

Who Complies? Beliefs, Norms, Dehumanization, Mindset

Evidence from Better Factories Cambodia

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**Abstract**

This paper investigates whether there exists an interaction between social psychological manager characteristics and a factory manager’s social compliance choices in Cambodian apparel and footwear factories. We identify four mechanisms through which Better Factories Cambodia (BFC) could affect the choice of a factory manager to reduce noncompliance.

First, BFC promotes positive social norms within the factory and the industry concerning the humane treatment of workers and these norms are correlated with lower noncompliance.

Second, BFC highlights for factories points where the abuse of workers has become a factory and industry social norm. This information appears to have been in conflict with manager personal beliefs. Managers relieved the cognitive dissonance between industry norms and personal beliefs by reducing noncompliance.

Third, dehumanization of workers by managers predicts noncompliance. However, BFC does not reduce dehumanization, suggesting that rehumanization exercises such as perspective taking may promote a decision to comply.

Fourth, BFC has attempted to engage factories by making a business case for compliance. Social compliance reflects human resource innovations that are both more humane and more profitable. Curiously, factories that embrace these innovative ideas actually go on to be more noncompliant at the next assessment. It is only in cases where there is a new realization about the benefits of HR innovations that noncompliance rates fall. It is possible that factory managers buy into the concept of HR innovations and firm performance but they do not realize that they are not effectively implementing their business strategy. If that is the case, BFC has another point of entry in using the outcome of an assessment to help factories improve on their execution of their own business strategy. However, we did not find evidence that BFC is changing hearts and minds on the business benefits of humane HR innovations.

Factory managers are not under so much cognitive load that they do not have the necessary organizational resources to become compliant. Compliance does increase cognitive load, but not to the point at which managers feel overwhelmed by their jobs. Rather, to the extent that cognitive resources are a constraint, failure to comply appears to be associated with a fixed mindset.

# **Introduction**

Harsh working conditions in global supply chains, including low wages, long working hours, an unsanitary working environment and verbal and physical abuse have proven difficult to remediate. Managers may simply lack knowledge of innovations in modern human resource management. It is also clear that many factory managers believe that improving conditions could lower profits (Harrison and Scorse, 2010). However, there is significant cross-manager heterogeneity in their social compliance decisions, suggesting that idiosyncratic manager characteristics might affect the choice of the management system reflected in social compliance.

In the economics and management literature, manager heterogeneity is often described in terms of skill, expertise or intelligence. The social psychology, in contrast, focuses on personality characteristics and the social environment. In this study, we explore whether certain manager personality characteristics affect a manager’s management style particularly as it relates to human resource manage choice and its implications for social compliance.

The data that was used for analysis was collected from the Better Factories Cambodia (BFC) impact evaluation. BFC conducts annual social compliance assessments of working conditions in all footwear and apparel factories in Cambodia that have an export license. During the course of the study period, factories were randomly assigned to one of several assessment and data collection timelines, allowing us to identify the effect of assessments on manager characteristics.

We begin first by determining whether social compliance improves with each assessment. We then explore whether a set of manager characteristics predict improvements in social compliance and in which compliance categories. In the case of those manager characteristics that do predict compliance, we then employ the random assignment to assessment and data collection timeline to test for whether BFC is impacting those manager characteristics that predict social compliance.

Below, we review the literature on manager characteristics that might affect compliance choices. We then turn to the analytical framework and experimental design, data collection and results. Conclusions follow.

# **Literature Review**

There is an important question about the factors that determine whether a factory manager makes a decision to comply with social audits. Our purpose here is to discuss the contribution of characteristics that may be a factor. The Literature on the following traits, perceptions, and social environment will be discussed. Based on the data we have, the manager traits included in the literature review are cognitive load and fixed mindset. As it is a fundamental principle that human behavior is partially driven by what we think, we omitted the literature reviews on how beliefs can influence behavior. The perception I am focusing on includes dehumanization. The works on the social environment I included mainly focus on the social norms and organizational tolerance.

*Cognitive Load*. Cognitive load refers to the cognitive effort required to process information (Sweller, 1988 ). It contains three sub-categories: intrinsic cognitive load, extraneous cognitive load and germane cognitive load (Chandler and Sweller 1991; Sweller, van Merrienboer and Paas,1998). Intrinsic cognitive load depends on the nature of the task, which is determined by the interconnectivity of the elements that need to be learned (Sweller, 1998; Paas, Renkl and Sweller, 2003). Extraneous cognitive load relies on the way the task is presented, and the amount of extraneous cognitive load can be altered by instructional interventions (Paas et al., 2003; Sweller, 1998). Germane cognitive load is formed during schema formation, which can help with learning and gaining new knowledge (Paas et al., 2003; Sweller, 1998).

Cognitive load is affected by task difficulty, time pressure and arousal (Ayres, 2006; Backs and Seljos, 1994; Folkard, Knauth, Monk and Rutenfranz, 1976; Folkard, 1979; Folkard and Monk, 1980; Galy, Cariou, Mélan, 2012; Inzana, Driskell, Salas and Johnson, 1996; Monk and Embrey, 1981; Sweller and Chandler, 1994). Task difficulty depends on the number of elements that need to be processed simultaneously and the interconnectivity of the elements. When the elements being presented to the individual increases beyond a threshold and the elements are loosely connected to one another, the individual has a high cognitive load (Ayres, 2006; Galy, E. et al., Cariou, M., Mélan C., 2012; Sweller and Chandler, 1994). When faced with a time crunch, individuals perform worse on tasks and experience higher cognitive load by devoting more attention resources on the task (Backs and Seljos, 1994; Inzana et al., 1996;). According to Galy et al. (2012), time pressure and task difficulty have an additive effect on cognitive load; the cognitive load is high when both task difficulty and time pressure are high. In a high arousal state, individuals perform better on tasks involving complex cognitive processing (Folkard, 1979; Folkard et al., 1976; Folkard and Monk, 1980).

Cognitive load influences an individual’s behavior and shapes their perceptions of others. As indicated by Darley and Batson (1973), individuals with high cognitive load could fail to act on beliefs and personalities. They demonstrated that when people are under time pressure, they fail to help those in need even when they are reminded of the parable of the Good Samaritan from the bible. Other researchers find that with high cognitive load, individuals are more inclined to rely on using stereotypes to increase information processing efficiency (Hilton & von Hippel, 1996; Wigboldus, Sherman, Franzese and Knippenberg, 2004).

In a factory context, according to Mathisen, Ellen, Einarsen and Mykletun (2011), when managers are under higher stress levels, they are more likely to bully workers. In our study, cognitive load is measured by the workload, the difficulty of attaining expected performance, the number of difficult issues that arise from work and pressure from buyers (Babbitt, Brown and Voegeli, 2016). With a high cognitive load, supervisors could be more inclined to use mental heuristics to stereotype workers and could be less aware of workers’ concerns or working conditions. Also, even when managers are aware of innovative human resource management (HRM), supervisors can fail to act when under high cognitive load.

*Fixed and Growth Mindset*. The concept of fixed and growth mindset originated from the Implicit Theory of Intelligence by Dweck and Leggett (1988). According to Dweck and Leggett (1988), individuals have implicit theories on the malleability of certain characteristics such as personal ability and intelligence. Individuals holding entity theory believe that certain characteristics are fixed and that they are hard to change, whereas individuals holding incremental theory consider certain characteristics as flexible and are subject to change (Dweck and Leggett, 1988). The incremental theory was later referred to as growth mindset and the entity theory as fixed mindset (Dweck, 2006).

Growth and fixed mindset can influence the way individuals interpret and respond to situations (Dweck & Leggett, 1988). When facing failure, people with fixed mindset doubt their ability to achieve success and would consider it as a sign predicting future failure. They prefer to perform the task that they are skilled at and to avoid new challenges (Dweck & Leggett, 1988; Dweck, 2006). Compared to those who hold a fixed mindset, people with a growth mindset consider failure as a sign of needed improvement, and thus they are more motivated to learn new things and to develop their abilities (Dweck and Leggett, 1988).

The difference in mindset can also influence how people form judgments of self and others (Chiu, Hong & Dweck, 1977; Zedelius, Muller and Scholler, 2017). In *The Science of Lay Theories*, Zedelius, Muller, and Scholler (2017) integrated literature on how the theory of mindset and shape stereotyping. Individuals holding a fixed mindset could engage in stereotyping and prejudice(Rattan and Georgeac, 2017) through categorizing (Eberhardt, Dasgupta and Banaszynski, 2003), forming stereotypes (Chiu et al., 1997; Erdley and Dweck, 1993; Levy & Dweck, 1999; Levy, Stroessner, & Dweck, 1998), maintaining stereotypes (Bodenhausen, 1988; Devine and Elliot, 1995; Macrae, Hewstone and Griffiths, 1993; Weber & Crocker, 1983) and expressing prejudice and discrimination (Hoyt and Burnette, 2013; Rudman and Kilianski, 2000). Compared to people with a growth mindset, those with a fixed mindset are more inclined to form and maintain stereotypes for other people (Chiu et al., 1997; Erdley and Dweck, 1993; Levy et al., 1998; Levy and Dweck, 1999; Levy, Stroessner and Dweck, 1998), and these stereotypes are resistant to change (Devine and Elliot, 1995; Macrae, Hewstone and Griffiths, 1993; Weber and Crocker, 1983).

Even though people with a fixed mindset have more conservative views on certain characteristics, it has been found that the mindset can be altered. Countless researches on the mindset of intelligence have shown that training on developing a growth mindset can actually change people’s perspective on intelligence, and such development has a lasting effect (Aronson, Fried and Good, 2002; Blackwell, Trzesniewski and Dweck, 2007; Good, Aronson and Inzlicht, 2003).

In a factory context, a manager with a fixed mindset could prefer to keep using the same practices and avoid innovative managerial styles while also forming stereotypes of workers that dehumanize workers. When facing failure, they could attribute the failure to a lack of effort and push workers further.

*Dehumanization*. Dehumanization is the perception of others as not as human as oneself. Integrating past research on dehumanization, Haslam (2006) developed a new model that consists of two forms of dehumanization: animalistic dehumanization and mechanistic dehumanization. Animalistic dehumanization occurs when individuals are denied “Human Uniqueness”, which are the traits that differentiate humans from animals. Individuals who are animalistically dehumanized are perceived as uncivil, unreceptive of ethics and incapable of thinking at a higher level (Haslam, 2006). Mechanistic dehumanization occurs when individuals are not perceived as having “Human Nature”, which refers to the traits that are elemental and crucial for humans. Individuals who are mechanically dehumanized are viewed as objects and machines, and they are used as a tool to achieve an end and are tagged with traits such as insensibility, lacking in affection, inflexibility and unaware of subjective initiation in thoughts and actions (Haslam, 2006).

Dehumanization undermines the target’s perception of self-identity and status and elicits a negative cognitive and emotional response (Bastian and Haslam, 2011). When people are denied qualities of human uniqueness, they feel shame and guilt and see themselves negatively as they blame themselves for the maltreatment of others (Bastian and Haslam, 2011; Haslam, 2006). When denied human nature, people tend to enter “cognitive deconstructive states” where they feel numb, less empathetic towards others, and less insightful (Bastian and Haslam, 2011; Twenge, Catanese, and Baumeister, 2003). They also have more hurtful feelings and respond more aggressively (Bastian and Haslam, 2011; Leary, Twenge and Quinlivan, 2006; Richman and Leary, 2009).

Once dehumanization occurs, people are more inclined to ignore the negative consequences of maltreatment (Bandura, Underwood and Fromson, 1975). According to Lammers and Stapel (2011), people with power are more likely to dehumanize others, as people in power are often in the position of making tough decisions. The people with power are psychologically distant from subordinates and they are less likely to take into consideration the perspective of others. Also, as they dehumanize others, it makes it easier for them to justify the harsh treatment (Lammers and Stapel, 2011).

In a factory setting, dehumanization could occur when supervisors view workers as tools to attain goals. Once the workers are dehumanized, supervisors are more likely to justify the harsh treatments such as yelling or threatening workers (Babbitt, Voegeli and Brown, 2016).

*Social norms*. Social norms refer to the informal standards that are accepted by a majority of people in a society. Social norms have been found to direct and motivate individual behavior in various domains (Aarts and Dijksterhuis, 2003; Darley and Latane , 1970; Kerr, 1995; Terry and Hogg, 2001), such as littering (Kallgren, Reno and Cialdini, 2000), recycling (Schultz and Edmund, 1999), tax evasion (Kahan, 1997) and job search (Stutzer and Lalive, 2004).

Social norms affect an individual’s perception through providing a context for interpretation (James, James and Ashe, 1990; James, Hater, Gent and Bruni, 1978; Neal, Griffin and Hart, 2000). According to Neal, Griffin and Hart (2000), the organizational environment has predictive power on safety climate, which is an individual’s perception of the safety of the working environment. This perception could determine an individual’s safety practice and compliance with safety standards. For example, when individuals perceive that the organization is supportive of communication, they would be more willing to engage in open communication. This result implies that intervention programs could influence the safety climate by changing the organizational environment (Neal, Griffin and Hart, 2000).

Other studies find social norms can influence the outcome of training, as it determines the training transfer motive before the training. When trainees are held accountable for the training application, they are more motivated to transfer the learning (Baldwin and Magjuka, 1991; Kontoghiorghes, 2002). After training, trainees’ perception of the working environment could motivate or inhibit the trainee to transfer learning on the job, with the workload as a predictor of transfer motivation (Bates and Holton, 2004; Kirwan and Birchall, 2006).

In the garment industry, at the factory level, social norms could be defined as the common practice in the industry for factories. At the individual level, social norms could be the prevailing practices and beliefs of the factory. It could provide a context for managers to interpret and to decide on their compliance behavior.

*Organizational Tolerance*. Organizational tolerance refers to an organization’s permissions and regulations towards certain behavior. Schat (2004) conducted a study to investigate whether perceived organizational climate on aggressive behavior correlates with experiences with aggressive behavior. According to the second study by Schat (2004), they found a significant correlation between organizational tolerance of aggression, which includes the execution of workplace aggression policy and managers’ and coworkers’ tolerance of aggression, and workplace aggression. According to another study by Richman, Rospenda, Flaherty, Ehmke and Zlatoper (2005), perceptions of organizational tolerance of sexual harassment affect workers’ response, especially for women. In their study, they recruited workers from a university, with mostly female workers. The researchers adapted the Sexual Experiences Questionnaires (Fitzgerald, 1990) in measuring sexual harassment. They also measured organizational tolerance of sexual harassment in wave 3 using the Organizational Tolerance of Sexual Harassment Inventory (Hulin, Fitzgerald and Drasgow, 1996). The result indicated that changes in perceived organizational tolerance in sexual harassment is correlated with decreased sexual harassment behavior for women (Richman et al., 2005).

In a factory context, especially for the garment industry, the majority of employees are female and when the factory lacks an organizational norm inhibiting sexual harassment, the workers are more vulnerable to be targeted for such behavior.

1. **Analytical Framework**

To investigate the relationship between manager characteristics and compliance, we answer three questions: 1) Do annual assessments improve social compliance? 2) Which manager social and personality characteristics predict social compliance? 3) Do annual assessments promote the manager characteristics that predict social compliance?

These questions are answered using data from the impact evaluation of Better Factories Cambodia (BFC). The impact evaluation data were collected from 57 factories between 2015 and 2018. At the beginning of the study, factories were already enrolled in BFC and most had already had one or more annual assessments. The study began with a baseline data collection. In the course of the data collection, managers were surveyed on a set of their beliefs concerning business operations, social norms and personality traits. After the baseline, factories participated in their next scheduled assessment. The exact timing of each assessment will be discussed below. The study concluded with an endline data collection in which we re-measured the beliefs and personality traits and one final assessment.

*Identification Strategy*. The study introduces two sources of exogenous variation. The first exogenous variation is achieved through randomizing the window between assessments. BFC assesses factories approximately once per year. However, in practice, the time that elapses between any two assessments may range between 11 and 15 months.

The study began with a baseline data collection in each participating factory. At the time of the baseline, the participating factories were stratified based on the number of previously completed assessments. Within each stratum, factories were randomly assigned to one of two groups. The first group would receive the next assessment around 11 months following their most recent previous assessment. The second group would receive the next assessment around 15 months after their previous one.

