a.
W6/WR11_Forced labour	.122* (N=332)
W6/WR11_Child labour	n.a.

Table 14-75 displays results of correlations regarding perceived changes/satisfaction with developments and productivity. The highest significant relation exists between OHS and productivity, whereas no influence is discovered for child labour and productivity.

Table 14-75 Bivariate correlations (Pearson)

Improvements (Workers & WRs)	**Productivity** W6/WR19"Productivity has increased"
W11/WR19 Changes_OHS	.465** (N=334)
W11/WR19 Changes_Wages	.309** (N=347)
W11/WR19 Changes_Overtime	.287** (N=352)
W10/WR17 Satisfaction outcome discussions_Discrimination	.403** (N=93)
W11/WR19 Changes_Forced labour	.309** (N=347)
W10/WR17 Satisfaction outcome discussions_Child labour	.040 (n.s.) (N=40)

A multiple regression analysis (table 14-76) shows the relation of the degree of participation, the satisfaction with outcomes of discussions, and the perceived improvements of social standards with productivity. In this regression model, the perceived degree of participation in the area of production is a significant but low predictor for the increase of productivity (β=.152). Moreover, improved labour conditions have a strong significant influence on productivity (β=.477). No influence is indicated between the overall participa-

tion degree and working conditions or satisfaction with discussion outcomes. The explained variance of this model (stepwise regression) is 29.4 per cent.

Table 14-76 Multiple regression analysis: productivity

Workers & WRs		**Productivity** W6/WR19"Productivity has increased"
Participation degree	Calculation of variable see table 14-52	
Participation degree production flow	W6/WR11 "To what extent are you involved in the improvement process in the factory?"	1.7%
Improved labour conditions	Calculation of variable see table 14-53	27.7%
Satisfaction discussion outcome	Calculation of variable see table 14-54	
Satisfaction discussion outcome productivity	W10/WR17 Which topics have you discussed with management? If yes, the outcome for workers was…	
Explained variance (stepwise regression)		29.4% (F=46.655***)
Explained variance (enter method)		29.3% (F=19.138***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

The following table presents outcomes of multiple regression models in which motivational and cognitive aspects are tested for their influence on the degree of participation, the influence of workers/WRs and the perception of improving labour conditions. These multiple regressions are useful for understanding the relation between motivational and cognitive aspects and relevant outcomes. In the models, a stable predictor for participation degree (Corr R^2 = 13.2%) and influence level (Corr R^2 = 38.8%) is work satisfaction. However, work satisfaction has only low influence on labour conditions (Corr R^2 = 0.8%). A trusting relationship is a strong predictor for the improvement of labour conditions (Corr R^2 = 40.5%) and influence level (Corr R^2 = 7.1%). Commitment and ideas show no influence in the respective models, and items such as knowledge to solve problems, acknowledgement of opinions, turnover, awareness and knowledge about rights are only low predictors for the depending variables (table 14-77).

Table 14-77 Multiple regression analysis: participation degree, influence, changes labour conditions

Workers & WRs		**Participation degree** Calculation of variable see table 14-52	**Influence** W12/WR12 **"**How much influence do you have upon change process-es?"	**Improved labour conditions (OHS, overtime, wages, forced labour)** Calculation of variable see table 14-53
Awareness	Calculation of variable see table 14-64	1.1%		12.0%
Work satisfaction	Calculation of variable see table 14-56	13.2%	38.8%	0.8%
Ideas	W14/WR18 "I have many ideas how to improve labour conditions"			
Knowledge to solve problems	W14/WR18 "Work-ers/WRs have the knowledge to solve problems so that the factory's labour conditions can be improved"		1.1%	
Trusting relation-ship	Calculation of variable see table 14-55		7.1%	40.5%
Increased under-standing of labour rights	W13/WR21 "I know more about my labour rights"	2.3%		
Commitment	W13/WR21 "I'm more committed to my job"			
Acknowledgement of opinion	W22/WR25 "I have the feeling that my opinion is acknowl-edged by manage-ment"		0.8%	
Fluctuation	W11/WR19 "Work-ers quit their jobs less often"		0.7%	1.7%
Explained variance (stepwise regression)		16.6% (F=21.377***)	48.5% (F= 58.724***)	55.0% (F=94.871***)
Explained variance (enter method)		16.5% (F=7.759***)	48.9% (F=33.599***)	54.8% (F=42.438***)

Explained variance (Corr R^2), stepwise regression
n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

14.5.2 Qualitative Data

Managers and WE Project team members stated that workers were consulted and involved to a certain degree in decision-making but did not have equal decision-making powers. Workers and WRs influenced decisions by providing ideas and suggestions, but management afterwards decided which of these comments were to be implemented. In the following, the decision-making process and the development of solutions will be analysed further with regard to the improvement of labour conditions.

The Need for Creating Win-Win Situations

Several managers referred to the need for creating win-win solutions that benefit both workers and managers (C2; E3; G3; N7). Manager E3 explained how a win-win situation was achieved in their factory. Although managers and workers talked about common goals, the discussion seems to have been dominated by management. For example, production targets were set by management. However, workers could voice their opinions about those targets (see second quote (E-35)).

> "I also know that workers have a valid concern that if the factory cannot produce very efficiently than the enterprise cannot survive in this harsh market. So what I do is to make clear that this is our common goal to reach the win-win situation. So I worked together with our workers, I really tell them that in order to reach this common goal, in order to benefit both of us, we need to work more efficiently. So try to increase your efficiency within the regular working hours. So we set the production target for them to really reduce the overtime. We had very encouraging results because we see it is really possible for workers to work fewer hours but more efficiently. They increased their pay while working hours are reduced." (E3-10)

> "However now, after that defining the goals, workers are really telling us. If you prepare all the materials, make this conditions, we can produce more how many in the same time. In order to reduce the overtime and in order to get the same or even higher wages, worker came up with their own new targets. They motivate themselves in order to reach this goal." (E3-35)

An additional view on the decision-making processes in factory 3 was provided by project team member X, who pointed out that prior to the project workers of factory 3 could not talk about their expectations freely. Through the project, managers learned to ask workers about their opinions regarding working time arrangements. Reasons for how exactly the reduction of overtime could be achieved were not mentioned by X.

> "Workers wanted to get more free time. That was their goal. Then, the managers let them talk. That was a very great step I think. The workers talked to representatives who then talked to the managers. They told them that they want to shorten working time on Sunday. Last year, they worked nine hours every Sunday. Now, they wanted to shorten the working hours to seven hours while getting the same daily salary.

> After discussion, the management agreed. Then, in the first month, working time was reduced by two hours on Sundays. The workers' salary was the same. When I visited the factory, the workers told me, we are happy. On Sunday, we can go shopping, go to the street and buy dinner. Before, when we finished work, it was already seven or eight. That was too late and we were too tired. Now, after work, it is just 4 o'clock when we can go back to the street. Some married people said, 'My kids are very happy, because we can go to the park before the sunset.'" (X-29)

For manager N, the exchange of suggestions and opinions offered the possibility of satisfying both managers' and workers' needs.

> "I think in terms of advantages the first thing that we can get more reliable information from workers and we can really know what they are exactly thinking. And this is one thing. Another thing is that some workers they can really give us some good suggestions. Those productive ideas can help the factory to improve and we can reach win-win situations." (N7-88)

As summarised in section 14.2.8, several improvements were achieved with regard to economic benefits. For example, five factories were able to increase their productivity and four factories decreased their worker turnover rate. Economic benefits resulting from such improvements should be used to enhance the working conditions of employees. In the interviews, five out of seven factories reported that management invested in better working and living conditions. Interview partner K5 stated that in 2008, the management had to spend 20.000 RMB (about 2141 €) on medical treatments after accidents and 700 RMB (about 75 €) on medicine (K5-59). According to K5, in 2009 these costs were saved due to fewer accidents and were invested in the bonus system, better dormitory conditions, the canteen and OHS improvements.

> "We transfer those benefits to OHS improvements, dormitory conditions, the wage bonuses. We have this 600 RMB [64.23 €] or 800 RMB [85.64 €] bonus for those excellent groups, winners of our OHS evaluation, competition. So I guess, most of our monetary benefits had been transferred to our workers' benefits. I do not have concrete data but my feeling is at least half of these benefits have been put on workers." (K5-86)

Another three managers reported that their factory management had invested between 50.000 and 100.000 € in facilities, air conditioning, dormitories, reduction of overtime and higher wages (E3-29, I4-8, N7-59).

> "Another thing, a main change that I notice since I entered this company, is that the company has invested a lot in improving the labour conditions. For example we have already installed the air conditioners in all dormitory rooms and we have installed this elevator to help workers in the dormitory building. And also we reduced the overtime, however the same time we increased the piece rate so that majority of the production workers get higher wages than before. This is a substantive increase of wages. I think this is the major improvement." (I4-8)

In the interviews with project team members and the ILO representative, no one referred to the importance of investing economic benefits in better working conditions.

How to Deal with High Expectations of Workers

Many answers of project managers showed that workers' high expectations or complaints about decisions posed a challenge to participation. Almost all factories mentioned difficulties in how to cope with high demands of workers.

> "But there are also downsides. Because in the past you never asked workers and now you are asking them and some of them they really make unrealistic requests, requirements and then they go so high flying requests, so we cannot meet those unrealistic opinions. So they will complain. This is not very good." (L6-47)

Three management representatives gave examples for high expectations in the area of compensation.

> "However, some issues that they have been raising for long time, for example the wage system. Then it is hard for us to make a sudden change. So in this regard they were a little bit disappointed." (N7-57)

In K5's quote, it becomes obvious that the involvement of worker representatives was a new representation structure for which clear rules regarding compensation were not yet fixed:

> "They are pretty straight forward sometimes. For example we have this RMB 80 full attendance bonus and they will just ask: 'Can we increase it to RMB 1200'? Things like this. 'Can we have RMB 200 as a base wage for being a WR?' We don't think this 200 RMB is a high price, we do not think so. However, we are still a little bit hesitant about this practice because there is no precedence." (K5-92)

D2 mentioned that workers used participatory structures to complain about their wages. In such cases, workers might not think about the factory's situation but instead act for their own benefit.

> "Workers will say 'I am not satisfied about the unit price'. They always complained after they had such kind of communication mechanism. […] Also, the WRs, they will always stand besides workers; that's for sure, because they are nominated by workers. Sometimes it is probably not really in an adjusted side when they raise the issue." (D2-44)

Two managers (B1, H4) stated that a challenge was if workers had different demands and not all requests could be satisfied. In such a case, B1 described that management had to prioritise and could not meet everyone's expectations.

> "But in terms of headaches, then for example those difficult issues like what food you serve at the canteen. […] It is really hard to harmonise everyone's preferences.

> […] When workers all speak up, then you know you cannot really solve everybody's problem." (H4-62)

> "Of course there is a negative side. Cause I get some complaints about some individual WRs. When we discussed the issue, for example the celebration activities for festivals, some of them would say: 'No, this is not my decision. This is all what you decided because my idea was not accepted.' That is why some of them will complain. But you know, it is hard to meet everybody's needs. We can only take care of the majorities' ideas, opinions. Some of them have to be left out." (B1-86)

One strategy of management to cope with high expectations was to decide top-down on implementing requests. Workers and WRs were not included in follow-up decision-making.

> "Generally speaking, we always support the WRs, no matter what kind of situation, but it is depending on the issue they raise […] if they raise unreasonable demands for example, I want to increase wage by a huge amount, […] we won't support. We only support the practical and reasonable things." (D2-48)

> "In terms of disadvantages, I think there are so many workers and many people sometimes their voices or their opinions they are too extreme and not realistic. So, for the management from our perspective, we really have to judge, we really have to tell whose ideas are useful." (O7-25)

In order to keep workers motivated to participate, manager O7 emphasised the need to implement good suggestions of workers.

> "[…] we believe that as long as we accept those reasonable suggestions, good suggestions and implement them, then workers will be more motivated to identify problems." (O7-25)

Manager M6 described that when workers were disappointed about managements' decisions, the established communication channels were placed at risk. For M6, the challenge of participatory structures was to sustain the open exchange with workers even though some demands could not be realised.

> "One headache about this worker participation is that workers raise too high expectations, for example the dormitory. Before, they did not talk. Now, they can say: 'We want air conditioner installed in every dormitory room'. And if we say that this is not realistic and we cannot meet their needs immediately they will get so emotional and individual workers will make a group of workers feel all mad at management. And all the efforts we made before to really convince them to open up and to talk to us and to try to reach a common understanding and mutual understanding it is all wasted and ended up in this very awkward situation. So now, from the management perspective we are also trying to think of a better way how to make workers understand the limitations of our capacity and really try to harmonise this tension." (M6-40)

A way to cope with high demands is for J5 to explain to workers that improvements can only be achieved through a continuous process.

> "Sometimes they raise really high expectations very high requirements, this is a challenge. But we will really convince them, that we work together step by step, let's be realistic." (J5-44)

With regard to the decision-making process and the degree of influence, one project team member mentioned that management on the one hand recognised the benefits of worker participation; however, they were also afraid of losing control of decision processes (S-45).

Representation of Workers' Interests

One manager reported that workers' perception about worker representatives had changed throughout the WE Project:

> "In the very beginning they were really enthusiastic and really positive, but now some people are more sceptical and they think that the WRs are not really representing their own interests." (N7-52)

N7 assumed that due to a limited level of education, WRs might be acting only for their own benefit but would not speak for the workforce.

> "for us, from our perspective it is hard to judge whether they are really speaking for themselves or speaking for all." (N7-88)

The topic was also discussed by project team members. Due to the newly established power hierarchy, WRs could become privileged and create conflict (R-31; R-56).

> "Just one issue, one danger there is, of course, if you don't have any rotation of the people representing the workers, stuff like that, there can be things like clientilism, like power abandoning; that is the danger of course because you are creating power hierarchies." (P-22)

Instead of representing workers' interests, T was of the opinion that WRs might act as supervisors telling workers how to behave. For T, the training of WRs is therefore important.

> "If a third party comes in to enforce this WR system and management tries to please the brands and really give support to WRs, WRs start to think: 'I have equal power like the floor supervisor. So, I can say no, I can challenge you, I can do a lot of things.' Workers see these WRs are not really representing the workers' interests but representing their own interests. Then, workers will become more depressed and more hopeless. 'Our group leaders and supervisors are already enough, now we get this WR on top of us and telling us what to do.' This kind of power abuse could happen if you don't provide good direction training to the WRs." (T-32)

To avoid power abuse, R was of the opinion that direct and indirect participation structures should be combined (R-56), and P also pointed out that with direct participation, a better representation of workers' interests would be achieved (P-16).

Educational Benefits

Manager F3 described how WRs had developed since they were elected at the beginning of the training activities. At the end of the project, they talked directly with middle management and took responsibility for certain areas. If decisions could not be solved by middle management, the respective middle manager usually contacted top management (F3-16). In the beginning, WRs did not trust these structures and thought that management was just putting on "a show" (F3-14). Managers from factory six and seven also mentioned that workers and managers improved their communication abilities so as to make full use of the newly established participatory structures (M6-36; O7-10/12).

Three project team members were of the opinion that participation empowered individuals and provided them with the confidence to express their opinions (T, P, U):

> "if you look at it from an individual perspective, I think this kind of approach is highly empowering for all the people involved regardless of whether worker or manager, very, very empowering." (P-24)

> "Obviously, it is visible that WRs get more and more confident and they would tell you that they are more ready to talk about more complicated issues." (U-63)

Not only workers benefitted from participation with regard to the development of their skills. Project team member S described how management learned to listen and integrate workers' opinions in order to improve decision-making:

> "We witnessed a change here: at the beginning when the participatory structure was presenting their ideas, the first reaction of the top management was to say "I will do it again and I will do it better", because they think this is actually their responsibility. Now they are listening to each other and I didn't hear any more that kind of reaction. So they are listening to the proposals and decide what they want to implement." (S-82)

14.6 Summary of Influence Mechanisms

The assumptions of motivational models were largely confirmed by quantitative and qualitative data. Trusting relationships and, to a lesser extent, the degree of participation and reduced turnover are predictors for improving working conditions. Work satisfaction has a strong positive relation with the perceived influence level. In the interviews, the impact of motivational aspects was strongly recognised, however the effects on social standards indicated were rather indirect.

Workers and WRs were of the opinion that they had the relevant knowledge to enhance decision-making, and the managers also confirmed that workers brought in valuable input for improvement. Especially a higher awareness of issues proved to be a strong predictor for improved labour conditions.

A high participation degree contributes to the improvement of labour conditions and productivity. Several managers reported that win-win situations were therefore achieved in the factories. However, managers also referred to high expectations of workers as a challenge. Due to the dominant stage of consultation, management most often took the final decision on issues.

15 Quantitative and Qualitative Data on Requirements for Effective Participation

This section provides qualitative and quantitative data on the requirements for effective worker participation. First, it highlights statements about the set-up of participative structures. Afterwards, it provides insight into whether interview partners perceive motivation, participatory competence, training and resources for participation as essential for the success of worker participation.

15.1 Setting up Effective Participation Structures

Project team members and managers mentioned aspects of how to establish effective participation structures. These will be summarised in the following.

The Challenge of a High Turnover Rate

Several project team members (S-27; S-33; X-19; U-65; T-20, Q-16) perceived the high turnover rate as a challenge for participatory structures (for managers' statements on worker turnover see section 14.3.2). T mentioned a case where WRs had been elected by the workforce, but all of them had left the factory after a few months. All training efforts were in vain since WRs had not been replaced (T-20).

> "And in terms of challenges, an important issue is the turnover rate. In most cases such change processes depend on key people taking responsibility at the factory, certain workers or managers who are really open to new ideas and management styles, who put a lot of their energy into achieving changes at the factory level. If these leaders leave, then often such new ideas don't get established. The lack of consistency of key people can be a real challenge towards sustainably changing attitudes and workplace cooperation." (Q-16)

Therefore, a stable workforce was recognised as an important requirement for participation (T-57). In an environment of high workforce turnover, the need to create a stable project team should at least be emphasised during training activities.

> "For future WE Projects or similar projects it might be quite helpful to ask the factory to set up a fixed team at the start. This would most probably contribute to an enhanced level of commitment to have a team from different levels of the factory who commit to working on workplace issues for let's say a term of one year. […] This is a lesson learnt from this pilot project." (Q-18)

Need to Establish more Opportunities for Participation

Managers of five factories pointed out that management should create more opportunities for the consultation of workers and their representatives.

> "I think from management perspective the most important thing is to create more opportunities for workers to speak out. Especially provide more platforms or channels for workers to have direct communication with top management face-to-face." (I-54)

> "From the management perspective I think first of all, management needs to listen more." (H4-64)

Two managers stated that workers/WRs should be integrated into decision-making processes to a larger extent.

> "Let them participate more and give them the power to make decisions. Provide more opportunities for workers to participate." (B1-88)

> "I think for example if we want to change the overtime issue in the future and we have been under this production pressure, unlike in the past we need to engage the WRs as early as possible and make them vote, allow them to participate in the decision-making process as early as possible and as much as possible. This will really help them to push forward." (L6-49)

Project team member Q claimed that workplace cooperation structures should be established step by step.

> "And it seems recommendable as a manager not to move on too quick. With the four steps of participation in mind, managers can start with improving their way of informing their staff, a stage with which a manager feels quite comfortable." (Q-22)

Combination of Direct and Indirect Participation Structures

For ILO representative Z, direct participation is a mechanism that can be used to enhance workers' commitment in order to improve productivity and team work, but it does not automatically guarantee that workers will voice issues related to their working conditions (Z-8). However, Z was of the opinion that if mature industrial relations were in place and

trade unions acted independently from the government, direct participation could be used to express concerns or grievances. However, if direct and indirect structures were not combined, Z was sceptical whether direct participation could be used to improve the implementation of social standards:

> "Direct participation may improve productivity but that does not necessarily help improving social standards." (Z-10)

For interview partner R, the main advantage of the introduction of direct participation structures in supplier factories was that improvements could be achieved quickly which motivates both workers and management.

> "You can see with this direct participation, very quickly you can implement small solutions. And there is a feeling of success. With this it gains momentum, on both sides. The workers say, ah, really this is not just talking like before. Something is changing. And the management will say, ah, yes, maybe it was unpleasant to start to talk about problems but we found a solution." (R-20)

Moreover, from the perspective of management, R was of the opinion that the management liked direct participation of workers because of its informal character. The idea behind the WE Project's dialogue training is to start talking about issues jointly with workers and to find solutions without the need to establish formal structures.

> "But with this direct participation, there are less politics involved. From the point of view of the management it is just, you are talking about this problem. You are talking about working time. You are talking about wages. You are talking about product quality. You are talking about OHS. It is very focussed on an issue and focussed on solutions." (R-18)

Regarding the combination of direct and indirect structures, project team member R was of the opinion that direct participation did not weaken trade union structures if no interference in worker organisations took place. Training approaches such as the WE Project could only facilitate the building of structures and provide relevant skills to empower workers (R-38). However, for R a challenge remains in the combination of indirect and direct participation structures, due to the fact that workers might make less use of participatory offers if they had elected a number of representatives (R-31).

15.2 Motivation of Workers and Managers for Participation

As described in section 5.6.1, the attitudes of employees and managers towards participation are expected to have an influence on the level of motivation. Table 15-1 provides answers of workers and worker representatives regarding different statements about their belief in and motivation for participation. A large majority of workers (78.2 per cent) and WRs (92.9 per cent) definitely or mostly agreed that labour conditions could be improved through worker participation. Similarly, the statement "It is good that workers influence

decision-making" was supported by 69.3 per cent of workers and 85.7 per cent of WRs. The answers of workers and WRs do not differ significantly.

Overall, the majority of workers and WRs liked to talk to management. About 21.2 per cent of workers and 12.9 per cent of WRs hardly agreed or did not agree with the respective statement. WRs significantly indicated higher support for the statement than workers ($p<0.01$). 75.8 per cent of WRs liked to represent the interests of workers, however 15.7 per cent could hardly agree with the statement and 4.3 per cent did not agree. 32.5 per cent of workers and 14.2 per cent of WRs definitely or mostly agreed that they feared negative consequences if they talked about sensitive topics. 25.1 per cent of workers and 57.1 per cent of WRs did not agree with the statement. Therefore, significantly more workers were scared about negative consequences ($p<0.001$).

Table 15-1 Attitudes motivation for participation

%	Definitely agree		Mostly agree		Hardly agree		Do not agree		Mean	
	W	WRs	W	WRs	W	WRs	W	WRs	W	WRs
Through worker participation labour conditions can be improved.	43.3	44.3	34.9	48.6	7.2	5.7	2.6	0	1.65	1.61
It is good that workers influence decision-making.	42.6	60.0	26.7	25.7	9.5	7.1	4.4	4.3	1.71	1.54
I like to talk to management.	27.2	44.3	36.7	40.0	15.6	12.9	5.6	0	2.0	1.68
I like to represent the interests of workers (question only for WRs)	-	54.3	-	21.4	-	15.7	-	4.3	-	1.69

I fear negative consequences if I talk about sensitive issues with management. - because I am a worker representative (WRs)	13.3	7.1	19.2	7.1	25.6	25.7	25.1	57.1	2.75	3.37

N workers=324-343; N WRs=67-69

W22/WR 25) Do you agree or disagree with the following statements?(1- definitely agree; 2- mostly agree; 3- hardly agree; 4- do not agree)

WRs were asked whether they talked about sensitive issues with management. About two thirds of all WRs stated that they had had such talks with management at least once or indeed several times. About one third of respondents did not discuss sensitive topics (table 15-2).

Table 15-2 Talks about sensitive issues

%	Yes, several times	Yes, once	No	Invalid/ no answer
WRs	51.4	14.3	32.9	1.4

N WRs=69

WR24) Since you have been selected as a WE Project worker representative, have you had a talk with management about a sensitive issue?

A large majority of workers (86.4 per cent) would like to give management more suggestions in future (table 15-3).

Table 15-3 Wish to provide suggestions

%	Definitely yes	Probably yes	Probably not	Definitely not	Invalid/no answer
Workers	48.2	38.2	6.2	1.5	5.9

N workers=320, question only included in questionnaire of six factories

W7) Do you wish to give management more suggestions for improvement in future?

63.8 per cent of workers stated they would like to work as a worker representative (table 15-4).

Table 15-4 Wish to be a WR

%	Yes	No	Invalid/ no answer
Workers	63.8	30.3	5.9

N workers=367

W17) Would you like to be a WR?

23.1 per cent of workers were very satisfied with the work of WRs, 56.4 per cent were satisfied while 13.5 per cent were dissatisfied or very dissatisfied (table 15-5).

Table 15-5 Satisfaction with WE Project WRs

%	Very satisfied	Satisfied	Dis-satisfied	Very dissatisfied	Invalid/no answer	Mean
Workers	23.1	56.4	12.1	1.5	6.9	1.91

N workers=363

W15) How satisfied are you with the work of WE Project WRs? (1- very satisfied; 2- satisfied; 3- dissatisfied; 4- very dissatisfied)

Questions W23 and WR26 (table 15-6) asked which support WRs needed for their representational tasks. Most workers (38.5 per cent) and WRs (37.1 per cent) stated that WRs needed more time to consult workers. Higher commitment by top management was ticked by 17.7 per cent of workers and 31.4 per cent of WRs.

Table 15-6 Support needed for work of WE Project WRs

%	Workers	WRs
More time to consult workers	38.5	37.1
More commitment by top management	17.7	31.4
More time to meet other worker representatives	12.1	4.3
More integration into committees	5.4	11.4
More influence in decision-making	3.1	5.7
Better equipment (meeting room, notice book, internet access, etc.)	1.5	0
They don't need any additional support	1.5	0
I don't know	7.4	0
Invalid/ no answer	12.8	10.0

N workers=340; N WRs=63

W23/WR26) What do you think, which support do WE Project worker representatives currently need for their work? Tick the most relevant answer.

Bivariate Regression Analysis

A regression analysis explored the relation between the general attitude of workers and WRs and their interest in talking to management or representing workers' interests. For the group of workers, significant correlations exist between the attitudes towards participation and the motivation to talk to management. Moreover, the less fear workers had of negative consequences, the more they liked to talk to management (table 15-7). The positive assessment of knowledge to improve conditions at factory level is a significant predictor for the motivation to talk to management and WRs, as well as to provide suggestions.

Table 15-7 Bivariate regression: aspects influencing motivation of workers for participation

Workers – Explained variance (Corr. R^2)	W22_I like to talk to management	W7_Wish to give more suggestions	W2_Frequency of talks with WRs
W22_Labour conditions can be improved through participation	.065 F=23.555***	.034 F=11.253**	.071 F=25.415***
W22_It is good that workers influence decision-making	.013 F=5.104*	.02 F=6.854**	.009 F= 3.810 (n.s.)
W22_Fear of negative consequences	.101 F=36.766***	-.003 F= 0.021 (n.s.)	.064 F=21.894***
W14_Knowledge of workers for improving labour conditions	.186 F=74.733***	.052 F=17.662***	.113 F=44.091***

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

For the group of WRs, the attitude towards participation does not correlate with the motivation to represent workers. However, the more scared WRs are due to the expectation of negative consequences, the less they like to represent workers. In contrast, interest in talking to management is not affected by the fear of consequences. A low significance exists between the statement that labour conditions can be improved and the motivation to talk to management (table 15-8). Compared to the general attitude towards participation and the expectation of negative consequences, the perceived knowledge of WRs is a stronger predictor for the motivation to talk to management and to represent workers' interests. However, the frequency of talks with workers and management is not influenced by the level of knowledge.

Table 15-8 Bivariate regression: aspects influencing motivation of WRs for participation

WRs – Explained variance (Corr. R^2)	WR25_I like to talk to management	WR25_I like to represent workers' interests	WR2_Frequency talks with workers about problems	WR6_Frequency talks with management
WR25_Labour conditions can be improved through participation	.052 F=4.672*	-.015 F=0.36 (n.s.)	-.005 F=.671 (n.s.)	-.016 F=0.0 (n.s.)
WR25_It is good that workers influence decision- making	-.003 F=0.834 (n.s.)	.011 F=1.718 (n.s.)	-.015 F=0.053 (n.s.)	.001 F=1.076 (n.s.)
WR25_Fear of negative consequences	-.013 F=0.132 (n.s.)	.100 F=8.301**	-.015 F=0.045 (n.s.)	.063 F=5.257*
WR18_Knowledge of WRs for improving conditions	.158 F=13.419**	.180 F=15.301***	-.012 F=0.206 (n.s.)	.044 F=3.902 (n.s.)

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

Qualitative Data

Requirement: Commitment of Management

Several managers (K5, N7, L6, A1, I4) referred to the general need for commitment from management for the introduction and support of participative structures.

> "From the management side, we need to really change our mindset and treat our WRs as equal and show more respect and treat them as our friend even if we assume different positions in the factory. However, we should be friends and we should be equal." (L6-49)

> "The decision-maker has to be also very committed. And thirdly I think very important is now the factory manager they are in charge and they are the main people affecting workers' conditions." (N7-90)

In this context, manager A1 mentioned the importance of supporting the production department, since production managers had to allow workers to take part in decision-making processes.

