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Worker-Management Relations

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Key Findings

- This brief examines relations between workers and supervisors, including abuse and available channels of communication for reporting issues.
- At the baseline, Better Work factories were more likely to have unions, collective bargaining agreements, and worker-manager committees.
- At the endline, all factories in Vietnam are less likely to have collective bargaining agreements and worker-management committees. Workers over time are less likely to be part of a union and less likely to feel comfortable approaching their coworkers for help, yet these effects are not mitigated by Better Work.
- There are detrimental effects of time on worker support systems in Vietnam, mitigated by Better Work only in the case of reducing frequency of yelling at workers.
- Although Better Work factories maintain numerous support systems such as unions and collective bargaining agreements, over time, all workers feel less comfortable approaching numerous support systems for complaints or concerns about work.

Worker-management relations capture a number of measures indicative of a positive environment for workers. This section looks at the communication between workers and their managers and supervisors, including verbal abuse, and how workers feel about those interactions. It also addresses the organizations that support workers and the grievance procedures in place for workers to report problems.

Baseline SEM analysis suggests that verbal abuse and negative feelings surrounding supervisor interactions are linked to lower life satisfaction and increased turnover intention.

Summary statistics for Vietnam in Table 1 and Indonesia in Table 2 suggest that Better Work employees at baseline tended to have better worker-management relations than non-Better Work employees in many aspects, with almost identical results across countries. Better Work employees were more likely to believe that their management listens to ideas and complaints and that they can get all the information related to their work from supervisors and HR. They were less likely to be yelled at by their supervisors and made to feel unimportant or angry. Better Work factories were more likely to have unions, collective bargaining agreements, and worker-manager committees, which are all indicative of communication and compromise between employer and employee. In terms of work support systems, Better Work employees in Vietnam were more likely to be part of a union; however, we do not observe this result in Indonesia. Better Work employees in both countries felt more comfortable going to HR, trade unions, and worker-manager committees with complaints or concerns about work, while in Indonesia, Better Work employees were also more comfortable going to complaint boxes and their supervisors.

Variable Definitions

- *Management_Listen*: Measures worker belief that management always listens to ideas and complaints (agreescale)
- *Sup_HR_Information*: Measure of how easy workers can get information related to work from supervisor or HR (agreescale)

- *Acceptable_Yell*: Measure of how acceptable yelling at workers is within the factory (commonscale)
- *Supervisor_Yell*: Measure of how often a supervisor yells at a worker to work faster or for making a mistake (commonscale)
- *Unimportant*: Measure of how often a worker feels small or unimportant after talking to a supervisor (commonscale)
- *Angry*: Measure of how often a worker feels angry or frustrated after talking to a supervisor (commonscale)
- *Factory_Union*: Factory has a union (binary)
- *Factory_Bargaining*: Factory has a collective bargaining agreement (binary)
- *Factory_Committee*: Factory has a worker-manager committee (binary)
- *Union*: Worker is the member of a union (binary)
- *Union_Termination*: Measures if it is likely that a worker will be fired if they join a union (binary)
- *Coworker_Help*: Measure of a worker's comfort in seeking help from a co-worker with complaints or concerns about work (comfortscale)
- *HR_Help*: Measure of a worker's comfort in seeking help from HR with complaints or concerns about work (comfortscale)
- *Trade_Union_Help*: Measure of a worker's comfort in seeking help from the trade union with complaints or concerns about work (comfortscale)
- *Committee_Help*: Measure of a worker's comfort in seeking help from a worker-manager committee with complaints or concerns about work (comfortscale)
- *ComplaintBox_Help*: Measure of a worker's comfort in seeking help through a complaint box with complaints or concerns about work (comfortscale)
- *Supervisor_Help*: Measure of a worker's comfort in seeking help from a supervisor with complaints or concerns about work (comfortscale)