The second source of exogenous variation is achieved by randomly assigning factories to the elapsed time between data collections. The window between assessment and survey data collection is randomly assigned to measure the possible curing or decay effect of an assessment. Factories within each stratum were randomly assigned to have their next data collection two months before the next assessment, two months after the next assessment, six months after the next assessment, eight months after the next assessment or twelve months after the next assessment.

As a consequence of randomizing the assessment interval, we may have two factories that have their data collection at the same time but one has had their next assessment while the other has not. For example, consider two factories that have had their ith assessment. One of them is assigned to have their next assessment at month 11 and their next data collection at month 13, two months after the assessment. The other is assigned to have their next assessment at month 15 and their data collection at month 13, two months before their next assessment. That is, the data are collected at the same time but one just after the i+1 assessment and the other just before the i+1 assessment. A comparison of the two factories is the impact of the i+1 assessment.

As a consequence of randomizing the data collection, we may have two factories that have had their ith assessment, but one has their data collection two months after the assessment and the other had their data collection eight months after the assessment. A comparison of the two factories is the impact of six months of curing or decay after the ith assessment.

As a consequence of the assignment to assessment and data collection timeline, there are seven types of factory groups, as shown in Figure 1. Consider the first factories that had data collections around the time of assessment **Cycle 1** at the top left corner of the figure. Some of the factories in this stratum had their baseline just before the first assessment. These factories are indicated as Type 1. Other factories in this stratum had their baseline just after the first assessment. All factories then had an endline data collection about the same time but before the second assessment. A comparison of the endline to the baseline for Type 1 factories includes the first assessment and time elapsed to the endline. A comparison of the endline to the baseline for Type 2 factories includes only time elapsed since the first assessment. Thus, the change between the baseline and the endline for Type 1 factories minus the change between the baseline and the endline for Type 2 factories provides a measure of the impact of the first assessment. The impact of the first assessment can also be obtained by comparing factory Types 3 to 4.The impact of assessment **Cycle 2** can similarly be obtained by comparing Types 4 and 5. The impact of assessment **Cycle 3** can be obtained by comparing Types 5 and 7.

*Empirical Strategy*. We estimate three equations to determine the impact of BFC on social compliance, the impact of manager characteristics on social compliance and the impact of BFC on the manager characteristics that promote social compliance.

The first step of the empirical analysis is simply to determine whether social compliance is improving with each assessment. We estimate

(1)

is a binary measure of noncompliance category *i* at assessment *k* in factory *j* at time *t*. Evidence of noncompliance is coded as 1 and no evidence of noncompliance is coded as a zero.

is a binary indicator of which assessment cycles factory j has completed at time *t*. If factory j has had the *kth*assessment by time *t*, and zero otherwise.

All equations are estimated with year fixed effects. The coefficient is a measure of the marginal contribution of the *kth* assessment on compliance. Given that noncompliance is coded as a 1, a negative coefficient indicates an improvement in social compliance.

The second step is to determine whether manager characteristics have a marginal impact on social compliance beyond the effect of the assessment. For this purpose, we estimate equation (2).

(2)

is characteristic *l* of the human resource manager in factory *j* at time *t*. The coding of is discussed below. However, it is worth noting at this point that the manager characteristic in equation (2) is the last measure before the *kth* assessment.

One issue that might arise in estimating equation (2) is that BFC may be affecting manager characteristics. As a consequence, manager characteristics just prior to the next assessment reflect any impact that the assessments have had on manager characteristics. In order to partially control for this phenomenon, we also estimate equation (2) using manager characteristics at the baseline rather than manager characteristics just prior to the assessment.

If we find that there are manager characteristics that are predicting compliance, we then test whether BFC is promoting those compliance promoting characteristics by estimating equation (3).

(3)

is the months that have elapsed since the last assessment of factory *j* at time *t*. In contrast to the estimation of equation (2), the manager characteristic in equation (3) will be those measured after the *kth* assessment. However, as with equation (2), measures the marginal impact of the *kth* assessment on the manager characteristic and curing of decay of an assessment is measured by .

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# **Data Description**

There are two datasets constructed for the analysis. Both data sets involve merging together the compliance and manager survey data.

*Compliance Data*. The compliance data was collected by ILO trained enterprise advisors who observe working conditions during unannounced visits. To avoid bias, each monitoring team has two monitors, and each team rarely assesses the same factory twice. The number of assessments experienced by the factory and the timing of the assessments depend on the experimental group to which the factory was assigned.

Each assessment involves scoring a factory on each of 271 compliance items. If evidence of noncompliance is detected, the compliance item is scored as a 1. If no evidence of noncompliance is detected, the compliance item is scored as a zero.

The 271 individual compliance items are grouped into 34 compliance sub-clusters. The compliance items are further grouped in eight broad clusters. The Child Labour cluster includes child labourers, hazardous work and other worst forms, documentation of age and protection of young workers. The Forced Labour cluster includes coercion, bonded labor, forced labor and overtime and prison labor. The Discrimination cluster has five measures, including gender, HIV status, disability, race, country of origin, religion and political opinion. The Freedom of Association and Collective Bargaining (FACB) cluster has five measures, including freedom of association, union operations, union interference and discrimination, collective bargaining and strikes. The Compensation cluster has seven measures, including minimum wages/piece rate wages, overtime wages, premium pay, method of payment, wage information, deductions, paid leave, social security and other benefits. The Contracts and Human Resources (CHR) cluster has four measures, including employment contracts, termination, dialogue, discipline and disputes and contracting procedures. The Occupational Safety and Health (OSH) cluster has eight measures, including OSH management systems, chemicals and hazardous substances, worker protection, working environment, welfare facilities, health services and first aid, worker accommodation and emergency preparedness. The Working Time cluster includes three measures, including paid leave, overtime and regular hours.

The summary statistics on the compliance items for 57 factories are presented in Table 1. All of the 57 factories are complaint on Child Labour and Forced Labour, but one of the factories is noncompliant with coercion. Since the compliance data in Child Labour and Forced Labour lacks variation across factories and assessments, we dropped these two compliance clusters from the analysis. We also dropped some compliance items in FACB and discrimination, including strikes, HIV status, race, national origin, religion and political opinion for the same reason.

*Manager Characteristic*. The data on manager characteristics were collected through surveys administered using Computer-Assisted Personal-Interview (CAPI). Each factory has two rounds of survey data collection.

Manager characteristics are cognitive load, fixed vs. growth mindset, beliefs concerning the relationship between firm performance and working conditions, dehumanization, social norms concerning worker treatment in the factory and the industry and organizational tolerance of sexual harassment. The items for each category are detailed in Figures 2 to 7.

The variables measuring manager characteristics are generated through internal consistency tests and factor analysis. The internal consistency of survey questions are tested using Cronbach's alpha. We use 0.6 as a cut-off point to decide if the questions are measuring the same underlying phenomenon. For manager traits and manager beliefs, the alphas are well below 0.6. In this case, we use the individual measures of manager traits and beliefs. The alpha for the measures of dehumanization is 0.71, which is an acceptable level of internal consistency. The alphas for social norms related to the use of force (0.63), the importance of paying workers fairly and on time (0.86), the importance of working condition for productivity (0.86), the acceptability of sexual harassment (0.95) and linking sexual harassment with payment (0.98) are all high. For organizational tolerance, the alpha between two measures of whether a complaint will be taken seriously is high (0.72).

In addition to testing the internal consistency, we also performed exploratory factor analysis. We tested the dimensionality of the scale for dehumanization, social norms and two of the variables measuring organizational tolerance. For the measures of dehumanization, the factor analysis yielded one factor with eigenvalue of 2.31. It was comprised of seven items reported on a 5-point Likert scale that explain 89.65 percent of the variance with factor loadings from 0.41 to 0.76. Thus, we generated a variable measuring dehumanization by averaging the score of the seven questions.

There are two questions measuring each of the social norms, and we performed factor analysis on them. For social norms related to forcing workers to work, the eigenvalue is 0.71, and the factor explains 154.2 percent of the variance with a factor loading of 0.6. Even though in this case the eigenvalues is below 1, we believe that the two questions on the common practice in the industry and factory should both be measuring the social norm, as indicated by the experimental design. For social norms concerning the importance of paying fairly and on time, the eigenvalue is 1.22, and the factor explains 120 percent of the variance with a factor loading of 0.78. For social norms in viewing working condition as important, the eigenvalue is 1.26, and it explains 154.2 percent of the variance with a factor loading of 0.79. For social norms concerning sexual harassment, the eigenvalue is 1.74, and it explains 104.8 percent of the variance with a factor loading of 0.93. For social norms in linking payment with sexual favors, the eigenvalue is 1.85, and it explains 102.6 percent of the variance with a factor loading of 0.96. Thus, we generated five variables measuring each of the social norms by averaging the answer for two questions, which are HR\_socialnorm\_force, HR\_socialnorm\_import\_pay\_fair, HR\_socialnorm\_import\_workcond, HR\_socialnorm\_sh and HR\_socialnorm\_sh\_pay.

For the measures of organizational tolerance, we performed factor analysis on the questions “There is a very good chance she would be taken seriously if she made a formal complaint” and “There would be very serious consequences for him if she made a formal complaint”. The eigenvalue is 0.89, and it explains 138 percent of the variance with a factor loading of 0.67. Even though the eigenvalue is below 1, we believe those two questions are both measuring the organization’s attitude toward sexual harassment. Thus, I use these two measures to generate a new variable (HR\_org\_tolerance\_serious) to measure whether organizations taken complaints seriously.

The summary statistics on manager characteristics are presented in Table 2. On average, managers are experiencing mild cognitive load. Their workload is at the right level, with no managers reporting that they have a workload that is entirely too much for them to handle. Unexpected issues arise once a week and they make it moderately hard for managers to maintain expected levels of performance. For measures on fixed mindset on intelligence, managers, on average, hold neither a fixed nor growth mindset on intelligence.

On average, they agree that it is essential to maintain good working conditions and to pay workers fairly and on time. They believe that higher productivity is linked to better working conditions and performance-based pay is linked to better treatment of workers. They are also inclined to view linking pay with sexual favors as unacceptable. However, on average, they hold a neutral view on whether it is sometimes necessary to force workers to work hard. They are unaware of a relationship between working conditions and factory performance nor a connection between paying workers as promised and profits. They also hold a neutral view on the acceptability of sexual harassment.

In general, on average, managers do not see workers in dehumanized terms. They hold neutral views on workers’ intelligence and they disagree that workers respond better to threats and force. They tend to agree that higher productivity is linked to more comfortable working conditions and workers are more productive when they are happy.

The social norms, on average, endorse the management styles in viewing compensation and working conditions as important and viewing sexual harassment as unacceptable. However, the social norms are neutral concerning forcing workers to work hard. The organizations are perceived as intolerant of sexual harassment. The factories treat sexual harassment complaints seriously, and it is not risky for worker to make complaints.

The summary statistics suggest that on average, managers have mild cognitive load, and they hold neither fixed nor growth mindsets. They also have humane beliefs. However, they are unaware of some of the innovative management styles, as they do not associate working conditions and compensation with factory performance and profits. They tend to hold humanized views of workers, and they view sexual harassment as unacceptable. The social norms support innovative management styles, and the organizations are intolerant of sexual harassment.

*Merging Compliance and Factory Manager Characteristics*. Estimating equations (2) and (3) require slightly different data set constructions. The two merge procedures are depicted in Figure 8. D indicates a data collection and A indicates an assessment.

For estimating equation (2), our interest is in determining whether manager characteristics are predicting social compliance. We begin with the survey data file. We then merge each manager characteristic record to the factory’s next compliance assessment findings. That is, we forward merge the compliance data.

For estimating equation (3), our interest is in determining whether BFC is impacting manager characteristics. We again begin with the survey data file. We then merge each manager characteristic record to the record to the factory’s last previous compliance assessment findings. That is, we back merge the compliance data.

1. **Empirical Results**

The empirical analysis will proceed in two phases. The first phase examines determinants of social compliance. We measure the contributions of BFC assessments and manager characteristics. It is important to understand at this point that the evidence is non-experimental. That is, we are simply measuring correlations between assessments, manager characteristics and the extent to which firms are meeting international labor standards and local labor law.

In the second phase of the analysis, we will exploit the experimental nature of the treatment and data collection to draw some causal links between assessments and the manager characteristics that predict compliance. In this second phase, we explore whether BFC is promoting the manager characteristics that promote compliance.

**Manager Characteristics, Assessments and Social Compliance**

*Compliance*. We begin the empirical analysis by simply considering the impact of program exposure on social compliance, as indicated by equation (1). Analysis is limited to compliance assessments between 2015 and 2019. BFC reports that during this period, assessments 1 to 6 were performed. However, given that there is only one observation for assessment 5 and one for assessment 6, these cases were dropped.

In order to test for a treatment effect on compliance, we regress cycle and service level on each of the 34 compliance aggregates, with year fixed effects. A panel estimator is used and the equations are estimated with factory fixed effects and with random effects. In the case of random effects, factory size and treatment level are included as regressors.

We find statistically significant treatment effects in 16 of the 34 compliance aggregates. Results where treatment is significant are reported in Table 3.

In 14 of the 16 cases, factories become less noncompliant, as indicated by the negative coefficients on the cycle variables. However, there are two points for which factories become less compliant after program exposure. As can be seen in the first two columns of Part A, there is an increase in noncompliance at the fourth assessment for child labourers (ß=0.0681) and at the third (ß=0.0668) and fourth (ß=0.131) assessments for contracting procedures.

In all other cases where there is a statistically significant cycle effect on compliance categories, noncompliance declines. One of the strongest patterns of compliance is chemicals. Noncompliance declines after the second (ß=-0.141), third (ß=-0.149) and fourth (ß=-0.175) assessments. We observe a similar strong pattern of improvement in the work environment, as can be seen in Part B, and discrimination and wage information use and deductions, as can be seen in Part C.

We also test for the contribution of service level to compliance. Factories receive either assessments only, assessments and training or assessments, training and advisory services. We find a general pattern that factories which receive assessments only are on average less compliant and factories that receive the full package of treatment are on average more compliant. For example, consider chemicals again in Part A of Table 3. Factories that receive assessments only have an average noncompliance rate that is 0.467 higher than other factories. In comparison, factories that receive advisory services have a noncompliance rate that is 0.311 lower than other factories. A similar pattern emerges for health and first aid (Part B) and discrimination and leave (Part C).

*Dehumanization*. Consider now, the marginal contribution of the extent to which the HR manager perceives workers in dehumanized terms on compliance. Findings are reported in Table 4. We estimate three versions of equation (2). In each case, the question the estimation answers is whether dehumanization of workers by the HR manager is correlated with the outcome of the next assessment.

The first set of results employ a panel estimator with random effects. In this case, the manager characteristics are those reported just before the next assessment. We then take the value of the HR manager’s dehumanization level measured at the baseline in predicting all future assessment outcomes. Finally, we estimate assuming factory fixed effects. All regressions are controlled for year and include factory size as a regressor. We do not include the level of service since service choice is likely to be endogenous and correlated with manager characteristics.

First, notice that dehumanization predicts noncompliance, as one might expect. The coefficient on HR\_dehumanization is nearly always positive when statistically significant. The only exception is Hazardous Work in the RE Baseline Manager Characteristics specification.

Notice also, that compliance improves in subsequence assessment cycles for all of these compliance points except for wage information use and deductions. We tested for whether dehumanization is a mediator at each assessment cycle. That is, at each assessment, does dehumanization increase the probability of noncompliance. The estimated coefficients are positive but not statistically significant at conventional levels.

It is striking that dehumanization has its most pronounced effect on compliance points related to work hours and, to a lesser degree, pay. Dehumanization increases noncompliance on leave (ß=0.114) and overtime (ß=0.186) in the RE specification, overtime (ß=0.196) and regular hours (ß=0.101) in the RE Baseline Model and wage information use and deduction (ß=0.253) in the FE specification. There is also a dehumanization effect on health services (ß=0.186) in the FE specification.

Extremely long hours of work is perhaps the most challenging aspect of work to remediate in global supply chains. As a consequence of sourcing practices by international buyers, factories are under intense pressure to accept all orders offered and to always deliver orders on time. Pressures on the firm are often passed on to workers. Excessive hours are the result. The results in Table 4 indicate that the problem of excess hours is more acute if managers see workers in dehumanized terms. We will turn to whether BFC promotes rehumanization below.