> "And we want to make sure that the production department really supports them and give them time to do all these activities during work hours. From my side, our administrative department really needs to convince the production department to insure that workers have the time." (A1-71)

The topic of commitment was also emphasised by seven project team members as a supportive factor in encouraging and allowing workers to participate.

> "And of course if the top management does not show a real interest, then there will be no motivation for the participatory structure to continue its work. It will feel not relevant." (S-82)

> "Important is […] that the management is committed, that the management is also committed to the change which might happen." (R-58)

> "Without the commitment of the top management, such change processes cannot be implemented successfully. Their commitment is needed as well as their openness and then encouraging workers to take over new responsibilities, and generally seeing their workers in such a new role. Really being open and not having the hesitation that this will harm the factory." (Q-22)

Perceived Motivation Level of Workers for Participation

Two managers (E3, J5) explicitly stated a high motivation level of workers for making use of participatory structures. E3 described that younger workers were more enthusiastic about participation than older ones, and became increasingly active during the course of the project.

> "In terms of barriers, I think maybe those relatively older workers, those employees with older age, the motivation level is lower and then they are not like young people. Not so active. However, those young people they really can experience this change. Before, they did not receive any training. They might have thought the management enterprise is really remote, really irrelevant. But now they open up, their mindset is changing so they really try to participate more." (E3-50)

J5 expected that in the long run WRs might get used to their roles and lose their motivation. For J5, it was a question how the management can encourage them further.

> "Now, I think they are still good in terms of the enthusiasm level, [it] is still relatively high […]. WRs lose their fresh feeling about their own roles after a long time. They need to be motivated. I am thinking how we guide them and encourage them to do more brainstorming." (J5-46)

Managers reported that at project start, workers had a limited level of trust in management and were suspicious of the newly established structures:

> "Workers […] did not approach the WRs in the beginning. But later on it has been improved. Workers had doubts whether the WRs really can serve this role and whether they can make a difference. However, later on, we do see more people approaching our WRs, and we do not see any barriers now." (L6-21)

In order to motivate workers to identify problems, manager O7 stated that management had to judge suggestions and implement the ones which were beneficial (O7-25). For J5 and D2, it was important that workers received feedback on their comments and suggestions and that transparency existed regarding their follow-up.

> "Even though we cannot meet their demands immediately as management we really have to discuss and we have to make sure that we are transparent about what issues have been raised and which issues have been discussed. So we cannot make workers feel that it is useless to say things because nothing will happen. For those things we can fix we fix them as quickly as possible. And we make it transparent we show the results. We will tell them what issues cannot be achieved and what issues need upper management to approve. Anyway, we will communicate with them about the follow-up." (J5-44)

Perceived Motivation Level of Managers for Participation

J5 explicitly stated the commitment of management to supporting participatory structures further. For J5, workers were the "masters of the company" (J5-40).

> "We will not stop our commitment and we will not stop our support that we have already achieved during the WE Project. We will continue and we have plans to continue this worker participation work." (J5-44)

Although J5 was not concerned about the actual motivation of management, the manager worried about a decrease in commitment:

> "And also from our management side, I am also concerned that the management team after a long time may lose the momentum. I hope that we could figure out a way to keep those fresh ideas in our minds all time." (J-46)

In contrast to this positive attitude towards participation, a few managers also voiced challenges for an increase of participation opportunities with regard to management commitment and their attitude. For B1, management could show more commitment by enabling workers to take part in decisions to a larger degree:

> "Second thing is the relationship between the WR and the management. I think that the management really needs to respect the WRs more and give them more opportunities to participate. Integrate them more when management is making decisions." (B1-94)

Regarding the actual situation in the factory, manager N7 stated that they were facing a lack of support from the new factory management. For N7, the hesitation regarding the introduction of worker participation and the investment in such structures was not uncommon.

> "The decision makers can show more commitment […], for example the investment. You know, everything has a cost to it. The decision-maker has to be also very committed. […] The factory manager they are in charge and they are the main people affecting workers' conditions. For them, it is really important to change their mind. From our side the group company level we are really supportive and really committed and now due to the structure, they [new factory managers] are playing the role and they are on the centre. So if they cannot change their mind, if they cannot open to new things, learn new things, it is very difficult. From management perspective they need to learn more and open minded. But I think this is common phenomenon. Many garment factories their production managers are really production oriented and it takes them time to really change their mind." (N7-90)

Interview partner I4 also referred to a lack of internal support for participatory structures.

> "We only made limited efforts so far and there is lot of objective barriers like we changed our top management so often, actually we very much willing to push forward this work within WE Project. However, we are lacking the support from top management." (I4-58)

Interview partners O7 and I4 considered a certain traditional mindset responsible for a lack of commitment:

> "We do have some supervisors or management staff that is still in that top down management style. They think that those workers who really open up are talking too much. They think workers should just obey whatever they are told. So I do think that this is a potential barrier that would hinder further participation." (O-29)

> "I think the barrier mainly relies on the notions of our top management, whether their mindset can be changed. Their management style, management notions. I think,

> although our workers can mainly express themselves through the middle management and the factory did make efforts to take improvement actions, improvement measures. However, given this barrier that the top management still cannot really get close to production level, to workers, there is still a distance, a gap." (I-56)

How to Increase Commitment?

Since the commitment of management to initiate and support participative structures is perceived as crucial to the success of participation, the question arises of how to generate and increase management's commitment. In this regard, several project team members emphasised the importance of visible benefits for workers and for managers. For T, one strategy for convincing management is to start with less sensitive topics (T-10). In order to reach sustainable improvement, R and S claimed that improvements for topics like wages and overtime also have to be clear to both sides, otherwise motivation will drop (S-81; S-33).

> "For a long-term approach of course, the real crucial issues need to be, not solved, because they will be never solved, like working time and wages, but for both sides, it must be visible that it eases the situation." (R-62)

Incentives for worker participation in the case of the WE Project were mentioned by T with regard to the personal benefits workers get, for example being invited to a workshop in a hotel, being privileged to talk to management or being promoted.

> "Because the motivation is when the workers start to participate and they can see the value. For instance, they will be sent to Hangzhou to participate in the training workshop which they really enjoy. And some other worker representatives could sit in the management conference room and talk to the management directly. There is motivation. And also a lot of worker representatives started as a worker representative and quickly chosen by the management to become management staff." (T-55)

Interview partner R reported how a manager was convinced to support the dialogue approach. In the beginning, he was sceptical and thought that his workers and managers were not competent and able to make use of such an approach (R-27). After realising positive impact of workers' participation, this manager gradually became supportive of the approach and changed his opinion:

> "He was honest enough to see, there is an economic and social benefit. It was not this tangible in the beginning. But he saw how the people changed. How they started to talk with each other. That they were not screaming at each other anymore. Very simple things and he was confident enough to say, yes, I was wrong." (R-25)

R pointed out that it was important not to start with challenging demands such as the free election of WRs.

> "If we would have started to say in this situation, we have to elect the worker speakers first due to the regulations provided by the law. He would say, forget it! No way.

> And with direct participation he was willing to say, yes, why not talking to the people?" (R-29)

U pointed out that factories were under socio-economic pressure and knew that they had to improve somehow. For U, this was a starting point for convincing management.

> "The challenges are overall whether the management would be willing to try. Given this economic and social situation, many factories are under pressure from all sides, governments, brands. They have the incentive somehow. They know that they need to change a little bit somewhere. It gives opportunity for facilitators like us to step in and say, here you go, we have some confidence to say, this might work." (U-50)

In cases where management was not committed to a dialogue programme, R was of the opinion that such a factory should not be involved in projects anymore, so as not to weaken the whole approach. In such a situation, a more conflict-driven approach would be needed instead of a cooperative approach:

> "The management got their chance and if they are not willing they have to tackle the problems by themselves. Otherwise there is risk also to weaken the dialog approach and the traditional trade union approach which is conflict oriented. And conflict orientation is needed if the management is opposing any changes and improvements, at least. In these situations we are facing the limits of the dialogue approach." (R-29)

Project team member P described a case where conflicts between managers and workers were already escalating and therefore the openness and commitment of management was lacking. A certain stable relationship between management and workers is therefore a precondition for dialogue projects according to P.

> "We had the example of a factory which had serious conflicts between managers and workers and on a level where it was not that they were not talking about that, but they had already talked and they had screamed at each other and they had basically nothing anymore to say to each other and things were escalating and escalating. At that stage there was no interest anymore in dialogue. And that is a very dangerous situation then to come with vague, for those people then also kind of esoteric methodology, oh nice, sit down and talk. Forget it, that is too late. And I think those factories maybe are not the right ones for such an approach. I am not convinced that at such a high level of conflict it will work in that way." (P-36)

15.3 Participatory Competence

According to cognitive models, employees' knowledge is a key requirement of effective participation structures. In section 14.4 it was shown that cognitive aspects have a positive impact on improving social standards in supplier factories. A large majority of workers and WRs definitely or mostly agreed that they had the respective knowledge to enhance labour conditions. Moreover, most workers and WRs were of the opinion that they had many ideas on how to improve labour conditions (section 14.4). In section 5.6.2, profes-

sional competence was linked to the flow and provision of relevant information by management. Data on the perception of the flow of important information among workers, WRs and management as well as the provision of feedback has already been summarised in section 14.4.

For the workers' group, the provision of feedback has a significant positive influence on the satisfaction with WRs (r=.387**), the wish to provide suggestions to management (r=.234**), and the attitude towards participation (r=.319 and r=.172) (table 15-9). The more information workers receive on decisions developed in participatory meetings, the higher the satisfaction with WRs' work (r=.461**). Moreover, the exchange of information has a positive influence on motivation to provide suggestions (r=.337**) and the belief that worker participation improves labour conditions (r=.186**) (table 15-9).

Table 15-9 Correlation (Pearson): feedback and motivation for participation (workers)

Workers	W15_Satisfaction with WRs	W7_Wish to provide suggestions	W22_Through worker part. labour conditions can be improved	W22_It's good that workers influence decision-making
W4_Feedback	.387** (N=356)	.234** (N=315)	.319** (N=336)	.172** (N=317)
W5_Get to know decisions	.461** (N=276)	.337** (N=239)	.186** (N=256)	.065 (n.s.) (N=242)

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

As far as the group of WRs is concerned, no correlation exists between the information WRs receive on relevant topics and the motivation to represent the interests of workers and the general attitude towards participation. The frequency of talks with management has a significant positive influence on the representation of workers' interests (r=.265**), but shows no correlation with the attitude towards participation (table 15-10).

Table 15-10 Correlation (Pearson): feedback and motivation for participation (WRs)

WRs	WR25_I like to represent the interests of workers	WR25_Through worker part. labour conditions can be improved	WR25_It's good that workers influence decision-making
WR7_Receiving needed information	-.053 (n.s.) (N=61)	.158 (n.s.) (N=63)	-.127 (n.s.) (N=62)
WR6_Frequency of talks with management	.265* (N=63)	.0 (n.s.) (N=65)	-.131 (n.s.) (N=64)

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

Table 15-11 displays that significant correlations exist between cognitive aspects and the stated degree of participation (datasets of workers and WRs have been merged). However, no significant relation is indicated between the education of respondents and the influence level.

Table 15-11 Correlation (Pearson): cognitive aspects and participation degree

Workers & WRs	**Participation degree** Calculation of variable see table 14-52
W14/WR18_Worker/WRs have relevant knowledge	.182** (N=418)
W14/WR18_Ideas	.109* (N=392)
W28/WR31_Education level	-.071 (n.s.) (N=417)

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

Qualitative Data

Competence as a Requirement

It was mainly project team members that stated in the interviews that the abilities of workers and managers were crucial for the success of participative structures. However, some interviewees referred to several challenges in this area. One project team member stated that Chinese workers' education level was lower than that of workers in the Western world (V-24). X also mentioned that almost all workers came from the countryside and did not have much experience as industrial workers. However, X recognised a positive trend in this regard and was of the opinion that the younger generation was more confident in speaking about problems and influencing decisions (X-41).The low education level of workers was also regarded as a barrier for management's willingness to initiate participatory structures:

> "Because management at the beginning, they theoretically they knew of course, it is good theory. […] But they always have doubts, worker education level is low." (T-36)

Two managers (N7 and L6) were of the opinion that management needed to overcome traditional belief and trust in top-down structures in order to build up participatory structures.

> "from the management side, we really need to change our mindset and treat our WRs as equal and show more respect and treat them as our friend even if we assume different positions in the factory. However, we should be friends and we should be equal." (L6-49)

Project team member U also emphasised the need for mutual trust and changes in old behaviour patterns:

> "As long as their mind changed, the structure can be built based on their own situation. […] As long as the management is confident that they could try to listen to the workers and then they are willing to see what value workers can bring to them. […] But just the very first step is very difficult. […] The workers also re-evaluate the managers. Because they also think, they won't listen to us. There are so many middle managers and workers were telling me, it is still useless. We never say this anymore because it is useless. And then suddenly they start to respect each other." (U-76)

Besides the willingness and the openness of both managers and workers to give participation a chance, workers needed to know about the role of worker representatives (V-53) and their own responsibilities. P talked about the importance of a certain competence level of workers and managers and awareness of each other's perceptions for avoiding frustration and conflict.

> "The workers need to know what this is about. What does that mean, what is their role, what are their responsibilities? What does it mean if they are angry about the company and give critical feedback which is unfounded? What impact does that actually have? There is a lot of responsibility behind that. And without awareness about that this kind of approach can lead to frustration. Because you have the managers who say: 'We want to hear from the workers but they are not saying anything or saying things we don't understand, or seem to be jeopardising the whole process.' And then those workers who maybe are very committed and interested might also get frustrated because they feel then the management might not be reacting properly." (P-16)

Two project team members referred to the ability needed to take ownership of improvement processes on the side of worker representatives and management (S-70) in order to develop solutions that benefitted both sides:

> "Here, we have to focus more on the win-win situation. We need to create joint ownership. It is not to fight for the biggest piece of the pie, but to broaden the pie for both sides. This is definitely a key factor of success." (R-60)

Perceived Competence Level in Factories

Regarding the necessary abilities of workers, managers and project team members mostly referred to the ability to express one's opinion. In this regard, several managers pointed out that workers and their representatives were shy in the beginning and had limited capability for participating effectively.

> "Worker representative started being very silent when they were first elected." (K5-90)

Manager J mentioned that even after training sessions especially the elder ones did not dare speak out (J5-24). Two managers explicitly referred to the challenge of the low education level and illiteracy of WRs elected by workers:

> "Today we see a lot of middle aged WRs. I know that many of them are illiterate, very low education background." (J-30)

> "So the workers really vote for some WRs, for example one WR from the ironing department. He is illiterate and he does not have very good communication skills. But he got the highest votes. As management we cannot really turn him down but then he has a lot of limitations and how much he can really make workers open to him. Workers still approach him but with those limitations, there are methods and skills he needs to learn in order to improve his work." (L-21)

Also several project team members mentioned the need to strengthen the ability to speak about problems in the factory (T-62, S-29). Interview partner V linked workers' hesitation to their fear of reprisals.

> "Yes, some of the workers are daring to say something to the boss. But most of them they are not. They are afraid of being fired or of money deductions." (V-20)

For V, this challenge could be overcome if there were a formal agreement to protect worker representatives against negative consequences (V-53).

One manager was doubtful about the representative skills of WE Project WRs and assumed that some of them did not represent workers' interests. For N7, this caused conflict since management did not know how to react to demands which seemed biased by individual interests.

> "In terms of disadvantage, maybe it is due to limited education level and some workers they sometimes tell us things out for their own sake. This is a little bit selfish but it does not really represent workers' interests. And for us, from our perspective it is hard to judge whether they are really speaking for themselves or speaking for all." (N7-88)

The high turnover rate of workers and WRs was mentioned by three interviewed project team members (S, X, T) as a challenge for participatory structures, since participation skills need to be trained over a certain period of time. Ongoing fluctuation makes it more difficult to institutionalise participatory structures.

> "For the challenges, one of the biggest ones is the turnover rate which is really high in many factories in China. The project builds up the capacity of workers to express themselves and to get confident to give their opinion, and then they leave the company because of the New Year vacations and then do not return back. The same applies to the middle management: with the project, we increase their awareness of the benefits of participatory approaches and then they move to another factory. Of course these improvements are not lost completely, but if you look at the company

> specifically, this is a challenge. You need some continuity if you want to build a quality circle or any other participatory approach." (S-27)

With regard to the flow of information, providing feedback on workers' suggestions in a timely and formalised manner is important according to three managers (C, J, O) and one project team member (W-65).

> "From management perspective the first thing we should do is to provide effective and timely feedback. So we are a good listener, no matter if the thoughts or opinions may be extreme or not be realistic. […] And we need to encourage them to do this more. For those issues that we can fix immediately we will take prompt action and for those actions that cannot be solved overnight we need to have face-to-face communication with the worker." (O7-27)

However, providing feedback was not linked to the need for raising the professional competence of workers, but connected to increasing motivation of workers for participation (section 5.6).

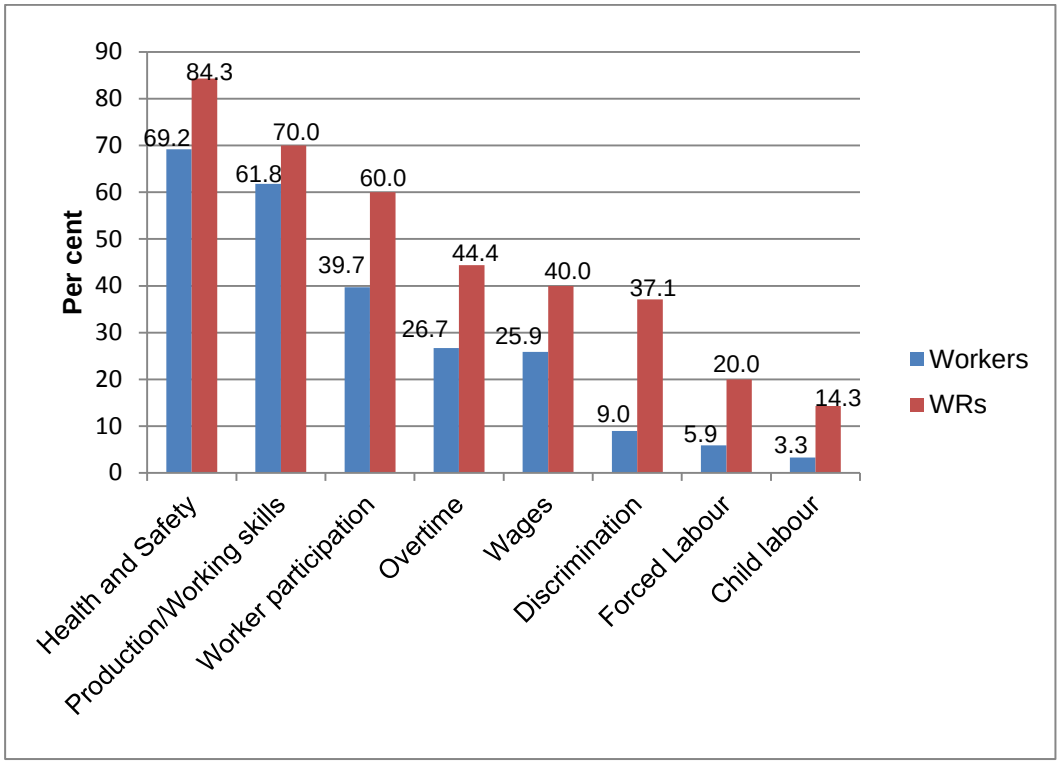
Who Should be Involved?

Managers did not make statements as to whether they preferred the involvement of all workers or only of those who are knowledgeable as suggested by cognitive models (section 5.4). One project team member was of the opinion that the participation of worker representatives should be favoured to enhance the implementation of social standards, since frontline workers often would not have the capacity to contribute effectively and lack sufficient education background (T-62).

> "But the reason why indirect I would say works better is, like I said, we don't have industrial workers in many areas. We have peasant farmers in the transition stage becoming an industrial worker. They don't have the capacity for participating." (T-44)

15.4 Training of Workers

To provide background information and increasing awareness of workers and their representatives, training should be conducted especially on topics related to social standards. Workers and WRs were asked about topics of training sessions. 84.3 per cent of WRs and 69.2 per cent of workers attended training sessions about health and safety issues, whereas discrimination, forced labour and child labour were covered least (figure 15-1). WRs indicated that they received significantly more training in the areas of OHS ($p \leq 0.05$), discrimination ($p \leq 0.001$), forced labour ($p \leq 0.01$), overtime ($p \leq 0.05$), participation ($p \leq 0.01$), and child labour ($p \leq 0.05$).



N workers=359; N WRs=69

Figure 15-1 Training topics

W18/WR 22) During the last one and a half years/since you came to the factory, have you ever received training in the factory in the following areas? Tick all applicable answers.

In the survey, 33.6 per cent of workers answered that they took part in training sessions once every two months or more. 34.9 per cent of workers stated that they received training once every six month or less often; 13.8 per cent of workers had never attended any training in the factory (see table 15-12).

Table 15-12 Frequency of training sessions

%	Once a month or more	Once every two months	Once every six months	Less than once every six months	Never	Invalid/no answer
Workers	29.0	14.6	22.3	12.6	13.8	7.7

N workers=360

W19) How often do you take part in training sessions?

The large majority of workers and WRs would like to receive more training (table 15-13 and 15-14). More than 80% of workers and 90% of WRs definitely or mostly agreed with

the statement that they would like to take part in training sessions or needed more training.

Table 15-13 Wish for training

%	Definitely agree	Mostly agree	Hardly agree	Do not agree	Invalid/no answer
Workers	41.8	43.1	7.4	0.8	6.9

N workers=363

W20) "I would like to attend more training sessions."

Table 15-14 Need for training

%	Definitely agree	Mostly agree	Hardly agree	Do not agree	Invalid/ no answer	Mean
WRs	67.1	24.3	0	4.3	4.3	1.39

N WRs=67

WR23) "I need more training for fulfilling my tasks as a WE Project worker representative." (1- definitely agree, 2- mostly agree, 3- hardly agree, 4-do not agree)

A Chi^2 test[44] was conducted to analyse the influence of training on the degree of participation in the respective areas. Except for the areas of overtime and production, a significant relation exists (table 15-15).

[44] A Chi^2 test is used for variables with nominal or ordinal scales. Since the variables W18 and WR22 have nominal scales, the Chi^2 test was used.

Table 15-15 Influence of training on participation degree

Chi^2 Test (Pearson) Workers & WRs	**Participation degree in the respective area (OHS, wages, discrimination, FL, CL, overtime, production)** W6/WR11 "To what extent are you involved in the decision making process in the factory?"
W18/WR22_Training OHS	Chi^2 = 22.796***
W18/WR22_Training Wages	Chi^2 = 11.822*
W18/WR22_Training Discrimination	Chi^2 = 89.594***
W18/WR22_Training Forced labour	Chi^2 = 19.512***
W18/WR22_Training Child labour	Chi^2 = 38.276***
W18/WR22_Training Overtime	Chi^2 = 5.349 (n.s.)
W18/WR22_Training Production	Chi^2 = 7.787 (n.s.)

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

Regarding the influence of training on perceived improvements, a significant relation is indicated in the areas of OHS and productivity, whereas no significant influence of training and improvements exists on wages or overtime. With regard to an increase in awareness, training has a significant positive influence on the awareness of child labour and discrimination (table 15-16).

Table 15-16 Influence training on improvements

Chi^2 Test (Pearson) Workers & WRs	**Improvements in the respective area** W11/WR19 "What has changed in the factory in the past one and a half years/since you came to the factory?"
W18/WR22_Training OHS	Chi^2 = 36.392***
W18/WR22_Training Wages	Chi^2 =3.306 (n.s.)
W18/WR22_Training Overtime	Chi^2 =3.087 (n.s.)
W18/WR22_Training Productivity	Chi^2 =12.941**
	Awareness (W11/WR19)
W18/WR22_Training Forced labour	Chi^2 =2.530 (n.s.)
W18/WR22_Training Child labour	Chi^2 =10.661*
W18/WR22_Training Discrimination	Chi^2 =17.317***

n.s. = not significant; *p≤0.05 = low significant; **p≤0.01 = significant; ***p≤0.001 = very significant

Qualitative Data

Training as a Requirement

Five managers, several project team members and the ILO representative emphasised the importance of training for the development of the factory and the employees, and as a success factor for participation (A1-71, B1-94, E3-48, H4-64, M6-42, R-60, V-63, T-53, X-48, W-65, Z-33).

> "Our thoughts about training have changed. Now, we really value the worker training because this will spread the knowledge and help the workers to increase their capability." (A1-30)

One manager stated training was important to motivate employees and to change their mindset (E3-50). However, E3 mainly referred to young workers and was sceptical whether older employees' motivation could be affected by training. Project team members S, T, Q, W and manager B1 mentioned that WRs needed to be specially trained on their responsibilities, communication skills and tasks, otherwise distrust and frustration might develop among workers (Q-12).

> "I think the workers sometimes they vote for certain WRs is just because they have good personal relation shared with this person. However, these WRs cannot fully serve the role of qualified worker representatives. So we think that workers need to

> be trained to gain a better understanding what a WR is and what WRs are supposed to do in their roles. So that workers will know exactly when they execute their rights to vote, they will get a good idea what they are actually doing for their own interest." (B1-94)

T was of the opinion that workers especially needed organisational support from management due to the fact that workers had less experience of, for example, how to set up meetings. This was confirmed by statements by S (S-65, S-33). For T, management also needed to learn how to communicate with workers and establish participatory structures. The interview partner did not mention any challenges such as interference or impact on discussion outcomes if management dominated structures to a large extent.

> "Because one factory we have good result for worker participation. Management at the beginning gave a lot of support. They even organised the meeting. The workers didn't know how to organise a meeting. And they didn't get paid for the work they are doing. And they are not union organisers, before they never had any idea about how to be a worker representative or how to be a club member. So the management has to provide a lot of support to teach them how to hold the meeting, how to work with management. […] Of course, the management gets support from us. We train the management how to provide support to workers." (T-22)

Project team member S mentioned that it normally takes more than six months for Project WRs to learn how to gather opinions from workers, and to present them adequately to management, to apply methods for analysing problems and to be able to continue representational activities without external facilitation (S-45).

Situation in Factories

The training topics mentioned by the managers in the interviews (B1, K5, M6, J5) covered mainly production, OHS and worker participation, which is in line with the quantitative answers of workers and WRs. For example, in factory 5, workers were given communication training every morning before production in order to train them in voicing opinions (J-24). Two managers (D2-6, K5-29) mentioned that they included the six-step method in training sessions.

> "I trained them [on the six steps]. […] Every time ten workers. And then we will do batch by batch. But I haven't finished yet the training. 20 normal workers have been trained, 2 groups." (K5-30)

Interview partner N7 explained that they were not conducting regular training sessions, but instead used the PA-system to provide information to workers while they were working. Moreover, they provided information brochures to group leaders:

> "If you are talking about serious type of training facing all employees, we are not really doing this. However, we have been using our PA-system as we discussed to really enhance their understanding. And for example we also have been printing these

> little pamphlets about the four-steps training method and this has been distributed to our floor supervisors and group leaders." (N7-42)

How to Conduct Training?

To concentrate capacity training on worker representatives made sense for S, since resources for training were scarce and it would take too long to train all workers to achieve sustainable change (S-47-48). U recognised a lack of background knowledge to exercise training, for example, about how to set up quality circles and to train workers on such structures.

> "The knowledge of the trainer and the quality of the training of the workers who are going to participate in this quality circle, not just the workers but all managers because they need continuous support from the middle management. For this success of the quality circle. It is huge. And so far I don't know whether in Chinese market there is a company there who can really offer this kind of high quality training to make this happen in one factory." (U-33)

Interview partner X doubted the success of the common Chinese training approach. Normally workers attend lectures of experts and do not interact with each other in the classroom.

> "Training is very important. But we mentioned training. Very different way. In China, normally training is lecture style. The participants always have to write down something, then some experts speak. But I think, concerning improvement of social standards in some factories I prefer WE Project style." (X-48)

One manager recognised space for improvement in the area of training and wondered about how to increase its impact.

> "However we still have a lot of areas for improvement, especially in regard of worker training. We have a lot of gaps. We have contacted some external training service providers so we really think that we are not doing very well in terms of employee training. So we try to work on this." (E3-3)

Two interview partners acknowledged the need for training, but also referred to a lack of resources to make it effective (Z-33, R-60). To make use of the scarce resources, for R the principle of "action learning"[45] was most successful, since this training approach is based on developing ownership of the training participants:

> "In the context we are working, we don't have enough time for training. There are not enough resources for training and if there are resources, there are not the right people to provide the training. […] So then action learning is of course the ideal approach. Because it is based on self-reflection and should enable the target group to

[45] See section 11.2 for further description of the action learning method which is part of the training methodology of the WE Project.

reflect on their own behaviour, their own actions and it is based on this self-reflection to develop new solutions. This is definitely a key factor. And this is definitely what is attractive for these guys because there is nobody telling them what they should do. They decide by themselves. And then they learned, oh, what have we done, oh, we did it wrong. And they cannot blame anybody except themselves." (R-60)

15.5 Resources for Participation

In sections 5.6 and 7.2, resources such as time or equipment for participation were identified as a requirement for participation. The questionnaires asked workers and WRs which support WRs needed for their representative work. Most workers and WRs stated that WRs needed more time to consult workers. Considerably fewer workers and WRs expressed the need for time to meet with other WRs. No WR and only 1.5 per cent of workers were of the opinion that better equipment was needed (see table 15-17).