Table 1 Vietnam Baseline Worker-Management Relations Summary Statistics

VARIABLES	Better Work Factories					Non-Better Work Factories					Mean Difference
	N	mean	sd	min	max	N	mean	sd	min	max	
<i>Management_Listen</i>	678	3.928	0.670	1	5	651	3.848	0.796	1	5	0.08**
<i>Supervisor_HR_Information</i>	677	4.004	0.512	1	5	654	3.901	0.696	1	5	0.103***
<i>Acceptable_Yell</i>	674	2.932	1.067	1	5	643	2.978	1.131	1	5	-0.046
<i>Supervisor_Yell</i>	677	2.034	1.087	1	5	649	2.149	1.139	1	5	-0.115*
<i>Unimportant</i>	681	1.286	0.698	1	4	652	1.371	0.772	1	5	-0.085**
<i>Angry</i>	682	1.491	0.831	1	5	651	1.596	0.915	1	5	-0.105**
<i>Factory_Union</i>	682	0.997	0.0541	0	1	646	0.941	0.235	0	1	0.056***
<i>Factory_Bargaining</i>	608	0.901	0.298	0	1	576	0.811	0.392	0	1	0.09***
<i>Factory_Committee</i>	602	0.890	0.313	0	1	582	0.813	0.390	0	1	0.077***
<i>Union</i>	682	0.629	0.483	0	1	645	0.558	0.497	0	1	0.071***
<i>Union_Termination</i>	618	0.0680	0.252	0	1	597	0.0787	0.270	0	1	-0.0107
<i>Coworker_Help</i>	673	3.982	0.869	1	5	643	4.006	0.807	1	5	-0.024
<i>HR_Help</i>	632	3.677	0.910	1	5	591	3.538	0.868	1	5	0.139***
<i>Trade_Union_Help</i>	626	3.840	0.885	1	5	559	3.673	0.879	1	5	0.167***
<i>Committee_Help</i>	574	3.713	0.870	1	5	541	3.556	0.845	1	5	0.157***
<i>ComplaintBox_Help</i>	544	3.779	0.887	1	5	510	3.720	0.858	1	5	0.059
<i>Supervisor_Help</i>	680	3.788	0.873	1	5	649	3.758	0.878	1	5	0.03

*** p<0.01, ** p<0.05, * p<0.1

Table 2 Indonesia Baseline Worker-Management Relations Summary Statistics

VARIABLES	Better Work Factories					Non-Better Work Factories					Mean Difference
	N	mean	sd	min	max	N	mean	sd	min	max	
<i>Management_Listen</i>	188	3.415	0.813	1	5	190	3.068	1.064	1	5	0.347***
<i>Supervisor_HR_Information</i>	200	3.545	0.722	1	5	183	3.230	1.012	1	5	0.315***
<i>Acceptable_Yell</i>	201	2.313	1.033	1	5	200	2.445	1.016	1	5	-0.132
<i>Supervisor_Yell</i>	203	1.857	0.957	1	5	202	2.054	0.953	1	5	-0.197**
<i>Unimportant</i>	202	1.530	0.893	1	5	202	1.817	0.993	1	5	-0.287***
<i>Angry</i>	203	1.488	0.864	1	5	202	1.673	0.859	1	4	-0.185**
<i>Factory_Union</i>	199	0.945	0.229	0	1	190	0.758	0.429	0	1	0.187***
<i>Factory_Bargaining</i>	196	0.888	0.316	0	1	181	0.707	0.456	0	1	0.181***
<i>Factory_Committee</i>	138	0.848	0.360	0	1	144	0.639	0.482	0	1	0.209***
<i>Union</i>	202	0.624	0.486	0	1	200	0.545	0.499	0	1	0.079
<i>Union_Termination</i>	171	0.304	0.461	0	1	167	0.234	0.424	0	1	0.07
<i>Coworker_Help</i>	199	4.141	0.943	1	5	201	4.065	1.025	1	5	0.076
<i>HR_Help</i>	195	3.672	1.048	1	5	193	3.399	1.114	1	5	0.273**
<i>Trade_Union_Help</i>	193	3.824	1.104	1	5	188	3.580	1.228	1	5	0.244**
<i>Committee_Help</i>	170	3.506	1.095	1	5	161	3.292	1.202	1	5	0.214*
<i>ComplaintBox_Help</i>	193	3.674	1.156	1	5	172	3.401	1.250	1	5	0.273**
<i>Supervisor_Help</i>	197	3.701	1.119	1	5	201	3.050	1.399	1	5	0.651***

*** p<0.01, ** p<0.05, * p<0.1

Regression Results

Tables 3-5 support the significant coefficients that we saw in the Vietnam summary statistics on the variables *Supervisor_HR_Information*, *Factory_Union*, *Factory_Bargaining*, *Factory_Committee*, *HR_Help*, *Trade_Union_Help*, and *Committee Help*. When controlling for demographic variables, we see that significance of *bw_factory* on the variables *Management_Listen*, *Supervisor_Yell*, *Unimportant*, *Angry*, and *Union* at baseline disappear. This shows that in Vietnam, these worker-management and worker support factors may be explained away by demographic differences between factory types.