*Social Norms***.** A second contributing factor to abusive conditions of work are social norms in the factory or industry that reflect a tolerance for or prohibition against abuse at work. Factory managers commonly communicate in formal industry organizations and informal social gathering. Ideas about the industry are exchanged, including those related to social compliance. In order to explore the contribution of these social norms, we consider the impact of five social norms concerning working conditions. These are (1) workers sometimes have to be forced to work hard, (2) it is important to pay workers fairly and on time, (3) it is important that working conditions are safe and comfortable, (4) organizational tolerance of sexual harassment and (5) tolerance for linking pay and sexual favors.

As will be seen below, we generally find that factories in which an HR manager perceives a norm protecting worker rights go on to be less noncompliant than average at the next assessment and factories in which the HR manager perceives a norm not protecting worker rights go on to be more noncompliant than average at the next assessment. There is one important exception to this rule. Factories in which the HR manager perceives a norm that workers sometimes need to be forced to work hard go on to be more compliant at the next assessment.

Let’s look first the norm that workers sometimes need to be forced to work hard. Results are reported in Table 5. It is striking that factories in which the HR manager acknowledges an industry and factory social norm that workers sometimes need to be forced to work hard go on to have *lower* rates of noncompliance than other factories particularly related to wages and hours. The effect is evident both for regular hours (ß=-0.0511) and overtime wages (ß=-0.0672) in the RE specification, overtime (ß=-0.0876) in the RE specification using baseline beliefs and regular hours (ß=-0.107) in the FE specification.

While this result may seem odd, it is actually consistent with findings elsewhere.[[1]](#footnote-1) Managers experience cognitive dissonance concerning their perception of treatment of workers and their own ethical beliefs. If they believe that a certain management behavior in which they engage is morally wrong, they either need to deny that the behavior is occurring, deny that it is wrong or change their behavior. If a manager acknowledges that abusive treatment is occurring they are not engaging in denial. Their only alternatives are to deny that the behavior is morally wrong or change their behavior. No doubt some managers decide that forcing workers to work hard is morally acceptable. However, according to the results in Table 5, most choose to change their behavior. Noncompliance declines.

Asking a question in a positive way may elicit a different response because the cognitive dissonance may not be as intense. Consider, for example, norms measured by the items, “It is important to pay workers fairly and on time” and “It is important to have safe and comfortable working conditions.” Results from the pay norm are reported in Table 6 and the working conditions norm are reported in Table 7.

Generally, factories with HR managers who articulate these norms about fair pay and safe conditions go on to be less noncompliant at the next assessment. In the case of fair pay reported in Table 6, noncompliance is lower in discrimination related to gender (ß=-0.0101), social security (ß=-0.0455) and premium pay (ß=-0.0559) in the RE specification, worker accommodation (ß=-0.115) and leave (ß=-0.0711) in the RE Baseline Characteristics model and gender discrimination (ß=-0.0140) and social security (ß=-0.0700) in the FE specification.

Beliefs about safe and comfortable working conditions impact a very large number of compliance points particularly in the random effects with baseline characteristics model. Factories with managers who perceive an organizational and industry norm concerning the importance of working conditions go on to be less noncompliant in union operations including coercion, freedom of association, termination and interference and discrimination; occupational safety and health including OSH management system, worker accommodations, chemicals, health services and first aid, welfare facilities and worker accommodations; discrimination based on both gender and other grounds; pay including premium pay, overtime wages and social security; and leave both paid and unpaid.

However, it is not only the framing of the question that affects the relationship between the way managers respond and the outcome of the next assessment. We measure two aspects of sexual harassment norms. The first concerns whether worker complaints about sexual harassment will be taken serious or whether she will get into trouble for complaining. The results for this norm are reported in Table 8. It is clear that when the HR manager perceives a tolerance for sexual harassment, the factory goes on to be more noncompliant in a wide range of areas including many aspects of occupational safety and management, leave, overtime, union operations, contracting procedures and dispute resolution. The predictive effect of organizational tolerance of sexual harassment is most pronounced when manager characteristics are measured at the baseline. Though, it should be noted that in the fixed effects specification, tolerance for sexual harassment predicts reduced noncompliance in areas of union operations, leave, minimum wage compliance and social security.

A similar set of results emerge when the HR manager is specifically asked about *quid pro quo* sexual harassment. Results are reported in Table 9. Perceived organizational tolerance of *quid pro quo* sexual harassment at the baseline predicts increased noncompliance in union operations, contracting procedures, dialogues and disputes, leave, overtime, social security and many aspects of occupational safety and health. By comparison, in the fixed effects specification, organizational tolerance of quid pro quo sexual harassment predicts a decrease in noncompliance in OSH, contracting procedures, leave, overtime, minimum wage and social security.

It is interesting to consider why the contrasting findings between the RE with baseline manager characteristics and factory FE specifications. Thinking through the distinction helps identify the impact of BFC.

The RE specification focuses attention on the cross section. That is, how does variation in HR manager perceptions of organizational tolerance across factories affect noncompliance. The results from the RE equations are telling us that the more organizational tolerance for sexual harassment at the baseline the more noncompliant a factory is across many dimensions.

The FE specification concentrates attention on variation across time of a single unit. More specifically, the fixed effects specification answers the question, “on average, within each factory, how does a change in a particular manager’s beliefs predict a change in that factory’s compliance?” The FE specification is telling us that when a manager realizes how pervasive sexual harassment is, noncompliance at the next assessment declines.

The distinction between the fixed effects and random effects estimators is depicted in Figure 9. Consider two observations on sexual harassment norms and noncompliance from each of two factories. The orange data points are from the orange factory and the blue data points are from the blue factory.

A random effects estimator pools observations across factories. It identifies the fact that there is, overall, a positive relationship between organizational tolerance and noncompliance, as indicated by the positively sloped black regression line.

In contrast, the fixed effects estimator estimates a common slope concerning the relationship between sexual harassment tolerance and noncompliance, but each factory has its own intercept. Thus, the blue factory regression line is blue and the orange factory regression line is orange. The regression lines have a common slope but individual intercepts.

When manager characteristics and compliance are varying within a factory, the RE and FE estimators may yield conflicting findings. Thus, in Figure 9, even though there is an overall positive relationship between tolerance for sexual harassment and noncompliance, when a factory manager newly realizes how pervasive sexual harassment is, noncompliance will fall at the next assessment.

The results from the FE estimation, then, is telling us that as HR managers increase their reported perception of organizational tolerance for sexual harassment, the factory becomes less noncompliant. This is the case even though, on balance, more sexual harassment tolerance predicts more noncompliance, as evidenced by the RE estimations.

Such an outcome is consistent with our findings above concerning whether workers sometimes need to be forced to work hard. If our interpretation is correct, newly acknowledging that sexual harassment is tolerated creates a cognitive dissonance for an HR manager who believes that sexual harassment is wrong. It appears, on average, that factories are resolving this cognitive dissonance by reducing sexual harassment tolerance.

Taking these results together, we have a consistent story as to how organizational tolerance of sexual harassment is affecting compliance outcomes. If the HR manager perceives organizational tolerance of sexual harassment at the baseline, the factory is likely to be more noncompliant than the average across factories. However, if the manager perceives an increase in organizational tolerance, then then factory will go on to be less noncompliant than average.

When it comes to abuse such as forcing workers to work hard or sexual harassment, BFC is having its effect by inducing factories to acknowledge the abuse. Awareness of the abuse then comes into conflict with the values articulated by BFC. In order to resolve the cognitive dissonance, the factory reduces noncompliance. That is, BFC is exploiting the resolution of cognitive dissonance to bring about compliance on some forms of abuse.

We now turn to manager beliefs about effective HR systems. HR managers were asked three questions about their beliefs. They are (1) “Do you think there is a relationship between worker pay and profits?” (2) “Do you think there is a relationship between working conditions and productivity?” and (3) “Do you think there is a relationship between supervisor pay incentives and the treatment of workers?” Each question is scored on a three point scale. For the first two questions, a higher score indicates that the HR manager thinks there is a positive relationship between improved worker treatment and firm performance. For the supervisor incentive question, a higher score indicates that the HR manager believes that incentive pay improves the treatment of workers.

It should be noted that as a theoretical matter we do not have an *a priori* prediction about supervisor pay incentives. The more highly incentivized a supervisor the more likely they are to engage in verbal abuse and pressure workers to work. The less highly incentivized a supervisor, the more likely the supervisor is to engage in sexual harassment.

Results on the link between pay and profits are reported in Table 10 and results on the link between working conditions and productivity are reported in Table 11. As above, we estimate the random effects, random effects with baseline HR manager characteristics and fixed effects.

Our findings with regard to HR management views and compliance are somewhat difficult to interpret. For nearly all of the RE and RE with baseline characteristics regressions, managers who report thinking that humane treatment improves firm performance go on to be more noncompliant at the next assessment. It could be that HR managers have these beliefs but they do not realize that there is a problem with execution, a fact that becomes apparent during the next assessment.

This interpretation receives some support when we contrast the random effects and fixed effects estimates reported in Table 10. In the fixed effects regressions, an increase in a belief that there is a positive relationship between pay and profits predicts a fall in noncompliance in employment contracts, health services and first aid and method of payment.

Findings around HR systems indicate a second mechanism through which BFC might have an effect on compliance. Factory managers seem to have a belief that there is a positive relationship between working conditions and firm performance. However, they may not be effectively implementing their strategy. Assessments, by identifying poor working conditions, may help factory management become more effective in assessing their own success in executing HR innovations. That is, BFC could be effective because it provides factories with a benchmark against which to compare their performance in implementing HR innovations.

Turning to supervisor incentives, results are reported in Table 12. Here we find a general pattern that managers who believe that incentivizing supervisors improves their treatment of workers predicts lower noncompliance. The effect is true for both the random and fixed effects estimators. Noncompliance falls for worker accommodations, overtime, paid leave, social security, freedom of association, and termination

*Cognitive Load and Mindset*. Finally, we consider the impact of cognitive resources on compliance. Cognitive resources include cognitive load and mindset. Results for cognitive load are reported in Table 13 and results for fixed and growth mindset are reported in Table 14.

Cognitive load is measured by three items. HR managers are asked how difficult it is to maintain the performance expected of them, how heavy their workload is and how often unexpected issues arise at work. We might expect that factories under a lot of cognitive load would not have the cognitive resources to become compliant. However, that is not the case. Cognitive load predicts lower noncompliance in virtually all compliance categories in both the RE and FE specifications. Clearly cognitive load is not a deterrence to social compliance.

There is only one exception to our general findings on cognitive load. HR managers that report an increase in unexpected issues in the FE specification experience an increase in noncompliance related to regular hours (ß=0.389). It should be noted that this is a very large treatment effect, as average compliance can only range between zero and one.

Unexpected issues may arise for many reasons. But one common one arises from sourcing practices by international buyers. Changes in orders can increase the cognitive load for managers in a factory, resulting in noncompliance on regular hours.

If cognitive load is not deterring compliance, perhaps factories believe they cannot change. HR managers were asked three questions about fixed vs. growth mindset. These are (1) do you think basic intelligence is fixed? (2) do you think a person has a fixed amount of intelligence? and (3) do you think you can substantially change how intelligent you are?

Results are reported in Table 14. Generally, there does not appear to be a systematic relationship between mindset and compliance. When the HR manager reports believing that people have a fixed basic intelligence, their factory is more likely to go on to be noncompliant at the next assessment. However, when the HR manager reports believing that people have a fixed amount of intelligence, their factory is more likely to go on to be less noncompliant at the next assessment.

Growth mindset yields slightly less ambiguous results. Managers with a growth mindset are less noncompliant on gender discrimination, regular hours, social security, dialogue, discipline and disputes, freedom of association and overtime wages. There are two compliance categories for which a growth mindset predicts more noncompliance. These are other grounds for discrimination and the OSH management system.

**BFC Treatment Effects on Manager Characteristics that Promote Compliance**

We have now arrived at our final question. Is BFC moving the manager characteristics in a direction that increases the probability of social compliance? Our next step, then, is to estimate equation (3), analyzing the effect of assessments and interaction between BFC and factories between audits on manager characteristics. We will take each group of characteristic in turn.

Let’s begin with dehumanization. Results from estimating equation (3) with dehumanization as the dependent variable are reported in the first four columns of Table 15. Recall from above that dehumanization predicts noncompliance particularly around work hours and the results from the RE and FE specifications were consistent. That is, whether we look across factories or changes in perceptions within factories, the more workers are dehumanized in the minds of managers the more noncompliant a factory will be at the next assessment.

Unfortunately, we do not detect a BFC treatment effect on dehumanization. The treatment effects are largely negative on dehumanization but not statistically significant. These findings suggest a missed opportunity for BFC. Actively engaging the HR manager and supervisors in rehumanizing activities such as perspective-taking may activate the rehumanization channel to compliance.

However, abstract perception of workers as human is not the only way to use ethical principles to move a factory toward compliance. Recall also, that we found that awareness of a social norm that it is sometimes necessary to force workers to work hard predicts *less* noncompliance. Our theory of the case, here, is that when managers are willing to acknowledge a social norm of forcing workers to work hard, they experience a dissonance between what they know to be true and what they believe is morally right. The dissonance is resolved by reducing noncompliance.

Sure enough, we observe a BFC treatment effect on awareness of this social norm. As can be seen in the last column of Table 15, there is a curing effect of BFC in the months after an assessment on the perception of the social norm of sometimes forcing workers to work hard in the FE specification. Thus, it appears to be the case that in the months after each assessment, the awareness of the social norm rises.

We observe a more direct relationship between norms and compliance when norms are couched in positive terms. Acknowledgement of norms related to the importance of paying on time and having comfortable working conditions predicted lower noncompliance in almost all categories in which there was a statistically significant effect.

BFC appears to be moving social norms at least on the importance of paying workers fairly and on time, as can be seen in the second column of Table 17. As months of BFC exposure in the RE specification increase, HR managers are more likely to report a social norm related to fair pay.

Consider next, the impact of norms and organizational tolerance of sexual harassment. In the RE specification with manager characteristics measured at the baseline, a social norm tolerating sexual harassment always predicted more noncompliance. In contrast, in the FE specification, awareness of a sexual harassment norm predicted less noncompliance. That is, across the population of factory managers, acknowledging a norm of sexual harassment is associated with greater noncompliance. But when an individual HR manager comes to acknowledge to social norm, noncompliance falls. That is, it appears that the cognitive dissonance between the awareness that there is a norm of bad behavior comes in conflict with an HR manager’s personal beliefs, the conflict is resolved by improving compliance.

We see once again from the results reported in the last column of Table 17 that BFC is increasing awareness of *quid pro quo* sexual harassment in the FE specification. The estimated treatment effect (ß=1.059), emerging after the third assessment, is quite large given the five point scale for the item.

Taken together, these results reflect the importance of conveying both positive and negative messages to factory managers. HR managers find it easy to endorse positive messages about ethical treatment of workers and those positive messages translate into compliance. But the negative messages about abuse also promote social compliance by making managers aware of the conflict between reality and their own moral values.

The impact of BFC on the perceptions of optimal HR management are difficult to interpret. Believing that there is a positive relationship between working conditions and firm performance actually predicted *more* noncompliance. The BFC treatment effect on these beliefs are reported in Table 18. A significant treatment effect emerges only for the belief that there is a positive relationship between working conditions and productivity. Curiously, the treatment effect is actually negative at the third assessment and in the months after each assessment. These results suggest that managers have not bought into the idea that human resource management innovations are profit-maximizing.

Finally, we turn to the cognitive resources available in the factory to achieve social compliance. We found above that increased cognitive load is correlated with less noncompliance. Such a finding indicates that factories are not under too much cognitive load to become compliant but that it is possible that reducing noncompliance imposes a cognitive load on the factory. Results from Table 19 suggest that this is, indeed, the case. Social compliance increases the occurrence of unexpected events, after both the second and third assessments. However, there does not appear to be a treatment effect on the HR manager’s perception of having a workload that is too hard to handle or having difficulty meeting expectations.

The treatment effect on fixed and growth mindset is ambiguous, as can be seen in Table 20. After the second assessment, HR managers report a fall in their belief that basic intelligence is fixed in the RE specification, a rise in the belief in a fixed amount of intelligence in the months after an assessment in the FE specification and a fall in growth mindset after the second assessment in the FE specification.

1. **Conclusions**

In this paper we explore the contribution of idiosyncratic manager characteristics to the decision to comply with international labor standards and local labor law. We employ a quasi-experiment in which Cambodian apparel and footwear factories participating in Better Factories Cambodia are assigned to one of seven treatment and data collection timelines.