Table 15-17 Support for WRs

%	Workers	WRs
More time to consult workers	38.5	37.1
More time to meet other worker representatives	12.1	4.3
Better equipment (meeting room, notice book, white board, internet access, etc.)	1.5	0

N workers=340; N WRs=63

W23/WR26) What do you think which support do WE Project worker representatives currently need for their work? Tick the most relevant answer.

Qualitative Data

Managers of four different factories stated that time was a serious challenge for participation and therefore an important requirement. Sometimes production pressure was responsible for postponing meetings (H-68), or WRs could not take part in a meeting due to the unfinished production tasks of their working group (B1-92). Moreover, if a worker or WRs attended a meeting, their absence at the production floor disturbed the production flow:

"The biggest thing is the production pressure. We often want to hold some activities or we want to send the WRs to receive training or to study something, for example, but it is really hard for us to drag them away from the production floor. Normally WRs are good workers and important. They are occupying important positions. If they are gone, then the entire workshop or group will be affected negatively. This is the main conflict between us and the production department." (A1-73)

Another manager described the same challenge at their factory, and explained how management tried to overcome this barrier by meeting after work:

> "So we try to make use of the off-work hours. For example, Wednesday we only work eight hours, we hold some activities in the private time. And we will prepare some compensation like a present towards the end of the month to compensate them." (J5-42)

To provide presents might be helpful as an initial incentive for participation; however, in order to institutionalise participative structures, monetary compensation is required and meetings should not take place after work, since workers are tired – which might decrease their motivation.

One manager mentioned the higher workload that organising meetings also entailed for management (G3-22). Regarding infrastructure, manager K pointed out that they provided all WRs with notebooks after a while (K5-90). Another manager stated that for them, limited space for joint meetings or assemblies was a challenge for effective communication.

> "Currently we only hold employee assembly every half a year. So it is very rare because we don't have space. But looking to the future, we have new buildings and now we should have more employee assemblies. So that we have more chance to engage all of them. The platform needs to be enhanced." (M-42)

The importance of resources for effective participation was also mentioned by four project team members (Q-22, S-88, S-29, T-22, R-58). Interview partner R emphasised that resources were needed such as space for meetings and payment of WRs (R-58). However, conflicts of interest could occur if management provided resources and expected a certain outcome from this investment:

> "but there are also discussions on the trade union side if the worker representatives should be paid by the company like it is in Germany or by the trade union itself, like it is in Romania. […] Because of conflict of interest. But resources, training, meeting rooms […] this is definitely a key factor, if the management provides the resources, training centre, training rooms, internet, consultants in a neutral way. Or maybe the workers will decide what to do with a budget […]." (R-60)

15.6 Summary

With regard to the implementation of participatory structures, one challenge was the high turnover rate of workers. Stable work teams were regarded as an important requirement. Managers mentioned the need to create more opportunities for participation to make it even more effective. Here, the combination of direct and indirect participation structures was favoured.

Workers had the motivation to take part in decision-making processes; however, they partially feared negative consequences. A large majority of workers would have liked to give management more suggestions for improvement. Project managers showed also a high commitment to participation but also referred to a shift in mindset necessary on the side of management. To further enhance the level of commitment on both sides, benefits of participation have to become visible.

Interviewees regarded workers' and managers' competence as crucial for participation. Workers were of the opinion that they had enough knowledge to participate effectively. Managers stressed the need to talk about problems in this regard, but acknowledged a strong development of workers' skills throughout the project. Managers, too, needed to learn how to listen to workers and to integrate them in decision-making.

Workers and WRs attended training sessions particularly on health and safety, production skills and worker participation. A large majority would have liked to attend more training classes. Managers and project team members also emphasised the importance of training for the success of the factory and effective worker participation.

Regarding further resources for participation, workers and WRs stated the need for more time to conduct meetings, to talk to other WRs or workers about issues. Managers confirmed that time was a serious challenge for participation due to production pressure. Absent workers that were taking part in meetings could disturb the production flow.

E Discussion of Theoretical and Empirical Findings

In the following, theoretical and empirical findings will be discussed with regard to my three research questions. Section 16 reflects the framework conditions in China for the implementation of social standards and worker participation (research question 1). The influence of participation on working conditions based on findings in the interviews and the worker survey is afterwards focussed on in section 17 (research question 2). In section 18, the third research question on the requirements for effective participation will be answered. Section 19 combines the findings of the previous sections and shows which dynamics between motivational, cognitive and power-sharing aspects of participation may occur.

16 Framework Conditions in China for Worker Participation and Social Standards

Similar to the development in the US and Europe in the 1960s, China today is facing increasing labour unrest, high turnover and absenteeism rates in a very competitive environment with increasing social and environmental demands. Being able to pay wage increases, reducing working time, offering safe workplaces, and meeting other legal requirements poses a severe challenge to many suppliers. Working conditions cover many different aspects in a factory that are often interlinked with the economic performance. Low buying prices and the time pressure given by tight production schedules impose difficult economic framework conditions for suppliers. If these conditions then have to be handled by a management that is not well educated on how to successfully run a factory and how to ensure sound working conditions, it is very likely that labour conditions will not meet labour law requirements or international standards. In this regard, the auditing practice of brands was criticised by interview partners for its weakness in addressing this lack of capacity. It was acknowledged that auditing initially was able to sensitise managers to social demands; however, the overall impact of auditing at factory sites was disappointing. As a result, cheating auditors is common practice, since managers are overwhelmed and do not see a way to comply with labour law while at the same time operating in a very competitive market. Since external factors such as the buying practice of brands are difficult for suppliers to change at once, managers and workers instead need to learn how to improve the factory performance by themselves. If managers and workers are enabled to solve their problems by means of joint-decision making or conflict mediation, change towards better conditions in the factory becomes possible. Here, training offers by brands can support suppliers with regard to the improvement of their economic, social, environmental performance.

Besides such training interventions at factory sites, industrial relations and labour law enforcement play a crucial role with regard to the implementation of social standards. China is currently in a stage of transition. Up until the end of the 1990s, the Chinese government mainly focused on economic growth and managed to reduce poverty to a large extent. At that time, awareness of the importance of sound working conditions remained low. Although millions of people were able to improve their living conditions, public unrest is now growing with regard to social inequalities, human rights violations, and damages caused to the environment in China. The legitimacy of the government is increasingly threatened by the population's growing dissatisfaction. Each day, about 500 protests take place to demonstrate against current political, social and environmental developments (Giesen 2012). It is obvious that the government needs to stabilise this situation – possibly either by introducing reform processes that open the country up to more democracy, independent media and civil liberties, or by doing the opposite and following a conservative nationalistic approach. It is difficult to estimate which path China will take in the coming years. In October 2012, the current vice president Xi Jinping will take over leadership of the Party. With this changeover in power, China's strategy to cope with the current situation in the next years will become clearer.

At least in the past decade, the government has introduced a number of laws that strengthened the rights of workers in terms of participation and labour conditions. By introducing the Labour Contract Law in 2008, the government put stronger emphasis on worker participation and strengthened labour law with regard to labour contracts and collective bargaining. Despite efforts to improve working conditions, a true representation of workers is still lacking, which is seen as a main hindrance for effective indirect participation structures by interview partners. Often, trade unions still do not function as a representation of workers which truly bargains for better working conditions on their behalf. In this study's survey, six out of seven factories had a trade union in place. However, no manager referred to collective bargaining agreements, or increased communication with the trade union during the time of the project. This finding supports the hypothesis that trade union practice lags behind the influence possibilities provided by the law.

In Chinese factories, organisation structures usually follow a top-down hierarchy with little or even no participation of workers. The introduction of participatory structures in factories in which Tayloristic and authoritarian decision structures are common might face severe barriers. Project team members, too, therefore doubted the success of participation in the beginning. The need to change worker-management relations in the factories was widely acknowledged, not only by stakeholders but also by factory managers. All seven factories of my sample introduced participatory structures by electing/designating Project WRs and involving the workforce in decision-making (see also section 17 for further discussion). A combination of different factors might have influenced this positive response to the training programme: first, rejecting training offers from clients might have had negative consequences for further business. Second, recognising the need for change due to rising economic and social pressure impacted on managers' openness to experiment with new approaches. Brands can therefore play a role in initiating new organisational structures.

Nevertheless, in order not to interfere in the freedom of organisation, the main goal for brands can only refer to the creation of a platform for worker participation instead of influencing the establishment of workers' organisations. For brands to be able to support setting up this kind of platform, the legal framework and government's position towards it are of high importance. Due to the introduction of the Labour Contract Law, an important step has been made here to enlarge worker participatory structures in China.

With increasing organisational participation, the demand for democracy at political level may also become stronger. Already today, the Chinese increasingly demand democratic governmental structures and are able to achieve them from time to time: after ongoing protests against corrupt Party cadres that illegally sold communal land, the villagers of Wukan in the province Guangdong banished public servants and elected their own rural committee in March 2012 which was tolerated by the Chinese regime (Anonymous 2012). These developments, and also the immense pressure to balance economic, environmental and social demands, may increase the government's willingness to further experiment with worker participation as long as it does not damage their own legitimacy. However, managers did not relate worker participation to increasing equality and democracy at political level in the interviews of this study. Making connections of this kind to broader political topics is sensitive and therefore possibly not in the interest of management. Although Western literature sees the impact on stronger democratic decision-making structures as a core contribution of participation for sustainable development (Newig et al. 2011), it is questionable how far worker participation at factory level can have an impact in this regard in China. For participation to play a major role in Chinese organisations and to contribute to a sustainable transformation of society (Heinrichs 2005), a lot more effort has to be made on different layers by the government, civil society, academia, brands, and further stakeholders in China.

17 Influence of Worker Participation on the Implementation of Social Standards– Interpreting Theoretical and Empirical Data with Regard to Hypotheses

With regard to my second research question on the influence of participation, first I will focus on what kind of participatory structures have been implemented (section 17.1). Afterwards, their impact on working conditions will be analysed by discussing the proposed hypotheses for influence mechanisms of participation (sections 17.2-17.4).

17.1 Discussion of Implemented Participation Structures

A range of direct and indirect participatory structures existed at the end of the project in all seven sample factories. A favourable method of direct participation was, for example, the conducting of worker surveys. As management preferred the stage of consultation, a

survey offers the opportunity to harvest opinions from a large group of workers in a short period of time. It is less time consuming than face-to-face discussions, and the likelihood of workers responding is higher compared to the use of suggestions boxes. Nevertheless, the tool provides fewer opportunities for direct feedback. One factory therefore emphasised the benefits of regular morning meetings for improving workers' communication abilities. In this case, the meeting was used to provide on the one hand an opportunity to voice opinions to management, but at the same time it aimed at achieving educational effects. Here the connection to democratic theory becomes obvious due to the two-fold role of management – being the actor within participatory structures, while at the same time educating workers (see section 5.5).

With regard to indirect participation structures, despite one factory which had already an active trade union committee, all factories established meetings between WE Project WRs and management. In addition, several companies initiated subject-oriented committees or round tables.

The role of Project WRs and their implications for indirect participation structures

Becoming a Project WR was not influenced by gender, education or origin, which is an indicator that women or migrant workers were not discriminated against in this regard. However, the length of working time for the factory had an impact on the likelihood of becoming a WR. Experienced workers might be expected to have better insight into organisational matters. Another explanation would be that about 40 per cent of WRs worked in their representational role longer than six months. Therefore, they must have been working for the factory even longer. Interestingly, 54 per cent of WRs stated they were trade union members, while only 5.4 per cent of workers indicated they were a trade union representative. Either WRs mixed up the terms in the questionnaire, or especially trade union representatives were elected or selected by workers or managers.

Special attention should be paid to the election process of Project WRs and their responsibilities. According to the statements of project team members, Project WRs were not understood as formal representatives of workers with bargaining rights. Otherwise, such a structure could have led to the establishment of a company union which is defined by the ILO as "a union limited to a single company which dominates or strongly influences it, thereby limiting its influence" (ILO 2005b). In such a case, worker organisations are set up which are not established only by the efforts of workers but by the management as well. Nurturing such parallel structures would undermine efforts of truly independent trade unions.

In the view of project team members, the informal establishment of WE Project WRs had the advantage of being easy to apply and enabling workers to voice their thoughts and comments. In the view of some interview partners, informal representation is heading in the right direction by offering an opportunity to learn about benefits of dialogue between workers, WRs and managers. Moreover, concentrating training efforts on a smaller

number of representatives that take part in almost all training activities seems to be more effective than constantly involving different workers in training sessions. However, with increasing interference of management by selecting worker representatives and controlling the implementation of their tasks, worker participation becomes superficial and is not used up to its full potential. In addition, workers have good reason not to trust management and selected representatives who might act only in line with managements' interests.

Informal Project WRs lack formal power and are not allowed to conduct collective bargaining, for example on wages or overtime hours. This mandate is reserved solely for worker organisations established under defined rules by law. In case of China, representatives need to be put forward under the guidance of the upper trade union branch if a trade union is not present at factory level. Within informal structures and given the absence of effective trade union representation, representatives' security from dismissal is rather low. Negative effects on the motivation to voice critical thoughts are possible (see section 5.6.1). It would be optimal if management exerted no influence on election processes that are then conducted by trade unions. Of course, the fact that often factory managers serve as trade union representatives, especially at higher organisational levels, undermines this option. Thus, NGOs and civil society claim that independent and neutral bodies such as NGOs should conduct elections. Despite of a general endorsement of formalising election processes in order to increase credibility of structures, it seems questionable how fast improvements could be achieved under such demands. Based on the interview statements, WE Project worker representatives have been designated by management in several factories. If management even prohibits the election of informal project representatives with restricted influence opportunities (no bargaining rights), it seems likely that fewer factories would have established additional dialogue structures if only NGOs, trade union representatives or other neutral organisations were allowed to conduct elections. In addition, under these conditions, the Chinese local government also might not have allowed these kinds of structures in the factories. Within training programmes such as the WE Project, it is always the factory management that provides entrance to the factory. Whenever management rejects requirements of training programmes, an opportunity to support workers is wasted. Nevertheless, the formalisation of worker representatives' elections is an important step towards a mature system of works councils in China. Even though training projects such as the WE Project primarily target promoting employee involvement, the resulting trust in such structures and the empowerment of workers may in the end support freedom of association. Workers definitely need more knowledge and higher awareness regarding the work of trade unions. Here, training is needed to provide them with necessary insight. If workers become familiar with the opportunities of direct or informal indirect participation structures in the frame of training programmes and gain the competence to make use of them, a central contribution to freedom of association is provided. For such a development to ensure, it is of high importance that informal indirect participation structures do not weak trade union work but instead motivate workers to participate in unions. With regard to programmes such as the WE Project, trainers should

therefore conduct frequent meetings with unionists and link workers to trade union representatives. At the beginning of a dialogue programme, existing trade union structures should be analysed and unionists – whether they are managers or front-line workers – involved in programme activities if workers demand it.

Frequency of meetings, participation degree and topics

According to the answers of workers and WRs in the survey, a frequent exchange between workers, WRs and managers took place. In most factories, WRs and management met at least once a month. Moreover, most Project WRs took over tasks according to their role and almost 80 per cent of workers were satisfied with the work of WRs. These results strongly indicate that established participation structures did not only exist on paper but were frequently used.

Large differences existed with regard to the degree of participation and the extent topics were discussed between workers, WRs and managers. Based on the data available, child labour, forced labour and discrimination were least discussed between workers and WRs. Likewise, workers and WRs stated a respective lower participation degree for these topics compared to OHS and working time. Different reasons may explain this outcome: some evidence suggest that these topics were of lower priority. One possible simple reason for that may be that factories already comply with requirements in the areas of forced labour and child labour as indicated by several managers. On the other hand, child labour and forced labour differ in certain aspects from topics such as working time, which make it more difficult to talk openly about issues or to find common goals with management. With regard to child labour, it seems for example unlikely that workers below 16 years would reveal in participatory meetings that they had faked their ID card in order to work at the factory. If WRs knew about child labourers they might be afraid of blaming them and being responsible for job dismissals. Special requirements for younger workers might not be known by workers and WRs and therefore discussed less intensively due to low awareness of special protection.

In the survey, the term “forced labour” might not have been understood well by workers and WRs. Maybe indicators such as late payment or withholding of wages, unreasonable deductions or physical abuse were not related to forced labour. The denial of forced labour by many factory managers could also be related to common connotations of the topic, as a quote of SAI (2010: 36) puts it: “Like child labor, forced labor presents a nightmarish image in the minds of many people: workers chained to their work tables, prisoners working at manufacturing facilities. However, the reality of forced labor is often far more insidious. It is not always so easy to spot and can be hidden within actual fair labor practices”. In case of strong violations, it is also very likely that workers do not trust management and fear increasing reprisals whenever working conditions are criticised. Another reason might be that loans are often welcomed by workers and not perceived as an issue which has negative implications for them (as described in 6.5.1).

Reasons why the area of discrimination was not discussed to a large degree might be related to the rather low awareness level of workers and managers, as indicated by one project team member. Moreover, workers might be ashamed of talking, for example, about HIV or hepatitis with managers or other workers. The discrimination against migrant workers is, to a certain degree, inherent to the political and legal system in China (see section 6). Framework conditions such as the hukou system might be regarded as unfair, but criticising the government in public does not come into consideration, as one interview partner stated.

In contrast to discrimination, forced labour and child labour, many issues related to OHS, working time and wages impinge on workers in a more direct way. Workers are aware of non-compliance issues such as long working hours, high accident rates, occupational diseases or low wages, as they perceivably affect their health and well-being. Therefore, improvements are easier to recognise and may be of higher priority for workers.

Overall, the stage of consultation – which is also required by Chinese labour law – was mainly applied in the factories. As will be further discussed in section 16.4, consultation has a positive influence on improving working conditions. Nevertheless, workers lack formalised decision power to improve conditions which might not be in management's interest or their priority. A constant answer of management to the question of how they could support participation was related to the provision of more opportunities for workers and WRs to voice their suggestions and comments. The focus on the expression of opinions is again related to the stage of consultation. Only the managers of two factories explicitly mentioned the need to provide workers with more power to influence decisions, for example by providing voting rights. If we compare the statements of managers and quantitative results, the participation degree indicated especially by WRs tended to be higher than in management's assessment. For example, 21.4 per cent of WRs were of the opinion that they made joint decisions with managers in the area of discrimination, whereas no manager mentioned any joint decision-making processes for this topic. In the IDE research conducted in Europe in the 1980s (see 5.1), the average for workers' participation degree did not even reach level 2, and where strategic decisions were concerned it was closer to 1. Level 4 was only reached by middle management for the area of holiday scheduling (Heller 1998: 160). Compared to that research, the average participation degree of WRs in the area of OHS in my study ranged at 3.73.[46] Reasons why Project WRs seem to overestimate their participation degree might be due to their rather low experience of worker participation. Compared to the top-down dominated communication flow prior to the project, a considerable change has taken place in most factories. Enthusiasm about the change process may result in quite positive assessment of implemented structures. Here, a danger of pseudo-participation is given, which in the long run can lead to frustration and further conflict (section 5.3) once workers and WRs realise their actual influence level.

[46] 1- I'm not involved at all; 2- I'm informed about the matter; 3- I can give my opinion; 4- I discuss with management, but they decide; 5- Management and I make joint decisions.

Since management highly influences the participation degree of Project WRs and workers, they may allow high degrees of participation especially for those topics which are of higher importance for management and/or offer opportunities for win-win solutions, while at the same time the potential for conflict seems controllable. Based on this argumentation, in many factories management was especially interested to increase performance related to quality or productivity and therefore involved workers to a larger degree. Regarding OHS and working time, the economic benefits of improved performance were more obvious to management than, for example, in the area of discrimination. Thus, these topics were more often discussed or covered in training sessions. A lower participation degree in the area of compensation may be related to its potential for frustration and conflict. As indicated by managers, many complaints of workers targeted low wages. Possibly, management was therefore more cautious to involve workers.

17.2 Influence Mechanisms – Motivational Models

In the following, I will focus on the hypotheses developed in section 7.1 in order to analyse the influence mechanisms of participation based on the empirical findings.

Hypothesis 1: A high participation degree is positively related to work satisfaction.

Quantitative data gathered in the survey support the first hypothesis. The bivariate analysis shows a significant correlation between the participation degree of workers and WRs and work satisfaction (r=.367**, p<0.01). However, the multiple regression analysis (see table 14-58) indicated that the participation degree only exerts a low influence on work satisfaction compared to other motivational aspects. The strongest predictor for an increase in work satisfaction is a trusting relationship with management (CorrR^2=45.3%). Acknowledgement of opinions and improved working conditions show significant influence on work satisfaction as well, but to a much lesser extent. Only commitment exerts no influence on work satisfaction in the model. Moreover, in the bivariate correlation the participation degree positively correlated with the acknowledgement of opinions, commitment and trusting relationships (table 14-57). In this regard, overall the assumptions of motivational models were confirmed by quantitative results.

According to quantitative findings, participation therefore mainly influences work satisfaction through the improvement of worker-manager relations (see figure 17-1). The bold arrow indicates the strong relation indicated in the multiple regression analysis, whereas the thinner arrows reflect the lower influence between participation degree and work satisfaction shown in the multiple regression analysis as well as the medium correlation between participation degree and trusting relationships in the bivariate correlation.

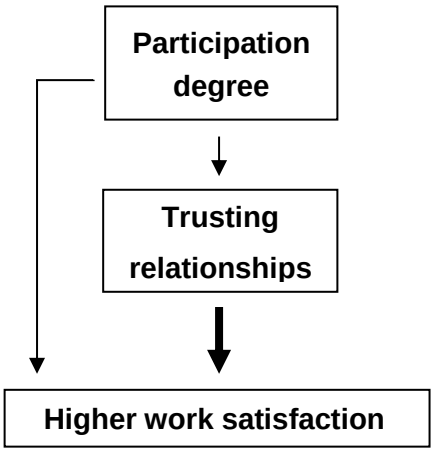


Figure 17-1: Interrelations between participation, trusting relationships and work satisfaction

In the interviews, only one manager explicitly linked participation to higher work satisfaction. However, the qualitative statements provided strong evidence that relations between managers and workers improved with regard to trust, respect and mutual cooperation. Often, the picture of a family was used to describe that workers showed a stronger sense of belonging to the factory. For many workers and WRs, voicing comments, suggestions or explanations related to working conditions and production issues was completely new. The experience of managers taking into account and appreciating their contributions demonstrated respect and recognition of workers' perspectives. How these trusting relationships, work satisfaction and other motivational aspects then impact on working conditions will be highlighted in the next paragraphs.

Hypothesis 2: Work satisfaction has a positive influence on the improvement of labour conditions.

Quantitative analysis indicates a significant positive bivariate correlation between work satisfaction and the perception of improved working conditions (r=.542**). Among the aspects of motivational models, again a trusting relationship is shown to have the highest influence in a multiple regression analysis on perceived improvements in working conditions (table 14-59). With regard to work satisfaction, the influence on improvements is less significant in the multiple regression model compared to the influence of the participation degree, the decrease of turnover and a trusting relationship. However, a second multiple regression analysis (table 14-60) indicates that work satisfaction is the strongest predictor of satisfaction with discussion results. Moreover, the multiple regression analysis with the dependent variable "work satisfaction" demonstrates that improved working conditions also influence work satisfaction. Therefore, working conditions are not only affected by work satisfaction but in turn also have the potential to increase work satisfaction as assumed by theory (sections 5 and 7). Figure 17-2 illustrates the interrelations between

participation degree, trusting relationships, work satisfaction and working conditions as indicated in the statistical analyses.

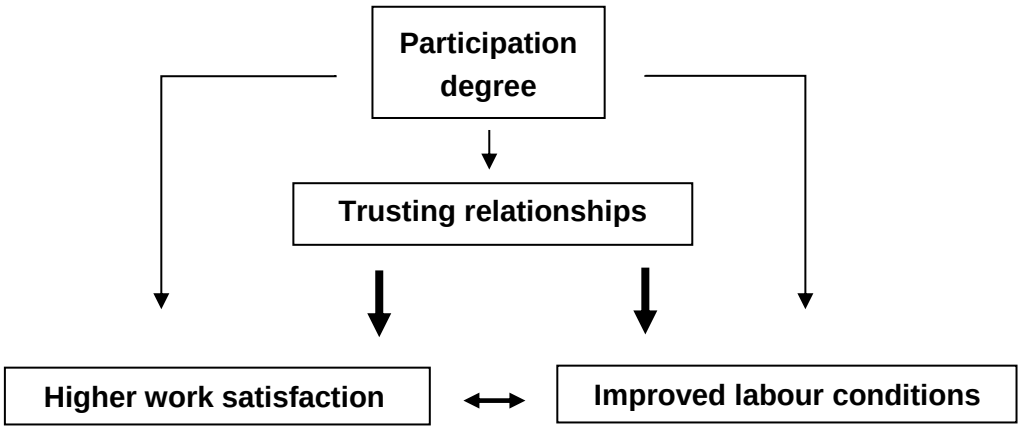


Figure 17-2: Interrelations between participation, trusting relationships, work satisfaction, and working conditions

The statistical results can be interpreted in two ways. It seems possible that improved worker-management relations with regard to trust and respect provided a better platform to achieve consensus on topics related to social standards. However, in the interviews no direct effect of better relations on working conditions was stated. Nevertheless, the motivational aspects of participation were highlighted by every manager. One of them linked, for example, participation with the improvements in the area of compensation and concluded an increase in commitment and higher productivity. At one factory, a decrease in turnover was based on improved work satisfaction. In contrast, one could also argue that the positive assessment of working conditions was influenced by improving relations. If workers and WRs are increasingly integrated in decision-making, build up closer relations with management and increase their trust in the willingness of managers to improve their working conditions, signs of improved conditions may be taken into consideration more than before. Workers learn about how difficult it can be to improve conditions and may appreciate efforts and improvements to a larger extent. Since the worker survey provides data only on subjective impressions of change processes, the evaluation of improvements therefore might be more positive than, for example, the outcome of checking key performance indicators based on economic data would be.

In motivational models, the topic of turnover was related to the positive outcomes of participation. Due to the positive influence of participation on better relations with management, higher work satisfaction and improving working conditions, turnover was expected to decrease. In the survey and in the interviews, a reduced workforce fluctuation was indicated. From a theoretical point of view, it was assumed that a decreasing turnover rate contributed positively to increasing productivity (section 7.1). A significant correlation

between turnover and productivity (r=.318**) supports the assumption. However, with regard to the long-term success of participatory structures, a high turnover rate was regarded as a general challenge. If WRs have to be replaced every few months because they leave the factory, it will be more difficult to establish a certain responsibility for and ownership of improvements among the WR team. Moreover, the motivation for participation may decrease if participants of committees and working groups change continuously. The same applies to managers: knowledge of how to initiate participatory structures is lost if responsible managers leave the factory without training other managers or informing them about the participatory approach. Since the turnover rate seems to have a large impact on the effectiveness of structures, one could argue that participation is not suitable for Chinese factories in which large turnover rates are a common phenomenon. However, as the positive results with regard to productivity and labour conditions in the seven factories reveal, such a conclusion should not be jumped to too fast. Of course, one may argue that training efforts even would have had greater impact if turnover had not been such an issue. However, as long as improvements can be achieved in terms of improving working conditions, an important requirement for reducing worker turnover is met. Nevertheless, if high fluctuation continues to exist at some factories, it is likely to be only a question of time until management is no longer willing to invest in resources such as skill-development, time and equipment to make participation successful any more.

Motivational models expect that the potential for conflict may be reduced by exchanging points of view and identifying common goals. In the interviews, managers of three factories and one project team member supported this theoretical assumption. With regard to personal development and learning opportunities, theoretical considerations were also approved by several managers and project team members. In line with these statements, significant correlations between respective items were also found in the quantitative survey. The impact of higher commitment, less resistance towards change processes or increased trust was mentioned in the interviews especially by the managers as well. However, the connection of these aspects of higher compliance to social standards was not strongly put forward.

The strong evidence overall for motivational aspects from quantitative and qualitative data may also be explained by the fact that the relation between workers and managers before project start was considerably less close and a strong change of organisational communication and decision-making was unexpected, as stated by some managers (“workers thought it is just a show”). For workers, it must have been a completely new situation: being invited to workshops in expensive hotels, working together with management, being asked about their opinions, and receiving a lot of attention from management may also have had a major impact on their perception of their relationship with management. Regarding motivational benefits of participation, it is of interest how long the motivation for participation may be preserved after the appeal of novelty has worn off. With increasing experience of participation, the initial motivation of workers and WRs may decrease as assumed by managers.

17.3 Influence Mechanisms – Cognitive Models

Cognitive models claim that the performance of organisations can be improved through the information and knowledge exchange facilitated through participatory structures. I developed one hypothesis related to cognitive models that I will discuss in the following.

Hypothesis 3: Workers have relevant ideas and knowledge to enhance decision-making with regard to the implementation of social standards.