We find that there are detrimental effects of time on worker support systems in Vietnam. At endline, all factories are less likely to have collective bargaining agreements and worker-management committees. We also find that workers over time are less likely to be part of a union and less likely to feel comfortable approaching their coworkers for help. Unfortunately, we see these effects are not mitigated by Better Work. The only instance where Better Work employment seems to be advantageous at endline is in column 3 of Table 3, where we see that yelling at workers becomes less acceptable in Better Work factories over time.

Table 3 Vietnam Worker-Management Relations Regression Results (1)

VARIABLES	(1) <i>Supervisor_ HR_ Information</i>	(2) <i>Supervisor_ HR_ Information</i>	(3) <i>Acceptable_ Yell</i>	(4) <i>Acceptable_ Yell</i>	(5) <i>Factory_ Union</i>	(6) <i>Factory_ Union</i>	(7) <i>Factory_ Bargaining</i>	(8) <i>Factory_ Bargaining</i>
<i>bw_factory</i>	0.102*** (0.0376)	-	-0.0393 (0.0808)	-	0.0526*** (0.0193)	-	0.0790** (0.0324)	-
<i>endline</i>	-0.000316 (0.0365)	0.0123 (0.0456)	0.0831 (0.0648)	0.0499 (0.0693)	0.00263 (0.0107)	0.00695 (0.0151)	0.0402 (0.0252)	0.0465* (0.0263)
<i>bw_endline</i>	-0.0396 (0.0521)	-0.0299 (0.0525)	-0.171* (0.0931)	-0.152 (0.0921)	-0.00909 (0.0125)	-0.0109 (0.0128)	-0.0301 (0.0318)	-0.0252 (0.0320)
Constant	3.632*** (0.425)	4.227*** (0.672)	2.437*** (0.308)	2.568*** (0.807)	1.107*** (0.0928)	1.233*** (0.330)	0.737*** -0.167	0.973*** (0.229)
Worker Time Effects	RE	FE	RE	FE	RE	FE	RE	FE
Observations	2,535	2,535	2,526	2,526	2,521	2,521	2286	2,286
R-squared		0.015		0.020		0.036		0.025
Number of uniqueID	1,333	1,333	1,332	1,332	1,334	1,334	1,300	1,300

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 4 Vietnam Worker-Management Relations Regression Results (2)

VARIABLES	(1) <i>Factory_</i> <i>Committee</i>	(2) <i>Factory_</i> <i>Committee</i>	(3) <i>Union</i>	(4) <i>Union</i>	(5) <i>Coworker_</i> <i>Help</i>	(6) <i>Coworker_</i> <i>Help</i>	(7) <i>HR_</i> <i>Help</i>	(8) <i>HR_</i> <i>Help</i>
<i>bw_factory</i>	0.0704** (0.0343)	-	0.0745 (0.0733)	-	-0.0246 (0.0635)	-	0.139* (0.0828)	-
<i>endline</i>	-0.0641** (0.0322)	-0.0432 (0.0307)	-0.390*** (0.0432)	-0.426*** (0.0516)	-0.0934 (0.0573)	-0.137* (0.0702)	0.0988 (0.0640)	0.0965 (0.0721)
<i>bw_endline</i>	0.0181 (0.0427)	0.0251 (0.0440)	-0.0727 (0.0677)	-0.0410 (0.0698)	0.124 (0.0854)	0.126 (0.0852)	0.0528 (0.0794)	0.0791 (0.0801)
Constant	0.638*** (0.197)	1.027*** (0.308)	0.214 (0.191)	0.226 (0.659)	3.689*** (0.309)	3.606*** (0.730)	3.156*** (0.316)	3.918*** (0.911)
Worker Time Effects	RE	FE	RE	FE	RE	FE	RE	FE
Observations	2,201	2,201	2,544	2,544	2,527	2,527	2,378	2,378
R-squared		0.041		0.353		0.022		0.038
Number of uniqueID	1,285	1,285	1,335	1,335	1,333	1,333	1,312	1,312

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 5 Vietnam Worker-Management Relations Regression Results (3)

VARIABLES	(1) <i>Trade_Union_Help</i>	(2) <i>Trade_Union_Help</i>	(3) <i>Committee_Help</i>	(4) <i>Committee_Help</i>
<i>bw_factory</i>	0.162* (0.0843)	-	0.158** (0.0754)	-
<i>endline</i>	0.0681 (0.0720)	0.0412 (0.0850)	0.129 (0.0801)	0.103 (0.0902)
<i>bw_endline</i>	0.0344 (0.0862)	0.0613 (0.0883)	-0.0182 (0.0939)	-0.00627 (0.103)
Constant	3.234*** (0.303)	4.215*** (0.847)	3.039*** (0.306)	2.971*** (0.841)
Worker Time Effects	RE	FE	RE	FE
Observations	2,341	2,341	2,148	2,148
R-squared		0.042		0.032
Number of uniqueID	1,302	1,302	1,269	1,269