We begin first by identifying which BFC assessments and individual manager characteristics are correlated with compliance. We then exploit the experimental nature of the data to identify a BFC treatment effect on the manager characteristics that promote compliance.

During assessments, a factory is evaluated on 271 compliance items. Before analysis, compliance outcomes are aggregated into 34 broad compliance categories. Over four assessment cycles, there are statistically significant reductions in noncompliance rates in 14. There are two cases in which the BFC treatment effect indicates increased noncompliance. We further find that deeper engagement between BFC and the factory predicts improved compliance. Factories that are only assessed evidence below average improvement in compliance at each assessment, while factories that have a full package of assessments, training and advisory services achieve above average improvement in compliance.

Turning to manager characteristics, when the HR manager sees workers in dehumanized terms, the factory is more likely to go on to be more noncompliant than average. The effect is present both in the random and fixed effects specifications. These results tell us that not only is noncompliance correlated with dehumanization but that as the HR manager sees the worker in more humanized terms, the rate of noncompliance declines. Dehumanization has its most pronounced effect on points of compliance related to work hours, specifically, leave, overtime and regular hours. However, we do not detect a BFC treatment effect on dehumanization, indicating a missed opportunity for BFC.

We observe many cases in which norms or beliefs affirming worker rights predict below average noncompliance at the next assessment. Further, within factories, when an HR manager increases acknowledgement of worker rights, noncompliance at the next assessment is less likely.

These results suggest one straightforward strategy for BFC: generally promote factory and industry values and norms that respect the rights of workers. Indeed, we do observe a treatment effect particularly on the importance of paying workers on time.

However, there are some cases in which the mechanism through which   
BFC has its effect is a bit more complex. For example, we find that when the HR manager acknowledges a factory or industry norm that workers sometimes need to be forced to work hard, the factory itself goes on to have *lower* noncompliance rates at the next assessment.

In the case of organizational tolerance for sexual harassment and *quid pro quo* sexual harassment, the results are even more complex. Generally, within the cross-section, tolerance for sexual harassment predicts *more* noncompliance, as one would expect. However, in cases where the HR manager increases awareness of organizational tolerance of sexual harassment, the factory goes on to be *less* noncompliant at the next assessment.

These results suggest another mechanism through which BFC is having its effect. BFC is leading firms to acknowledge that workers are abused either in the form of being forced to work or in the form of being sexually harassed at work. This acknowledgement creates a cognitive dissonance if worker abuse is also seen by the HR manager as morally or ethically wrong. The factory management has to resolve the dissonance either by denying the existence of the abuse or remediating it. Apparently, remediation is the solution of choice. As a result, when there is a new acknowledgement of physical or sexual abuse, compliance violations decline.

These two mechanisms of promoting positive norms and confronting managers with hard truths appear to be important mechanisms through which BFC is improving social compliance. One theory of the program, though, is not effective. It was hoped that BFC would encourage managers to embrace HR innovations that have, as an underpinning, the idea that treating workers well will positively impact productivity and profits. However, factory managers do not appear to genuinely buy into this idea.

When HR managers report believing that paying workers as promised increases profits or good working conditions increase productivity, the factory tends to have *higher* noncompliance rates at the next assessment. However, when an HR manager newly believes that there is a positive relationship between working conditions and productivity, noncompliance rates fall.

It is possible that managers may believe that there is a positive relationship between working conditions and productivity but they are not be effectively realizing their business plans. BFC, by identifying problems with working conditions during an assessment, may help factories identify how to improve the overall performance of their firms. However, we do not detect a BFC treatment effect on beliefs concerning HR innovations.

One final theory as to why a factory may have high noncompliance rates is that production pressures are simply too high. We do not, in fact, find this to be the case. Managers under cognitive load actually go on to have lower noncompliance rates. Assessments do drive up cognitive load but not to the point that HR managers feel overwhelmed by their jobs. Rather, it appears that fixed mindset is a greater deterrence to compliance.

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| Table 1 Descriptive Statistics for Compliance | | | | |
|  | | | | |
| Variable | Mean | Std.Dev. | Min | Max |
| **Child Labour** |  |  |  |  |
| Child Labourers | 0 | 0 | 0 | 0 |
| Document Protect Young Worker | 0 | 0 | 0 | 0 |
| Hazardous Work | 0 | 0 | 0 | 0 |
| **Forced Labour** |  |  |  |  |
| Coercion | 0.001 | 0.012 | 0 | 0.125 |
| Bonded Labour | 0 | 0 | 0 | 0 |
| Forced Labour and Overtime | 0 | 0 | 0 | 0 |
| Prison Labour | 0 | 0 | 0 | 0 |
| **FACB** |  |  |  |  |
| Freedom to Associate | 0.046 | 0.14 | 0 | 0.667 |
| Interference and Discrimination | 0.019 | 0.058 | 0 | 0.333 |
| Collective Bargaining | 0.004 | 0.027 | 0 | 0.2 |
| Strikes | 0 | 0 | 0 | 0 |
| Union operations | 0.031 | 0.097 | 0 | 0.333 |
| **CHR** |  |  |  |  |
| Contracting Procedures | 0.142 | 0.148 | 0 | 0.6 |
| Dialogue Discipline and Disputes | 0.155 | 0.088 | 0 | 0.429 |
| Termination | 0.203 | 0.195 | 0 | 0.75 |
| Employment Contracts | 0.181 | 0.192 | 0 | 0.8 |
| **OSH** |  |  |  |  |
| Chemicals | 0.315 | 0.323 | 0 | 1 |
| Emergency Preparedness | 0.131 | 0.165 | 0 | 0.7 |
| OSH Management Systems | 0.439 | 0.328 | 0 | 1 |
| Health Services and First Aid | 0.452 | 0.215 | 0 | 0.833 |
| Welfare Facilities | 0.474 | 0.277 | 0 | 1 |
| Worker Accommodation | 0.065 | 0.173 | 0 | 0.667 |
| Worker Protection | 0.295 | 0.2 | 0 | 0.778 |
| Working Environ | 0.604 | 0.235 | 0.25 | 1 |
| **Discrimination** |  |  |  |  |
| Gender | 0.012 | 0.033 | 0 | 0.167 |
| HIV | 0 | 0 | 0 | 0 |
| Disability | 0.057 | 0.07 | 0 | 0.143 |
| Race and Origin | 0 | 0 | 0 | 0 |
| Religion and Political Opinion | 0 | 0 | 0 | 0 |
| **Working Time** |  |  |  |  |
| Paid Leave | 0.131 | 0.212 | 0 | 0.8 |
| Overtime | 0.286 | 0.23 | 0 | 1 |
| Regular Hours | 0.056 | 0.148 | 0 | 1 |
| **Compensation** |  |  |  |  |
| Method of Payment | 0.056 | 0.158 | 0 | 0.5 |
| Overtime Wages | 0.125 | 0.195 | 0 | 0.75 |
| Paid Leave | 0.161 | 0.17 | 0 | 0.714 |
| Social Security and Other | 0.059 | 0.108 | 0 | 0.5 |
| Wage Info Use and Deduction | 0.216 | 0.255 | 0 | 1 |
| Min Wage | 0.067 | 0.111 | 0 | 0.25 |
| Premium Pay | 0.019 | 0.135 | 0 | 1 |

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| Table 2 Descriptive Statistics for Manager Characteristics | | | | |
|  | | | | |
| Variable | Mean | Std.Dev | Min | Max |
| **Cognitive Load** |  |  |  |  |
| HR workload | 2.853 | 0.684 | 1 | 4 |
| HR unexpected issue | 1.139 | 0.387 | 1 | 3 |
| HR maintain performance | 2.925 | 0.536 | 1 | 4 |
| **Fixed Mindset** |  |  |  |  |
| HR fixed basic intel | 3.077 | 0.934 | 1 | 5 |
| HR fixed amount intel | 2.94 | 0.923 | 1 | 5 |
| **Manager Beliefs** |  |  |  |  |
| HR belief import work cond | 4.247 | 0.637 | 1 | 5 |
| HR belief force | 2.912 | 1.04 | 1 | 5 |
| HR belief import pay fair | 4.116 | 0.562 | 1 | 5 |
| HR belief worker pay profit | 1.896 | 0.528 | 1 | 3 |
| HR belief prod work cond | 2.595 | 0.73 | 1 | 3 |
| HR belief pay treat | 2.556 | 0.554 | 1 | 3 |
| HR worker work cond zero-sum | 2.489 | 0.883 | 1 | 5 |
| HR belief accept sh | 2.35 | 1.181 | 1 | 5 |
| HR belief accept sh pay | 1.78 | 0.875 | 1 | 5 |
| **Dehumanization** |  |  |  |  |
| HR worker not think high level | 3.046 | 0.791 | 1 | 5 |
| HR worker not understand | 3.149 | 0.815 | 1 | 5 |
| HR worker better threat | 2.628 | 0.934 | 1 | 5 |
| HR worker prod comfortable | 3.856 | 0.764 | 1 | 5 |
| HR worker force | 2.871 | 1.045 | 1 | 5 |
| HR worker prod happy | 3.828 | 0.746 | 1 | 5 |
| HR dehumanization | 2.231 | 0.36 | 1.286 | 3 |
| **Social Norms** |  |  |  |  |
| HR factory force | 2.602 | 0.934 | 1 | 5 |
| HR industry force | 2.514 | 0.904 | 1 | 5 |
| HR social norm force | 2.528 | 0.774 | 1 | 4.5 |
| HR factory import pay fair | 4.129 | 0.629 | 1 | 5 |
| HR industry import pay fair | 4.025 | 0.724 | 1 | 5 |
| HR social norm import pay fair | 4.083 | 0.647 | 1 | 5 |
| HR factory import work cond | 4.181 | 0.528 | 3 | 5 |
| HR industry imprt work cond | 4.127 | 0.585 | 2 | 5 |
| HR social norm import work cond | 4.165 | 0.523 | 2.5 | 5 |
| HR factory common sh | 1.713 | 0.848 | 1 | 5 |
| HR factory accept sh | 1.742 | 0.873 | 1 | 5 |
| HR social norm sh | 1.7 | 0.839 | 1 | 5 |
| HR factory common sh pay | 1.747 | 0.794 | 1 | 5 |
| HR factory accept sh pay | 1.756 | 0.746 | 1 | 5 |
| HR social norm sh pay | 1.756 | 0.767 | 1 | 5 |
| **Organizational Tolerance** |  |  |  |  |
| HR sh complaint serious | 3.759 | 1.034 | 1 | 5 |
| HR sh complaint consequence | 3.581 | 1.034 | 1 | 5 |
| HR org tolerance serious | 3.676 | 0.915 | 1 | 5 |
| HR sh complaint risky | 2.023 | 1.039 | 1 | 5 |

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| Table 3 Part A Compliance by Level of Treatment | | | | | | |
|  | | | | | | |
| VARIABLES | Child  Labourers | | Contracting  Procedures | Dialogue Discipline  and Disputes | Employment  Contracts | Chemicals |
|  |  | |  |  |  |  |
| cycle2 | -0.0179 | | 0.0369 | -0.0299 | -0.00886 | -0.141\* |
|  | (0.0293) | | (0.0358) | (0.0233) | (0.0420) | (0.0727) |
| cycle3 | -0.0160 | | 0.0668\*\* | -0.0283 | -0.0696\* | -0.149\*\* |
|  | (0.0260) | | (0.0338) | (0.0220) | (0.0390) | (0.0679) |
| cycle4 | 0.0681\*\* | | 0.131\*\*\* | -0.0486\* | 0.0151 | -0.175\*\* |
|  | (0.0290) | | (0.0432) | (0.0282) | (0.0482) | (0.0847) |
| assessment |  | | 0.0982 |  | 0.0893 | 0.467\* |
|  |  | | (0.120) |  | (0.172) | (0.278) |
| training |  | | -0.0286 |  | -0.119 | 0.111 |
|  |  | | (0.0706) |  | (0.0963) | (0.158) |
| advisory |  | | -0.0534 |  | 0.0151 | -0.311\* |
|  |  | | (0.0737) |  | (0.101) | (0.165) |
| employees |  | | -1.41e-05 |  | -4.99e-05\* | 7.10e-06 |
|  |  | | (2.12e-05) |  | (2.91e-05) | (4.77e-05) |
| Constant | -0.00530 | | 0.0376 | 0.147\*\*\* | 0.169 | -0.0726 |
|  | (0.0139) | | (0.126) | (0.0145) | (0.178) | (0.289) |
|  |  | |  |  |  |  |
| Observations | 197 | | 195 | 195 | 195 | 195 |
| R-squared | 0.082 | |  |  |  |  |
| Number of factoryid | 71 | | 69 | 69 | 69 | 69 |
| Standard errors in parentheses | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | |

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| --- | --- | --- | --- | --- | --- | --- |
| Table 3 Part B Compliance by Level of Treatment | | | | | | |
|  | | | | | | |
| VARIABLES | Emergency  Preparedness | | Health Services  and First Aid | Welfare  Facilities | Worker  Protection | Working  Environment |
|  |  | |  |  |  |  |
| cycle2 | 0.0245 | | -0.0364 | -0.00323 | 0.0631 | -0.105\* |
|  | (0.0330) | | (0.0449) | (0.0584) | (0.0405) | (0.0595) |
| cycle3 | -0.0999\*\*\* | | -0.0414 | -0.169\*\*\* | -0.103\*\*\* | -0.169\*\*\* |
|  | (0.0305) | | (0.0417) | (0.0542) | (0.0377) | (0.0576) |
| cycle4 | -0.0258 | | -0.107\*\* | -0.194\*\*\* | -0.0434 | -0.127\* |
|  | (0.0371) | | (0.0512) | (0.0667) | (0.0467) | (0.0763) |
| assessment | 0.0996 | | 0.428\*\* | 0.0959 | 0.186 | -0.167 |
|  | (0.145) | | (0.188) | (0.241) | (0.161) | (0.153) |
| training | 0.00892 | | 0.0213 | -0.183 | -0.0920 | -0.0930 |
|  | (0.0805) | | (0.105) | (0.135) | (0.0909) | (0.0977) |
| advisory | -0.105 | | -0.211\* | 0.0388 | -0.0341 | 0.0809 |
|  | (0.0842) | | (0.110) | (0.141) | (0.0950) | (0.102) |
| employees | -2.64e-05 | | -5.71e-05\* | -2.71e-05 | -1.15e-05 | 9.84e-05\*\*\* |
|  | (2.43e-05) | | (3.18e-05) | (4.08e-05) | (2.74e-05) | (2.82e-05) |
| Constant | 0.0728 | | 0.171 | 0.411 | 0.134 | 0.727\*\*\* |
|  | (0.150) | | (0.195) | (0.250) | (0.167) | (0.163) |
|  |  | |  |  |  |  |
| Observations | 195 | | 195 | 195 | 195 | 195 |
| R-squared |  | |  |  |  |  |
| Number of factoryid | 69 | | 69 | 69 | 69 | 69 |
| Standard errors in parentheses | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | |

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| --- | --- | --- | --- | --- | --- | --- |
| Table 3 Part C Compliance by Level of Treatment | | | | | | |
|  | | | | | | |
| VARIABLES | Gender | Other  Grounds | Leave | Overtime | Paid  Leave | Wage Info  Use and Deduction |
|  |  |  |  |  |  |  |
| cycle2 | -0.00790 | -0.0318\*\* | 0.0478 | -0.0411 | 0.0555 | -0.0218 |
|  | (0.00632) | (0.0161) | (0.0510) | (0.0576) | (0.0418) | (0.0662) |
| cycle3 | -0.0122\*\* | -0.0180 | -0.0387 | -0.0515 | 0.0483 | -0.104\* |
|  | (0.00588) | (0.0153) | (0.0476) | (0.0541) | (0.0397) | (0.0616) |
| cycle4 | 0.00229 | -0.0668\*\*\* | -0.0747 | -0.128\* | -0.0863\* | -0.159\*\* |
|  | (0.00728) | (0.0197) | (0.0592) | (0.0682) | (0.0510) | (0.0762) |
| assessment | 0.0180 | 0.0883\* | -0.0516 | -0.0391 | 0.0329 | -0.0438 |
|  | (0.0254) | (0.0510) | (0.198) | (0.207) | (0.135) | (0.266) |
| training | 0.0134 | 0.0320 | -0.188\* | -0.113 | -0.129 | -0.162 |
|  | (0.0143) | (0.0304) | (0.112) | (0.119) | (0.0800) | (0.150) |
| advisory | -0.0172 | -0.0727\*\* | 0.112 | 0.0733 | 0.0470 | 0.0996 |
|  | (0.0149) | (0.0317) | (0.117) | (0.125) | (0.0834) | (0.157) |
| employees | -2.17e-06 | 4.42e-06 | -4.31e-05 | -3.82e-05 | -2.29e-05 | -5.03e-05 |
|  | (4.32e-06) | (9.07e-06) | (3.39e-05) | (3.60e-05) | (2.39e-05) | (4.53e-05) |
| Constant | -0.0111 | -0.0274 | 0.233 | 0.351 | 0.165 | 0.321 |
|  | (0.0264) | (0.0536) | (0.206) | (0.216) | (0.142) | (0.277) |
|  |  |  |  |  |  |  |
| Observations | 195 | 195 | 195 | 195 | 195 | 195 |
| R-squared |  |  |  |  |  |  |
| Number of factoryid | 69 | 69 | 69 | 69 | 69 | 69 |
| Standard errors in parentheses | |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | |  |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Table 4 Dehumanization | | | | | | | |
|  | | | | | | | |
|  | Random Effects | | RE Baseline HR Characteristics | | | Factory Fixed Effects | |
| VARIABLES | Leave | Overtime | Hazardous  Work | Overtime | Regular  Hours | Health\_Services  And First\_Aid | Wage Info  Use and  Deduction |
|  |  |  |  |  |  |  |  |
| HR\_dehumanization | 0.114\* | 0.186\*\* | -0.0319\* | 0.196\*\*\* | 0.101\* | 0.139\* | 0.253\*\* |
|  | (0.0673) | (0.0772) | (0.0182) | (0.0660) | (0.0527) | (0.0727) | (0.115) |
| cycle2 | -0.0518 | -0.130\* | 0.00490 | -0.143\*\* | 0.000852 | -0.00501 | -0.187 |
|  | (0.0639) | (0.0749) | (0.0186) | (0.0674) | (0.0538) | (0.144) | (0.228) |
| cycle3 | -0.163\*\* | 5.12e-05 | -0.0185 | -0.0991 | -0.162\*\*\* | -0.162 | -0.184 |
|  | (0.0782) | (0.0909) | (0.0217) | (0.0785) | (0.0626) | (0.143) | (0.227) |
| cycle4 | 0.0131 | -0.286\* | -0.0107 | -0.145 | -0.0960 | 0.0130 | -0.284 |
|  | (0.136) | (0.157) | (0.0316) | (0.114) | (0.0913) | (0.177) | (0.281) |
| Constant | -0.0918 | 0.00930 | 0.0650 | -0.0176 | -0.121 | 0.298 | 0.0781 |
|  | (0.167) | (0.192) | (0.0467) | (0.169) | (0.135) | (0.196) | (0.311) |
|  |  |  |  |  |  |  |  |
| Observations | 68 | 68 | 73 | 73 | 73 | 68 | 68 |
| R-squared |  |  |  |  |  | 0.519 | 0.409 |
| Number of factoryid | 48 | 48 | 43 | 43 | 43 | 48 | 48 |
| Year Fixed Effects, Factory Demographic Controls | | | | | | | |
| Standard errors in parentheses | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | | |

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| Table 5 HR Norm Workers Sometimes Need to be Forced to Work Hard | | | | | | | | |
|  | | | | | | | | |
|  | Random Effects | | RE HR Baseline Characteristics | | | | | Fixed Effects |
| VARIABLES | Regular  Hours | Overtime  Wages | Document Protect  Young Worker | Employment  Contracts | Emergency  Preparedness | Working  Environ | Overtime | Regular  Hours |
|  |  |  |  |  |  |  |  |  |
| HR Social  Norm Force | -0.0511\*\* | -0.0672\* | -0.0588\* | -0.0684\* | -0.0633\* | -0.0932\*\* | -0.0876\* | -0.107\*\*\* |
|  | (0.0214) | (0.0348) | (0.0312) | (0.0388) | (0.0354) | (0.0453) | (0.0449) | (0.0318) |
| cycle2 | -0.110\* | -0.0171 | -0.0357 | 0.0539 | 0.0412 | -0.203\* | -0.116 | -0.110 |
|  | (0.0582) | (0.0945) | (0.0672) | (0.0812) | (0.0651) | (0.108) | (0.105) | (0.116) |
| cycle3 | -0.113\* | -0.0242 | -0.238\*\*\* | -0.0762 | -0.0632 | -0.153 | -0.0465 | -0.153 |
|  | (0.0589) | (0.0956) | (0.0813) | (0.0983) | (0.0788) | (0.131) | (0.127) | (0.154) |
| cycle4 | -0.122\* | 0.0674 | -0.174 | 0.204 | -0.170 | -0.268 | -0.281 | -0.378\*\* |
|  | (0.0693) | (0.112) | (0.151) | (0.181) | (0.138) | (0.247) | (0.239) | (0.147) |
| Constant | 0.0865 | 0.486\*\*\* | 0.0353 | 0.541\*\*\* | 0.276\*\* | 0.971\*\*\* | 0.707\*\*\* | 0.153 |
|  | (0.101) | (0.163) | (0.128) | (0.158) | (0.139) | (0.194) | (0.190) | (0.207) |
|  |  |  |  |  |  |  |  |  |
| Observations | 62 | 62 | 52 | 52 | 52 | 52 | 52 | 62 |
| Number of factoryid | 45 | 45 | 31 | 31 | 31 | 31 | 31 | 45 |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | | | |

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| Table 6 Social Norm Important to Pay Workers Fairly and On-time | | | | | | | | | |
|  | | | | | | | | | |
|  | Random Effects | | | | RE with Baseline Manager characteristics | | | Fixed Effects | |
| VARIABLES | Union  Operations | Discrimination  Gender | Social Security  and Other | Premium  Pay | Worker  Accommodation | Working  Environment | Leave | Gender | Social Security  and Other |
|  |  |  |  |  |  |  |  |  |  |
| HR Social Norm  Important Pay Fair | 0.0410\* | -0.0101\*\*\* | -0.0455\*\*\* | -0.0559\* | -0.115\* | 0.149\*\* | -0.0771\* | -0.0140\* | -0.0700\*\*\* |
|  | (0.0237) | (0.00388) | (0.0167) | (0.0313) | (0.0663) | (0.0623) | (0.0454) | (0.00767) | (0.0195) |
| cycle2 | 0.0149 | 0.00181 | -0.00971 | 0.0379 | 0.0265 | -0.191\*\* | 0.0228 | -0.00150 | -0.158\*\* |
|  | (0.0541) | (0.00839) | (0.0417) | (0.0683) | (0.0915) | (0.0878) | (0.0713) | (0.0283) | (0.0720) |
| cycle3 | -0.0680 | -0.0235\*\* | -0.0697 | -0.116 | 0.0867 | -0.316\*\*\* | -0.117 | -0.0292 | -0.238\*\* |
|  | (0.0644) | (0.0101) | (0.0487) | (0.0820) | (0.109) | (0.106) | (0.0879) | (0.0322) | (0.0817) |
| cycle4 | 0.0383 | -0.00347 | 0.0554 | -0.0379 | -0.273 | -0.777\*\*\* | 0.0511 | -0.0132 | -0.158 |
|  | (0.0776) | (0.0120) | (0.0592) | (0.0976) | (0.244) | (0.240) | (0.210) | (0.0360) | (0.0915) |
| Constant | -0.117 | 0.0415 | 0.220\*\* | 0.242 | 0.466 | 0.0892 | 0.722\*\*\* | 0.0709 | 0.324\*\* |
|  | (0.157) | (0.0263) | (0.108) | (0.211) | (0.334) | (0.319) | (0.251) | (0.0494) | (0.126) |
|  |  |  |  |  |  |  |  |  |  |
| Observations | 66 | 66 | 66 | 66 | 58 | 58 | 58 | 66 | 66 |
| R-squared |  |  |  |  |  |  |  | 0.245 | 0.643 |
| Number of factoryid | 45 | 45 | 45 | 45 | 34 | 34 | 34 | 45 | 45 |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | | | | |

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| Table 7 HR Social Norm Important to have Safe and Comfortable Working Conditions | | | | | | | | | |
|  | | | | | | | | | |
|  | Random Effects | | | | | |  |  |  |
| VARIABLES | Coercion | Termination | OSH Management  Systems | Worker  Accommodation | Gender | Premium  Pay |  |  |  |
| HR Social Norm Safe Comfort | -0.00719\*\* | -0.0849\*\* | -0.0802\* | -0.0900\*\* | -0.0120\* | -0.0901\*\* |  |  |  |
|  | (0.00357) | (0.0388) | (0.0468) | (0.0438) | (0.00687) | (0.0377) |  |  |  |
| cycle2 | 0.00354 | -0.0554 | 0.0509 | 0.0415 | 0.00666 | 0.0552 |  |  |  |
|  | (0.00649) | (0.0732) | (0.102) | (0.0806) | (0.0125) | (0.0698) |  |  |  |
| cycle3 | 0.00535 | -0.0916 | -0.163 | 0.0568 | -0.0204 | -0.0986 |  |  |  |
|  | (0.00672) | (0.0769) | (0.110) | (0.0839) | (0.0129) | (0.0728) |  |  |  |
| cycle4 | -0.00399 | -0.117 | -0.231\* | -0.168 | -0.00295 | -0.0412 |  |  |  |
|  | (0.00872) | (0.0993) | (0.133) | (0.109) | (0.0168) | (0.0945) |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |
|  | RE with Baseline Manager Characteristics | | | | | | | | |
| VARIABLES | Freedom to Associate | Interference and Discrimination | Chemicals | Health Services  and First Aid | Welfare  Facilities | Worker  Accomm | Other  Grounds | Leave | Paid  Leave |
| HR Social Norm Safe Comfort | -0.104\*\* | -0.0337\* | -0.273\*\* | -0.210\*\* | -0.156\* | -0.140\*\* | -0.0601\*\*\* | -0.112\* | -0.113\*\* |
|  | (0.0490) | (0.0202) | (0.120) | (0.0860) | (0.0901) | (0.0697) | (0.0233) | (0.0600) | (0.0571) |
| cycle2 | 0.119\* | 0.0466\* | -0.0197 | 0.0922 | 0.00501 | 0.0733 | -0.0252 | 0.0917 | 0.153\*\* |
|  | (0.0637) | (0.0262) | (0.123) | (0.0838) | (0.103) | (0.0823) | (0.0273) | (0.0780) | (0.0729) |
| cycle3 | 0.0495 | 0.0261 | -0.242\* | -0.00871 | -0.110 | 0.136 | -0.0163 | -0.182\*\* | 0.0797 |
|  | (0.0689) | (0.0284) | (0.135) | (0.0926) | (0.113) | (0.0900) | (0.0298) | (0.0844) | (0.0791) |
| cycle4 | -0.0485 | -0.0264 | -0.318 | -0.117 | 0.0448 | -0.260\* | -0.0895\* | 0.0829 | -0.0949 |
|  | (0.114) | (0.0468) | (0.201) | (0.134) | (0.179) | (0.145) | (0.0478) | (0.139) | (0.130) |
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|  |  |  |  |  |  |  |  |  |  |
|  | Fixed Effects | | | | |  |  |  |  |
| VARIABLES | Hazardous  Work | Termination | Gender | Overtime  Wages | Social Security  and Other |  |  |  |  |
| HR Social Norm Safe Comfort | -0.0466\*\* | -0.128\*\* | -0.0282\*\* | -0.126\* | -0.0578\* |  |  |  |  |
|  | (0.0197) | (0.0511) | (0.0111) | (0.0680) | (0.0326) |  |  |  |  |
| cycle2 | 0.190\*\*\* | 0.190 | 0.0175 | -0.144 | -0.118 |  |  |  |  |
|  | (0.0640) | (0.166) | (0.0361) | (0.220) | (0.106) |  |  |  |  |
| cycle3 | 0.211\*\*\* | 0.0808 | -0.0220 | -0.179 | -0.226\* |  |  |  |  |
|  | (0.0701) | (0.181) | (0.0395) | (0.241) | (0.116) |  |  |  |  |
| cycle4 | 0.145\* | 0.149 | 0.00940 | -0.103 | -0.0320 |  |  |  |  |
|  | (0.0738) | (0.191) | (0.0416) | (0.254) | (0.122) |  |  |  |  |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | |  |  |  |  |  |  |

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| Table 8 Tolerance for Sexual Harassment | | | | | | | |
|  | | | | | | | |
|  | Random Effects | | | | |  |  |
| VARIABLES | OSH Management  Systems | Health Services  and First Aid | Min Wage | Paid Leave | Wage Info Use  and Deduction |  |  |
|  |  |  |  |  |  |  |  |
| HR Social  Norm SH | 0.0676\* | 0.0659\*\* | -0.0450\*\* | 0.0439\*\* | -0.0613\* |  |  |
|  | (0.0364) | (0.0269) | (0.0185) | (0.0222) | (0.0360) |  |  |
| cycle2 | -0.0751 | -0.0499 | 0.0662 | 0.0635 | 0.00262 |  |  |
|  | (0.0913) | (0.0675) | (0.0470) | (0.0578) | (0.0928) |  |  |
| cycle3 | -0.114 | -0.112 | -0.0359 | -0.00111 | 0.0556 |  |  |
|  | (0.110) | (0.0818) | (0.0582) | (0.0745) | (0.118) |  |  |
| cycle4 | -0.296\*\* | -0.201\*\* | 0.115 | -0.0934 | -0.000134 |  |  |
|  | (0.135) | (0.100) | (0.0721) | (0.0937) | (0.148) |  |  |
|  |  |  |  |  |  |  |  |
|  | RE with Baseline Manager Characteristics | | | | | | |
| VARIABLES | Hazardous  Work | Union  Operations | Contracting Procedures | Dialogue Discipline  and Disputes | Emergency  Preparedness | OSH Management Systems | Health Services  and First Aid |
|  |  |  |  |  |  |  |  |
| HR Social  Norm SH | 0.0127\* | 0.0266\*\* | 0.0406\*\* | 0.0297\*\* | 0.0428\*\* | 0.112\*\*\* | 0.0786\*\*\* |
|  | (0.00758) | (0.0132) | (0.0187) | (0.0122) | (0.0209) | (0.0386) | (0.0300) |
| cycle2 | 0.00547 | 0.0656\* | 0.0648 | -0.0196 | 0.0344 | -0.0340 | -0.0193 |
|  | (0.0221) | (0.0385) | (0.0493) | (0.0323) | (0.0463) | (0.0915) | (0.0651) |
| cycle3 | -0.00501 | -0.0361 | 0.0817 | -0.0658\* | -0.0866\* | -0.0958 | -0.0598 |
|  | (0.0258) | (0.0449) | (0.0569) | (0.0373) | (0.0511) | (0.103) | (0.0715) |
| cycle4 | -0.0179 | -0.00576 | 0.0522 | -0.0187 | -0.0667 | -0.208 | -0.157 |
|  | (0.0368) | (0.0642) | (0.0810) | (0.0531) | (0.0716) | (0.145) | (0.100) |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| |  |  | | --- | --- | |  | RE with Baseline Manager Characteristics | | | | | | | | |
| VARIABLES | Welfare Facilities | Worker Protection | Leave | Overtime | Regular Hours | Paid Leave | Social Security  and Other |
|  |  |  |  |  |  |  |  |
| HR Social  Norm SH | 0.0767\*\* | 0.0464\* | 0.0374\* | 0.0499\* | -0.00656 | 0.0441\*\* | 0.0319\*\* |
|  | (0.0317) | (0.0239) | (0.0214) | (0.0275) | (0.0173) | (0.0212) | (0.0154) |
| cycle2 | -0.0458 | -0.00899 | -0.0185 | -0.134\* | 0.00493 | 0.0628 | 0.0381 |
|  | (0.0793) | (0.0559) | (0.0625) | (0.0751) | (0.0506) | (0.0585) | (0.0406) |
| cycle3 | -0.176\* | -0.189\*\*\* | -0.184\*\* | -0.0398 | -0.145\*\* | 0.0328 | -0.0394 |
|  | (0.0904) | (0.0626) | (0.0729) | (0.0871) | (0.0590) | (0.0679) | (0.0469) |
| cycle4 | -0.0539 | -0.133 | 0.0186 | -0.148 | -0.0709 | -0.168\* | 0.108 |
|  | (0.128) | (0.0883) | (0.104) | (0.124) | (0.0842) | (0.0968) | (0.0667) |
|  |  |  |  |  |  |  |  |
|  | Fixed Effects | | | | |  |  |
| VARIABLES | Document Protect Young Worker | Interference and Discrimination | Leave | Min Wage | Social Security  and Other |  |  |
|  |  |  |  |  |  |  |  |
| HR Social  Norm SH | -0.0985\*\* | -0.0536\*\* | -0.125\*\* | -0.104\*\* | -0.0834\*\* |  |  |
|  | (0.0404) | (0.0209) | (0.0539) | (0.0399) | (0.0355) |  |  |
| cycle2 | 0.0719 | 0.0408 | 0.141 | 0.110 | 0.0487 |  |  |
|  | (0.0990) | (0.0512) | (0.132) | (0.0977) | (0.0869) |  |  |
| cycle3 | -0.141 | 0.0336 | -0.112 | -0.0574 | -0.0806 |  |  |
|  | (0.0984) | (0.0509) | (0.131) | (0.0971) | (0.0863) |  |  |
| cycle4 | -0.119 | 0.0316 | 0.220 | 0.162 | 0.153 |  |  |
|  | (0.113) | (0.0585) | (0.151) | (0.112) | (0.0993) |  |  |
| Observations | 73 | 73 | 73 | 73 | 73 |  |  |
| R-squared | 0.685 | 0.321 | 0.437 | 0.567 | 0.444 |  |  |
| Number of factoryid | 49 | 49 | 49 | 49 | 49 |  |  |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | | |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | |  |  |