Quantitative statements of workers and WRs support hypothesis 3. A large majority of respondents state in the survey that workers and WRs have relevant knowledge and ideas for improving working conditions. Bivariate analysis further shows significant correlations between knowledge to solve problems, ideas for improvement, higher awareness and improved working conditions (table 14-65). In the multiple regression model that tested cognitive aspects of labour conditions (table 14-66), awareness is the strongest predictor. The degree of participation and workers'/WRs' knowledge to solve problems only exerted low influence, while ideas for improvement show no relation to working conditions.

The second multiple regression model (table 14-67) tested cognitive aspects and the influence level with regard to the satisfaction with discussion outcomes. Here, the perceived influence was the strongest predictor. The higher the influence, the more satisfied workers/WRs are with discussion outcomes. This outcome refers to power-sharing arguments. Workers/WRs are able to influence decision-making processes according to their needs and therefore are satisfied with discussion outcomes. Surprisingly, awareness, knowledge and ideas of workers have no impact in this model.

In contrast to the statistical analysis, in the interviews managers as well as project team members were of the opinion that information and knowledge exchange contributed to the improvement of working conditions. Due to large communication gaps between workers and managers before the WE Project, the benefits of jointly discussing improvement measures became very obvious during the project time. In addition, many managers stated that the awareness of managers and workers increased, which is in line with the statistical results.

At the beginning of the project, management as well as project team members had doubts about workers' abilities to contribute effectively. Although the need for training was highlighted, strong evidence supports the finding that improvements were positively influenced by the input of workers and WRs. Based on cognitive assumptions, several researchers favour participation only of those workers who are knowledgeable on topics discussed in participatory meetings. Quantitative analysis reveals that at least the education level and the length of working time had no impact on participation degree. However, we do not know whether managers took into consideration the knowledge of certain workers or WRs when they initiated participatory meetings.

Comparing bivariate correlation coefficients of motivational aspects and cognitive aspects with perceived improvements in the area of working conditions (table 14-57 and 14-65), cognitive aspects show a slightly lower influence. Moreover, in the multiple regression model that tests cognitive and motivational aspects on their influence on working conditions (table 14-77), trusting relationships are the strongest predictor for improved labour conditions, followed by increased awareness. With regard to qualitative statements, this result is not that obvious, since the direct impact of workers' contributions and comments was highlighted with regard to better solution-finding. Motivational aspects instead were not directly linked to working conditions but to an overall enhanced working climate. As already stated, quantitative results with regard to motivational aspects were possibly biased by the psychological effects previously described.

17.4 Influence Mechanisms – Power-Sharing

In the following, the influence of participation based on qualitative and quantitative findings will be summarised with regard to participation degree, decision-making processes and outcomes. Regarding **OHS**, workers or WRs in all factories have been trained or informed about the matter and consulted to voice improvement measures. For example, many factories conducted surveys to learn about workers' suggestions or installed an OHS committee. In factory visit reports as well as in the interviews, many improvement measures were mentioned, ranging from investments in better equipment to the conducting of fire drills. Moreover, most factories recognised a decrease in accidents. These improvements were also reflected by the quantitative answers of WRs and workers, stating high satisfaction with discussion results and visible improvements. With regard to influence mechanisms, especially knowledge-sharing seems to have had an impact on improvements as well as increased awareness, for example in terms of wearing PPE or preventing accidents.

In the area of **anti-discrimination**, all factories provided training for workers. Often, awareness-raising campaigns were conducted, which might be an indicator that the topic is rather new and low awareness existed prior to project start on the side of both managers and workers. Therefore, workers' rankings on increased awareness seem to correspond to the activities. However, compared to the topic of forced labour, almost no information on which was provided to workers, awareness had not been increased to a large degree. Four factories consulted workers and WRs through surveys or in participatory meetings. Several managers mentioned that policies were amended by management based on comments received from workers. Interestingly, about 20 per cent of WRs stated that they take part in joint decision-making with management. However, none of managers' statements included examples of joint decision-making. Either WRs overestimated their influence or did not understand the question in the survey. It is also possible that decision-making processes were not clear for WRs and they just had the impression that they decided equally with management on topics. This would be an indicator for

inauthentic participation. Overall, cognitive aspects seem to have a more direct effect than motivational factors, which were not directly linked to improvements in the area of discrimination. However, a higher commitment to implementing policies could have a positive influence on anti-discriminatory practice. Moreover, higher trust in management may encourage workers and WRs to reveal discriminatory practice, for example of supervisors, to management as well.

Since managers of four factories stated that **child labour** was not an issue in their factory, fewer activities were implemented in this area than in others. Although training or information activities were only conducted in one factory, about 40 per cent of workers and almost 50 per cent of WRs indicated higher awareness. Moreover, the issue was hardly discussed between workers and WRs according to their quantitative answers. This discrepancy may be due to measures implemented by management that raised workers' awareness (such as different procedures for checking ID cards or health checks for young labourers) or other sources of information (newspaper, internet) that workers used. It also seems possible that workers and WRs indicated higher awareness due to social expectancy. About ten per cent of workers and almost 20 per cent of WRs stated they were at least consulted about the issue. Again, qualitative statements could not support this assessment of workers and WRs.

Managers of five factories stated that **forced labour** was not an issue in their factory and very few improvement activities were reported in factory visit reports and interviews. However, similarly to the areas of discrimination or child labour, workers and WRs mentioned that their awareness of the topic had increased. As the topic was hardly discussed among workers and WRs and almost no improvement measures were implemented, workers and WRs increased their awareness either due to the influence of media or answered according to social expectancy. Overall, no influence of participation can be concluded for improvements in the areas of forced labour and child labour by qualitative data.

The relatively high satisfaction of workers and WRs regarding **compensation** can be related to the described increase of wages in four factories. About one third of workers and around 40 per cent of WRs stated that wages are paid on time more often. More than 40 per cent of workers and WRs indicated no change. In none of the interviews did any of the managers mention the punctual payment of wages. One reason for the different findings could be that the topic was too sensitive for managers to discuss. Regarding the degree of participation, 50 per cent of WRs and 30 per cent of workers stated they were consulted. Wages seem to be of high priority for workers and WRs since they discussed about the topic frequently – including with management. Here, the statements of managers match the quantitative findings. Several managers mentioned joint discussions about common goals and solutions for how to increase wages. Those factories which were able to increase productivity also managed to increase wages. According to managers, here the contributions of workers and WRs as well as motivational aspects were the reasons for improvements. Nevertheless, it should be stressed at this point that in the past years,

wages have continuously increased in China. To avoid risking an even higher fluctuation of workers, factories have to increase wages in order to keep their workforce (see section 6.5.5).

Five factories were able to reduce **overtime hours**, and three achieved that workers got one day off a week. Thus, answers of workers and WRs seem to reflect the statements of managers. Similarly to compensation, working time was of high priority for workers, and thus frequently discussed with management: WRs indicated one of the highest participation degrees compared to other topics. Suggestions and comments from workers were regarded as helpful and valuable in increasing productivity and at the same time reducing overtime. Motivational aspects such as increased commitment and less resistance to the implementation of solutions were mentioned; however, for example a decrease of turnover rate was not directly linked to improvements. Interestingly, with regard to the increase of wages and the reduction of overtime, WRs were more positive about improvements than workers. One reason for this finding could be that WRs were involved in the development of solutions to a higher degree, and were therefore proud of what has been achieved.

As pointed out in section 5.5.1, large differences in expert power within an organisation could increase the power of those that are more knowledgeable on certain topics – most likely managers that have insight in organisational performance indicators and social requirements. Thus, there is a good possibility that management will use their expert power to make workers and WRs understand why certain decisions have to be taken. If workers trust management's expertise, they will more likely support suggestions from management. So as not to enlarge power differences and even weaken workers' influence, ongoing efforts to increase workers' knowledge are therefore necessary.

Discussion of hypotheses related to power-sharing aspects

It was argued that the participation of workers contributes to finding solutions that benefit managers and workers. The following hypothesis takes up this argumentation.

Hypothesis 4: The degree of participation has a positive influence on developing win-win solutions that increase economic performance and improve labour conditions.

For both areas – economic performance and labour conditions – various improvements were highlighted by management and workers/WRs. As motivational and cognitive models predicted and as was mostly confirmed by empirical findings, the participation of workers and WRs had a positive impact on the economic and social development of factories. The degree of participation correlates positively with improving working conditions and increasing productivity. Growing productivity shows a positive relation with the perception of improved labour conditions and satisfaction with discussion outcomes (table 14-73). A multiple regression analysis (table 14-76) indicates that higher productivity is mainly influenced by perceived changes in the areas of OHS, wages, overtime and FL and only to a low extent by workers' participation degree in the area of production. Qualitative

statements provided further insight into how economic performance and the implementation of social standards were linked in the factories. Three “types” of interrelations are found:

1. In participatory meetings, workers and managers analysed reasons for low social performance and discovered the connection between productivity and social standards. Joint goals for productivity were developed and implemented. Due to resulting economic benefits and increased efficiency, management took the decision to invest in higher wages and to reduce working time.
2. In some factories, managers achieved productivity improvements, for example by changing production systems (e.g. lean management) or installing new machinery. Afterwards, economic benefits were invested in labour conditions. The examples in the interviews showed that productivity did not increase because of participation, however, awareness of the need to improve social performance resulted in a decision to invest in this area. Whether it was workers’ participation that increased management’s awareness or whether workers influenced investment decisions could not be determined from the statements.
3. Managers of one factory reported that cost savings related to a reduction of accidents were invested in increasing workers’ bonuses. Here, safer work places contributed to economic benefits that were then invested in another area of social standards (in this case compensation).

The topics of forced labour, child labour, and discrimination were not related to economic improvements by managers in the interviews. However, quantitative data showed significant correlations between satisfaction with discussion outcomes and productivity as well as between satisfaction with discussion outcomes in the area of forced labour and productivity increase (there was no positive correlation between child labour and discussion outcomes). Since the question only asked about satisfaction with outcomes, we do not know what exactly has been changed or whether workers/WRs were just satisfied with how managers reacted to suggestions during meetings but not with regard to actual improvements. For example, in the area of forced labour, managers did not report many activities. Here, further research is needed to investigate the interrelation especially between child labour, forced labour, discrimination and productivity.

According to workers’ and WRs’ perception, factory management would be able to invest to a larger degree in labour conditions (see table 14-44). Nevertheless, managers of five factories reported investments into better working and living conditions. To assess whether this investment could be increased by the management is not possible without further insight into the economic situation of the factories. Getting insight into financial data of factories, which would have allowed comparing rather subjective insight of managers and workers with economic data, was not possible for this study.

However, the fact that investment took place according to managers shows that the need to reinvest benefits into better working conditions is taken into consideration by manage-

ment. Comments of managers about high expectations of workers and WRs reveal that management judged workers' input and followed only those suggestions that matched their own interests. The quantitative data of workers' and WRs' answers provided evidence for the assumption that joint-decision making would have contributed to improved labour conditions even more than consultation. However, in the interviews managers mainly referred to consultation and did not compare different stages of participation. Due to the dependence on management within the concept of employee involvement, a system of collective bargaining is needed to ensure a more effective and powerful consideration of the workers' voice. To rely on consensus-building between workers and managers only is suitable for improving working conditions, especially if a large scope for win-win solutions is given. As important as consensus-building and joint decision-making may be, it cannot replace formalised systems of bargaining.

Hypothesis 5: The degree of participation has a positive influence on workers' knowledge about their labour rights.

The data of the quantitative survey show a positive correlation between the degree of participation and the increased understanding of labour rights (r=.336**). However, in the worker survey, it was not queried further in which way workers/WRs were able to increase their knowledge. It is also important to look more closely at the different topics: with regard to forced labour and child labour, it may be concluded that workers and WRs learned less about these topics than about OHS, wages or overtime, since the latter ones were discussed to a greater extent. However, comments of managers or project team members did not provide further insight into whether this assumption is correct.

Besides knowledge, the improvement of soft skills – such as how to communicate suggestions and how to negotiate, for example about common goals – is also of high importance. The interviews provided more insight in this regard. For example, managers and project team members stated that the abilities of workers increased with regard to communication skills and knowledge about labour rights. One manager mentioned that WRs increased their level of responsibility and became more active to achieve improvements. The majority of workers also stated satisfaction with the work of WRs in the survey. However, several managers still remained sceptical and unconvinced by WRs' competence level. In this regard, two managers referred to illiterate WRs elected by workers who could not contribute well to decision-making. Moreover, it was assumed by managers that some WRs might not represent the interests of workers but make use of their influence to improve their own personal situation.

Participatory competence improves through the use of structures, not only on the side of workers but also on the side of managers, as interview partners stated. Managers learned to involve workers in decision-making, to listen to their suggestions and to jointly develop solutions. Here, particularly method competence and social competence were improved. Nevertheless, not many statements of participants were provided in the interviews with regard to what specific knowledge and skills were gained.

18 Discussion of Requirements for Effective Participation

Section 18 focuses on the third research question about the requirements at factory level that support the influence of participative structures on the improvement of labour conditions. In theory, motivation, competence, need for training, and further resources for participation were discussed (see section 5.6). In the following, these findings are extended by the interpretation of empirical data.

18.1 Motivation of Managers and Workers

Participants in the quantitative and qualitative survey strongly highlighted the need for management's commitment to the implementation of participatory structures. Interview statements of managers revealed a general high commitment, especially among those managers who participated in training activities and took over responsibility for WE Project training activities. These managers took part in participatory meetings and therefore directly experienced the benefits and achievements of participation. Project team members perceived this insight as a strong incentive for increasing commitment. Moreover, the concept of worker participation was promoted in WE Project training activities which most probably influenced management's attitude towards participation, too.

Economic and social improvements were essential for managers so as to justify time and other resource investments as predicted by theory (sections 5 and 6). Challenges were mentioned, for example with regard to production managers who were not interested in workers leaving the assembly line to take part in participatory meetings. The "traditional mindset" of managers was associated with an attitude of expecting obedience and respect from frontline workers. This attitude was regarded as one of the main reasons for a lack of commitment. Several managers pointed out necessary personal traits, such as egalitarian values and being receptive for new approaches. Mutual prejudices about the other party's behaviour or competence level leads to suspicion and lower motivation, unless a positive experience of participatory structures is had.

Interestingly, the importance of workers' motivation for participation was not explicitly mentioned, as if interview partners assumed a general desire for participation. Answers of workers and WRs indicated a high belief in participation with regard to its potential to improve working conditions and a general supportive attitude towards participation: workers showed high motivation to provide suggestions to management, were satisfied with WRs' performance, and the majority of them would like to work as a WR. The trust in participation significantly correlates with improvements that were achieved during the time the factory took part in the WE Project. As already stated with regard to project managers, the training activities of the WE Project possibly equipped workers, WRs and managers with confidence in participatory structures. Topics that were of high priority for workers and therefore often discussed with WRs were also largely discussed with management. The smooth flow of information and feedback on results may have also contributed to

workers' trust in participation. In addition, the labour contract law of 2008 strengthened the participatory rights of workers, which legitimises workers' and managers' positive attitude towards participation as well. Another reason why workers made use of participatory structures may be management's initiation of participatory offerings. Instead of being responsible for creating the space for participation, workers just needed to follow the advice and instructions of management. Interview statements indicated that with increasing trust in management and awareness of responsibilities, workers became more active and confident in making extensive use of structures. The demand for self-determination claimed by theory as a driver for supporting participation was not mentioned in the interviews and seems to play a superordinate role. However, variables covering this aspect were not used in the quantitative survey.

In section 5.6.1, the motivation for participation was not only connected to workers' and managers' expectations about outcomes of participation (working conditions, productivity, quality, etc.), but also to workers' expectations about management's reaction to criticism. In the survey, almost 40 per cent of workers stated that they tend to fear negative consequences if they talk about sensitive issues with management. Thus, workers perceived themselves in an inferior role as they expected a form of punishment, which is an indicator of authoritarian top-down structures. On the side of WRs, significantly fewer respondents were afraid of negative consequences. This finding could be related to two possible reasons: by executing their role, WRs might have experienced that no negative consequences resulted from their participation. Moreover, it seems possible that WE Project WRs were less shy and scared by superiors. Nevertheless, at least one third of WRs did not talk about a sensitive issue with management, which demonstrates a tendency to avoid problematic issues that otherwise might escalate. Probably, either management decided which aspects of topics were to be discussed in meetings or WRs did not dare to put issues on the agenda due to an expected negative response. Moreover, as theory and the comments of project team members claim, a culture of openly sharing criticism often does not exist in Chinese organisations. Therefore, workers and WRs are not used to providing criticism and asking for improvements. In addition, since framework conditions in factories may not provide a safe background (no contract, no legal security, less experience, high dependency on management), it seems unsurprising that workers and WRs are reluctant to talk about perceived sensitive issues. This result again implies that large improvements strongly depend on management's commitment to improving conditions. If workers avoid discussions about pressing problems, either management takes action by itself or the issue simply continues to exist.

With regard to the sustainability of implemented structures, workers showed less trust in ongoing structures than WRs. The election process and regular meetings between management and WRs formalised Project WRs' participation to a certain degree, which might enhance their trust in the continuity of structures.

20 per cent of WRs hardly agreed or did not agree that they liked to represent workers' interests. However, WRs' confidence in their knowledge to improve conditions is a signifi-

cant predictor for their motivation to represent the interests of workers. Insecurity about their own abilities to satisfy workers' and managers' expectations is therefore linked to their motivation for participation. The connection between perceived knowledge and the desire to provide further suggestions to management or to talk to WRs was also indicated for the workers' group. In this regard, trainings on topics discussed in participatory meetings are of high importance to further strengthen WRs' confidence in their own abilities. Moreover, due to a lack of experience with true worker representation structures, workers probably hardly knew anything about the roles and responsibilities of worker representatives before the WE Project. In addition, the requirements for Project WRs and differences to formal representatives were of course known even less. Therefore, many worker representatives might not have been aware of the job requirements before being elected. It is also possible that WRs' motivation for taking over the position did not stem from an interest in improving conditions for workers, but from expected direct gratifications such as status and individual privileges. Another possible explication could be that management selected worker representatives who actually had no intrinsic interest in becoming a worker representative. Possibly, a general frustration with the outcomes of participatory decision-making could have also decreased motivation for representational tasks.

18.2 Participatory Competence

Competence of workers and managers was identified by interview partners as an important requirement for participation, and quantitative findings also confirm the influence competence has on the outcomes of participation. As already analysed in the previous sections, most workers and WRs were of the opinion that they have knowledge and ideas to contribute effectively. In line with these results, managers valued the suggestions and comments from the workforce and emphasised for example the benefits of jointly applying the six-step method in order to learn about the other sides' ideas, wishes, and suggestions. Statements about the abilities needed for participation on the side of workers focused on the competence to voice concerns and suggestions. Here, interview partners referred to low educational background but also to the necessary confidence of workers to talk about issues. The concentration on professional and communication skills may be related to the dominant stage of consultation, which is mainly controlled and organised by management. Voicing suggestions and opinions appears as a minimum requirement in the given context of consultation, whereas negotiation skills and the ability to organise or moderate meetings may become more important for advanced stages of participation.

Through the WE Project and the establishment of participatory structures, workers were empowered to take part in improvement processes. Several statements referred to the learning opportunities participation offers and pointed out the positive development of workers and WRs during the course of the project. Workers learned how to contribute and to bring in suggestions in order to improve the situation. They gained self-confidence and skills in how to take part in decision-making more effectively. Moreover, several managers

and project team members mentioned the potential of the younger generation of workers that is expected to have more courage to express opinions and to know more about their labour rights.

In 5.6.2, the importance of feedback and effective information flow between workers, WRs and management was highlighted with regard to increasing professional competence. In the interviews, the need to provide feedback was stressed, although it was not linked to professional competence but instead to fostering workers' motivation. The quantitative results of workers' answers reveal a positive influence of feedback and information-sharing about decision-making processes on satisfaction with WRs, the motivation to bring in suggestions and a supportive attitude to participation. However, for the group of WRs this positive influence of the information flow on attitudes and motivation was not significant. A positive assessment of personal capability significantly correlates with the degree of participation. However, the actual education background shows not as much influence as assumed by interview partners. Therefore, the perceived level of knowledge is not only important for the motivation to participate, but also has influence on how much workers contribute to decision-making.

Regarding management's competence in initiating and maintaining participation structures, several times a "mindset change" was called for. It was demanded that managers overcome traditional authoritarian patterns of organisational decision-making and break with respective routines in order to involve workers in a respectful way. A few statements indicated the possibility of such a change, since in several cases management had changed their attitude towards workers' participation and increasingly valued their contributions over the course of the project.

18.3 The Need for Training

Most interview partners were of the opinion that training is an important requirement for participation in order to make it more effective. Certain topics such as rhetorical skills, the organisation of meetings and knowledge about roles and responsibilities were considered important. Statistical analysis demonstrated a significant positive influence of training on the participation degree and improvement processes for most areas. Taking into consideration that knowledge on a topic correlates with the motivation for participation, it is not surprising that training has a positive effect in this regard and that most workers/WRs would welcome more training offerings.

Workers' answers in the survey revealed that topics related to discrimination, forced labour and child labour were hardly included in the training sessions they attended. In contrast, two thirds of workers received training on matters related to OHS and production. Except for the areas of production and wages, significantly more WRs indicated that they took part in training sessions. Again, most respondents were trained on OHS and production. Especially forced labour and child labour were less covered in training sessions, which is another indicator that management did not attach high priority to these

topics. Reasons why these topics were not included could be related to a general low awareness, the belief that the factory is already in compliance, or that training workers/WRs on these topics would not provide specific benefits to the factory. In order to provide the kind of training workers/WRs require, workers and WRs should participate in decisions about training topics and the design of training programmes.

Challenges in the area of training were hardly mentioned by managers, and their general support of training efforts indicate that investments taken in this area seem to pay off for the factories even under conditions of high turnover rates. However, project team members referred to common training methods in factories which are teacher-centred and do not encourage workers to discuss opinions and to develop solutions. Moreover, according to project team members managers lack experience of training and therefore need external facilitation and support in terms of training methodology and content. Since only one manager wondered about appropriate training methods, probably more awareness is needed on the side of managers to improve training efforts.

18.4 Further Resources Required for Participation

Managers and project team members highlighted scarce time resources as a challenge, especially due to high production pressure. It was reported that sometimes meetings could not take place so as not to disturb production flow and to meet production deadlines. Furthermore, workers and WRs were of the opinion that management needs to be more committed and that WRs need more time to consult workers, whereas stronger influence on decision-making or integration into committees was mentioned less often. Therefore, workers and WRs require management to provide WRs with more time to fulfil their role. In this regard, theoretical findings (5.6.4) were confirmed by empirical data. The argument that discussion processes require longer time and therefore slow down decision-making was not mentioned by any interview partner. Since management controls the extent of participation and joint decision-making was rarely applied, management took the final decision and was able to determine the length of workers' and WRs' consultations.

19 Change Processes – Striving towards Compliance

The theoretical findings of chapters 5 and 7 presented motivational and cognitive influence mechanisms by assuming that either the satisfaction of needs or knowledge-sharing is the main benefit of participation. In addition, power-sharing arguments favour participation for its democratic decision-making. However, in the context of worker participation these three influence mechanisms are rarely combined. It is either the motivational, the cognitive or the power-sharing argument that is used to claim why participation can be successful. To stress how these mechanisms are interlinked and how they support each other is rather uncommon. The quantitative and qualitative findings of this survey thus

provide a more detailed picture. Looking at the change processes described by managers and project team members, it becomes obvious that the influence mechanisms are interlinked and support each other. Both cognitive and motivational aspects were recognised by workers and managers in the seven factories. Moreover, workers and WRs influenced decisions through being consulted or integrated into decision-making. The picture of a spiral (figure 19-1) is used to illustrate the stages of a participatory change process which is driven by motivational and cognitive mechanisms that have an influence on the interactions and characteristics of worker participation. By initiating participation structures and enabling workers to express their interest, management values employees' contributions and a feeling of equality and acknowledgement develops. This contributes to increased motivation and trust in sharing knowledge and ideas on how to improve working conditions.

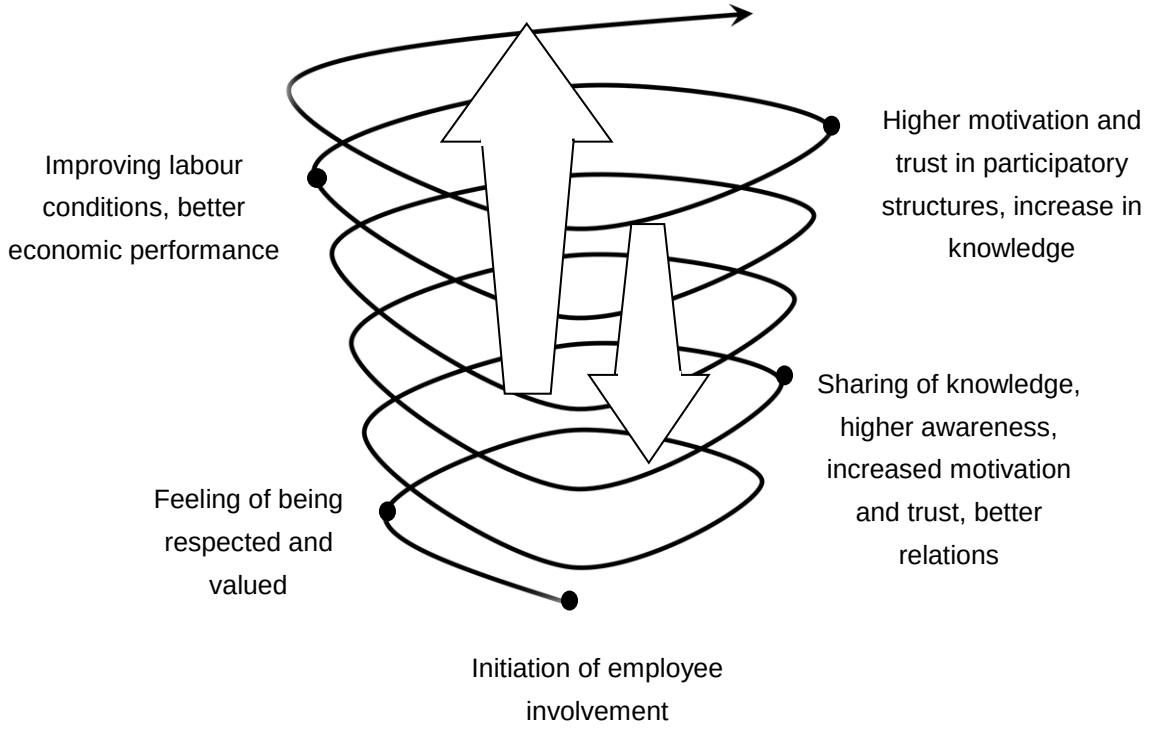


Figure 19-1 Change process influenced by participation (own source)

The development and implementation of solutions connected to the economic performance as well as to labour conditions further strengthens the motivation of management and workers for participation. Expanding knowledge and skills as well as the experience of beneficial outcomes of participation may further motivate participants to cover additional topics and to enlarge participatory offerings with regard to the degree of participation, its formalisation, the frequency of meetings or the topics covered. However, the arrows in the middle of the spiral remind us of the necessary requirements that make participation

successful. At each point of the spiral, the development of a factory may further improve, and positive outcomes of participation be experienced by participants. Nevertheless, it is also possible that from a certain stage on, motivation decreases due to external factors or dissatisfying results. For example, participants may not reach consensus about an issue or may not encounter win-win opportunities. Moreover, restrictions may become obvious with regard to the capabilities of participants and/or high turnover rates cause frictions regarding investment decisions, etc. It may also happen that participants are not satisfied in the long-run with their degree of participation and reduce their efforts to make participation effective. Due to the fact that worker participation is initiated by management, their commitment is crucial. If workers feel that their contributions are not sufficiently considered in participatory processes and improvements are invisible, their motivation may decrease substantially.

Which implications do these dynamics of improvement processes have for training programmes such as the WE Project and brands' CSR activities? The change processes in factories during the WE Project show that compliance with ILO Conventions or codes of conduct is unlikely to be achieved instantly. As figure 19-2 illustrates, a factory may strive towards compliance with ILO Conventions; but first of all, the development takes time and may be accompanied by ups and downs, depending on various factors: commitment, knowledge, and awareness levels of managers and workers. In addition, the business relation with the focal company, legal and political developments, and the economic performance have an impact, as empirical data and the literature overview show. A brand has to decide whether a continuous improvement is visible in the factory with regard to working conditions, or if ownership and dedication to change conditions in fact decrease. If no improvement takes place and a joint dialogue about reasons for it shows no impact, the brand may stop ordering goods from that supplier. The question is if this ending of a buying relationship actually helps the workers in the factory.

