adidas-Salomon Stakeholder Dialogue 20th November 2003

Supplementary Report on Processes and Alternatives

By Jim Weldon with Gao Xuesong

Summary

- Dialogue did not focus on adidas-Salomon’s 2002 Social and Environmental Report as intended, but dealt broadly with the wider concept of CSR.

- Some at the meeting had a better chance to speak than others, and some were barely heard at all.

- Most participants found the meeting useful but many felt there was more to know or that other stakeholders should also have been there.

- Future dialogues should consider addressing specific issues and/or focusing discussion among specific stakeholder groups.

The Stakeholder Dialogue
Observations on the meeting

The discussions at the meeting for the most part dealt with corporate social responsibility as a broad concept. Little time was spent exploring the specifics of adidas-Salomon’s work. An exploration of ‘the meaning of corporate social responsibility’ had been scheduled as the topic for a short part of the first morning session but this extended to fill almost the whole day. It was apparent that a majority of participants had taken the time to read the 2002 Social and Environmental Report in advance, and indeed some did raise specific points when attention finally turned to that document, but this came almost as an afterthought.

The level of language -- abstract and even at times rarefied -- reflected the preponderance of academics and highly educated, sophisticated representatives of international organisations. At the same time it was noticeable that the two worker’s representatives contributed only in response to direct questions. This was not the ideal atmosphere to encourage participation by people rarely asked to articulate their opinions in a formal setting: at best confusing, perhaps even intimidating.

A similar divide was apparent between those participants with international backgrounds or experience (including the two Taiwanese factory managers) and those without. Not surprisingly the former showed greater familiarity with the general idea of corporate social responsibility and related concepts. Those to whom the concept was not so familiar seemed most keen to use this opportunity to discuss the principles and philosophy of corporate social responsibility at some length. This diversity of perspective led to interesting exchanges, but created a debate that was somewhat free-range in nature.

At times the inexperience of the facilitator was evident. One or two of the more vocal academics were allowed to dominate proceedings to some extent. Two people who looked as if they wanted to make a contribution had no opportunity to speak at all in the morning sessions.

That said, participants all seemed very engaged – sometimes comments from one person could be seen to be making another sit up and take notice. This was reflected in the generally positive feedback about the usefulness of the exercise.

Participant’s feedback

Six of the seven participants who we spoke to in follow-up interviews could be described as having an overall positive view of the meeting. The keywords seemed to be ‘meaningful’ and ‘useful’. The one dissenting voice was one of the worker representatives who said that ‘It didn’t really produce any results’.
Among the six more positive respondents (who included trade unionists, NGO representatives, an official and one of the factory managers) the consensus was that exchanges were conducted in a good spirit and that they had learnt more about both corporate social responsibility and adidas-Salomon’s initiatives. Some had specific praise for adidas’ willingness to engage in such a dialogue and for the attitude of openness the company’s representatives displayed. Others said that points made at the meeting had made them consider aspects of corporate social responsibility in a new light. One of the NGO representatives commented that there were pleased for the opportunity to put their organisation on adidas’ mental map.

But even those with an overall positive evaluation of the meeting expressed some concerns or complaints. One felt that although there had been some good discussion adidas’ representatives were not really participating. Another thought that the worker representatives were not genuine but, rather, picked by factory management.

However, the worker representative we spoke to, seemed independent and forthright in voicing criticism of the dialogue. This person felt the discussion was too general: “It didn’t address anything specific and left me feeling very unclear as to what it was about.”

He also mentioned some specific grievances that he hadn’t aired at the dialogue. Although not relating directly to the stakeholder dialogue process, it seems relevant to include these comments as they didn’t come out during the meeting.

He felt that adidas’ programme in his factory focussed too heavily on health and safety issues and not enough on worker’s benefits and livelihoods. He compared adidas’ programme unfavourably to that of Nike, saying the latter had permanent representatives in his factory, whereas adidas relied on occasional monitoring visits. He cast doubt on the authenticity of worker interviews conducted during these visits, saying that the workers were coached in what to say beforehand by management. He said that it was not possible to elicit genuine responses from an interview carried out at the workplace, suggesting instead that these should be conducted outside the factory during worker’s days off.

Most respondents said they felt they had learned more at the dialogue and when reading the 2002 report about adidas-Salomon’s efforts to be a socially responsible corporation. One expressed interest in some of the specific methodology, such as the points system for evaluating suppliers. Another said he came to the meeting somewhat unprepared, as a last minute substitute for someone else, but was inspired by what he heard to read more on adidas’ website afterwards.
**Other possible mechanisms and other stakeholders**

We asked respondents to suggest other possible ways of getting stakeholder feedback, and also whether they felt there were other stakeholders who should have been invited.

**Mechanisms**

Several respondents suggested, without prompting, that it would be more productive to hold separate meetings for different stakeholder groups.

One respondent suggested a series of such pre-meetings followed by a larger forum where representatives from each earlier discussion could meet to share the feelings of their particular constituency. In this way, he felt, participants would arrive better prepared and with many of their conceptual questions answered, leaving more time for debate and exchange on substantive issues.

This idea recommended itself to some because they envisaged less empowered groups (here meaning mostly the workers) finding it easier to participate more fully in a separate meeting with just their peers and facilitators.

One of the NGO representatives thought adidas should engage in a combined effort with some of the other major brands to initiate forums and trainings for the more empowered – officials, legislators, academics and policy makers – whilst pursuing a course of dialogue with other “medium power” stakeholders such as the Consumer’s Association or Women’s Federation.

Another respondent suggested holding dialogues with a narrower focus, such as on labour standards, occupational health and safety, or environmental issues, as a means of getting more productive feedback.

Finally, one of the trade unionists suggested that adidas set up a Chinese language website that could serve as a platform for promoting the concept of corporate social responsibility.

**Other stakeholders**

There were a number of suggestions of other stakeholders who should be involved in any future dialogues.

Most frequently mentioned was the government in various shapes and forms, including legislators, policy makers, and representatives of departments dealing with economic development and labour issues. Some also wanted to see the Women’s Federation invited.

Another common suggestion was consumer’s representatives, either as individuals or unofficial groups or through the Consumer’s Association.
One of the factory managers had a quite different list that added “adidas investors, employees, retailers, consumers, community representatives and the next generation” as well as the more commonly cited government.

Concluding comments and recommendations

The meeting in Guangzhou was not entirely successful in terms of getting feedback from stakeholders on the company’s corporate social responsibility initiatives. In the event, the day turned out to be more like an adidas-sponsored forum on the meaning of what was for many of the participants a relatively novel concept, and a debate its role and relevance in China.

This is no bad thing in itself, and an exploration of underlying ideas can only serve to inform comment on specific corporate programmes. But whilst round table meetings like November’s in Guangzhou may well succeed in advancing the general level of debate about corporate social responsibility in China, they yield fewer specific pointers regarding how adidas-Salomon should best evaluate their own work in this respect.

The kind of academic forum that the Guangzhou dialogue turned out to be is also liable to leave the views of some of the most important stakeholders unheard.

Certainly worth considering is the suggestion made by a number of our respondents that it might be better to consult with different constituencies separately at first, as needs and capacities are of course not the same. This is especially true if worker’s voices are to be heard above the to and fro of academic discourse.

There appear in China today to be no groups that can genuinely claim to represent the views of workers or communities in the way that trade union or community groups might be able to elsewhere. Until such groups appear those wishing to hear the views of workers and communities will have to create their own mechanisms for doing so.

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Dec, 9 2003