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| Table 9 Social Norm Link Pay and Sexual Harassment | | | | | | | | | | | | |  | |
|  | | | | | | | | | | | | |  | |
|  | Random Effects | | | | | |  | |  | |  | |  | |
| VARIABLES | OSH Management  Systems | | Health Services  and First Aid | | Min Wage | |  | |  | |  | |  | |
|  |  | |  | |  | |  | |  | |  | |  | |
| HR Social Norm  SH pay | 0.0903\*\* | | 0.0605\*\* | | -0.0562\*\* | |  | |  | |  | |  | |
|  | (0.0387) | | (0.0280) | | (0.0219) | |  | |  | |  | |  | |
| cycle2 | -0.0810 | | -0.0716 | | 0.0509 | |  | |  | |  | |  | |
|  | (0.0909) | | (0.0678) | | (0.0511) | |  | |  | |  | |  | |
| cycle3 | -0.143 | | -0.127\* | | -0.00457 | |  | |  | |  | |  | |
|  | (0.106) | | (0.0765) | | (0.0606) | |  | |  | |  | |  | |
| cycle4 | -0.273\* | | -0.203\* | | 0.106 | |  | |  | |  | |  | |
|  | (0.145) | | (0.104) | | (0.0822) | |  | |  | |  | |  | |
|  |  | |  | |  | |  | |  | |  | |  | |
|  | RE Baseline HR Values | | | | | | | | | | | |  | |
| VARIABLES | Freedom to  Associate | | Union  Operations | | Contracting Procedures | | Dialogue Discipline  and Disputes | | Emergency  Preparedness | | OSH Management Systems | |  | |
|  |  | |  | |  | |  | |  | |  | |  | |
| HR Social Norm  SH pay | 0.0353\*\* | | 0.0309\* | | 0.0531\*\*\* | | 0.0250\* | | 0.0548\*\* | | 0.128\*\*\* | |  | |
|  | (0.0179) | | (0.0179) | | (0.0202) | | (0.0129) | | (0.0234) | | (0.0419) | |  | |
| cycle2 | 0.0490 | | -0.00606 | | 0.0742 | | -0.0231 | | 0.0393 | | -0.0739 | |  | |
|  | (0.0477) | | (0.0447) | | (0.0481) | | (0.0324) | | (0.0466) | | (0.0858) | |  | |
| cycle3 | 0.0122 | | -0.0444 | | 0.0702 | | -0.0739\* | | -0.100\* | | -0.0923 | |  | |
|  | (0.0567) | | (0.0530) | | (0.0565) | | (0.0384) | | (0.0518) | | (0.0964) | |  | |
| cycle4 | 0.0877 | | -0.000102 | | 0.0619 | | 0.00996 | | -0.0718 | | -0.292\*\* | |  | |
|  | (0.0886) | | (0.0825) | | (0.0878) | | (0.0598) | | (0.0793) | | (0.148) | |  | |
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|  | RE with Baseline Manager Characteristics | | | | | | | | | | | |  | |
| VARIABLES | Health Services  and First Aid | | Welfare  Facilities | | Worker  Protection | | Leave | | Overtime | | Social  Security  and Other | |  | |
|  |  | |  | |  | |  | |  | |  | |  | |
| HR Social Norm  SH pay | 0.0956\*\*\* | | 0.0750\*\* | | 0.0553\*\* | | 0.0526\*\* | | 0.0581\* | | 0.0510\*\*\* | |  | |
|  | (0.0338) | | (0.0347) | | (0.0260) | | (0.0220) | | (0.0297) | | (0.0155) | |  | |
| cycle2 | -0.0215 | | -0.0546 | | -0.0114 | | -0.00733 | | -0.113 | | 0.0439 | |  | |
|  | (0.0640) | | (0.0774) | | (0.0556) | | (0.0581) | | (0.0755) | | (0.0379) | |  | |
| cycle3 | -0.0833 | | -0.200\*\* | | -0.190\*\*\* | | -0.205\*\*\* | | -0.0830 | | -0.0563 | |  | |
|  | (0.0699) | | (0.0894) | | (0.0633) | | (0.0691) | | (0.0896) | | (0.0448) | |  | |
| cycle4 | -0.152 | | -0.00586 | | -0.115 | | 0.0576 | | -0.121 | | 0.189\*\*\* | |  | |
|  | (0.106) | | (0.138) | | (0.0975) | | (0.108) | | (0.140) | | (0.0696) | |  | |
|  |  | |  | |  | |  | |  | |  | |  | |
|  | Fixed Effects | | | | | | | | | | | | | |
| VARIABLES | Document Protect  Young Worker | | Hazardous  Work | | Contracting  Procedures | | Leave | | Overtime | | Min Wage | | Social Security  and Other | |
|  |  | |  | |  | |  | |  | |  | |  | |
| HR Social Norm  SH pay | -0.146\*\*\* | | -0.0608\*\* | | -0.0723\* | | -0.100\* | | -0.136\*\* | | -0.118\*\*\* | | -0.0722\*\* | |
|  | (0.0364) | | (0.0259) | | (0.0398) | | (0.0478) | | (0.0640) | | (0.0389) | | (0.0307) | |
| cycle2 | 0.171 | | 0.202\*\* | | 0.269\* | | 0.232 | | -0.0679 | | 0.105 | | 0.116 | |
|  | (0.122) | | (0.0870) | | (0.134) | | (0.161) | | (0.215) | | (0.131) | | (0.103) | |
| cycle3 | -0.0443 | | 0.122 | | 0.135 | | -0.0637 | | 0.0287 | | -0.0382 | | -0.0217 | |
|  | (0.108) | | (0.0769) | | (0.118) | | (0.142) | | (0.190) | | (0.115) | | (0.0910) | |
| cycle4 | -0.00730 | | 0.108 | | 0.281\* | | 0.337\* | | -0.173 | | 0.134 | | 0.247\* | |
|  | (0.147) | | (0.105) | | (0.161) | | (0.193) | | (0.258) | | (0.157) | | (0.124) | |
| Observations | 73 | | 73 | | 73 | | 73 | | 73 | | 73 | | 73 | |
| R-squared | 0.720 | | 0.468 | | 0.707 | | 0.417 | | 0.423 | | 0.583 | | 0.435 | |
| Number of factoryid | 48 | | 48 | | 48 | | 48 | | 48 | | 48 | | 48 | |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | | | | | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | | | | | | | | | |
| Table 10 HR Belief Link between Pay and Profits | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | |
|  | | Random Effects | | | | | | | | | |  | |  |
| VARIABLES | | Hazardous  Work | | Coercion | | Health Services  and First Aid | | Method of Payment | | Min Wage | |  | |  |
|  | |  | |  | |  | |  | |  | |  | |  |
| HR Belief  Pay Profit | | 0.0350\*\* | | 0.00694\* | | -0.0785\*\* | | -0.146\*\*\* | | 0.0587\* | |  | |  |
|  | | (0.0156) | | (0.00358) | | (0.0321) | | (0.0410) | | (0.0353) | |  | |  |
| cycle2 | | 0.0126 | | 0.00210 | | -0.0225 | | -0.101 | | 0.0767 | |  | |  |
|  | | (0.0242) | | (0.00554) | | (0.0630) | | (0.0747) | | (0.0548) | |  | |  |
| cycle3 | | -0.00537 | | 0.00750 | | -0.0888 | | 0.1000 | | 0.0442 | |  | |  |
|  | | (0.0295) | | (0.00674) | | (0.0687) | | (0.0835) | | (0.0666) | |  | |  |
| cycle4 | | -0.00705 | | -0.000896 | | -0.0370 | | 0.0816 | | 0.0961 | |  | |  |
|  | | (0.0395) | | (0.00904) | | (0.0884) | | (0.109) | | (0.0894) | |  | |  |
|  | |  | |  | |  | |  | |  | |  | |  |
|  | | RE with Baseline Manager Characteristics | | | | | | | | | | | | |
| VARIABLES | | Freedom to Associate | | Interference and  Discrimination | | Chemicals | | Other  Grounds | | Overtime | | Min Wage | | Wage Info Use  and Deduction |
|  | |  | |  | |  | |  | |  | |  | |  |
| HR Belief  Pay Profit | | 0.0983\*\*\* | | 0.0413\*\*\* | | 0.176\* | | 0.0466\*\*\* | | 0.115\* | | 0.0685\* | | 0.166\*\* |
|  | | (0.0364) | | (0.0137) | | (0.0903) | | (0.0168) | | (0.0619) | | (0.0371) | | (0.0764) |
| cycle2 | | 0.0676 | | 0.0381\*\* | | -0.0819 | | -0.0420\* | | -0.0741 | | 0.0813\* | | 0.0761 |
|  | | (0.0516) | | (0.0194) | | (0.109) | | (0.0230) | | (0.0854) | | (0.0493) | | (0.106) |
| cycle3 | | 0.0619 | | 0.0310 | | -0.206 | | 0.00149 | | 0.00704 | | 0.0622 | | 0.0527 |
|  | | (0.0647) | | (0.0244) | | (0.132) | | (0.0287) | | (0.107) | | (0.0613) | | (0.132) |
| cycle4 | | 0.109 | | -0.0102 | | -0.0304 | | -0.0621 | | -0.114 | | 0.0330 | | 0.0836 |
|  | | (0.0937) | | (0.0353) | | (0.186) | | (0.0414) | | (0.154) | | (0.0881) | | (0.191) |
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|  | | Fixed Effects | | | | | | | |  | |  | |  |
| VARIABLES | | Hazardous  Work | | Employment  Contracts | | Health Services  and First Aid | | Method of  Payment | |  | |  | |  |
|  | |  | |  | |  | |  | |  | |  | |  |
| HR Belief  Pay Profit | | 0.0635\* | | -0.113\* | | -0.110\*\*\* | | -0.164\*\*\* | |  | |  | |  |
|  | | (0.0314) | | (0.0587) | | (0.0359) | | (0.0514) | |  | |  | |  |
| cycle2 | | 0.0962 | | 0.329\* | | 0.0296 | | -0.223 | |  | |  | |  |
|  | | (0.0827) | | (0.155) | | (0.0945) | | (0.135) | |  | |  | |  |
| cycle3 | | 0.0575 | | 0.212 | | -0.0408 | | -0.00357 | |  | |  | |  |
|  | | (0.0849) | | (0.159) | | (0.0971) | | (0.139) | |  | |  | |  |
| cycle4 | | -0.0913 | | 0.317 | | 0.0337 | | -0.0357 | |  | |  | |  |
|  | | (0.101) | | (0.189) | | (0.116) | | (0.166) | |  | |  | |  |
|  | |  | |  | |  | |  | |  | |  | |  |
| Observations | | 68 | | 68 | | 68 | | 68 | |  | |  | |  |
| R-squared | | 0.543 | | 0.467 | | 0.712 | | 0.591 | |  | |  | |  |
| Number of factoryid | | 47 | | 47 | | 47 | | 47 | |  | |  | |  |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | | | | | | |  | |  | |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | | | | |  | |  | |  |

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| Table 11 Manger Beliefs Link Working Conditions and Productivity | | | | | | | | |
|  | | | | | | | | |
|  | RE | RE with Baseline Manager Characteristics | | | | Fixed Effects | | |
| VARIABLES | Welfare Facilities | Chemicals | Welfare Facilities | Min Wage | Wage Info Use and Deduction | Termination | Welfare Facilities | Paid Leave |
|  |  |  |  |  |  |  |  |  |
| HR Belief  WC Productivity | 0.0738\*\* | 0.115\*\* | 0.0838\*\* | 0.0472\* | 0.0808\* | 0.0948\* | 0.140\* | 0.132\*\* |
|  | (0.0363) | (0.0534) | (0.0359) | (0.0250) | (0.0457) | (0.0536) | (0.0682) | (0.0501) |
| cycle2 | -0.0515 | -0.0984 | -0.0598 | 0.0683 | -0.0281 | 0.241 | -0.0951 | 0.446\*\*\* |
|  | (0.0756) | (0.101) | (0.0749) | (0.0495) | (0.102) | (0.151) | (0.192) | (0.141) |
| cycle3 | -0.196\*\* | -0.225\*\* | -0.140\* | 0.00389 | -0.0128 | 0.0505 | -0.306 | 0.182 |
|  | (0.0783) | (0.104) | (0.0786) | (0.0517) | (0.107) | (0.148) | (0.188) | (0.138) |
| cycle4 | 0.0325 | -0.180 | -0.0726 | 0.00916 | -0.0156 | 0.145 | -0.201 | 0.155 |
|  | (0.119) | (0.156) | (0.119) | (0.0779) | (0.162) | (0.158) | (0.201) | (0.148) |
| Constant | 0.570\*\*\* | 0.0380 | 0.548\*\*\* | -0.188\* | 0.176 | -0.221 | 0.208 | -0.563\*\* |
|  | (0.162) | (0.223) | (0.159) | (0.108) | (0.210) | (0.242) | (0.307) | (0.226) |
|  |  |  |  |  |  |  |  |  |
| Observations | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 |
|  |  |  |  |  |  | 0.293 | 0.414 | 0.736 |
| Number of factoryid | 50 | 45 | 45 | 45 | 45 | 50 | 50 | 50 |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | | | |

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| Table 12 Belief Connection between Supervisor Pay Incentives and Worker Treatment | | | | | | | | | |
|  | | | | | | | | | |
|  | Random Effects | | | | Fixed Effects | | | | |
| VARIABLES | Worker  Accomm | Overtime | Paid Leave | Social Security  and Other | Freedom to Associate | Union  Operations | Termination | Welfare Facilities | Social Security  and Other |
|  |  |  |  |  |  |  |  |  |  |
| HR Belief  Supervisor Pay | -0.0881\* | -0.101\* | -0.0744\* | -0.0854\*\*\* | -0.121\* | 0.0803\* | -0.114\* | 0.165\* | -0.117\*\* |
|  | (0.0461) | (0.0537) | (0.0397) | (0.0263) | (0.0656) | (0.0395) | (0.0616) | (0.0845) | (0.0408) |
| cycle2 | -0.0655 | -0.156\* | 0.0887 | 0.00801 | 0.215 | 0.161 | 0.146 | -0.287 | -0.00873 |
|  | (0.0721) | (0.0839) | (0.0620) | (0.0418) | (0.179) | (0.108) | (0.168) | (0.231) | (0.111) |
| cycle3 | 0.0674 | -0.0574 | -0.0230 | -0.0478 | 0.186 | -0.0402 | 0.0572 | -0.416\* | -0.0916 |
|  | (0.0796) | (0.0928) | (0.0687) | (0.0457) | (0.176) | (0.106) | (0.165) | (0.226) | (0.109) |
| cycle4 | -0.152 | -0.125 | -0.0469 | 0.134\*\* | 0.308 | 0.141 | 0.0497 | -0.369 | 0.137 |
|  | (0.115) | (0.134) | (0.0988) | (0.0661) | (0.213) | (0.128) | (0.200) | (0.275) | (0.133) |
| Observations | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 |
|  |  |  |  |  | 0.337 | 0.663 | 0.337 | 0.384 | 0.573 |
| Number of factoryid | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 |
| Year Fixed Effects, Factory Demographic Controls  Standard errors in parentheses | | | | |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | |  |  |  |