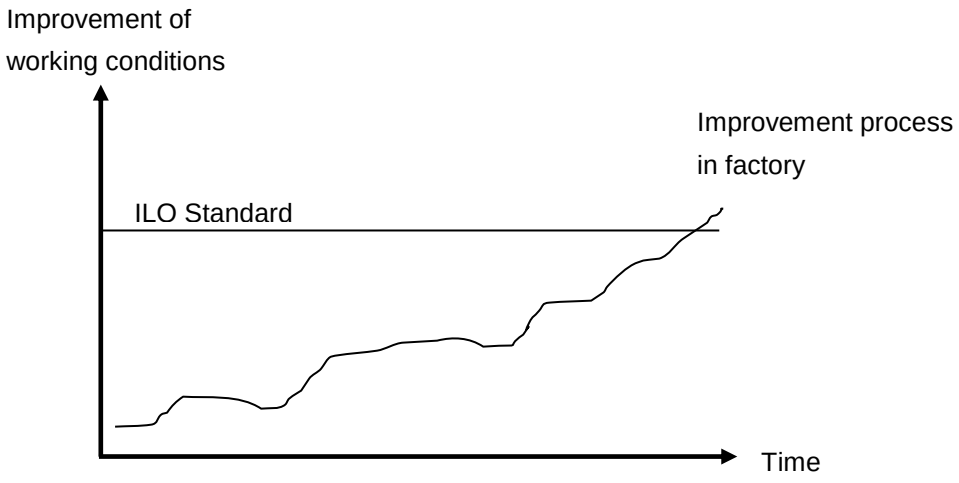


Figure 19-2 Improvement process of implementing social standards

However, if a factory is on its way towards compliance but still has not achieved an adequate implementation level, it becomes difficult for a brand to be transparent about the actual development stage of factories. A reduction of working time from 80 hours to 70 hours a week might be a huge improvement for workers and managers, but still does not meet ILO requirements and therefore is criticised by civil society. Brands conducting training programmes aiming at improvement processes have to deal with the question of how to convince consumers and NGOs about their approach, even if compliance cannot be ensured all at once. Continuous reflection of the buying and CSR department of the focal company on how to support factories' development is therefore essential. Moreover, since management and workers take ownership of improvement processes, certain areas may be prioritised that Western NGOs or the brand itself perceive as less important. As has been mentioned in the interviews, the exchange of buyers, workers and managers, and further stakeholders during training activities is of high value in this regard. Dialogue between the parties provides opportunities for improving awareness of the others' perspectives, revealing conflicts of interest, and reflecting on realistic expectations that contribute to change processes at factory level.

F Conclusion

The objective of this study was to investigate the influence of worker participation on the implementation of social standards in China. Motivational and cognitive influence mechanisms as well as aspects of power-sharing were expected to impact upon the improvement of working conditions in Chinese garment factories, even though a culture of participation is not common in factories.

China has impressed the world in the last decades with its economic development that reduced poverty to a large extent. The focus on economic improvement is still dominant, however, requests for qualitative growth – for example with regard to the provision of sound working conditions – have become stronger. Factory managements are confronted with a very competitive market in which buying prices are often low and short delivery times have to be met. A lack of managerial knowledge on how to maintain stable economic development while ensuring decent working conditions and a lack of awareness are common causes of poor working conditions. Moreover, the institutionalisation of sound industrial relations in China is still in its initial stages, which further contributes to working conditions that are not in compliance with international labour standards.

Based on the results of the quantitative and qualitative findings in this study, worker participation proved to be a tool for enhancing the social and economic situation in factories. As predicted by motivational models and confirmed by quantitative and qualitative data, the relation between the managers and workers of the seven sample factories improved considerably in terms of trust and cooperative behaviour with increasing participation. The commitment of workers improved while at the same time resistance towards the implementation of solutions was reduced. Improvements were also reported with regard to a decreasing turnover rate. Taking into consideration the rather high motivation level of both workers and at least project managers for bottom-up involvement, worker participation was welcomed in factories for enhancing decision-making. While in the quantitative analysis, motivational aspects correlated with improvements of working conditions and of economic performance, qualitative statements largely referred to motivational aspects such as better social relations and an improving working climate. However, a direct link to better working conditions was not made.

Cognitive models emphasise influence mechanisms of participation that are based on the exchange of knowledge, raising awareness for the other party's perspective and improving decision-making. In this regard, sharing knowledge and ideas with workers or WRs was largely perceived as beneficial for change processes in the seven factories that target the improvement of working conditions. The importance of increasing awareness for issues in the factory in order to improve them was especially obvious in quantitative data in the worker survey.

Workers and WRs were mainly consulted by management, whereas joint decision-making and extensive consensus-building was not reported by management. Nevertheless, the lively use of participatory structures and considerable results of improvements especially in the areas of OHS, production, wages and overtime, show that change towards a participatory organisation culture is possible in Chinese factories. However, with an increasing degree of participation, management's control over outcomes diminishes, which causes insecurity. For management, initiation and maintaining participation therefore requires striking a balance between experimenting with innovations and controlling structures. On the one hand, management encourages workers to voice suggestions for improvement, while on the other hand tries to maintain its power by judging about implementing measures. Thus, consultation offers the opportunity to react to workers' demands and to learn about their opinions and suggestions, while at the same time being able to ensure the interests of management. Participation is a process of continuous cooperation based on trust in each other's supportive behaviour. The willingness of workers to provide suggestions and ideas for the factories' social development will only be established over a longer period if management, in turn, reacts to workers' expectations, provides feedback, and implements improvement measures. If management fails to meet workers' expectations repeatedly due to diverging interests, workers will become frustrated and the motivation to participate will decline. The possibility that social standards may be enhanced through dialogue and cooperation is obviously limited at these points in change processes, which highlights the importance of trade unions with the capacity to bargain for workers' interests backed by legal rights. However, particularly in political and legal environments in which trade union structures do not exist or are not independent, employee involvement offers opportunities for workers with regard to educational benefits and workers' empowerment by giving them access to decision-making processes.

At the time the survey was conducted in the factories, workers and WRs overestimated their participation degree compared to management's descriptions. Workers' assessment may not have been the result of intended action by management, but possibly originated in workers' inexperience of participation. During the course of the project, workers and WRs were put in the centre of attention – most likely a completely new experience of valuation. Being continuously told how important their contributions are may have led to a feeling of having a high level of influence on decisions. In the long run, the naïve estimation of participation degrees may cause frustration once limits within decision-making processes are discovered.

Requirements for participation which have been deducted from theory, such as motivation for participation, participatory competence, the need for training and necessary resources (e.g. time), have been largely confirmed by the quantitative and qualitative findings. Regarding the actual situation in the factories, a large motivation of workers and WRs was indicated by their response to questions. Managers revealed high personal commitment to participation and trainers pointed out that often the needed mindset change was achieved. However, managers and project team members mentioned challenges in convincing top management or production managers that did not believe in the benefits of worker in-

volvement. In this regard, scarce time resources were identified as major sources of conflict. Most workers and WRs were convinced they had enough knowledge to contribute effectively and stated an increase in awareness and understanding of labour rights. Management and project team members highlighted valuable contributions as well, however, challenges in terms of illiteracy or low ability to organise meetings, to apply analysis methods or to negotiate about sensitive issues were mentioned, too. Since knowledge predicted the motivation for participation and the participation degree to a certain extent, as revealed by quantitative data, training is of high importance. In the factories, training is offered to workers, but mainly on topics such as OHS, production skills, and worker participation. The involvement of workers in designing training curricula is therefore important to ensure that training sessions target those areas for which workers' insight needs to be enlarged.

A remarkable impact of worker participation especially on working conditions requires commitment from management to invest economic benefits in the improvement of labour conditions. Since participation may contribute to higher productivity and quality improvements, the scope for investment is enlarged and needs to be used. A cross-cutting limitation for effective participation is related to high turnover rates of workers. Although participation had a positive influence on the fluctuation rate, investments in participatory structures become more unlikely if keeping participants on is not achievable. Nevertheless, workers who were once involved in decision-making and left the factory may benefit from this experience in other contexts as well.

Since at the beginning of the programme uncertainty existed among managers about the impact of participation, training projects such as WE offer the possibility of exchange on doubts and challenges with other factories and trainers, which might increase the willingness to experiment with new structures. In this view, facilitation of worker participation through training programmes is essential due to the fact that knowledge about participatory structures is often low on the side of managers and workers in Chinese factories, and a general hesitation has to be overcome.

The positive outcomes of worker participation in the seven sample factories of this study are promising with regard to the potential of participation. A new generation of workers seems to be equipped with more knowledge about its rights and is encouraged to demand better working and living conditions. Here, worker participation can play a crucial role in easing the conflict between workers and managers by jointly focussing on common goals and resulting solutions that benefit both parties. In this regard, participation is a tool for reaching sustainable development, since it offers a platform to balance different interests and to implement joint action. Nevertheless, at first sight conditions at Chinese factories seem to contradict the successful implementation of participation: Tayloristic top-down structures, reliance upon superiors' decisions, low experience and knowledge about participation combined with a culture of not openly criticising each other. However, the proclamation of a harmonious society and the importance of business relationships seem to match the promise of participation: building up harmonious relations with workers and

achieving stable win-win solutions from this point of view entails no contradiction with the image of a successful factory management in line with Chinese culture. Managers, under pressure from increasing workers' unrest and high fluctuation rates that could not be prevented from authoritarian organisation structures in the past, are opening up to experiment with participation of workers, as was visible in the WE Project. The results of this study demonstrate that both economic and social concerns can be improved by means of worker participation. A consensus of managers and workers in decision-making in the end contributes to qualitative growth from which both managers and workers benefit. Moreover, the implemented structures and achieved outcomes show that Chinese managers and workers are ready to implement worker participation. It is now the government that needs to further formalise participatory rights of workers in private and state-owned enterprises to stimulate the introduction of such structures. In addition, increased training offers for knowledge and information sharing about how such structures work effectively is needed, both for managers and workers. If we look at the development in the 1960s and 70s in Germany, the implementation of large research programmes in the area of employee involvement resulted in the establishment of co-determination laws and works councils. If more training approaches and initiatives demonstrate the positive impact of participation on labour relations in China, a push towards participatory organisation structures could be achieved in the Chinese context also. However, a broad movement towards worker participation in factories in the long run may increase the demand for democratic governmental structures. Broad participatory rights of workers would diminish the power of the Party, and therefore it is questionable if and how fast laws related to industrial relations will set a more specific legal framework for worker participation. On the other hand, social unrest and increasing numbers of protests show the need to balance social, economic, and environmental demands. In failing to react to the people's dissatisfaction, the government puts its legitimacy at risk as well. It is likely that the government will therefore continue to experiment with democratic decision-making within their system of "Socialism with Chinese characters", as current cases in the Guangdong province show. Training programmes that focus on worker participation are of high importance in this regard. They provide defined framework conditions in which worker participation can be introduced to factories and the impact of participation be tested.

The participation of workers offers a tool to benefit from workers' knowledge and insight in order to improve working conditions. In addition, the working climate becomes humanised and relations between managers and workers may improve considerably. The spirit of compromise and cooperation enables workers and managers to search for common goals and solutions that, in the best case, benefit both sides. Therefore, participation offers a platform for discussing different interests and opinions in an integrative way. In order to balance social, economic and environmental demands and strive towards sustainability, the participation of workers entails a huge potential that can be released if managers and workers are willing to create and implement the necessary requirements. In this regard, motivation for participation, continuous learning for increasing competence to participate, training efforts and time investments are essential.

20 Recommendations for Practitioners in the Field

For brands, training programmes promoting employee participation are an expression of their CSR performance. Only if the business case for these training interventions is put in the centre of attention and the supplier relations are seen as a core tool to enhance the overall social, environmental and economic performance of the brand and its supply chain, are important steps taken towards corporate sustainability. The research results of this study show that at least a strong connection exists between economic and social aspects. For both areas, the participation of workers proved to be an instrument for improvement. The integrative view on social and economic topics is a core advantage of worker participation.

A movement towards better working conditions requires the empowerment of workers. The importance of knowledge about labour rights, abilities to negotiate about improvements and to organise meetings with other workers and with management is obvious. Worker participation in itself is a platform for training these skills and applying them in order to achieve better working conditions. The more training programmes are conducted that aim at this target, the better. However, as power relations in factories indicate, worker participation initiated by management is restricted. To implement social change which may have negative economic impact at first sight needs strong formalised participatory mechanisms such as collective bargaining. To rely on employee involvement schemes and the commitment of management alone may not bring considerable change mainly in the interest of workers in the long run. From a certain point on, trade unions are needed that are able to exert stronger bargaining power. Here, worker participation has to benefit the trade union movement. Both business-driven worker participation and indirect participation formalised by law should complement and benefit each other. Any development that is likely to undermine trade unions has to be rejected. The involvement of all kinds of stakeholders in a supply chain dialogue is therefore an important means of exchange on expectations and of pointing out hurtful developments.

There is no stand-alone solution for implementing social standards – too many economic, social, political and legal factors influence working conditions at supplier sites. Expectations of training programmes that focus on worker participation and dialogue therefore have to be realistic, since at best, gradual ongoing development towards social compliance can be fostered by participation. From a brand's perspective, training programmes are a lot more demanding than, for example, investing in social auditing. But at the same time they entail many more opportunities. Benefits of worker participation are linked to systematic changes in decision-making caused by higher awareness of participants' needs, deeper understanding of causes of workplace-related problems, and creative solution-finding, that contribute positively to the economic and social development of the factory. Auditing is a quick-fix solution which on the surface may satisfy civil society and consumers on a short-term basis – until the next case of labour rights violations is identified at a factory audited several times by all of its clients. "Controlling" the implementation of social standards suggests that a brand is able to enforce compliance with social

standards. This view of the topic is less painful for Western consumers, because it seems as if working conditions are not too bad: they only have to be monitored to improve. The reality is much more complicated. Numerous factors influence the social performance of a factory. From the low price consumers often pay for cloth to the lack of knowledge in the factories of how to establish social management systems – auditing does not offer a sustainable solution to such problems. Training programmes facilitating participation will never be able to enforce standards either. However, increasing commitment to change, ownership and responsibility on the side of managers and workers are expected to have longer-lasting effects on improvement. Dialogue throughout the supply chain – from the consumer to the suppliers, including all relevant stakeholders – is an important tool for overcoming knowledge gaps, ignorance, and wrong expectations. Therefore, not only the participation of workers is needed in the factories, but also the participation of a wider stakeholder community in the exchange on how to achieve better working conditions.

21 Areas for Further Research

Although the influence of participation on the improvement of social standards in the seven garment factories could be proven in the study, the effects of the training programme most probably have had an impact in terms of participants' motivation for participation and knowledge transfer as well. Therefore, future research should focus on the dissemination of participatory structures within Chinese factories that have not taken part in these kinds of training programmes. Here, the influence of different regional framework conditions, the size of workforce and different industries could be put in the centre of research attention.

Since no baseline assessment was conducted due to several reasons (see section 8), the interpretation of factories' performance especially in the areas of forced labour, child labour, and discrimination became difficult. Possibly (as management stated), factories already mostly complied with standards before the project, and thus the interest to involve workers was rather low. A critical view of data could also lead to the suspicion that these issues were too sensitive for worker involvement. However, the fact that also workers and WRs did not talk a lot about the topics may rather indicate that either low awareness or satisfactory compliance levels were responsible for these findings. As the example shows, the more data are available about conditions before interventions, the better improvements can be tracked. In this regard, it would have been interesting to compare workers' satisfaction about working conditions before and after the initiation of worker participation.

Moreover, this study measured effects of participation directly after the training intervention had been terminated. In order to analyse the ability of factory members to establish sustainable structures that do not depend on the facilitation of external parties, it would be of interest to conduct a long-term analysis in the factories several years later. Such research could focus on which forms of participation were best suited to improve working

conditions, and how commitment and participatory competence of workers and managers developed over the time.

Tracking long-term effects could also show whether training programmes pay off for brands in several ways: for example, one could investigate whether the buying relationship changed due to increasing dialogue between suppliers and brands. If worker participation positively contributes to economic and social improvements, this may also directly affect the brand's performance. Indicators may be related to a decreasing number of quality claims, timely shipments, and fewer conflicts with NGOs regarding violations of labour rights.

Since industrial relations in China are undergoing a period of transformation, further research is needed on how managers and workers perceive changing roles of employers' and workers' organisations and their contributions to improvements at factory level. Here, the interrelations between direct and indirect participation are of interest. The attitude of the government and the ACFTU towards employee involvement and the implications for indirect forms of participation such as collective bargaining should be the focus of research activities. More investigation is needed into how direct participation is able to support the trade union movement in China, and how benefits and challenges appear especially from workers' points of view.

Social standards can only be enforced to a certain extent from outside the factory. More important is that the players inside the factory take ownership and responsibility for improving the situation. Decent working conditions in global supply chains need to be created in a participatory manner by workers and managers with the strong support of the respective stakeholders. How participatory interactions throughout supply chains could be organised most effectively is an important question for future research to answer.

Literature

ACFTU (1987): Zhong guo zhigong duiwu zhuangkuang diaocha (A survey of Chinese staff and workers). Beijing: Gongren chubanshe.

Ahlert, D.; Große-Bölting, K. & Heinemann, G. (2009): Handelsmanagement in der Textilwirtschaft. Einzelhandel und Wertschöpfungspartnerschaften. Frankfurt am Main: Deutscher Fachverlag.

Altvater, E. & Mahnkopf, B. (1996): Grenzen der Globalisierung. Ökonomie, Ökologie und Politik in der Weltgesellschaft. Münster.

Anonymous (2007): Indien. Kinderarbeit für Damen-Top von Esprit. In: stern.de, 05.06.2007. Online at http://www.stern.de/wirtschaft/news/unternehmen/indien-kinderarbeit-fuer-damen-top-von-esprit-590453.html, accessed 11.03.2012.

Anonymous (2009a): China must keep buying US treasuries for now. Reuters, 19.08.2009. Online at http://www.reuters.com/article/idUSPEK16627420090820, accessed 22.08.2011.

Anonymous (2009b): Metro-Näherei in Bangladesch. Frau arbeitet sich zu Tode. In: Süddeutsche Zeitung, 13.05.2009. Online at http://www.sueddeutsche.de/panorama/metro-naeherei-in-bangladesch-frau-arbeitet-sich-zu-tode-1.463689, accessed 22.07.2011.

Anonymous (2010a): Deutschland entthront. China ist Exportweltmeister. In: Frankfurter Allgemeine Zeitung, 10.01.2010. Online at http://www.faz.net/s/Rub050436A85B3A4C64819D7E1B05B60928/Doc~E07F9AE20C8A2493AA44B9B36C01BEA5F~ATpl~Ecommon~Scontent.html, accessed 14.06.2010.

Anonymous (2010b): China's labour market. The next China. As the supply of migrant labour dwindles, the workshop of the world is embarking on a migration of its own. In: The Economist, 29.07.2010. Online at http://www.economist.com/node/16693397, accessed 13.09.2011.

Anonymous (2010c): The rising power of the Chinese worker. In China's factories, pay and protest are on the rise. That is good for China, and for the world economy. In: The Economist, 29.07.2010. Online at http://www.economist.com/node/16693333, accessed 01.10.2011.

Anonymous (2011): A more hopeful continent. Africa is now one of the world's fastest growing regions. In: The Economist, 06.01.2011. Online at http://www.economist.com/node/17853324, accessed 22.07.2011.

Anonymous (2012): Demokratieversuch in China. Fischerdorf Wukan hält geheime Wahlen ab. In: Spiegel online, 12.02.2012. Online at: http://www.spiegel.de/politik/ausland/0,1518,814783,00.html, accessed 05.03.2012.

Anthony, W. P. (1978): Participative management. Reading: Addison-Wesley.

Antoni, C. H. (1990): Qualitätszirkel als Modell partizipativer Gruppenarbeit. Analyse der Möglichkeiten und Grenzen aus der Sicht betroffener Mitarbeiter. Bern: Huber.

Aoki, M. (1990): Toward an Economic Model of the Japanese Firm. In: Journal of Economic Literature, 28 (March), 1-27.

Applebaum, E. & Batt, R. L. (1994): The new American workplace. Transforming work systems in the United States. Ithaca: ILR Press.

ARD (2010): Die Kik-Story. ARD, 04.08.2010. Online at http://www.ardmediathek.de/ard/servlet/content/3517136?documentId=5063630, accessed 17.07.2011.

Arnold, U. (1998): Global Sourcing. Strategische Neuorientierung des Einkaufs. In: Zentes, J. & Swoboda, B. (eds): Globales Handelsmanagement. Voraussetzungen - Strategien - Beispiele. Frankfurt am Main: Deutscher Fachverlag, 235-256.

Ascoly, N. & Zeldenrust, I. (2003): Challenges in China – Experiences from two CCC pilot projects on monitoring and verification of code compliance. Amsterdam: Centre for Research on Multinational Corporations (SOMO).

Asia Monitor Resource Center (not dated): China and the ILO. Formal cooperation masks rejection of key labour rights. Online at http://www.amrc.org.hk/alu_article/international_labour_organisation/china_and_the_ilo, accessed 24.06.2010.

Bachrach, P. & Baratz, M. (1962): Two faces of power. In: American Political Science Review, 56 (4), 947-952.

Back, S. & Gerth, D. (2003): Ökologisches Stoffstrom-Management im Textilmarkt. Kosten, Kunden, Konzessionen. In: Umweltwirtschaftsforum, 11 (1), 10-24.

Backhaus, J. (1979): Ökonomik der partizipativen Unternehmung. Band 1. Tübingen: Mohr.

Bair, J. & Gereffi, G. (2000): Industrielle Beschäftigung, Netzwerke und Beschäftigung in der Warenkette der Bekleidungsindustrie. In: Dörrenbacher, C. & Plehwe, D. (eds): Grenzenlose Kontrolle? Organisatorischer Wandel und politische Macht multinationaler Unternehmen. Berlin: Rainer Bohn Verlag, 195-242.

Becker, H. & Langosch, I. (2002): Produktivität und Menschlichkeit. Organisationsentwicklung und ihre Anwendung in der Praxis. Stuttgart: Lucius & Lucius.

Bernstein, P. (1982): Necessary Elements for Effective Worker Participation in Decision-Making. In: Lindenfeld, F. & Rothschild-Whitt, J. (eds): Workplace democracy and social change. Boston: Porter Sargent, 51-81.

Bhagwati (2004): In Defence of Globalisation. Oxford: Oxford University Press.

Bluestone, A. & Bluestone, I. (1992): Negotiating the future: A labor perspective on American business. New York: Basic Books.

BMWi (2010): Textil und Bekleidung. Online at http://www.bmwi.de/BMWi/Navigation/Wirtschaft/branchenfokus,did=196528.html, accessed 23.06.2010.

Bodwell, C. (2005): Factory Improvement Programme. In: Indian Industrial Relations Association & ILO (eds): Social dialogue at enterprise level. Successful experiences. New Delhi: ILO Subregional Office for South Asia; Indian Industrial Relations Association, 101-106.

Brass, D. (1984): Being in the Right Place: A Structural Analysis of Individual Influence in an Organization. In: Administrative Science Quarterly, 29 (4), 518-539.

Brenner, M. D. (2004): Can we define a global living wage. Online at http://www.asiafloorwage.org/Resources-On%20Wages.html, accessed 12.08.2010.

Brose, P. & Corsten, H. (1983): Partizipation in der Unternehmung. München: Verlag V. Florentz.

BSCI (2009): Annual Report 2008. Business Social Compliance Initiative. Brussels: BSCI.

BSCI (2010a): BSCI Members as of March 26, 2010. Online athttp://www.bsci-eu.org/data/bsci/memberlogos/Memberlist_BSCI.pdf, accessed 17.10.2010.

BSCI (2010b): Catalysing positive Solutions for Workers and Businesses. Annual Report 2009. Brussels: BSCI.

BSCI (2010c): Our history. Online at http://www.bsci-eu.org/index.php?id=2011, accessed 08.04.2010.

Bundesministerium für Arbeit und Sozialordnung; Bundesvereinigung der Deutschen Arbeitgeberverbände & Deutscher Gewerkschaftsbund (1994): Weltfriede durch soziale Gerechtigkeit. 75 Jahre Internationale Arbeitsorganisation. Baden-Baden: Nomos-Verl.-Ges.

Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (2010): Umweltbewusstsein in Deutschland 20010. Ergebnisse einer repräsentativen Bevölkerungsumfrage. Berlin: Bundesministerium für Umwelt Naturschutz und Reaktorsicherheit.

BWI (ed.) (2006): Social partnership at the global level - BWI experiences with Global Company Agreements. Geneva: BWI.

Cannon, T. & Jenkins, A. (eds) (1990): The Geography of Contemporary China. London: Routledge.

Carey, A. (1967): The Hawthorne studies: A radical criticism. In: American Sociological Review, 32 (3), 403-416.

Carroll, A. B. (1991): The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. In: Business Horizons, 34 (4), 39-48.

CCC (not dated): Welttextilabkommen. Online at http://www.saubere-kleidung.de/ccc-40_kampagnen/ccc-44_welttextilabkommen.html, accessed 24.05.2010.

CCC (2005): Looking for a quick fix. How weak social auditing is keeping workers in sweatshops. Amsterdam: Clean Clothes Campaign.

Chan, A. (2001): China´s Workers under assault. The Exploitation of Labor in a Globalizing Economy. New York: M. E. Sharpe.

Chan, A. (2003): A "Race to the buttom". Globalisation and China´s labour standards. In: China Perspectives, 46 (March/April), 41-49.

Chan, A. (2004): A new China. In: New Labor Forum, 13 (3), 67-75.

Chandrasekhar, H. E. K. M. (2003): EC Conference on the Future of Textiles and Clothing after 2004. Online athttp://www.itcb.org/Documents/ITCB-MI35.pdf, accessed 04.03.2009.

Chen, M. (1995): Asian Management Systems. London: Routledge.

Chen, M.-s. & Chan, A. (2010): Occupational Health and Safety in China: The Case of State-Managed Enterprises. In: International Journal of Health Services, 40 (1), 43-60.

Chen, X.; Bishop, J. W. & Scott, K. D. (2000): Teamwork in China: Where Reality Challenges Theory and Practice. In: Li, J. T.; Tsui, A. S. & Weldon, E. (ed.): Management and organizations in the Chinese context. Basingstoke: Palgrave Macmillan, 269-282.

Child, J. & Warner, M. (2003): Culture and Management in China. In: Warner, M. (ed.): Culture and Management in Asia. London: Routledge, 24-47.

China Labour Bulletin (2003): Child Labour in China: Causes and solutions. Online at http://www.clb.org.hk/en/node/3304, accessed 31.03.2011.

Chinability (2010): China's foreign exchange reserves, 1977-2010. Online at http://www.chinability.com/Reserves.htm, accessed 31.03.2011.

CIA (2010): The World Factbook. East and Southeast Asia: China. Online at https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html, accessed 01.04.2011.

Clarke, S. & Lee, C.-H. (2002): The Significance of Tripartite Consultation in China. In: Asia Pacific Business Review, 9 (2), 61-80.

Cotton Incorporated (2011): Supply Chain Insights: The Economy and Apparel Sourcing Trends. Online at http://lifestylemonitor.cottoninc.com/Supply-Chain-Insights/Economy-and-Apparel-Sourcing-Trends-02-09/, accessed 02.04.2011.

Cotton, J. L. (1993): Employee Involvement. Methods for Improving Performance and Work Attitudes. Newbury Park, London, New Delhi: Sage Publications.

Cotton, J. L.; Vollrath, D. A.; Froggatt, K. L.; Lengnick-Hall, M. L. & Jennings, K. R. (1988): Employee Participation: Diverse Forms and Different Outcomes. In: Academy of Management Review, 13 (1), 8-22.

Crane, A. & Matten, D. (2004): Business Ethics. A European Perspective. Managing Corporate Citizenship and Sustainability in the Age of Globalization. Oxford: Oxford University Press.

Creswell, J. W. & Plano Clark, V. L. (2007): Designing and conducting mixed methods research. Thousand Oaks: Sage Publications.

Crozier, M. & Friedberg, E. (1979): Macht und Organisation. Die Zwänge kollektiven Handelns. Königstein/Ts.: Athenäum.

Cutler, C.; Haufler, V. & Porter, T. (1999): Private authority in international politics. Albany: State University of New York Press.

Cyert, R. M. & March, J. G. (1963): A behavioural theory of the firm. Eaglewood Cliffs: Prentice Hall.

Dachler, H. P. & Wilpert, B. (1978): Conceptual Dimensions and Boundaries of Participation in Organizations: A Critical Evaluation. In: Administrative Science Quarterly, 23 (1), 1-39.

Dahl, R. A. (1957): The Concept of Power. In: Behavioural Science, 2 (3), 201-215.

Dahl, R. A. (1991): Modern political analysis. Englewood Cliffs: Prentice-Hall International.

Decker, H. (2005): Mehr Marge für Bekleidungshändler. In: Beschaffung Aktuell, issue 7, 28-29.

Denzin, N. K. (1970): The Research Act. Chicago: Aldine.

Dernberger, R. F. (1993): The Drive for Economization and Growth: Performance and Trends. In: Kau, M. Y.-M. & Afanas'ev, E. V. (eds): China in the era of Deng Xiaoping. A decade of reform. Armonk: Sharpe, 155-215.

DeRuisseau, D. (2002): Social Auditing: An Auditor´s Perspective. In: Scherer, G.; Andreas; Bickle, K.-H.; Dietzfelbinger, D. & Hütter, G. (eds): Globalisierung und Sozialstandards. München, Mering: Rainer Hampp Verlag, 223-233.