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Tables 6 and 7 support some of the significant coefficients we saw in the summary statistics, such as those on the variables *Factory_Union*, *Factory_Bargaining*, *Factory_Committee*, *Trade_Union_Help*, and *Supervisor_Help*. When we control for demographic variables, we see that the significant effect of *bw_factory* on the variables *Management_Listen*, *Supervisor_HR_Information*, *Supervisor_Yell*, *Unimportant*, *Angry*, *HR_Help*, *Committee_Help*, and *ComplaintBox_Help* disappears. This shows that these differences at baseline may be partially or completely explained away by demographic differences between factories.

We observe numerous time effects on worker-management relations and worker support systems in Indonesia. Both Better Work and non-Better Work employees feel less comfortable approaching coworkers, HR, trade unions, worker-management committees, and supervisors for support at endline. Better Work workers are relatively more comfortable compared to non-Better Work workers, but are less comfortable seeking help than they were at the baseline. In the case of *Factory_Committee*, we see that although Better Work employees start off feeling more comfortable going to worker-management committees, this advantaged disappears over time and converges to non-Better Work levels. The narrative we observe is that although Better Work factories maintain numerous support systems such as unions and collective bargaining agreements, over time, all workers feel less comfortable approaching numerous support systems for complaints or concerns about work.

Table 6 Indonesia Worker-Management Relations Regression Results (1)

VARIABLES	(1) <i>Factory_Union</i>	(2) <i>Factory_Union</i>	(3) <i>Factory_Bargaining</i>	(4) <i>Factory_Bargaining</i>	(5) <i>Factory_Committee</i>	(6) <i>Factory_Committee</i>	(7) <i>Coworker_Help</i>	(8) <i>Coworker_Help</i>
<i>bw_factory</i>	0.205** (0.0951)	-	0.228** (0.109)	-	0.256** (0.128)	-	0.0896 (0.158)	-
<i>endline</i>	-0.00805 (0.0831)	-0.0160 (0.0711)	-0.0316 (0.0933)	-0.0286 (0.0877)	-0.0911 (0.0879)	-0.116 (0.0850)	-0.407*** (0.108)	-0.476*** (0.117)
<i>bw_endline</i>	-0.00484 (0.0967)	-0.00911 (0.0862)	-0.189 (0.118)	-0.165 (0.106)	-0.249** (0.121)	-0.225* (0.124)	0.151 (0.160)	0.148 (0.165)
Constant	0.404 (0.336)	0.848*** (0.200)	0.697*** (0.158)	0.966** (0.373)	1.187*** (0.262)	1.114*** (0.313)	5.334*** (0.308)	4.200*** (0.675)
Worker Time Effects	RE	FE	RE	FE	RE	FE	RE	FE
Observations	746	746	731	731	627	627	762	762
R-squared		0.234		0.184		0.303		0.119
Number of uniqueID	407	407	406	406	380	380	408	408

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 7 Indonesia Worker-Management Relations Regression Results (2)

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<i>HR_Help</i>	<i>HR_Help</i>	<i>Trade_Union_Help</i>	<i>Trade_Union_Help</i>	<i>Committee_Help</i>	<i>Committee_Help</i>	<i>Supervisor_Help</i>	<i>Supervisor_Help</i>
<i>bw_factory</i>	0.262 (0.211)	-	0.364* (0.212)	-	0.305 (0.197)	-	0.561** (0.244)	-
<i>endline</i>	-0.575*** (0.188)	-0.529*** (0.167)	-0.367* (0.219)	-0.347 (0.211)	-0.299* (0.181)	-0.279 (0.177)	-0.479* (0.288)	-0.539* (0.297)
<i>bw_endline</i>	-0.175 (0.292)	-0.138 (0.285)	-0.297 (0.290)	-0.274 (0.260)	-0.282 (0.261)	-0.199 (0.266)	-0.378 (0.410)	-0.249 (0.438)
Constant	2.616*** (0.538)	5.099*** (0.777)	3.014*** (0.384)	4.263*** (0.866)	3.245*** (0.478)	3.005*** (0.609)	3.999*** (0.820)	5.827*** (0.548)
Worker Time Effects	RE	FE	RE	FE	RE	FE	RE	FE
Observations	750	750	744	744	694	694	760	760
R-squared		0.195		0.243		0.185		0.168
Number of uniqueID	408	408	407	407	398	398	407	407

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1