Table 13 Cognitive Load

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Random Effects | | | | |  |
| VARIABLES | Freedom to Associate | Emergency Preparedness | Other Grounds | Overtime Wages | Wage Info Use and Deduction |  |
|  |  |  |  |  |  |  |
| HR maintain performance | -0.0566\*\* | -0.0532\*\* | -0.0228\* | -0.0960\*\* | -0.0990\* |  |
|  | (0.0284) | (0.0257) | (0.0130) | (0.0424) | (0.0587) |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | RE Baseline Manager Characteristics | | | | |  |
| VARIABLES | Employment Contracts | Other Grounds | Method of Payment | Overtime Wages | Wage Info Use and Deduction |  |
|  |  |  |  |  |  |  |
| HR maintain performance B | -0.0966\* | -0.0329\*\* | -0.125\*\* | -0.121\*\* | -0.138\* |  |
|  | (0.0531) | (0.0154) | (0.0554) | (0.0475) | (0.0708) |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | RE | RE Baseline Manager Characteristics | | | | |
| VARIABLES | Freedom to Associate | Freedom to Associate | Interference and Discrimination | Gender | Overtime Wages | Social Security and Other |
|  |  |  |  |  |  |  |
| HR workload | -0.0429\* | -0.144\*\*\* | -0.0381\* | -0.0333\*\*\* | -0.172\*\* | -0.125\*\*\* |
|  | (0.0221) | (0.0496) | (0.0207) | (0.0115) | (0.0657) | (0.0361) |
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|  |  |  |  |  |  |  |
|  | RE | REB |  |  |  |  |
| VARIABLES | Chemicals | Overtime |  |  |  |  |
|  |  |  |  |  |  |  |
| HR unexpected issue | -0.235\*\* | 0.163\*\*\* |  |  |  |  |
|  | (0.0981) | (0.0620) |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | Fixed Effects | | | | | |
| VARIABLES | Freedom to Associate | Interference and Discrimination | Contracting Procedures | Emergency Preparedness | Working Environ | Gender |
|  |  |  |  |  |  |  |
| HR unexpected issue | -0.593\*\*\* | -0.202\*\*\* | -0.339\*\* | 0.177\*\* | 0.563\*\* | -0.144\*\*\* |
|  | (0.166) | (0.0474) | (0.152) | (0.0764) | (0.219) | (0.0309) |
|  |  |  |  |  |  |  |
|  | Fixed Effects | | | | | |
|  | Leave | Regular Hours | Min Wage | Overtime Wages | Social Security and Other | Wage Info Use and Deduction |
|  |  |  |  |  |  |  |
| HR unexpected issue | -0.524\*\*\* | 0.389\*\* | -0.368\* | -0.396\* | -0.357\*\* | -0.657\*\* |
|  | (0.155) | (0.147) | (0.180) | (0.211) | (0.143) | (0.298) |

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| Table 14 Fixed and Growth Mindset | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | |
|  | | Random Effects | | | | | Fixed Effects | | | | |
| VARIABLES | | Dialogue Discipline and Disputes | | | Employment Contracts | | Union operations | | Dialogue Discipline and Disputes | | |
| HR fixed basic intel | | 0.0211\* | | | 0.0514\*\* | | 0.0529\*\* | | 0.0210\* | | |
|  | | (0.0123) | | | (0.0234) | | (0.0242) | | (0.0122) | | |
|  |  | | |  | |  | |  | | |  | |  | |  |
|  | RE | | | | | | | REB | | | | | Fixed Effects | | |
| VARIABLES | Interference and Discrimination | | | Employment Contracts | | Freedom to Associate | | Interference and  Discrimination | | | Gender | | Overtime Wages | | Social Security and Other |
|  |  | | |  | |  | |  | | |  | |  | |  |
| HR fixed amount intel | -0.0193\*\*\* | | | 0.0430\* | | -0.0635\* | | -0.0341\*\* | | | -0.0207\*\* | | -0.0620\* | | -0.0637\*\*\* |
|  | (0.00578) | | | (0.0258) | | (0.0320) | | (0.0123) | | | (0.00723) | | (0.0340) | | (0.0206) |
|  |  | | |  | |  | |  | | |  | |  | |  |
|  |  | | |  | |  | |  | | |  | |  | |  |
|  | | | Random Effects | | | | | | |  | | | |  | |
| VARIABLES | Gender | | | Other Grounds | | Regular Hours | | Social Security  and Other | | |  | |  | |  |
|  |  | | |  | |  | |  | | |  | |  | |  |
| HR growth intel | -0.0101\*\* | | | 0.0163\* | | -0.0430\*\* | | -0.0366\* | | |  | |  | |  |
|  | (0.00471) | | | (0.00966) | | (0.0214) | | (0.0194) | | |  | |  | |  |
|  |  | | |  | |  | |  | | |  | |  | |  |
|  | RE Baseline Manager Characteristics | | | | | | | Fixed Effects | | | | | | |  |
| VARIABLES | Dialogue Discipline and Disputes | | | OSH Management Systems | | Social Security and Other | | Freedom to Associate | | | Gender | | Overtime Wages | |  |
|  |  | | |  | |  | |  | | |  | |  | |  |
| HR growth intel | -0.0419\*\* | | | 0.140\*\* | | -0.0397\* | | -0.0983\*\* | | | -0.0259\*\*\* | | -0.118\*\*\* | |  |
|  | (0.0168) | | | (0.0598) | | (0.0233) | | (0.0368) | | | (0.00818) | | (0.0378) | |  |

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| Table 15 Dehumanization Treatment Effects | | | | | | | | |
|  | Dehumanization | | | | Necessary to Force Workers to Work Hard | | | |
| VARIABLES | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | |
|  |  |  |  |  |  |  |  |  |
| cycle2 | -0.0697 | -0.0643 | -0.104 | -0.0916 | -0.297 | -0.251 | -0.789 | -0.0268 |
|  | (0.134) | (0.141) | (0.287) | (0.451) | (0.308) | (0.325) | (0.975) | (1.044) |
| cycle3 | 0.125 | 0.130 | -0.277 | -0.268 | -0.229 | -0.188 | -0.715 | 0.123 |
|  | (0.178) | (0.184) | (0.349) | (0.436) | (0.318) | (0.331) | (0.802) | (0.925) |
| treatment |  | 0.00124 |  | 0.00112 |  | 0.0110 |  | 0.113+ |
|  |  | (0.00996) |  | (0.0314) |  | (0.0231) |  | (0.0701) |
| year2016 | 0.321\* | 0.318\* | 0.544 | 0.540 | 0.503 | 0.444 | 0.392 | -0.373 |
|  | (0.183) | (0.185) | (0.463) | (0.492) | (0.548) | (0.564) | (1.472) | (1.483) |
| year2017 | 0.165 | 0.157 | 0.405 | 0.391 | 0.332 | 0.231 | 0.500 | -0.854 |
|  | (0.216) | (0.228) | (0.473) | (0.622) | (0.605) | (0.644) | (1.157) | (1.387) |
| year2018 | 0.0717 | 0.0600 | 0.621 | 0.596 | 0.816 | 0.686 | 1.479 | -1.018 |
|  | (0.253) | (0.272) | (0.613) | (0.945) | (0.666) | (0.723) | (1.360) | (2.022) |
| Constant | 2.036\*\*\* | 2.033\*\*\* | 1.821\*\*\* | 1.820\*\*\* | 2.250\*\*\* | 2.250\*\*\* | 2.432+ | 2.639\* |
|  | (0.174) | (0.177) | (0.435) | (0.447) | (0.531) | (0.534) | (1.434) | (1.374) |
|  |  |  |  |  |  |  |  |  |
| Observations | 83 | 83 | 83 | 83 | 78 | 78 | 78 | 78 |
| R-squared |  |  | 0.162 | 0.162 |  |  | 0.235 | 0.348 |
| Number of factoryid | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 |
| Standard errors in parentheses | | |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.10, + p<0.15, # p<0.20 | | | |  |  |  |  |  |

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| Table 16 Norms Concerning Working Conditions | | | | | | | | |
|  | Important to Pay Fair and On Time | | | | Important Comfortable Working conditions | | | |
| VARIABLES | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | |
|  |  |  |  |  |  |  |  |  |
| cycle2 | -0.274# | -0.115 | -0.541+ | -0.139 | -0.105 | 0.0125 | -0.206 | 0.450 |
|  | (0.212) | (0.236) | (0.350) | (0.533) | (0.190) | (0.215) | (0.444) | (0.758) |
| cycle3 | 0.0390 | 0.145 | -0.330 | 0.0407 | 0.0305 | 0.109 | -0.167 | 0.317 |
|  | (0.258) | (0.266) | (0.485) | (0.611) | (0.231) | (0.240) | (0.598) | (0.749) |
| treatment |  | 0.0228+ |  | 0.0387 |  | 0.0167 |  | 0.0502 |
|  |  | (0.0155) |  | (0.0387) |  | (0.0142) |  | (0.0470) |
| year2016 | 0.262 | 0.199 | 0.593 | 0.404 | 0.289 | 0.198 | 0.972 | 0.894 |
|  | (0.329) | (0.330) | (0.616) | (0.645) | (0.547) | (0.551) | (0.964) | (0.964) |
| year2017 | 0.207 | 0.000435 | 0.773 | 0.255 | 0.144 | -0.0463 | 1 | 0.398 |
|  | (0.373) | (0.396) | (0.642) | (0.825) | (0.568) | (0.589) | (0.887) | (1.049) |
| year2018 | 0.513 | 0.198 | 1.194+ | 0.300 | 0.361 | 0.0952 | 1.109 | -0.0972 |
|  | (0.422) | (0.470) | (0.806) | (1.204) | (0.595) | (0.635) | (1.066) | (1.551) |
| Constant | 4\*\*\* | 3.949\*\*\* | 3.711\*\*\* | 3.697\*\*\* | 4\*\*\* | 4\*\*\* | 3.327\*\*\* | 3.148\*\*\* |
|  | (0.316) | (0.316) | (0.577) | (0.577) | (0.540) | (0.539) | (0.950) | (0.962) |
|  |  |  |  |  |  |  |  |  |
| Observations | 101 | 101 | 101 | 101 | 85 | 85 | 85 | 85 |
| R-squared |  |  | 0.113 | 0.140 |  |  | 0.087 | 0.132 |
| Number of factoryid | 62 | 62 | 62 | 62 | 57 | 57 | 57 | 57 |
| Standard errors in parentheses | |  |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.10, + p<0.15, # p<0.20 | | |  |  |  |  |  |  |

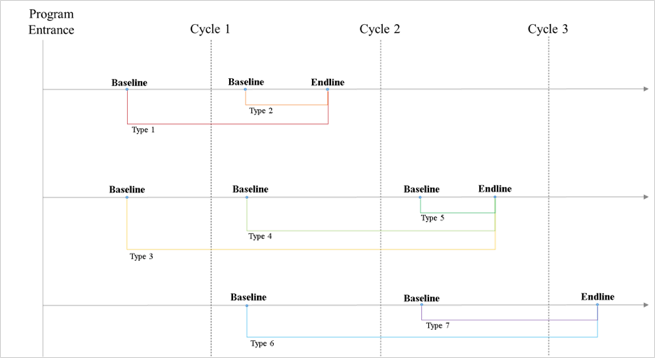
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| Table 17 Sexual Harassment | | | | | | | | | | | | |
|  | Organizational Tolerance | | | | Sexual Harassment Norm | | | | Quid Pro Quo Sexual Harassment | | | |
| VARIABLES | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| cycle2 | 0.205 | 0.376 | -0.659 | -0.401 | -0.300 | -0.302 | -0.294 | 0.255 | -0.287 | -0.191 | -0.426 | 0.168 |
|  | (0.335) | (0.374) | (0.685) | (1.072) | (0.314) | (0.358) | (0.616) | (0.827) | (0.305) | (0.325) | (0.498) | (0.727) |
| cycle3 | 0.142 | 0.266 | -0.241 | -0.0352 | 0.210 | 0.208 | 0.00988 | 0.449 | 0.310 | 0.403 | 0.521 | 1.059# |
|  | (0.398) | (0.416) | (0.734) | (0.990) | (0.359) | (0.380) | (0.614) | (0.757) | (0.355) | (0.369) | (0.617) | (0.780) |
| treatment |  | 0.0254 |  | 0.0253 |  | -0.000451 |  | 0.0541 |  | 0.0199 |  | 0.0564 |
|  |  | (0.0249) |  | (0.0798) |  | (0.0227) |  | (0.0545) |  | (0.0227) |  | (0.0505) |
| year2016 | 0.265 | 0.195 | 0.512 | 0.409 | -0.295 | -0.295 | 0.126 | -0.0980 | -0.225 | -0.284 | 0.0288 | -0.209 |
|  | (0.503) | (0.508) | (0.923) | (0.993) | (0.454) | (0.463) | (0.773) | (0.805) | (0.418) | (0.423) | (0.683) | (0.712) |
| year2017 | -0.0818 | -0.311 | 0.967 | 0.653 | 0.0116 | 0.0165 | 0.599 | -0.0686 | -0.00910 | -0.158 | 0.187 | -0.533 |
|  | (0.576) | (0.619) | (1.003) | (1.422) | (0.525) | (0.573) | (0.853) | (1.087) | (0.489) | (0.517) | (0.745) | (0.982) |
| year2018 | -0.0999 | -0.444 | 0.367 | -0.186 | -0.336 | -0.329 | 0.370 | -0.811 | -0.412 | -0.639 | 0.436 | -0.952 |
|  | (0.647) | (0.730) | (1.320) | (2.201) | (0.591) | (0.681) | (1.117) | (1.632) | (0.586) | (0.643) | (1.054) | (1.626) |
| Constant | 3.500\*\*\* | 3.443\*\*\* | 3.414\*\*\* | 3.388\*\*\* | 2.009\*\*\* | 2.010\*\*\* | 1.522\*\* | 1.457\* | 2.012\*\*\* | 1.972\*\*\* | 1.727\*\* | 1.678\*\* |
|  | (0.481) | (0.484) | (0.862) | (0.880) | (0.435) | (0.440) | (0.721) | (0.725) | (0.398) | (0.401) | (0.637) | (0.636) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Observations | 92 | 92 | 92 | 92 | 91 | 91 | 91 | 91 | 87 | 87 | 87 | 87 |
| R-squared |  |  | 0.166 | 0.169 |  |  | 0.047 | 0.082 |  |  | 0.103 | 0.146 |
| Number of factoryid | 59 | 59 | 59 | 59 | 59 | 59 | 59 | 59 | 56 | 56 | 56 | 56 |
| Standard errors in parentheses | | |  |  |  |  |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.10, + p<0.15, # p<0.20 | | | |  |  |  |  |  |  |  |  |  |