Deutscher Runder Tisch Verhaltenskodizes (2006): Pilotprojekt "Förderung der Dialogfähigkeit von Management und Beschäftigten" Rumänien. Abschlussbericht. Berlin, Eschborn: Deutscher Runder Tisch Verhaltenskodizes.

Dundon, T. & Rollinson, D. (2004): Employment Relations in Non-Union Firms. London: Routledge.

Ehmke, E.; Fichter, M.; Simon, N. & Zeuner, B. (2009): Internationale Arbeitsstandards in einer globalisierten Welt. Wiesbaden: VS Verlag für Sozialwissenschaften; GWV Fachverlage GmbH Wiesbaden.

Ehrhardt, P. V.; Schmitz, P. G.; Siegelkow, R. & Wanders, B. (1975): Formen, Bedingungen und Probleme der Partizipation im ökonomischen Bereich. In: Alemann, U. von (ed.): Partizipation - Demokratisierung - Mitbestimmung. Problemstand und Literatur in Politik, Wirtschaft, Bildung und Wissenschaft. Eine Einführung. Opladen: Westdeutscher Verlag, 112-194.

Elkington, J. (1997): Cannibals with Forks - The Triple Bottom Line of the 21st Century Business. Oxford: Capstone.

Esbenshade, J. L. (2004): Monitoring sweatshops. Workers, consumers, and the global apparel industry. Philadelphia: Temple Univ. Press.

Etzioni, A. (1969): Man and Society: The inauthentic condition. In: Human Relations, 22 (4), 325-332.

Etzioni, A. (1975a): Comparative Analysis of Complex Organizations. New York: Free Press of Glencoe.

Etzioni, A. (1975b): Die aktive Gesellschaft. Opladen: Westdeutscher Verlag.

Etzioni, A. (1978): Soziologie der Organisationen. München: Juventa Verlag.

European Communities (2001): Promoting a European framework for corporate social responsibility. Luxembourg: Office for Official Publications of the European Communities.

Fairbank, J. K. (1987): The great Chinese Revolution, 1800-1985. London: Chatto and Windus.

Finlay, W. (1987): Industrial Relations and Firm Behaviour: Informal Labor Practices in the West Coast Longshore Industry. In: Administrative Science Quarterly, 32 (1), 49-67.

Fischer, J. H. (2004): Macht in Organisationen. Zu einigen Aspekten des Verhältnisses zwischen Individuum, Strukturen und Kommunikationsprozessen. Münster: Lit Verlag.

Fischer, L. & Lück, H. E. (1972): Entwicklung einer Skala zur Messung von Arbeitszufriedenheit (SAZ). In: Psychologie und Praxis, issue 16, 64-76.

Flick, U. (2004): Triangulation. Eine Einführung. Wiesbaden: VS Verl. für Sozialwiss.

Flick, U. (2009): An introduction to qualitative research. Los Angeles: Sage Publications.

Franke, R. & Kaul, J. (1978): The Hawthorne experiments: First statistical interpretation. In: American Sociological Review, 43 (October), 623-643.

French, J. R. P. &Raven, B. (1960): The bases of social power. In: Cartwright, D. & Zander, A. (eds): Group dynamics. New York: Harper and Row, 607-623.

French, J. R. P.; Israel, J. & As, D. (1960): An experiment in participation in a Norwegian factory. In: Human Relations, 13 (1), 3-19.

Fricke, W. (1996): Beteiligung - ein notwendiges Element im Prozess reflexiver Modernisierung von Wirtschaft und Gesellschaft. In: Denisow, K.; Fricke, W. & Stieler-Lorenz, B. (eds): Partizipation und Produktivität. Zu einigen kulturellen Aspekten der Ökonomie. Bonn: Friedrich Ebert Stiftung, 57-68.

Friedberg, E. (1977): Ein Abriß der strategischen Organisationsanalyse. Ilm: ILM Publ.

Frost, C. F.; Wakely, J. H. & Ruh, R. A. (1974): The Scanlon Plan for organization development: Identity, participation, and equity. East Lansing: Michigan State University Press.

FTA (2009): BSCI system: rules and functioning. Brussels: FTA.

Gabler Verlag (not dated): Gabler Wirtschaftslexikon, Stichwort: Multifaserabkommen (MFA). Online at http://wirtschaftslexikon.gabler.de/Archiv/136737/multifaserabkommen-mfa-v3.html, accessed 25.03.2010.

Gässler, I. (1985): Partizipation und Mitbestimmung bei der Unternehmensplanung. München: Planungs- und Organisationswissenschaftliche Schriften.

Geary, J. & Sisson, K. (1994): Conceptualising direct participation in organisational change. The EPOC Project. Luxembourg: Office for Official Publications of the European Communities.

Germany Trade & Invest (2010): Wirtschaftsdaten kompakt: VR China. Online at http://www.gtai.de/ext/anlagen/PubAnlage_7753.pdf?show=true, accessed 14.06.2010.

Giesen, C. (2012): Volkskongress tritt zusammen. In China droht der Knall. Süddeutsche Zeitung online, 05.03.2012. Online at http://www.sueddeutsche.de/politik/volkskongress-tritt-zusammen-in-china-droht-der-knall-1.1300115, accessed 05.03.2012.

Gold, S.; Seuring, S. & Beske, P. (2010): Sustainable supply chain management and inter-organizational resources: a literature review. In: Corporate social responsibility and environmental management, 17.2010 (4), 230-245.

Greven, T. (2005): Social standards in bilateral and regional trade and investment agreements. Instruments, enforcement, and policy options for trade unions. Geneva: Friedrich-Ebert-Stiftung; Geneva Office of the Friedrich-Ebert-Stiftung.

Grunwald, A. & Kopfmüller, J. (2006): Nachhaltigkeit. Frankfurt a.M.: Campus Verlag.

H&M (2010): Arbeitsbedingungen in der Lieferkette. Online at http://www.hm.com/ch/unternehmerischeverantwortung/arbeitsbedingungeninderlieferkette__supplychain.nhtml, accessed 22.03.2010.

Habermas, J. & Luhmann, N. (eds) (1971): Theorie der Gesellschaft oder Sozialtechnologie. Frankfurt a.M.

Hamm, B. (2005): Die OECD-Leitsätze für multinationale Unternehmen. Ihr Einsatz durch zivilgesellschaftliche Organisationen in Deutschland. Bonn: Friedrich-Ebert-Stiftung.

Hannum, E.; Park, A. & Cheng, K.-M. (2007): Introduction. Market reforms and educational opportunity in China. In: Hannum, E. & Park, A. (eds): Education and Reform in China. New York: Routledge, 1-23.

Harney, A. (2008): The China price. The true cost of Chinese competitive advantage. New York, NY: Penguin Press.

Hays, J. (2011): Labor in China: Working conditions, Wages and Stress. Online at http://factsanddetails.com/china.php?itemid=367&catid=9&subcatid=60, accessed 12.05.2011.

Heilmann, S. (2007): Das politische System der VR China: Modernisierung ohne Demokratie. In: Fischer, D. & Lackner, M. (eds): Länderbericht China. Bonn: Bundeszentrale für politische Bildung, 181-197.

Heinrichs, H. (2005): Herausforderung Nachhaltigkeit: Transformation durch Partizipation. In: Feindt, P.& Newig, J. (eds): Partizipation, Öffentlichkeitsbeteiligung, Nachhaltigkeit: Perspektiven der politischen Ökonomie. Marburg: Metropolis Verlag, 43-63.

Heller, F. (1971): Managerial Decision-Making: A Study of Leadership and Power Sharing among Senior Managers. London: Tavistock Publications.

Heller, F. (1991): Participation and Competence: A Necessary Relationship. In: Russell, R. & Heller, F. (eds): International handbook of participation in organizations. For the study of organizational democracy, co-operation, and self-management. Oxford: Oxford University Press, 265-281.

Heller, F. (1992): Decision-Making and the Utilization of Competence. In: Heller, F. (ed.): Decision-Making and Leadership. Cambridge: Cambridge University Press, 71-89.

Heller, F. (1998): Playing the Devil´s Advocate: Limits to Influence Sharing in Theory and Practice. In: Heller, F. (ed.): Organizational participation. Myth and reality. Oxford, New York: Oxford University Press, 144-189.

Heller, F. (2003): Participation and Power: A Critical Assessment. In: Applied Psychology, 52 (1), 144-163.

Heller, F. & Wilpert, B. (1981): Competence and Power in Managerial Decision Making: A Study of Senior Levels of Organization in Eight Countries. Chichester: John Wiley & Sons.

Hettlage, R. (1979): Genossenschaftstheorie und Partizipationsdiskussion. Frankfurt a.M.: Campus-Verl.

Heuer, C. (2005): China's Labour Law: An Effective Instrument of Workers' Representation. Online at http://www.chinapolitik.de/studien/china_analysis/no_45.pdf, accessed 01.10.2011.

Hill, W.; Fehlbaum, R. & Ulrich, P. (1994): Ziele, Instrumente und Bedingungen der Organisation sozialer Systeme. Bern: Haupt.

Hoffmann, E.; Siebenhüner, B.; Beschorner, T.; Arnold, M.; Behrens, T.; Barth, V. & Vogelpohl, K. (eds) (2007): Gesellschaftliches Lernen und Nachhaltigkeit. Marburg: Metropolis.

Hofstede, G. (2008): Culture's consequences. Comparing values, behaviors, institutions, and organizations across nations. Thousand Oaks: Sage Publications.

Holden, N. (2002): Cross-Cultural Management – A Knowledge Management Perspective. Harlow: Prentice Hall.

Hyman, J. & Mason, B. (1995): Managing Employee Involvement and Participation. London, Thousand Oaks, New Delhi: Sage Publications.

Ichniowski, C.; Kochan, T. A.; Levine, D.; Olson, C. & Strauss, G. (1996): What works at work: overview and assessment. In: Industrial Relations, 35 (3), 356-374.

IDE (1981): European Industrial Relations. Oxford: Oxford University Press.

IDE (1992): Industrial democracy in Europe revisted: summary and conclusions. In: Social Science Information, 31 (4), 773-785.

ILO (not dated a): Factory Improvement Programme. Good Practice Guide. Social Dialogue and Workplace Cooperation. An Overview. Geneva: ILO.

ILO (not dated b): Job Creation and Enterprise Development Department. Fact Sheet. Sustaining Competitive and Responsible Enterprises. SCORE. Online at http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_101366.pdf,accessed 21.04.2010.

ILO (not dated c): Social dialogue. Online at http://www.ilo.org/public/english/dialogue/ifpdial/sd/index.htm, accessed 28.05.2010.

ILO (1986): Procedure for the Examination of Disputes (Multinational Enterprises: Tripartite Declaration of Principles). Series A, No. 3. Online at http://training.itcilo.it/ils/foa/library/tridecl/procedure_en.htm, accessed 26.05.2010.

ILO (2000): Labour Practices in the footwear, leather, textiles and clothing industries. Report for discussion at the Tripartite Meeting on Labour Practices in the Footwear, Leather, Textiles and Clothing Industries, Geneva, 2000. Geneva: International Labour Office.

ILO (2004a): Eine faire Globalisierung. Chancen für alle schaffen. Genf: Internationale Arbeitsorganisation.

ILO (2004b): Social Dialogue and Workplace Cooperation. An Overview. Bangkok: ILO.

ILO (2005a): A global alliance against forced labour. Global report under the follow-up to the ILO declaration on fundamental principles and rights at work 2005. Geneva: International Labour Office.

ILO (2005b): ILO Thesaurus 2005. Online at http://www.ilo.org/public/libdoc/ILO-Thesaurus/english/tr1971.htm, accessed 09.06.2011.

ILO (2006a): The End of Child Labour: Within Reach. Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work. Geneva: International Labour Office.

ILO (2006b): Tripartite declaration of principles concerning multinational enterprises and social policy. Geneva: International Labour Office.

ILO (2006c): Working time and work organization (WTWO): International labour standards. Online at http://www.ilo.org/public/english/protection/condtrav/time/time_standards.htm, accessed 03.03.2010.

ILO (2009): Legislative texts on OSH. China. National Legislation. Online at http://www.ilo.org/legacy/english/protection/safework/cis/legosh/chn/index.htm#001, accessed12.05.2011.

ILO (2010a): Alphabetical list of member countries. Online at http://www.ilo.org/public/english/standards/relm/country.htm, accessed 30.03.2010.

ILO (2010b): Origins and history. Online at http://www.ilo.org/global/About_the_ILO/Origins_and_history/lang--en/index.htm, accessed 29.03.2010.

ILO (2011): Ratifications of the Fundamental human rights Conventions by country. Online at http://www.ilo.org/ilolex/english/docs/declworld.htm, accessed12.05.2011.

ILO (2012): Ilolex. Database of International Labour Standards. Online at http://www.ilo.org/ilolex/english/index_frame.htm, accessed 07.03.2012.

ILO & IFC (not dated): Global tools. Online athttp://www.betterwork.org/public/global/global-tools-1, accessed 29.03.2010.

ILO & IFC (2009): The Better Work Programme. Stage II: July 2009 - June 2012. A partnership between the International Labour Organization and the International Finance Corporation. Geneva; Washington: ILO; IFC.

Indian Industrial Relations Association &ILO (eds) (2005): Social dialogue at enterprise level. Successful experiences. New Delhi: ILO – Surbregional Office for South Asia; Indian Industrial Relations Association (IIRA).

International Monetary Fund (2010): Report for selected Countries and Subjects. Online at http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx, accessed 21.06.2010.

ISO (2011): ISO 26000 - Social responsibility. Online at http://www.iso.org/iso/social_responsibility, accessed 14.09.2011.

ISO & IEC (1996): Standardization and Related Activities. General Vocabulary. Geneva: ISO.

ITUC (2009): 2009. Annual Survey of violations of trade union rights. China. Online at http://survey09.ituc-csi.org/survey.php?IDContinent=3&IDCountry=CHN&Lang=EN, accessed 21.07.2010.

ITUC (2010): Internationally recognised core labour standards in the People's Republic of China. Report for the WTO General Council review of the trade policies of the People's Republic of China. Geneva: ITUC.

IUF (2001): IUF/Danone Agreements. Online at http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&ww=1&uid=default&ID=164&view_records=1&en=1, accessed 12.05.2011.

Jenkins, R. (2001): Corporate Codes of Conduct: Self-Regulation in a Global Economy. Geneva: United Nations Research Institute for Social Development (UNRISD).

Jenkins, R.; Pearson, R. & Seyfang, G. (eds) (2002): Corporate responsibility and labour rights. Codes of conduct in the global economy. London: Earthscan Publ.

Jensen, A. (2008): Modernes Arbeitsrecht für das Milliardenvolk. In: Mitbestimmung, 54 (7 & 8), 40-44. Online at http://www.boeckler.de/163_91907.html, accessed 24.06.2010.

Jonuschat, H.; Baranek, E.; Behrendt, M.; Dietz, K.; Schlußmeier, B.; Walk, H. & Zehm, A. (eds) (2007): Partizipation und Nachhaltigkeit. Vom Leitbild zur Umsetzung. München: oekom.

Kabeer, N. & Mahmud, S. (2004): Rags, Riches and Women Workers: Export-oriented Garment Manufacturing in Bangladesh. In: Carr, M. (ed.): Chains of Fortune: Linking Women Producers and Workers with Global Markets. London: Commonwealth Secretariat, 133-162.

Kampagne für Saubere Kleidung (not dated): Welttextilabkommen. Online at http://www.saubere-kleidung.de/ccc-40_kampagnen/ccc-44_welttextilabkommen.html, accessed 23.06.2010.

Kampagne für Saubere Kleidung (ed.) (2008): Wer bezahlt unsere Kleidung bei Lidl und KiK? Eine Studie über die Einkaufspraktiken der Discounter Lidl und KiK und ihre Auswir-

kungen auf die Arbeitsbedingungen bei den Lieferanten in Bangladesch. Berlin: Kampagne für Saubere Kleidung.

Katzenbach; J. R. & Smith, D. K. (1993): The wisdom of teams: Creating the high-performance organization. Cambridge: Harvard Business School Press.

Kelle, U. & Erzberger, C. (2000): Quantitative and Qualitative Methoden – kein Gegensatz. In: Flick, U.; Kardorff, E. von & Steinke, I. (eds): Qualitative Forschung. Ein Handbuch. Reinbek bei Hamburg: Rowohlt-Taschenbuch-Verl., 299-309.

Kelle, U. & Erzberger, C. (2003): Making Inferences in Mixed Methods: The rules of Integration. In: Tashakkori, A. & Teddlie, C. (eds): Handbook of Mixed Methods in Social & Behavioral Research. Thousand Oaks: Sage, 457-488.

Kieser, A. (1999): Human Relations-Bewegung und Organisationspsychologie. In: Kieser, A. (ed.): Organisationstheorien. Stuttgart: Kohlhammer, 101-131.

Kießler, K. & Scholl, W. (1976): Partizipation und Macht in aufgabenorientierten Gruppen. Ein Feldexperiment zur Theorie der organisatorischen Bedingtheit von Gruppenprozessen. Frankfurt a.M.: Haag und Herchen Verlag.

Kleinschmidt, M. & Pekruhl, U. (1994): Kooperative Arbeitsstrukturen und Gruppenarbeit in Deutschland. Ergebnisse einer repräsentativen Beschäftigtenbefragung. Gelsenkirchen: Institut für Arbeit und Technik.

Klemisch, H. (2004): Umweltmanagement und ökologische Produktpolitik. Partizipation betrieblicher und gesellschaftlicher Akteure an Ökologisierungsprozessen in Unternehmen und Branchen. München, Mering: Rainer Hampp Verlag.

Knudsen, H. (1995): Employee Participation in Europe. London et al.: Sage Publications.

Koch, H. (2008): Human Rights Group Condemns Computer Manufacturers. In: Spiegel Online International. Online at http://www.spiegel.de/international/business/0,1518,596712,00.html, accessed 12.05.2011.

Koplin, J. (2006): Nachhaltigkeit im Beschaffungsmanagement. Ein Konzept zur Integration von Umwelt- und Sozialstandards. Wiesbaden: Deutscher Universitätsverlag.

Kreuzaler, E. (2002): Die Internationale Arbeitsorganisation: Strategie zur sozialpolitischen Flankierung der Globalisierung. In: Scherer, G.; Andreas; Bickle, K.-H.; Dietzfelbinger, D. & Hütter, G. (eds): Globalisierung und Sozialstandards. München, Mering: Rainer Hampp Verlag, 45-57.

Krüger, W. (1976): Macht in der Unternehmung. Elemente und Strukturen. Stuttgart: Poeschel.

Lafferty, W. & Heller, F. (eds) (1993): International Handbook of Participation in Organizations. Challenge of New Technology and Macro-Political Change. Oxford: Oxford University Press.

Lammers, C. J. (1967): Power and Participation in Decision-making in Formal Organizations. In: The American Journal of Sociology, 73 (2), 201-216.

Lammers, C. J. & Széll, G. (1989): Concluding Reflections. In: Lammers, C. J.; Széll, G. & Heller, F. (eds): Organizational Democracy: Taking Stock. Oxford: Oxford University Press, 315-330.

Lamnek, S. (2005): Qualitative Sozialforschung. Lehrbuch. Weinheim: Beltz PVU.

Lee, C. H. (2009): Industrial relations and collective bargaining in China. Geneva: ILO.

Leitschuh-Fecht, H. (2005): Stakeholder-Dialog als Instrument unternehmerischer Nachhaltigkeitskommunikation. In: Michelsen, G. & Godemann, J. (eds): Handbuch Nachhaltigkeitskommunikation. Grundlagen und Praxis. München: ökom, 599-607.

Lett, E. & Banister, J. (2006): Labor costs of manufacturing employees in China: an update to 2003-04. In: Monthly Labour Review, 129 (11), 40-45. Online at http://www.bls.gov/opub/mlr/2006/11/art4full.pdf, accessed 23.06.2010.

Leung, P. & Ping-kwan, S. (2005): General Overview on Occupational Disease Conditions in China with Special Reference to Silicosis. Labour Action China. Online at http://www.lac.org.hk/en/modules/magazine/article.php?articleid=49, accessed 05.08.2010.

Levine, D. I. & Tyson, L. D. (1990): Participation, productivity, and the firm's environment. In: Blinder, A. S. (ed.): Paying for productivity: A look at the evidence. Washington: Brookings Institution, 183-243.

Lewin, D. (2008): Resolving Conflict. In: Blyton, P. (ed.): The SAGE handbook of industrial relations. Los Angeles: Sage Publications, 447-467.

Lie, H.-H. (1995): Partizipation in Unternehmen. Analyse der Partizipation und ihr Beitrag zur Problemlösung industrieller Arbeitsbeziehungen am Beispiel Koreas. Bayreuth: Universität Bayreuth.

Lieberthal, K. G. & Lampton, D. M. (1992): Bureaucracy, Politics and Decision-Making in Post-Mao China. Berkeley: University of California Press.

Lieten, G. K. & Hindman, H. D. (2009): Child Labour in China: An Overview. In: Hindman, H. D. (ed.): The World of Child Labour. New York: Sharpe, 860-866.

Likert, R. (1967): The Human Organization: Its Management and Value. New York: McGraw-Hill Book Company.

Lim, H. (not dated): The social clause: issues and challenges. Online at http://actrav.itcilo.org/actrav-english/telearn/global/ilo/guide/hoelim.htm, accessed 16.09.2011.

Liu, H. (2009): Chinese Business. Landscapes and Strategies. New York: Routledge.

Locke, E. A. & Schweiger, D. M. (1979): Participation in decision-making: One more look. In: Staw, B. M. (ed.): Research in organizational behaviour. Greenwich: JAI, 265-339.

Locke, R. & Romis, M. (2006): Beyond Corporate Codes of Conduct: Work Organization and Labor Standards in two Mexican Garment Factories. MIT Sloan Working Paper No. 4617-06. Massachusetts: Massachusetts Institute of Technology.

Locke, R.; Qin, F. & Brause, A. (2006): Does Monitoring Improve Labor Standards? Lessons from Nike. MIT Sloan Working Paper, 4612-06. Online at http://www.hks.harvard.edu/m-rcbg/CSRI/publications/workingpaper_24_locke.pdf, accessed 10.01.2008.

Lukes, S. (1974): Power: A radical view. London: Macmillan.

Ma, X. J. (2007): Personalführung in China. Motivationsinstrumente und Anreize. Göttingen: Vandenhoeck & Ruprecht.

Maier, N. R. F. (1963): Problem solving discussions and conferences: Leadership methods and skills. New York: McGraw-Hill Book Go.

Mamic, I. (2004): Implementing Codes of Conduct: How Business Manage Social Performance in Global Supply Chains. Geneva: International Labour Organisation.

Maquila Solidarity Network (2008): Die Hürden überwinden: Schritte zur Verbesserung von Löhnen und Arbeitsbedingungen in der globalen Sportbekleidungsindustrie. Münster: Kampagne für Saubere Kleidung.

March, J. G.; Simon, H. A. & Guetzkow, H. S. (1958): Organizations. New York: Wiley.

Marchington, M. & Loveridge, R. (1979): Non-Participation: The Management View. In: Journal of Management Studies, 16 (2), 171-184.

Marsden, D. & Canibano, A. (2010): An Economic Perspective on Employee Participation. In: Wilkinson, A. (ed.): The Oxford handbook of participation in organizations. Oxford: Oxford University Press, 131-163.

Martin, T. (1990): Das Verhältnis von Mensch und Automatisierung in der Produktion - am Beispiel CIM. In: Henning, K.; Süthoff, M. & Mai, M. (eds): Mensch und Automatisierung. Eine Bestandsaufnahme. Sozialverträgliche Technikgestaltung: Materialien und Berichte. Opladen: Westdeutscher Verlag, 91-106.

Mayring, P. (2008): Qualitative Inhaltsanalyse. Grundlagen und Techniken. Weinheim; Basel: Beltz Verlag.

McDougall, D. & Schmitz, S. (2007): Otto Konzern. Kinderarbeit für den Heine-Versand. In: Stern.de, 11.02.2007. Online at http://www.stern.de/wirtschaft/news/unternehmen/otto-konzern-kinderarbeit-fuer-den-heine-versand-581923.html, accessed 17.07.2011.

McGregor, D. M. (1960): The Human Side of Enterprise. New York: McGraw-Hill Book Company.

McIntosh, M.; Thomas, R.; Leipziger, D. & Coleman, G. (2003): Living Corporate Citizenship. Strategic routes to socially responsible business. London: Pearson Education.

McSweeney, B. (2002): Hofstede's model of national cultural differences and their consequences: a triumph of faith – a failure of analysis. In: Human Relations, 55 (1), 89-118.

Melcher, A. J. (1976): Participation: A critical review of research findings. In: Human Resource Management, 15 (2), 12-21.

Merkel, H. (2008): Global Sourcing im Handel. Wie Modeunternehmen erfolgreich beschaffen. Berlin: Springer.

Miles, R. E. (1965): Human Relations or Human Resources. In: Harvard Business Review, 43 (4), 148-163.

Miles, R. E. (1974): Organization Development. In: Strauss, G.; Miles, R. E.; Snow, C. & Tannenbaum, A. (eds): Organizational Behaviour: Research and Issues. Madison: Industrial Relations Research Association, 165-192.

Miller, D. (2008): The ITGLWF's policy on cross-border dialogue in the textiles, clothing and footwear sector: Emerging strategies in a sector ruled by codes of conduct and resistant companies. In: Papadakis, K. (ed.): Cross-border social dialogue and agreements: An emerging global industrial relations framework. Geneva, 161-189.

Miller, K. I. & Monge, P. R. (1986): Participation, Satisfaction, and Productivity: A Meta-Analytic Review. In: Academy of Management Journal, 29 (4), 727-753.

Minssen, H. (1999): Direkte Partizipation contra Mitbestimmung? Herausforderung durch diskursive Koordinierung. In: Müller-Jentsch, W. (ed.): Konfliktpartnerschaft. Akteure und Institutionen der industriellen Beziehungen. München, Mering: Rainer Hampp Verlag, 129-156.

Mintzberg, H. (1983): The Case for Corporate Social Responsibility. In: The Journal of Business Ethics, 4 (2), 3-15.

Morgan, G. (1997): Images of organization. Thousand Oaks: Sage Publications.

Mulder, M. (1971): Power equalization through participation. In: Administrative Science Quarterly, 16 (1), 31-38.

Mulder, M. (1977): The Daily Power Game. Leiden: Martinus Nijhoff.

Mumby, D. K. (2004): Power and Politics. In: Jablin, F. M. & Putnam, L. L. (eds): The new handbook of organizational communication. Advances in theory, research, and methods. Thousand Oaks: Sage Publications, 585-623.

Murdoch, H. & Gould, D. (2004): Corporate Social Responsibility in China: Mapping the Environment – A Study Commissioned by the Global Alliance for Workers and Communities. Baltimore: Global Alliance for Workers and Communities.

Musiolek, B. (1999): Die Zähmung des Widerspenstigen: Verhaltenskodizes und ihr Monitoring zwischen Anspruch und Wirklichkeit - ein Vorwort. In: Musiolek, B. (ed.): Gezähmte Modemultis. Verhaltenskodizes: ein Modell zur Durchsetzung von Arbeitsrechten? Eine kritische Bilanz. Frankfurt a.M., Wien: Brandes und Apsel, Südwind, 7-9.

Nadvi, K. & Wältring, F. (2004): Making Sense of Global Standards. In: Local Enterprises in the Global Economy: Issues of Governance and Upgrading. Northhampton: Edward Elgar Publishing.

Newig, J.; Kuhn, K. & Heinrichs, H. (2011): Nachhaltige Entwicklung durch gesellschaftliche Partizipation und Kooperation? – eine kritische Revision zentraler Theorien und Konzepte. In: Heinrichs, H.; Kuhn, K. & Newig, J. (eds): Nachhaltige Gesellschaft. Welche Rolle für Partizipation und Kooperation. Wiesbaden: VS Verlag für Sozialwissenschaften.

Nordhause-Janz, J. & Pekruhl, U. (2000): Managementmethoden oder Zukunftskonzepte? Zur Entwicklung von Arbeitsstrukturen und von Gruppenarbeit in Deutschland. In: Nord-

hause-Janz, J. & Pekruhl, U. (eds): Arbeiten in neuen Strukturen. Partizipation, Kooperation, Autonomie und Gruppenarbeit in Deutschland. München: Hampp, 13-68.

Nutzinger, H. G. (1981): Partizipation als Demokratisierung oder als Managementtechnik. In: Gottlieb Duttweiler Institut (ed.): Entscheidung auf neuen Wegen. A New Way to Decision Making. Rüschlikon, Zürich: Gottlieb Duttweiler Institut für Wirtschaftliche und Soziale Studien, 265-280.

OECD (not dated): Guidelines for Multinational Enterprises. Online at http://www.oecd.org/about/0,3347,en_2649_34889_1_1_1_1_1,00.html, accessed 26.05.2010.

Olson, M. (1971): The Logic of Collective Action: Public Goods and the Theory of Groups. Cambridge: Harvard Univ. Press.