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| Table 18 Human Resource Management Systems | | | | | | | | | | | | |
|  | Pay and Profits | | | | Working Conditions and Productivity | | | | Supervisor Incentives | | | |
| VARIABLES | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| cycle2 | -0.133 | -0.191 | 0.308 | 0.350 | 0.153 | 0.0550 | 0.232 | -0.696 | -0.119 | -0.162 | 0.230 | 0.161 |
|  | (0.188) | (0.212) | (0.349) | (0.563) | (0.238) | (0.265) | (0.393) | (0.554) | (0.200) | (0.216) | (0.350) | (0.596) |
| cycle3 | -0.136 | -0.176 | 0.0452 | 0.0831 | -0.253 | -0.338 | -0.410 | -1.288\*\* | 0.0623 | 0.0321 | 0.331 | 0.274 |
|  | (0.231) | (0.242) | (0.462) | (0.617) | (0.316) | (0.322) | (0.512) | (0.619) | (0.256) | (0.264) | (0.489) | (0.637) |
| treatment |  | -0.00850 |  | 0.00446 |  | -0.0178 |  | -0.0945\*\* |  | -0.00873 |  | -0.00607 |
|  |  | (0.0142) |  | (0.0467) |  | (0.0199) |  | (0.0423) |  | (0.0166) |  | (0.0420) |
| year2016 | -0.128 | -0.102 | 0.193 | 0.173 | -0.469 | -0.431 | -0.681 | -0.207 | -0.0297 | -0.00823 | 0.331 | 0.357 |
|  | (0.279) | (0.284) | (0.510) | (0.562) | (0.371) | (0.373) | (0.604) | (0.604) | (0.286) | (0.292) | (0.489) | (0.533) |
| year2017 | 0.0411 | 0.119 | 0.153 | 0.0989 | -0.478 | -0.340 | -0.661 | 0.539 | -0.288 | -0.226 | -0.446 | -0.367 |
|  | (0.316) | (0.343) | (0.551) | (0.800) | (0.416) | (0.444) | (0.658) | (0.817) | (0.327) | (0.351) | (0.532) | (0.772) |
| year2018 | 0.191 | 0.308 | -0.0132 | -0.108 | -0.368 | -0.164 | -0.323 | 1.834# | -0.150 | -0.0616 | -0.230 | -0.0760 |
|  | (0.358) | (0.409) | (0.666) | (1.205) | (0.506) | (0.556) | (0.885) | (1.271) | (0.403) | (0.444) | (0.791) | (1.338) |
| Constant | 2\*\* | 2.019\*\* | 1.640\*\* | 1.637\*\* | 3.018\*\* | 3.067\*\* | 3.155\*\* | 3.201\*\* | 2.738\*\* | 2.761\*\* | 2.447\*\* | 2.453\*\* |
|  | (0.265) | (0.268) | (0.460) | (0.472) | (0.355) | (0.355) | (0.565) | (0.528) | (0.271) | (0.275) | (0.446) | (0.459) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Observations | 84 | 84 | 84 | 84 | 92 | 92 | 92 | 92 | 79 | 79 | 79 | 79 |
| R-squared |  |  | 0.109 | 0.109 |  |  | 0.132 | 0.267 |  |  | 0.408 | 0.409 |
| Number of factoryid | 56 | 56 | 56 | 56 | 59 | 59 | 59 | 59 | 54 | 54 | 54 | 54 |
| Standard errors in parentheses | |  |  |  |  |  |  |  |  |  |  |  |
| \*\* p<0.01, \*\* p<0.05, \* p<0.10, + p<0.15, # p<0.20 | | | | | | | | | | |  |  |

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| Table 19 Cognitive Load | | | | | | | | | | | | |
|  | Workload | | | | Maintain Performance | | | | Unexpected Issues | | | |
| VARIABLES | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| cycle2 | 0.0983 | 0.111 | 0.123 | 0.153 | -0.145 | -0.240 | -0.220 | -0.0994 | 0.181# | 0.120 | 0.311\* | 0.372# |
|  | (0.217) | (0.248) | (0.283) | (0.423) | (0.172) | (0.190) | (0.275) | (0.402) | (0.136) | (0.163) | (0.156) | (0.248) |
| cycle3 | -0.167 | -0.156 | -0.290 | -0.263 | 0.255 | 0.180 | 0.0943 | 0.206 | 0.109 | 0.0612 | 0.346\* | 0.398+ |
|  | (0.254) | (0.272) | (0.333) | (0.442) | (0.212) | (0.222) | (0.338) | (0.435) | (0.148) | (0.163) | (0.173) | (0.241) |
| treatment |  | 0.00209 |  | 0.00312 |  | -0.0152 |  | 0.0125 |  | -0.00838 |  | 0.00671 |
|  |  | (0.0184) |  | (0.0324) |  | (0.0131) |  | (0.0301) |  | (0.0125) |  | (0.0210) |
| year2016 | 0.181 | 0.175 | -0.0540 | -0.0691 | 0.234 | 0.280 | 0.259 | 0.196 | -0.283+ | -0.247# | -0.528\*\* | -0.562\*\* |
|  | (0.343) | (0.351) | (0.478) | (0.509) | (0.272) | (0.274) | (0.445) | (0.475) | (0.172) | (0.181) | (0.199) | (0.230) |
| year2017 | 0.237 | 0.220 | -0.0711 | -0.110 | 0.157 | 0.280 | 0.429 | 0.272 | -0.430\*\* | -0.350+ | -0.744\*\*\* | -0.822\*\* |
|  | (0.381) | (0.416) | (0.516) | (0.663) | (0.307) | (0.327) | (0.486) | (0.620) | (0.198) | (0.229) | (0.229) | (0.337) |
| year2018 | 0.596# | 0.568 | 0.477 | 0.409 | 0.228 | 0.433 | 0.393 | 0.118 | -0.410+ | -0.274 | -0.825\*\* | -0.963\* |
|  | (0.456) | (0.525) | (0.633) | (0.951) | (0.349) | (0.389) | (0.617) | (0.910) | (0.253) | (0.321) | (0.299) | (0.530) |
| Constant | 2.522\*\*\* | 2.518\*\*\* | 2.779\*\*\* | 2.778\*\*\* | 2.750\*\*\* | 2.783\*\*\* | 2.683\*\*\* | 2.679\*\*\* | 1.419\*\*\* | 1.425\*\*\* | 1.577\*\*\* | 1.575\*\*\* |
|  | (0.333) | (0.336) | (0.451) | (0.457) | (0.261) | (0.262) | (0.418) | (0.424) | (0.169) | (0.171) | (0.182) | (0.187) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Observations | 103 | 103 | 103 | 103 | 101 | 101 | 101 | 101 | 77 | 77 | 77 | 77 |
| R-squared |  |  | 0.138 | 0.138 |  |  | 0.043 | 0.048 |  |  | 0.399 | 0.403 |
| Number of factoryid | 61 | 61 | 61 | 61 | 62 | 62 | 62 | 62 | 52 | 52 | 52 | 52 |
| Standard errors in parentheses | | | | | | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.10, + p<0.15, # p<0.20 | | | | | | | | | | | | |

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| Table 20 Fixed and Growth Mindset | | | | | | | | | | | | |
|  | Fixed Basic Intelligence | | | | Fixed Amount Intelligence | | | | Growth Mindset | | | |
| VARIABLES | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | | Random Effects | | Fixed Effects | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| cycle2 | -1.042\*\*\* | -0.873\*\*\* | -0.571 | -0.201 | -0.0710 | 0.0251 | 0.0200 | 0.786 | -0.238 | -0.174 | -0.580# | -0.131 |
|  | (0.290) | (0.325) | (0.503) | (0.715) | (0.326) | (0.344) | (0.576) | (0.777) | (0.245) | (0.271) | (0.403) | (0.549) |
| cycle3 | 0.305 | 0.427 | -0.588 | -0.268 | 0.296 | 0.380 | -0.614 | 0.163 | 0.207 | 0.262 | -0.0202 | 0.417 |
|  | (0.375) | (0.390) | (0.631) | (0.771) | (0.403) | (0.416) | (0.702) | (0.876) | (0.309) | (0.322) | (0.482) | (0.602) |
| treatment |  | 0.0251 |  | 0.0369 |  | 0.0226 |  | 0.0906# |  | 0.0129 |  | 0.0514 |
|  |  | (0.0219) |  | (0.0503) |  | (0.0258) |  | (0.0631) |  | (0.0205) |  | (0.0428) |
| year2016 | -0.502 | -0.577 | 1.169 | 1.013 | 0.412 | 0.364 | 1.739\* | 1.381# | 0.138 | 0.111 | 0.889+ | 0.656 |
|  | (0.459) | (0.463) | (0.938) | (0.969) | (0.475) | (0.480) | (1.014) | (1.026) | (0.370) | (0.376) | (0.596) | (0.623) |
| year2017 | -0.137 | -0.362 | 1.080 | 0.624 | 0.123 | -0.0284 | 1.297 | 0.254 | 0.193 | 0.0968 | 1.044+ | 0.431 |
|  | (0.522) | (0.557) | (0.957) | (1.147) | (0.555) | (0.582) | (1.041) | (1.254) | (0.420) | (0.454) | (0.657) | (0.829) |
| year2018 | 0.394 | 0.0530 | 2.800\*\* | 2.005 | -0.146 | -0.357 | 1.881# | 0.0894 | 0.174 | 0.0389 | 1.114# | 0.0517 |
|  | (0.588) | (0.657) | (1.239) | (1.652) | (0.645) | (0.691) | (1.340) | (1.813) | (0.500) | (0.555) | (0.848) | (1.222) |
| Constant | 3.750\*\*\* | 3.693\*\*\* | 2.063\*\* | 2.020\*\* | 2.750\*\*\* | 2.696\*\*\* | 1.479+ | 1.404+ | 3.441\*\*\* | 3.407\*\*\* | 2.846\*\*\* | 2.815\*\*\* |
|  | (0.441) | (0.443) | (0.892) | (0.901) | (0.455) | (0.459) | (0.960) | (0.944) | (0.354) | (0.358) | (0.558) | (0.555) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Observations | 98 | 98 | 98 | 98 | 92 | 92 | 92 | 92 | 91 | 91 | 91 | 91 |
| R-squared |  |  | 0.262 | 0.275 |  |  | 0.147 | 0.207 |  |  | 0.188 | 0.227 |
| Number of factoryid | 62 | 62 | 62 | 62 | 59 | 59 | 59 | 59 | 56 | 56 | 56 | 56 |
| Standard errors in parentheses | | | | | | | | | | | | |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.10, + p<0.15, # p<0.20 | | | | | | | | | | | | |

Figure 1: Experimental Design



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| --- | --- | --- |
| *Figure 2 Cognitive Load* | | |
| HR\_workload |  | How heavy was your workload during the last month? |
|  | 1 | often not enough to keep me busy |
|  | 2 | sometimes not enough |
|  | 3 | just the right amount |
|  | 4 | sometimes too much |
|  | 5 | entirely too much for me to handle |
|  |  |  |
| HR\_unexpected\_issue |  | During a normal workweek, how frequently do unexpected issues arise in your work? |
|  | 1 | once a week or less |
|  | 2 | a few times a week |
|  | 3 | almost every day |
|  | 4 | once to four times a day |
|  | 5 | five or more times a day |
|  |  |  |
| HR\_maintain\_performance |  | How hard is it to maintain the level of performance that is expected of you? |
|  | 1 | extremely easy |
|  | 2 | easy |
|  | 3 | moderately hard |
|  | 4 | hard |
|  | 5 | extremely hard |

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| *Figure 3 Mindset* | | |
| HR\_fixed\_basicintel |  | You can learn new things, but you can’t really change your basic intelligence. |
| HR\_fixed\_amountintel |  | You have a certain amount of intelligence, and you can’t really do much to change it. |
| HR\_GrowthIntel |  | You can always substantially change how intelligent you are. |
|  | 1 | strongly disagree |
|  | 2 | disagree |
|  | 3 | neither agree nor disagree |
|  | 4 | agree |
|  | 5 | strongly agree |

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| *Figure 4 Beliefs* | | |
| HR\_worker\_workcond\_zerosum |  | When working conditions for workers improve, factory performance goes down. |
| HR\_belief\_force |  | According to my own beliefs, it’s sometimes necessary to force workers to work hard. |
| HR\_belief\_import\_workcond |  | According to my own beliefs, it’s important that workers have safe and comfortable working conditions. |
| HR\_belief\_import\_pay\_fair |  | According to my own beliefs, it’s important that workers are paid fairly and on time. |
| HR\_beleif\_accept\_sh |  | According to my own beliefs, it’s acceptable for supervisors to make sexual comments to or try to sexually touch workers. |
| HR\_beleif\_accept\_\_sh\_pay |  | According to my own beliefs, it’s acceptable for supervisors to link treatment or pay to workers’ willingness to have sexual relationships with them. |
|  | 1 | strongly disagree |
|  | 2 | disagree |
|  | 3 | neither agree nor disagree |
|  | 4 | agree |
|  | 5 | strongly agree |
|  |  |  |
| HR\_belief\_workerpay\_profit |  | Do you believe that there is a relationship in this factory between profits and paying workers as promised? |
|  | 1 | Yes, paying workers as promised is linked to lower profits. |
|  | 2 | No, there’s no relationship. |
|  | 3 | Yes, paying workers as promised is linked to higher profits. |
|  |  |  |
| HR\_belief\_prod\_workcond |  | Do you believe that there is a relationship between productivity and working conditions in this factory? |
|  | 1 | Yes, more comfortable working conditions are linked to lower productivity. |
|  | 2 | No, there’s no relationship. |
|  | 3 | Yes, more comfortable working conditions are linked to higher productivity. |
|  |  |  |
| HR\_belief\_pay\_treat |  | Do you believe that there is a relationship between performance-based pay for supervisors and workers and supervisors’ treatment of workers? |
|  | 1 | Yes, performance-based pay for supervisors and workers is linked to worse treatment of workers. |
|  | 2 | No, there’s no relationship. |
|  | 3 | Yes, performance-based pay for supervisors and workers is linked to better treatment of workers. |

|  |  |  |
| --- | --- | --- |
| *Figure 5 Dehumanization* | | |
| HR\_worker\_perceptive |  | The workers in this factory are very perceptive. |
| HR\_worker\_not\_think\_highlevel |  | The workers in this factory do not think at a very high level. |
| HR\_worker\_not\_understand |  | The workers in this factory do not understand complicated ideas. |
| HR\_worker\_betterthreat |  | The workers in this factory respond better to threats than encouragement. |
| HR\_worker\_prod\_comfortable |  | The workers in this factory are more productive if they feel comfortable and safe at work. |
| HR\_worker\_force |  | The workers in this factory will not work hard unless they are forced to. |
| HR\_worker\_prod\_happy |  | Happy workers are more productive than unhappy workers. |
|  | 1 | strongly agree |
|  | 2 | agree |
|  | 3 | neither agree nor disagree |
|  | 4 | disagree |
|  | 5 | strongly disagree |

|  |  |  |
| --- | --- | --- |
| *Figure 6 Social Norms* | | |
| HR\_factory\_force |  | In this factory, it’s seen as sometimes necessary to force workers to work hard. |
| HR\_industRy\_force |  | In the footwear industry in Cambodia, it’s seen as sometimes necessary to force workers to work hard. |
|  |  |  |
| HR\_factory\_import\_pay\_fair |  | In this factory, it’s seen as important that workers are paid fairly and on time. |
| HR\_ industRy \_\_import\_pay\_fair |  | In the footwear industry in Cambodia, it’s seen as important that workers are paid fairly and on time. |
|  |  |  |
| HR\_factory\_import\_workcond |  | In this factory, it’s seen as important for workers to have safe and comfortable working conditions. |
| HR\_industry\_imprt\_workcond |  | In the footwear industry in Cambodia, it’s seen as important for workers to have safe and comfortable working conditions. |
|  |  |  |
| HR\_factory\_common\_sh |  | In this factory, it’s common for supervisors to make sexual comments to or try to sexually touch workers. |
| HR\_factory\_accept\_sh |  | In this factory, it’s seen as acceptable for supervisors to make sexual comments to or try to sexually touch workers. |
|  |  |  |
| HR\_factory\_common\_sh\_pay |  | In this factory, it’s common for supervisors to link treatment or pay to workers’ willingness to have sexual relationships with them. |
| HR\_factory\_accept\_sh\_pay |  | In this factory, it’s seen as acceptable for supervisors to link treatment or pay to workers’ willingness to have sexual relationships with them. |
|  | 1 | strongly disagree |
|  | 2 | disagree |
|  | 3 | neither agree nor disagree |
|  | 4 | agree |
|  | 5 | strongly agree |

|  |  |  |
| --- | --- | --- |
| *Figure 7 Organizational Tolerance for Sexual Harassment* | | |
| HR\_sh\_complaint\_risky |  | It would be extremely risky for her to make a formal complaint against him. |
| HR\_sh\_complaint\_serious |  | There is a very good chance she would be taken seriously if she made a formal complaint. |
| HR\_sh\_complaint\_consequence |  | There would be very serious consequences for him if she made a formal complaint. |
|  | 1 | strongly disagree |
|  | 2 | disagree |
|  | 3 | neither agree nor disagree |
|  | 4 | agree |
|  | 5 | strongly agree |

Figure 8 Merging Dataset

A screenshot of a cell phone

Description automatically generated

*Figure 9 Fixed Effects vs. Random Effects when Interpreting Sexual Harassment Tolerance Findings*

Pooled cross-section

Noncompliance

Blue factory

Orange factory

SH Tolerance

1. Babbitt and Brown (2018), in an experiment with factory managers in Bangladesh, found that the only managers who were willing to acknowledge the prevalence of verbal abuse in their factories were managers who also believed that verbally abusing workers is acceptable. [↑](#footnote-ref-1)