Organic Exchange (2010): Organic Exchange 100 Standard 2009, Version 1.3. Online at http://www.organicexchange.org/oecms/images/stories/documents/industry_integrity/oe100_stand.pdf, accessed 07.12.2010.

O'Rourke, D. (2003): Outsourcing Regulation: Analyzing Nongovernmental Systems of Labor Standards and Monitoring. In: Policy Studies Journal, 31 (1), 1-30.

Oxfam Deutschland (2004): Unsere Rechte im Ausverkauf. Frauenarbeit in globalen Lieferketten von Bekleidungsunternehmen und Supermärkten. Berlin: Oxfam Deutschland.

Oxfam International (2002): Rigged Rules and Double Standards. Trade, globalisation, and the fight against poverty. Oxford: Oxfam International.

Papadakis, K.; Bé, D.; Bercusson, B.; Casale, G. & Da Costa, I. (2008): Cross-border social dialogue and agreements. An emerging global industrial relations framework. Geneva: International Labour Office.

Pateman, C. (1970): Participation and Democratic Theory. Cambridge: Cambridge University Press.

Patton, M. Q. (1990): Qualitative evaluation and research methods. Newbury Park: Sage.

Paul, G. (1977): Bedürfnisberücksichtigung durch Mitbestimmung. München: Universität München.

Pedler, M.; Boydell, T. & Burgoyne, J. (1994): Auf dem Weg zum "Lernenden Unternehmen". In: Sattelberger, T. (ed.): Die Lernende Organisation. Konzepte für eine neue Qualität der Unternehmensentwicklung. Wiesbaden: Gabler Verlag, 57-65.

Pekruhl, U. (2000): Macht Gruppenarbeit glücklich? Arbeitsstrukturen, Belastungssituation und Arbeitszufriedenheit von Beschäftigten. In: Nordhause-Janz, J. & Pekruhl, U. (eds): Arbeiten in neuen Strukturen. Partizipation, Kooperation, Autonomie und Gruppenarbeit in Deutschland. München: Hampp, 173-201.

Pekruhl, U. (2001): Partizipatives Management - Konzepte und Kulturen. München, Mering: Hampp.

Petersen, D. E. (1991): A better idea: Redefining the way Americans work. Boston: Houghton Mifflin.

Pfeffer, J. & Veiga J. F. (1999): Putting people first for organizational success. In: Academy of Management Executive, 13 (2), 37-48.

Ping, H. & Shaohua, Z. (2005): Internal Migration in China: Linking it to Development. Paper prepared for the Regional Conference on Migration and Development in Asia, Lanzhou, China, March 14-16, 2005.

Piontek, J. (1997): Global Sourcing. Managementwissen für Studium und Praxis. München: Oldenbourg.

Pursey, S. (1998): Multinational Enterprises and the World of Work: Globalisation with a Human Face–Article on the 20th Anniversary of the ILO Declaration on Multinational Enterprises and Social Policy. Brussels: International Confederation of Free Trade Unions.

Pusic, E. (1998): Organization Theory and Participation. In: Heller, F. (ed.): Organizational participation. Myth and reality. Oxford, New York: Oxford University Press, 65-96.

Raiser, H. (1983): Systemtheoretische Untersuchung bürokratischer und partizipativer Organisationen. Spardorf: Wilfer.

Raithel, J. (2006): Quantitative Forschung. Ein Praxiskurs. Wiesbaden: VS Verlag für Sozialwissenschaften/GWV Fachverlage GmbH Wiesbaden.

Ralston, D. A.; Yu, K.; Wang, X.; Terpstra, R. H. & He, W. (1996): The Cosmopolitan Chinese Manager: Findings of a Study of Managerial Values Across the Six Regions of China. In: Journal of International Management, 2 (2), 79-109.

Rambaek, F. (1978): Das Partizipationspotential. Zentrales Konzept intentionaler Partizipationsforschung. Berlin: Freie Universität Berlin.

Raworth, K. (2004): Trading away our rights. Women working in global supply chains. Oxford: Oxfam International.

Redding, S. G. (1990): The Spirit of Chinese Capitalism. New York: de Gruyter.

Redding, S. G. (2002): The Capitalist Business System of China and its Rationale. In: Asia Pacific Journal of Management, 19 (2/3), 221-249.

Regalia, I. (1995): Humanize work and increase profitability. Direct participation in organisational change viewed by the social partners in Europe. Luxembourg: Office for Official Publications of the European Communities.

Reichert, T. (2002): Social Standards in the Global Economy. Eschborn: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH.

Reinicke, W. (1998): Global public policy: Governing without government. Washington, DC: Brookings Institution Press.

Ritchie, J. B. & Miles, R. E. (1970): An analysis of quantity and quality of participation as mediating variables in the participative decision making process. In: Personnel Psychology, 23 (3), 347-359.

Rodriguez-Garavito, C. A. (2005): Global Governance and Labor Rights: Codes of Conduct and Anti-Sweatshop Struggles in Global Apparel Factories in Mexico and Guatemala. In: Politics and Society, 33 (2), 203-333.

Russell, R. & Heller, F. (eds) (1991): International handbook of participation in organizations. For the study of organizational democracy, co-operation, and self-management. Oxford: Oxford University Press.

SAAS (not dated): Certified Facilities List. Online at http://www.saasaccreditation.org/certfacilitieslist.htm, accessed 12.05.2011.

SAI & IFC (2010): Measure & Improve Your Labor Standards Performance. Performance Standard 2 Handbook for labor and working conditions. New York; Washington: SAI; IFC.

Sanders, K. & Kianty, A. (2006): Organisationstheorien. Eine Einführung. Wiesbaden: VS Verlag für Sozialwissenschaften; GWV Fachverlage GmbH Wiesbaden.

Schaltegger, S. (2008): From CSR to corporate sustainability. In: Forum CSR international, 2 (1), 40-41.

Schaltegger, S. & Müller, M. (2008): CSR zwischen unternehmerischer Vergangenheitsbewältigung und Zukunftsgestaltung. In: Müller, M. & Schaltegger, S. (eds): Corporate Social Responsibility. Trend oder Modeerscheinung. Ein Sammelband mit ausgewählten Beiträgen von Mitgliedern des Doktorandennetzwerkes nachhaltiges Wirtschaften (DNW). München: ökom Verlag, 17-35.

Scherer, A. G. (2003): Multinationale Unternehmen und Globalisierung. Zur Neuorientierung der Theorie der multinationalen Unternehmung. Heidelberg: Physica-Verlag.

Scherrer, C. (1998): Die wissenschaftliche Diskussion. In: Scherrer, C.; Greven, T. & Frank, V. (eds): Sozialklauseln. Arbeiterrechte im Welthandel. Münster, 34-111.

Scherrer, C.; Greven, T. & Ascoly, N. (2001): Global rules for trade. Codes of conduct, social labeling, workers' rights clauses. Münster: Verlag Westfälisches Dampfboot.

Schneider, R. (2006): Die OECD-Leitsätze für multinationale Unternehmen - Erfahrungen mit ihrer Anwendung. In: Martens, J. (ed.): Verbindliche Regeln für Multis. Corporate Accountability. Zwischenbilanz und Zukunftsperspektiven. Bonn: DGB; WEED; Terre des Hommes; Global Policy Forum, 30-34.

Schneidewind, U. (2002): Zukunftsfähige Unternehmen - ein Bezugsrahmen. In: BUND & UnternehmensGrün (eds): Zukunftsfähige Unternehmen. Wege zur nachhaltigen Wirtschaftsweise von Unternehmen. München: ökom Verlag, 22-35.

Schömann, I. (2004): Corporate social responsibility. Threat or opportunity for the social dialogue. In: European Trade Union Institute (ed.): European trade union yearbook 2003/2004. Brussels: European Trade Union Institute, 137-155.

Schwarz-Kocher, M.; Dispan, J.; Richter, U. & Seibold, B. (2010): Betriebsratshandeln im Modus arbeitsorientierter Innovationsprozesse. In: WSI-Mitteilungen, 63 (2), 95-102.

Schweiger, D. M. & Leana, C. R. (1986): Participation in Decision Making. In: Locke, E. A. (ed.): Generalizing from laboratory to field settings. Lexington: Lexington Books, 147-166.

Scott, R. E. (2007): Costly trade with China: Millions of U.S. jobs displaced with net job loss in every state. Online at http://www.epi.org/publications/entry/bp188, accessed 14.03.2011.

Seibold, D. R. & Shea, B. C. (2004): Participation and Decision-Making. In: Jablin, F. M. & Putnam, L. L. (eds): The new handbook of organizational communication. Advances in theory, research, and methods. Thousand Oaks: Sage Publications, 664-703.

Sell, R. & Fuchs-Frohnhofen, P. (1993): Gestaltung von Arbeit und Technik durch Beteiligungsqualifizierung: Ein erprobtes Modell für die betriebliche Praxis und wissenschaftliche Weiterbildung. Opladen: Westdeutscher Verlag.

Sengenberger, W. (2005): Globalization and social progress: the role and impact of international labour standards. A report. Bonn: Friedrich-Ebert-Stiftung.

Senghaas-Knobloch, E. (2005): Weltweit geltende Arbeitsstandards trotz Globalisierung. Analysen, Diagnosen und Einblicke. Münster: Lit-Verlag.

Seuring, S. & Müller, M. (2004): Beschaffungsmanagement & Nachhaltigkeit – eine Literaturübersicht. In: Hülsmann, M.; Müller-Christ, G. & Haasis, H.-D. (eds): Betriebswirtschaftslehre und Nachhaltigkeit – Bestandsaufnahme und Forschungsprogrammatik. Wiesbaden: Gabler, 117-170.

Shen, J. (2006): An Analysis of Changing Industrial Relations in China. In: The International Journal of Comparative Labour Law and Industrial Relations, 22 (3), 347-368.

Simon, H. A. (1981): Entscheidungsverhalten in Organisationen. Eine Untersuchung von Entscheidungsprozessen in Management und Verwaltung. Landsberg am Lech: Verlag Moderne Industrie.

Sisson, K. (2000): Direct Participation and the Modernisation of Work Organisation. Luxembourg: European Foundation for the Improvement of Living and Working Conditions.

Social Accountability International (2008): Social Accountability 8000. New York: SAI.

Springer, R. (1999): Von der teilautonomen zur standardisierten Gruppenarbeit - Arbeitspolitische Perspektiven in der Automobilindustrie. In: WSI-Mitteilungen, (52)5, 309-321.

Starmanns, M. (2010): The Grand Illusion? Corporate Social Responsibility in Global Garment Production Networks. Köln: Universität Köln.

Statistische Ämter des Bundes und der Länder (2010): Sozialberichterstattung. Online at http://www.amtliche-sozialberichterstattung.de/Tabellen/tabelleA3.html, accessed 08.07.2011.

Stevis, D. (2010): International framework agreements and global social dialogue: Parameters and prospects. Geneva: International Labour Office.

Stiglitz, J. E. (2003): Globalization and its discontents. New York: Norton.

Strauss, G. (1998a): An Overview. In: Heller, F. (ed.): Organizational participation. Myth and reality. Oxford, New York: Oxford University Press, 8-39.

Strauss, G. (1998b): Collective Bargaining, Unions, and Participation. In: Heller, F. (ed.): Organizational participation. Myth and reality. Oxford, New York: Oxford University Press, 97-143.

Strauss, G. (1998c): Participation Works - If Conditions are Appropriate. In: Heller, F. (ed.): Organizational participation. Myth and reality. Oxford, New York: Oxford University Press, 190-219.

Südwind e.V. (ed.) (2005): Nähen für den Weltmarkt. Frauenarbeit in Freien Exportzonen und der Schattenarbeit. Länderbeispiele China, Indonesien und Sri Lanka. Modemultis auf dem Prüfstand. Siegburg: Südwind e.V.

Sung, C.; Lifei, Z. & Yanping, L. (2011): Foreign Direct Investment in China in 2010 Rises to Record $105.7 Billion. Online at http://www.bloomberg.com/news/2011-01-18/foreign-direct-investment-in-china-in-2010-rises-to-record-105-7-billion.html, accessed 06.03.2011.

Systain Consulting GmbH (2003): AVE Sector Model Social Responsibility, Supplier's Manual. Hamburg.

Taylor, B.; Kai, C. & Qi, L. (2003): Industrial Relations in China. Cheltenham: Edward Elgar.

Tchibo GmbH (2006): Tchibo Social Code of Conduct (SCoC). Online at http://www.tchibo-nachhaltigkeit.de/Facts-Info/Downloads.aspx?l=1, accessed 26.02.2011.

Tchibo GmbH; GTZ& BMZ (not dated): Worldwide Enhancement of Social Quality. Online at http://www.we-socialquality.com, accessed 06.05.2011.

Tchibo GmbH; GTZ& BMZ (2010): Worldwide Enhancement of Social Quality (WE). Background. Methodology, Insights. Hamburg, Eschborn.

Trading Economics (2010): China GDP Growth Rate. Online athttp://www.tradingeconomics.com/Economics/GDP-Growth.aspx?Symbol=CNY, accessed 26.02.2011.

Treiman, D. (2007): The growth and determinants of literacy in China. In: Hannum, E. & Park, A. (eds): Education and Reform in China. New York: Routledge, 135-153.

Tücking, E. (1999): Die deutsche Bekleidungsindustrie im Zeitalter der Globalisierung. Eine Marktanalyse unter besonderer Berücksichtigung außenwirtschaftlicher Rahmenbedingungen. Münster: FATM.

Ulich, E. (1978): Über mögliche Zusammenhänge zwischen Arbeitstätigkeit und Persönlichkeit. In: Psychosozial, 1 (1), 44-63.

UNCED (1992): Earth Summit Agenda 21. The United Nations Programme of Action from Rio. Geneva: Department of Public Information United Nations.

United Nations Development Program (2005): The State of Equity in China: Social Security and Public Expenditure. China Human Development Report: United Nations Development Program.

United Nations Global Compact (2010): Overview on the UN Global Compact. Online at http://www.unglobalcompact.org/AboutTheGC/index.html, accessed 27.05.2010.

van der Vegt, S. (2005): Social Auditing in Bulgaria, Romania and Turkey. Results from survey and case study research. Ankara: International Labour Office.

Verité (2004): Excessive Overtime in Chinese Supplier Factories. Causes, Impacts, and Recommendations for Action. Amherst: Verité.

Vilmar, F. (1973): Strategien der Demokratisierung. Darmstadt: Luchterhand.

Wagner, J. A. (1994): Participation's effect on performance and satisfaction: A reconsideration of research evidence. In: Academy of Management Review, 19 (2), 312-330.

Wall, T. & Lischeron, J. (1977): Worker Participation. A critique of the literature and some fresh evidence. London et al.: McGraw-Hill Book Company.

Warner, M. (2008): Reassessing human resource management 'with Chinese characteristics': An overview. In: International Journal of Human Resource Management, 19 (5), 771-801.

WBCSD (2000): Corporate social responsibility: making good business sense. Geneva: World Business Council for Sustainable Development.

Weber, M. (1921): Grundriss der Sozialökonomik, iii.Abteilung Wirtschaft und Gesellschaft. Tübingen: Mohr.

Weber, M. (1972): Wirtschaft und Gesellschaft. Grundriss der verstehenden Soziologie. Tübingen: Mohr.

Weber, M. (1978): Economy and society. Berkeley: University of California Press.

West, M. (1994): Effective Teamwork. Leicester: British Psychological Society.

Wichterich, C. (2008): Lackmustest für Pekings Glaubwürdigkeit: Chinas neues Arbeitsrecht. In: Informationsbrief Weltwirtschaft & Entwicklung (W&E), 2008 (01), 1-3.

Wilkesmann, U. (2001): Unternehmensethik und organisationales Lernen - Zur theoretischen Fundierung einer pragmatischen Unternehmensethik. In: Die Unternehmung, 55 (1), 5-23.

Wilkinson, A. & Dundon, T. (2010): Direct Employee Participation. In: Wilkinson, A. (ed.): The Oxford handbook of participation in organizations. Oxford: Oxford University Press, 167-185.

Wilkinson, A. (ed.) (2010): The Oxford handbook of participation in organizations. Oxford: Oxford University Press.

Wilkinson, A.; Gollan, P. J.; Marchington, M. & Lewin, D. (2010): Conceptualizing Employee Participation in Organisations. In: Wilkinson, A. (ed.): The Oxford handbook of participation in organizations. Oxford: Oxford University Press, 3-28.

Wilpert, B. (1998): A View from Psychology. In: Heller, F. (ed.): Organizational participation. Myth and reality. Oxford, New York: Oxford University Press, 40-64.

Witte, J. F. (1980): Democracy, authority and alienation in work. Workers' participation in an American corporation. Chicago: Univ. of Chicago Pr.

Witte, J. M. (2008): Realizing Core Labour Standards. Eschborn: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH.

Wöhe, G. & Döring, U. (2008): Einführung in die Allgemeine Betriebswirtschaftslehre. München: Vahlen.

Womack, J.; Jones, D. T. & Roos, D. (1990): The machine that changed the world. New York: Rawson Associates.

Wortman, C. B. & Brehm, J. W. (1975): Response to Uncontrollable Outcomes: An Integration of Reactance Theory and Learned Helplessness Model. In: Berkowitz, L. (ed.): Advances in Experimental Social Psychology. New York: Academic Press.

WTO (not dated): Member Information. China and the WTO. Online at http://www.wto.org/english/thewto_e/countries_e/china_e.htm, accessed 11.08.2010.

WTO (2009): International Trade Statistics 2009. Online at http://www.wto.org/english/res_e/statis_e/its2009_e/its09_toc_e.htm, accessed 23.06.2010.

Xiaoyang, Z. & Chan, A. (2005): Staff and Workers' Representative Congress. An Institutionalized Channel for Expression of Employees' Interests. In: Chinese Sociology and Anthropology, 37 (4), 6-33.

Zhou, M. (2008): China raises minimum wages to calm consumers. Analysts fear wage hikes could further fuel inflationary pressure. In: Market Watch, 27.02.2008. Online athttp://www.marketwatch.com/story/china-raises-minimum-wages-to-calm-consumers-in-face-of-inflation, accessed 18.04.2009.

Zhu, Y. & Warner, M. (2004): Changing patterns of human resource management in contemporary China: WTO accession and enterprise responses. In: Industrial Relations Journal, 35 (4), 311-328.

Zhu, Y. & Warner, M. (2005): Changing Chinese employment relations since WTO accession. In: Personnel Review, 34 (3), 354-369.

Zhu, Y.; Webber, M. J. & Benson, J. (2010): The everyday impact of economic reform in China. Management change, enterprise performance and daily life. London: Routledge.

Zimbardo, P.G. (1999): Psychologie. Berlin: Springer.

Zimmer, R. (2008): Soziale Mindeststandards und ihre Durchsetzungsmechanismen. Sicherung internationaler Mindeststandards durch Verhaltenskodizes. Baden-Baden: Nomos-Verl.-Ges.

Zwick, T. (2004): Employee participation and productivity. In: Labour Economics, 11 (6), 715-740.

Appendix

- Questionnaire for WE Project WRs (English/Chinese)
- Questionnaire for Workers (used in factory 2; English/Chinese)
- Questionnaire for Workers (used in six factories; English/Chinese)

Questionnaire for WE Project Worker Representatives

1) How were you selected to be a (WE Project) worker representative?

- ☐ Nomination and election by workers
- ☐ Nomination by management, elected by workers
- ☐ Nominated by workers, elected by management
- ☐ Designated by management
- ☐ I don't know

2) How often do you talk with workers about problems in the factory?

once a week or more	once every two weeks	once a month	less than once a month	never

3) About which topics do workers talk to you most often? Please tick the 3 most frequently discussed topics. If workers don't talk to you tick only the last answer.

Health and safety issues	Overtime
Wages	Working contracts
Discrimination	Welfare (entertainment, dormitories, food)
Forced labour	Production flow
Child labour	Product quality
Communication with management	Other topics
Workers don't talk to me.	

4) How often do you have meetings with other WE Project worker representatives?

once a week or more	once every two weeks	once a month	less than once a month	never

5) Do you forward results of WE Project worker representative meetings to workers?

always	often	rarely	never

6) How often do you talk with management about results of WE Project worker representative meetings?

once a week or more	once every two weeks	once a month	less than once a month	never

7) Do you receive the information you need for your job as a WE Project worker representative from management?

definitely yes	probably yes	probably not	definitely not	I don't know

8) Does the company have written policies on worker participation?

☐ Yes ☐ No ☐ I don't know

9) What kind of participatory bodies do exist in your company?

☐ Health and Safety committee
☐ Welfare committee
☐ Workplace cooperation board (management and worker representatives)
☐ Round Table
☐ WE Project team
☐ Employee representative assembly (trade union)
☐ Other committee (please specify):_____
☐ I don't know

10) In how many committees do you participate?

☐ 0 ☐ 1 ☐ 2-3 ☐ 4-5 ☐ more

11) To what extent are you as WE Project worker representatives involved in the improvement/decision-making process in the factory?

	I'm not involved at all	I'm informed about the matter	I can give my opinion	I discuss with management, but they decide	Management and I make joint decisions
Wages					
Training of workers					
Handling grievances					
Discrimination					
Health and safety					
Preventing forced labour					
Preventing child labour					
Overtime					
Production flow					
Quality of products					
Welfare					

12) How much influence do you think WE Project worker representatives have upon improvement of labour conditions in the factory?

very much	much	a little	very little	I don't know

13) Under the current financial situation, do you think the factory is able to spend more money to improve labour conditions?

definitely yes	probably yes	probably not	definitely not	I don't know

14) In general, in which stages of the solution-finding process do you take part? Tick all applicable answers.

- ☐ Identifying problems
- ☐ Cause analysis
- ☐ Goal analysis
- ☐ Solution finding
- ☐ Agreeing on solutions
- ☐ Action planning
- ☐ I don't know/never participated

15) Are you paid by your employer for the time spent on representative activities while at work?

Yes ☐ No ☐ I don't know ☐

16) How many WE Project worker representatives are selected but do not serve as worker representatives in your factory?

0	1-2	2-4	5-10	more	I don't know

17) Which topics have you discussed with management? Have you been satisfied with the result?

Issue	Discussed with manage-ment?		If yes; the outcome for workers was …				
	Yes	No	very satisfactory	fairly satisfactory	somewhat dis-satisfactory	very dis-satisfactory	I don't know
Health and Safety							
Wages							
Discrimination							
Overtime							
Child labour							
Forced labour							
Production							
Product quality							
Welfare							
Worker participation							

18) To what extent do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
WE Project worker representatives have the knowledge to solve relevant problems so that the factory's labour conditions can be improved.				
I have many ideas how to improve labour conditions.				

19) What has changed in the past one and a half years/since you came to the factory?

	very much	much	a little	no change	I don't know
Wages have increased in my factory.					
My awareness of forced labour has increased.					
Overtime has been reduced.					
Health and safety conditions have been enhanced.					
Quality of products has been improved.					
Accident rate has been reduced.					
Wages are paid on time more often than before.					
My awareness of discriminatory practice has increased.					
Productivity has increased. We produce more pieces in the same time.					
My awareness of child labour has increased.					
Workers quit their jobs less often.					

20) Do you think you will get the opportunity to participate in decision-making process after the WE Project is over?

definitely yes	probably yes	probably not	definitely not	I don't know

21) To what extent do you agree or disagree with the following statements? Since I'm a WE Project worker representative …

	definite-ly agree	mostly agree	hardly agree	do not agree
… I have greater trust in management.				
… the relationship between managers and workers has been enhanced.				
… I know more about my labour rights.				
… I'm more committed to my job.				

22) During the last one and a half years/since you came to the factory, have you ever received training in the factory on the following fields? Tick all applicable answers.

Health and Safety	Overtime reduction
Wages	Worker participation
Discrimination	Production/Working skills
Forced labour	Child labour

23) I need more training for fulfilling my tasks as a WE Project worker representative.

definitely agree	mostly agree	hardly agree	do not agree

24) Since you have been selected as a WE Project worker representative, have you had a talk with management about a sensitive issue?

☐ Yes, once ☐ Yes, several times ☐ No

25) Do you agree or disagree with the following statements?

	definitely agree	mostly agree	hardly agree	do not agree
Through worker participation labour conditions can be improved.				
I fear negative consequences because I am a worker representative.				
It is good that workers influence decision-making.				
I like to talk to management.				
I like to represent the interests of workers.				
I have the feeling that my opinion is acknowledged by management.				

26) Which support do you currently need for your work as a WE Project worker representative? Tick the most relevant answer.

☐ More commitment by top management
☐ More time to consult workers
☐ More time to meet other WE Project worker representatives
☐ More integration into committees
☐ Better equipment (meeting room, notice book, white board, internet access, etc.)
☐ More influence in decision-making
☐ I don’t need any additional support
☐ I don’t know

27) Do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
I don't like my job but I shouldn't expect too much.				
I really enjoy my work.				
My work is quite monotonous; there is nothing I can do about it.				
My work is really interesting and satisfactory.				
There are enough opportunities during my work to make use of all my abilities.				
I'm satisfied with promotion opportunities.				
I'm satisfied with working intensity.				
I'm satisfied with labour conditions.				

28) I'm ☐ female ☐ male

29) How old are you?

younger than 20 years	20-25 years	26-30 years	31-35 years	older than 35

30) How long have you been working in this factory?

less than 6 months	6-12 months	1-2 years	3-5 years	more than 5 years

31) What level of education have you completed?

Primary School	Middle School	High School	Vocational school	College/University

32) I'm a ☐ migrant worker ☐ local worker

33) Are you a trade union representative? ☐ Yes ☐ No

34) How long have you been working as a WE Project worker representative?

_____

35) I'm a ☐ supervisor (incl. group leader) ☐ production floor worker

WE项目员工代表问卷

1) 你是怎样当选WE项目员工代表的？

- ☐ 员工直接选举产生（无记名提名+无记名投票）
- ☐ 员工直接选举产生（公开提名+无记名投票）
- ☐ 员工非正式提名产生
- ☐ 管理层指派的
- ☐ 我不知道

2) 你经常和员工讨论工厂存在的问题吗？

一周一次或更多	每两周一次	一个月一次	超过一个月才有一次	从未有过

3) 员工和你谈论最多的是什么问题？请选择三个最经常讨论的话题。如果员工从不向你反映问题，请勾选最后一项。

安全与健康	加班
工资	劳动合同
歧视	福利（娱乐、宿舍、伙食）
强迫劳动	生产流程
童工	产品质量
与管理层的沟通问题	其他话题
员工不和我沟通	

4) 你多久会和其他的WE项目员工代表一起碰头/开会？

一周一次或更多	每两周一次	一个月一次	超过一个月才有一次	从未有过

5) 你是否把WE项目员工代表交流讨论的结果告知给员工？

总是	经常	很少会	从未有过

6) 你多久会和管理层沟通一下WE项目员工代表会议讨论的结果？

一周一次或更多	每两周一次	一个月一次	超过一个月才有一次	从未有过

7） 作为员工代表，你是否能从管理层那里获得自己开展工作所需要的信息？

完全可以	多半可以	多半不行	完全不行	我不知道

8） 工厂有没有关于员工参与的书面制度？

☐ 有 ☐ 没有 ☐ 我不知道

9） 工厂有哪些员工参与管理的组织或团体?

☐ 职业安全与健康委员会

☐ 员工福利委员会

☐ 工作场所合作协商会议（管理层和员工代表）

☐ 圆桌会议

☐ WE项目小组

☐ 职工代表大会/工会

☐ 其他（请说明）:_____ _____

☐ 我不知道

10） 在上面提到的组织或团体中，你参与了几个?

☐ 0 ☐ 1 ☐ 2-3 ☐ 4-5 ☐ 更多

11）在下列事项上，作为WE项目员工代表，你在何种程度上参与了工厂的改善？

	我完全没参与	我被告知了相关信息	我可以提出自己的意见	我和管理人员讨论问题，但他们做决定	我和管理人员共同做决定
工资					
员工培训					
处理申诉					
反歧视					
职业安全与健康					
禁止强迫劳动					
禁止童工					
加班					
生产流程					
产品质量					
福利					

12） 你觉得WE项目员工代表对于工厂劳动条件的改善有多大的发言权？

非常大	很大	比较小	很小	我不知道

13） 在目前的财务状况下，你觉得工厂能否投资更多的钱来改善劳动条件？

完全可以	多半可以	多半不行	完全不行	我不知道

14）在解决工厂面临的实际问题时，你一般在下面哪些环节中有参与？可以多选。

☐ 找出存在的问题

☐ 分析问题的原因

☐ 确立目标

☐ 寻找解决方案

☐ 协商确定解决方案

☐ 制定行动计划

☐ 我不知道

15）你在上班时间为了做员工代表的工作而损失的工时，工厂给你工资补偿吗？

☐ 有 ☐ 没有 ☐ 我不知道

16）工厂有多少WE项目员工代表虽然被选举出来了但实际上没有履行他们的职责？

0	1-2	2-4	5-10	多于10个	我不知道

17）下列哪些事项你曾经和管理人员谈论过？你对后续处理的结果满意吗？

事项	与管理人员讨论过吗？		如果有，你对处理结果的评价是…				
	有	没有	有	没有	有	没有	有
安全与健康							
工资							
歧视							
加班							
童工							
强迫劳动							
生产流程							
产品质量							
福利							
员工参与							

18）你在多大程度上同意或反对下面的说法？

	完全同意	基本同意	不怎么同意	完全不同意
WE项目员工代表掌握相关的知识，可以解决相关问题，从而改善工厂的劳动条件				
对于如何改善工厂的劳动条件，我有很多想法				

19） 工厂在过去一年半中发生了怎样的变化？

	变化非常大	变化很大	变化很小	没有变化	我不知道
员工的工资提高了					
我提高了对强迫劳动的认识					
加班减少了					
安全健康状况改善了					
产品质量提高了					
工伤事故率降低了					
相比过去工资发放更准时了					
我提高了对歧视的认识					
劳动生产率提高了：我们能在相同时间内生产出更多的产品					
我提高了对童工的认识					
员工离职/辞职的情况减少了					

20） 你觉得自己在WE项目结束后是否会有机会参与工厂的决策过程？

肯定会	多半会	多半不会	肯定不会	我不知道

21）你在多大程度上同意或反对下面的说法？

因为我是一名WE项目员工代表...

	完全同意	基本同意	不怎么同意	完全不同意
...我对管理层更加信任了				
...管理层和员工的关系得到了改善				
...我对自己享有的劳工权益有了更深的认识				
...我会更加努力做好自己的工作				

22） 在过去的一年半中，你是否接受过工厂提供的下列培训？可以多选。

安全与健康	加班
工资	员工参与
歧视	生产/操作技能
强迫劳动	童工

23） 要履行好WE项目员工代表的职责，我还需要更多的培训。

完全同意	基本同意	不怎么同意	完全不同意

24）自从当选WE项目员工代表以来，你有没有和管理层谈论过敏感问题？

☐ 有一次 ☐ 有几次 ☐ 从未有过

25）你同不同意下列这些说法?

	完全同意	基本同意	不怎么同意	完全不同意
通过员工参与，工厂的劳动条件可以得到改善				
我担心自己担任员工代表会产生不利的后果				
员工对工厂的决策有影响力是件好事				
我喜欢和管理人员交谈				
我喜欢做工人利益的代言人				
我觉得自己的意见得到了管理人员的认可				

26）你觉得自己要做好WE项目员工代表的工作，目前最需要哪一方面的支持？请单选。

☐ 高层的重视与支持
☐ 有更多时间收集员工的意见和想法
☐ 有更多时间与其他员工代表交换意见
☐ 能更多地参与相关的改善工作组（如安全健康委员会、福利委员会等）
☐ 更好的设施（会议室、笔记本、可擦写白板、上网设施等）
☐ 在最终决策阶段获得更多影响力
☐ 他们不需要任何进一步的支持

27） 你对下面这些说法怎么看？

	完全同意	基本同意	不怎么同意	完全不同意
我不喜欢我的工作，可我也不应该期望太高				
我非常喜欢现在的工作				
我的工作单调乏味、一成不变，我自己对此无能为力				
我的工作非常有趣而且令人满意				
我的工作中有足够的机会让我充分发挥自己的才干				
我对工厂提供的晋升机会感到满意				
我对工作的速度/强度感到满意				
我对工厂的劳动条件感到满意				

28） 我是 ☐ 女性 ☐ 男性

29）你的年龄?

小于20岁	20-25岁	26-30 岁	31-35岁	35岁以上

30）你在这家工厂总共工作了多长时间?

少于6个月	6-12 个月	1-2 年	3-5 年	5年以上

31） 你的学历?

小学	初中	高中	职业学校/中专	大专/大学

32） 我是 ☐ 外来务工人员 ☐ 本地员工

33） 你是工会委员/代表吗? ☐ 是 ☐ 不是

34） 你当选WE项目员工代表有多久了？ _____

35） 我是 ☐ 基层主管（组长/线长） ☐ 一线员工

Questionnaire for Workers (Factory 2)

1) In general, how do you express your opinion in the factory? Tick all applicable answers.

- ☐ Participating in surveys
- ☐ Talking to superiors
- ☐ Meeting in working groups with other workers and/or managers
- ☐ Talking to WE Project worker representatives
- ☐ Talking to trade union representatives
- ☐ Using suggestion box
- ☐ Generally not at all

2) How often do you talk with WE Project worker representatives about problems in the factory?

once a week or more	once every two weeks	once a month	less than once a month	never

3) About which topics do you talk to WE Project worker representatives most often? Please tick the 3 most frequently discussed topics. If you don't talk to worker representatives tick only the last answer.

Health and safety issues	Overtime
Wages	Working contracts
Discrimination	Welfare (entertainment, dormitories, food)
Forced labour	Production flow
Child labour	Product quality
Communication with management	Other topics
I don't talk to WE Project worker representatives.	

4) In general, do you get feedback on your opinions and contributions?

Always	often	rarely	never

5) Can you get to know the decisions made by WE Project worker representatives and management?

definitely yes	probably yes	probably not	definitely not	I don't know

6) Does the company have a policy on worker participation?

☐ Yes ☐ No ☐ I don't know

7) How does management integrate you in the factory over the given matters?

	I'm not involved at all	I'm informed about the matter	I can give my opinion	I discuss with manage-ment, but they decide	Management and I make joint deci-sions
Wages					
Training of workers					
Handling grievances					
Discrimination					
Health and safety					
Preventing forced labour					
Preventing child labour					
Overtime					
Production flow					
Quality of products					
Welfare					

8) How would you like it to be?

	I'm not involved at all	I'm informed about the matter	I can give my opinion	I discuss with manage-ment, but they decide	Management and I make joint deci-sions
Wages					
Training of workers					
Handling grievances					
Discrimination					
Health and safety					
Preventing forced labour					
Preventing child labour					
Overtime					
Production flow					
Quality of products					
Welfare					

9) Do you think the factory could spend more money to improve labour conditions without incuring heavy financial losses?

definitely yes	probably yes	probably not	definitely not	I don't know

10) In general, in which stages of the solution-finding process do you take part? Tick all applicable answers.

- ☐ Identifying problems
- ☐ Cause analysis
- ☐ Goal analysis
- ☐ Solution finding
- ☐ Agreeing on solutions
- ☐ Action planning
- ☐ I don't know/I never participated

11) Do workers just seem to have a say in something but actually they don't?

definitely yes	probably yes	probably not	definitely not	I don't know

12) Which topics have you discussed with management? Have you been satisfied with the result?

Issue	Discussed with manage-ment?		If yes; the outcome for workers was …				
	Yes	No	very satisfactory	fairly satisfactory	somewhat dis-satisfactory	very dis-satisfactory	I don't know
Health and Safety							
Wages							
Discrimination							
Overtime							
Child labour							
Forced labour							
Production							
Product quality							
Welfare							
Worker participation							

13) What has changed in the past one and a half years?

	very much	much	a little	no change	I don't know
Wages have increased in my factory.					
My awareness of forced labour has increased.					
Overtime has been reduced.					
Health and safety conditions have been enhanced.					
Quality of products has been improved.					
Accident rate has been reduced.					
Wages are paid on time more often than before.					
My awareness of discriminatory practice has increased.					
Productivity has increased. We produce more pieces in the same time.					
My awareness of child labour has increased.					
Workers quit their jobs less often.					

14) How much influence do you think workers have upon improvement of labour conditions in the factory?

very much	much	a little	very little	I don't know

15) What has changed in the past one and a half years? To what extent do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
I have greater trust in management.				
The relationship between managers and workers has been enhanced.				
I know more about my labour rights.				
I'm more committed to my job.				

16) To what extent do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
Workers have relevant knowledge to solve problems related to labour conditions.				
I have many ideas how to improve labour conditions.				

17) How satisfied are you with the work of WE Project worker representatives?

very satisfied	satisfied	Dissatisfied	very dissatisfied

18) Do you think WE Project worker representatives are representing your interests? Which statement do you support most?

They are representing workers' interests.	They are representing workers' interests and their own interests.	They are only representing their interests.	I don't know

19) Would you like to be a worker representative? ☐ Yes ☐ No

20) During the last one and a half years, have you ever received training in the factory on the following fields? Tick all applicable answers.

Health and Safety	Overtime
Wages	Worker participation
Discrimination	Production/Working skills
Forced labour	Child labour

21) How often do you take part in training sessions?

once a month or more	once every two months	once every six months	less than once every six months	never

22) I would like to attend more training sessions.

definitely agree	mostly agree	hardly agree	do not agree

23) Do you think you will get the opportunity to participate in decision-making activities after the WE Project is over?

definitely yes	probably yes	probably not	definitely not	I don't know

24) Do you agree or disagree with the following statements?

	definitely agree	mostly agree	hardly agree	do not agree
Through worker participation labour conditions can be improved.				
I fear negative consequences if I talk about sensitive issues with management.				
It is good that workers influence decision-making.				
I like to talk to management.				
I have the feeling that my opinion is acknowledged by management.				

25) What do you think which support do WE Project worker representatives currently need for their work? Tick the most relevant answer.

- ☐ More commitment by top management
- ☐ More time to consult workers
- ☐ More time to meet other worker representatives
- ☐ More integration into committees
- ☐ Better equipment (meeting room, notice book, white board, internet access, etc.)
- ☐ More influence in decision-making
- ☐ They don't need any additional support

26) Do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
I don't like my job but I shouldn't expect too much.				
I really enjoy my work.				
My work is quite monotonous; there is nothing I can do about it.				
My work is really interesting and satisfactory.				
There are enough opportunities during my work to make use of all my abilities.				
I'm satisfied with promotion opportunities.				
I'm satisfied with working intensity.				
I'm satisfied with labour conditions.				

27) I'm ☐ female ☐ male

28) How old are you?

younger than 20 years	20-25 years	26-30 years	31-35 years	older than 35

29) How long have you been working in this factory?

less than 6 months	6-12 months	1-2 years	3-5 years	more than 5 years

30) What level of education have you completed?

Primary School	Middle School	High School	Vocational School	University

31) I'm a ☐ migrant worker ☐ local worker

32) Are you a trade union representative? ☐ Yes ☐ No

33) I'm a ☐ supervisor (incl. group leader) ☐ production floor worker

员工问卷

1) 一般情况下，你在工厂里有哪些渠道可以表达自己的意见和想法？可以多选。

☐ 参加问卷调查
☐ 与主管沟通
☐ 与其他员工和/或管理人员一起开会
☐ 与WE项目员工代表沟通
☐ 与工会代表沟通
☐ 使用意见箱
☐ 我一般不发表意见

2) 你多久和WE项目员工代表谈论一次工厂存在的问题？

一周一次或更多	每两周一次	一个月一次	超过一个月才有一次	从未有过

3) 你和员工代表谈论最多的是什么话题？请从下面的选项中选择三个你最经常讨论的话。
如果你从未和员工代表沟通过，请勾选最后一项。

健康和安全事项	加班
工资	劳动合同
歧视	福利（娱乐、宿舍、餐食）
强迫劳动	生产流程
童工	产品质量
与经理部门沟通	其他话题
我没有和WE项目员工代表沟通过	

4) 一般来讲，你提出的意见和想法会获得回应和反馈吗？

总是	经常	很少	从未有过

5) 你能否了解WE项目员工代表和管理层所做的决定？

完全可以	多半可以	多半不行	完全不行	我不知道

6) 工厂对员工参与有无书面制度？
☐ 有 ☐ 没有 ☐ 我不知道

7） 在以下事项上，你在何种程度上参与了工厂的改善？

	我完全不参与	我被告知相关信息	我可以提出自己的意见	我和管理人员讨论问题，但他们做决定	我和管理人员共同决策
工资					
员工培训					
处理申诉					
反歧视					
职业安全与健康					
禁止强迫劳动					
禁止童工					
加班					
生产流程					
产品质量					
福利					

8） 你希望自己能在何种程度上参与呢？

	我完全不参与	我被告知相关信息	我可以提出自己的意见	我和管理人员讨论问题，但他们做决定	我和管理人员共同决策
工资					
员工培训					
处理申诉					
反歧视					
职业安全与健康					
禁止强迫劳动					
禁止童工					
加班					
生产流程					
产品质量					
福利					

9） 在目前的财务状况下，你觉得工厂能否投资更多的钱来改善劳动条件？

完全可以	多半可以	多半不行	完全不行	我不知道

10) 在解决工厂实际问题时，你在下面哪些环节中有参与？可以多选。

☐ 找出存在的问题
☐ 分析问题的原因
☐ 确立目标
☐ 寻找解决方案
☐ 协商确定解决方案
☐ 制定行动计划
☐ 我不知道/我没参与过

11）员工是否只是表面上看起来对某件事情有发言权但实际上却没有？

完全是	多半是	多半不是	完全不是	我不知道

12) 下列哪些事项你曾经和管理人员谈论过？你对后续处理的结果满意吗？

事项	与管理人员讨论过吗？		如果有，你对处理结果的评价是…				
	有	没有	非常满意	比较满意	有些不满	非常不满	我不知道
安全与健康							
工资							
歧视							
加班							
童工							
强迫劳动							
生产流程							
产品质量							
福利							
员工参与							

13) 工厂在过去一年半中发生了怎样的变化？

	变化非常大	变化比较大	变化很小	没有变化	我不知道
员工的工资提高了					
我提高了对强迫劳动的认识					
加班减少了					
安全健康状况改善了					
产品质量提高了					
工伤事故率降低了					
相比过去工资发放更准时了					
我提高了对歧视的认识					
劳动生产率提高了：我们能在相同时间内生产出更多的产品					
我提高了对童工的认识					
员工离职/辞职的情况减少了					

14) 你觉得员工对于工厂劳动条件的改善有多大的发言权？

非常大	比较大	比较小	很小	我不知道

15) 过去一年半中发生了哪些变化？你在多大程度上认可下面的说法？

	完全同意	基本同意	不怎么同意	完全不同意
我对管理层更加信任了				
管理层和员工的关系得到了改善				
我对自己享有的劳工权益有了更深的认识				
我会更加努力地做好自己的工作				

16) 你在多大程度上同意或反对下面的说法？

	完全同意	基本同意	不怎么同意	完全不同意
员工掌握相关的知识，可以解决相关问题，从而改善工厂的劳动条件				
对于如何改善工厂的劳动条件，我有很多想法				

17) 对于WE项目员工代表所做的工作，你觉得满意吗？

非常满意	满意	不满意	非常不满意

18） 你觉得WE项目员工代表代表了你的利益吗？下面哪一种说法你最为认同？

他们代表了员工的利益	他们代表了员工以及他们自身的利益	他们只代表了他们自身的利益	我不知道

19）你愿意当一名员工代表吗？ ☐ 愿意 ☐ 不愿意

20） 在过去的一年半中，你是否接受过工厂提供的下列培训？可以多选。

安全与健康	减少加班
工资	员工参与
歧视	生产/操作技能
强迫劳动	童工

21） 你多久会有机会参加一次工厂的培训？

一个月一次或更多	每两个月一次	每半年一次	超过半年才有一次	从未有过

22） 我想参加更多的培训。

完全同意	基本同意	不怎么同意	完全不同意

23） 你觉得自己在WE项目结束后是否会有机会参与工厂的决策？

肯定会	多半会	多半不会	肯定不会	我不知道

24） 你是否同意下列这些说法?

	完全同意	基本同意	不怎么同意	完全不同意
通过员工参与可以改善工厂的劳动条件				
我担心自己和管理人员讨论敏感问题会产生不利的后果				
员工对工厂的决策有影响力是件好事				
我喜欢和管理人员交谈				
我觉得自己的意见得到了管理人员的认可				

25) 你觉得WE项目员工代表要做好他们的工作，目前最需要哪一方面的支持？请单选。

☐ 高层的重视与支持
☐ 有更多时间收集员工的意见和想法
☐ 有更多时间与其他员工代表交换意见
☐ 能更多地参与相关的改善工作组（如安全健康委员会、福利委员会等）
☐ 更好的设施（会议室、笔记本、可擦写白板、上网设施等）
☐ 在最终决策阶段获得更多影响力
☐ 他们不需要任何进一步的支持

26) 你对下面这些说法怎么看？

	完全同意	基本同意	不怎么同意	完全不同意
我不喜欢我的工作，可我也不应该期望太高				
我非常喜欢现在的工作				
我的工作单调乏味、一成不变，我自己对此无能为力				
我的工作非常有趣而且令人满意				
我的工作中有足够的机会让我充分发挥自己的才干				
我对工厂提供的晋升机会感到满意				
我对工作的强度感到满意				
我对工厂的劳动条件感到满意				

27) 我是 ☐ 女性 ☐ 男性

28) 你的年龄?

小于20岁	20-25岁	26-30 岁	31-35岁	35岁以上

29) 你在这家工厂总共工作了多长时间?

少于6个月	6-12 个月	1-2 年	3-5 年	5年以上

30) 你的学历?

小学	初中	高中	职业学校/中专	大专/大学

31) 我是 ☐ 外来务工人员 ☐ 本地员工

32) 你是工会委员/代表吗? ☐ 是 ☐ 不是

33) 我是 ☐ 基层主管（包括小组长） ☐ 一线员工

Questionnaire for Workers (Six Factories)

1) In general, how do you express your opinion in the factory? Tick all applicable answers.

- ☐ Participating in surveys
- ☐ Talking to superiors
- ☐ Meeting in working groups with other workers and/or managers
- ☐ Talking to WE Project worker representatives
- ☐ Talking to trade union representatives
- ☐ Using suggestion box
- ☐ Generally not at all

2) How often do you talk with WE Project worker representatives about problems in the factory?

once a week or more	once every two weeks	once a month	less than once a month	never

3) About which topics do you talk to WE Project worker representatives most often? Please tick the 3 most frequently discussed topics. If you don't talk to worker representatives tick only the last answer.

Health and safety issues	Overtime
Wages	Working contracts
Discrimination	Welfare (entertainment, dormitories, food)
Forced labour	Production
Child labour	Product quality
Communication with management	Other topics
I don't talk to WE Project worker representatives.	

4) In general, do you get feedback on your opinions and contributions?

always	often	rarely	never

5) Do you have access to documentation about decisions made by WE Project worker representation and management?

definitely yes	probably yes	probably not	definitely not	I don't know

6) To what extent you are involved in the improvement/decision-making process in the factory?

	I'm not involved at all	I'm informed about the matter	I can give my opinion	I discuss with manage-ment, but they decide	I take part in decision-making equally
Wages					
Training of workers					
Handling grievances					
Discrimination					
Health and safety					
Preventing forced labour					
Preventing child labour					
Overtime					
Production flow					
Quality of products					
Welfare					

7) Do you wish to give management more suggestions for improvement in the future?

definitely yes	probably yes	probably not	definitely not

8) Does the company have written policies on worker participation?

☐ Yes ☐ No ☐ I don't know

9) Under the current financial situation, do you think the factory is able to spend more money to improve labour conditions?

definitely yes	probably yes	probably not	definitely not	I don't know

10) Which topics have you discussed with management? Have you been satisfied with the result?

Issue	Discussed with manage-ment?		If yes; the outcome for workers was …				
	Yes	No	very satisfactory	fairly satisfactory	somewhat dis-satisfactory	very dis-satisfactory	I don't know
Health and Safety							
Wages							
Discrimination							
Overtime							
Child labour							
Forced labour							
Production							
Product quality							
Welfare							
Worker participation							

11) What has changed in the past one and a half years/since you enter the factory?

	very much	much	a little	no change	I don't know
Wages have increased in my factory.					
My awareness of forced labour has increased.					
Overtime has been reduced.					
Health and safety conditions have been enhanced.					
Quality of products has been improved.					
Accident rate has been reduced.					
Wages are paid on time more often than before.					
My awareness of discriminatory practice has increased.					
Productivity has increased. We produce more pieces in the same time.					
My awareness of child labour has increased.					
Workers quit their jobs less often.					

12) How much influence do you think workers have upon improvement of labour conditions in the factory?

very much	much	a little	very little	I don't know

13) What has changed in the past one and a half years/since you came to the factory? To what extent do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
I have greater trust in management.				
The relationship between managers and workers has been enhanced.				
I know more about my labour rights.				
I'm more committed to my job.				

14) To what extent do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
Workers have the knowledge to solve relevant problems so that the factory's labour conditions can be improved.				
I have many ideas how to improve labour conditions.				

15) How satisfied are you with the work of WE Project worker representatives?

very satisfied	satisfied	dissatisfied	very dissatisfied

16) Do you think WE Project worker representatives are representing your interests? Which statement do you support most?

They are representing workers' interests.	They are representing workers' interests and their own interests.	They are only repre-senting their interests.	I don't know

17) Would you like to be a worker representative? ☐ Yes ☐ No

18) During the last one and a half years/since you came to the factory, have you ever received training in the factory on the following fields? Tick all applicable answers.

Health and Safety	Overtime
Wages	Worker participation
Discrimination	Production/Working skills
Forced labour	Child labour

19) How often do you take part in training sessions?

once a month or more	once every two months	once every six months	less than once every six months	never

20) I would like to attend more training sessions.

definitely agree	mostly agree	hardly agree	do not agree

21) Do you think you will get the opportunity to participate in decision-making process after the WE Project is over?

definitely yes	probably yes	probably not	definitely not	I don't know

22) Do you agree or disagree with the following statements?

	definitely agree	mostly agree	hardly agree	do not agree
Through worker participation labour conditions can be improved.				
I fear negative consequences if I talk about sensitive issues with management.				
It is good that workers influence decision-making.				
I like to talk to management.				
I have the feeling that my opinion is acknowledged by management.				

23) What do you think which support do WE Project worker representatives currently need for their work? Tick the most relevant answer.

- ☐ More commitment by top management
- ☐ More time to consult workers
- ☐ More time to meet other worker representatives
- ☐ More integration into committees
- ☐ Better equipment (meeting room, notice book, white board, internet access, etc.)
- ☐ More influence in decision-making
- ☐ They don't need any additional support
- ☐ I don't know

24) Do you agree or disagree with the following statements?

	definite-ly agree	mostly agree	hardly agree	do not agree
I don't like my job but I shouldn't expect too much.				
I really enjoy my work.				
My work is quite monotonous; there is nothing I can do about it.				
My work is really interesting and satisfactory.				
There are enough opportunities during my work to make use of all my abilities.				
I'm satisfied with promotion opportunities.				
I'm satisfied with working intensity.				
I'm satisfied with labour conditions.				

25) I'm ☐ female ☐ male

26) How old are you?

younger than 20 years	20-25 years	26-30 years	31-35 years	older than 35

27) How long have you been working in this factory?

less than 6 months	6-12 months	1-2 years	3-5 years	more than 5 years

28) What level of education have you completed?

Primary School	Middle School	High School	Vocational School	University

29) I'm a ☐ migrant worker ☐ local worker

30) Are you a trade union representative? ☐ Yes ☐ No

31) I'm a ☐ supervisor (incl. group leader) ☐ production floor worker

员工问卷

1) 一般情况下，你在工厂里有哪些渠道可以表达自己的意见和想法？可以多选。

☐ 参加问卷调查
☐ 与主管沟通
☐ 与其他员工和/或管理人员一起开会
☐ 与WE项目员工代表沟通
☐ 与工会代表沟通
☐ 使用意见箱
☐ 我一般不发表意见

2) 你是否经常和WE项目员工代表反映自己工作/生活中的问题？

一周一次或更多	每两周一次	一个月一次	超过一个月才有一次	从未有过

3) 你和员工代表谈论最多的是哪些方面的话题？请从下面的选项中选择三个 最经常讨论的话题。如果你从来没有和员工代表沟通过，请勾选最后一项。

健康和安全事项	加班
工资	劳动合同
歧视	福利（娱乐、宿舍、餐食）
强迫劳动	生产流程
童工	产品质量
与经理部门沟通	其他话题
我没有和WE项目员工代表沟通过	

4) 一般来讲，你提出意见和想法后会得到回音吗？

总是	经常	很少	从未有过

5) 你能否知道WE项目员工代表和管理层所做的决定？

完全可以	多半可以	多半不行	完全不行	我不知道

6） 在下列事项上，你在何种程度上参与了工厂的改善？

	我完全不参与	我被告知相关信息	我可以提出自己的意见	我和管理人员讨论问题，但他们做决定	我和管理人员共同做决定
工资					
员工培训					
处理申诉					
反歧视					
职业安全与健康					
禁止强迫劳动					
禁止童工					
加班					
生产流程					
产品质量					
福利					

7） 你希望将来可以给管理层更多的改善建议吗？

肯定希望	比较希望	不怎么希望	完全不希望

8） 工厂有没有关于员工参与的书面制度？

☐ 有 ☐ 没有 ☐ 我不知道

9） 在目前的财务状况下，你觉得工厂能否投资更多的钱来改善劳动条件？

完全可以	多半可以	多半不行	完全不行	我不知道

10） 下列哪些事项你曾经和管理人员谈论过？你对后续处理的结果满意吗？

事项	与管理人员讨论过吗？		如果有，你对处理结果的评价是…				
	有	没有	非常满意	比较满意	有些不满	非常不满	我不知道
安全与健康							
工资							
歧视							
加班							
童工							
强迫劳动							
生产流程							
产品质量							
福利							
员工参与							

11） 在过去一年半中/从你进厂到现在，工厂发生了怎样的变化？

	变化非常大	变化很大	变化很小	没有变化	我不知道
员工的工资提高了					
我提高了对强迫劳动的认识					
加班减少了					
安全健康状况改善了					
产品质量提高了					
工伤事故率降低了					
相比过去工资发放更准时了					
我提高了对歧视的认识					
劳动生产率提高了：我们能在相同时间内生产出更多的产品					
我提高了对童工的认识					
员工离职/辞职的情况减少了					

12）你觉得员工对于工厂劳动条件的改善有多大的发言权？

非常大	很大	比较小	很小	我不知道

13) 在过去一年半中/从你进厂到现在，工厂有变化吗？你在多大程度上认可下面的说法？

	完全同意	基本同意	不怎么同意	完全不同意
我对管理层更加信任了				
管理层和员工的关系得到了改善				
我对自己享有的劳工权益有了更深的认识				
我会更加努力地做好自己的工作				

14) 你在多大程度上同意或反对下面的说法？

	完全同意	基本同意	不怎么同意	完全不同意
员工掌握相关的知识，可以解决相关问题，从而改善工厂的劳动条件				
对于如何改善工厂的劳动条件，我有很多想法				

15) 对于WE项目员工代表所做的工作，你觉得满意吗？

非常满意	满意	不满意	非常不满意

16) 你觉得WE项目员工代表代表了你的利益吗？下面哪一种说法你最为认同？

他们代表了员工的利益	他们代表了员工以及他们自身的利益	他们只代表了他们自身的利益	我不知道

17) 你愿意当一名员工代表吗？ 愿意 ☐ 不愿意 ☐

18) 在过去的一年半中，你是否接受过工厂提供的下列培训？可以多选。

安全与健康	加班
工资	员工参与
歧视	生产/操作技能
强迫劳动	童工

19) 你多久会有机会参加一次工厂的培训？

一个月一次或更多	每两个月一次	每半年一次	超过半年才有一次	从未有过

20) 我想参加更多的培训。

完全同意	基本同意	不怎么同意	完全不同意

21) 你觉得自己在WE项目结束后是否会有机会参与工厂的决策过程？

肯定会	多半会	多半不会	肯定不会	我不知道

22) 你是否同意下列这些说法?

	完全同意	基本同意	不怎么同意	完全不同意
通过员工参与可以改善工厂的劳动条件				
我担心自己和管理人员讨论敏感问题会产生不利的后果				
员工对工厂的决策有影响力是件好事				
我喜欢和管理人员交谈				
我觉得自己的意见得到了管理人员的认可				

23) 你觉得WE项目员工代表要做好他们的工作，目前最需要哪一方面的支持？请单选。

- ☐ 高层的重视与支持
- ☐ 有更多时间收集员工的意见和想法
- ☐ 有更多时间与其他员工代表交换意见
- ☐ 能更多地参与相关的改善工作组（如安全健康委员会、福利委员会等）
- ☐ 更好的设施（会议室、笔记本、可擦写白板、上网设施等）
- ☐ 在最终决策阶段获得更多影响力
- ☐ 他们不需要任何进一步的支持
- ☐ 我不知道

24) 你对下面这些说法怎么看？

	完全同意	基本同意	不怎么同意	完全不同意
我不喜欢我的工作，可我也不应该期望太高				
我非常喜欢现在的工作				
我的工作单调乏味、一成不变，我自己对此无能为力				
我的工作非常有趣而且令人满意				
我的工作中有足够的机会让我充分发挥自己的才干				
我对工厂提供的晋升机会感到满意				
我对工作的强度感到满意				
我对工厂的劳动条件感到满意				

25) 我是 ☐ 女性 ☐ 男性

26) 你的年龄?

小于20岁	20-25岁	26-30 岁	31-35岁	35岁以上

27) 你在这家工厂总共工作了多长时间?

少于6个月	6-12 个月	1-2 年	3-5 年	5年以上

28) 你的学历?

小学	初中	高中	职业学校/中专	大专/大学

29) 我是 ☐ 外来务工人员 ☐ 本地员工

30) 你是工会委员/代表吗? ☐ 是 ☐ 不是

31) 我是 ☐ 基层主管（包括小组长） ☐ 一线员工