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# **Stakeholder Engagement Project 2005**

## **“Research on the Effectiveness of the 2004 Communication Workshop”**

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<b>Research at Factory A</b>	<b>17-18 Oct 2005</b>
<b>Research at Factory B</b>	<b>24-25 Oct 2005</b>
<b>Research at Factory C</b>	<b>31 Oct – 01 Nov 2005</b>
<b>Research at Factory D</b>	<b>07-08 Nov 2005</b>

### **Final Evaluation Meeting**

<b>Date:</b>	<b>15 Nov 2005</b>
<b>Location:</b>	<b>Crown Plaza Hotel, Istanbul, Turkey</b>

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# 1. Introduction

## 2004 Communication Workshop and 2005 Research Project

On the fifth of October 2004, a workshop for managers and supervisors was performed with participants from four different factories. Following that, on the sixth and seventh of October, a workshop for workers was performed. On the 13th of October, a joint session was held.

This event included brain storming sessions, team plays, role playing and training sessions. The main objective was to create a motivating and inspirational setting for participants to improve communication at their work place. In brain storming sessions, the participants produced ideas on communication problems and also suggestions to overcome these problems. A communication model "Four mental frames for effective communication" was introduced to the managers, the supervisors and the workers as a practical tool and participants experienced this model in role playing sessions.

In this model, "how effective communication can change work environment and work outcomes" was discussed with the managers. Special emphasis was put on their actual and "to be" roles as managers. In the workers' session, assertiveness and cooperation were emphasized in solving communication problems.

At the end of the workshop, participants were assigned to develop improvement projects within the week until the joint session. In the joint session, these projects were presented and discussed.

At the end of the workshop, it was concluded that in these companies the main problem was the existing one way communication, from the management to the workers. In most cases only instructions and constraints were communicated. In the cases of problems related to production, nobody had attempted to include the workers to the problem solving process. The workers did not have relevant information to contribute to problem solving. The workers wanted to feel themselves as a part of the team, and to be treated as contributing partners, not as passive components of the production process. The workers were eager to take responsibility and eager to improve the current situation.

Managers appeared to change their views at the joint session as compared to the first workshop. The improvement projects they developed reflected that they wanted to change their role. Following are examples of these projects.

### 1. "White table"

The aim of the project is to clarify what employees hear from third persons about the events in the work place.

### 2. Silent Communication

The aim of this project is to improve the situation of handicapped (deaf-mute) employees.

### **3. Communication Trainings**

This project is about arranging communication trainings for all employees to develop effective communication patterns.

### **4. “What we think”**

The project is an attempt to recognize the views of employees about themselves, their superiors and other departments.

### **5. “Breaking News”**

It is a new notice board, called “breaking news”, next to the regular one. Only new items are posted there. It makes it easy for workers to follow up new information.

### **6. “Lunch with Workers”**

The aim of this project is to motivate managers to sit and eat together with the workers at least once a week.

Considering the source of communication problems, it can be assumed that ineffective business processes create the strain and urgency. As a result, this strain is carried to the workers through successive management levels. Under these conditions the pattern of “high concern for job and low concern for people” becomes the main behavioral pattern of all managerial levels. Finally, it was concluded that solving communication problems requires both, to improve communication patterns and business processes.

After a year, in September 2005 a research project was planned to evaluate the effectiveness of the October 2004 workshop. The project was implemented between 10.10.2005 – 15.11.2005. Data collection was performed in the companies which participated in the 2004 workshop. In these companies, the participants of the 2004 workshop and also a sample of non-participants were interviewed.

After the data collection, a final evaluation meeting was held. 12 employees from each factory who had attended last year’s communication workshop were invited. About 85% of all participants were from last year. There were like 3 managers, 3-4 supervisors and 5-6 workers from each factory. Additionally, three guests were invited as observers; two persons being involved in a multi stakeholder initiative, the so-called Jo-In project, and one participant from the adidas works council. In this meeting, the preliminary findings of the research were presented and each group, workers, supervisors and managers were asked to think about and present their view on the question of “which improvements have been experienced since the 2004 workshop” in your factory. Workers’ behaviors indicated that they had gone a long way since 2004 workshop and that their role changed being more self-confident and highly motivated. The final evaluation day was important in creating a motivating atmosphere and all participants had realized that the 2004 workshop was not an event in itself, but the beginning of a long process of improvement in the area of worker-management communication.

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## 2. Project Objectives

To evaluate the effectiveness of the 2004 workshop, the following objectives were considered as relevant:

- 2.1 Evaluation of the impact of last year's worker-management communication workshop
- 2.2 Evaluation of the actual communication- and grievance systems
- 2.3 Analyses of the correlation between communication channels/systems and SOE awareness in the factories (SOE stands for Standards of Engagement which is the compliance program of adidas)
- 2.4 Recommendations about how to improve communication systems in the relevant factories

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## 3. Research Method and Data Collecting Procedure

In the research, data on communication systems, attitudes and behavior were needed. To obtain these data managers, supervisors and workers, both participants and non participants of the 2004 workshop, were interviewed and questionnaires were handed out. 31 managers and supervisors and 98 workers from four factories took part in the data collection process. Two days of research were needed for each of the four factories. Separate meetings were held for (1) managers, (2) supervisors, (3) workers who participated in the 2004 workshop, (4) workers who did not participate in the 2004 workshop and (5) the representatives of the workers. Each meeting lasted for 1<sup>1/2</sup> or 2 hours and included 3 -15 participants.

Two separate questionnaires were prepared for the managers/ supervisors and the workers. Every questionnaire included two parts; the first part related to communication problems stated in the 2004 workshop, and the second part related to the suggestions of the 2004 workshop.

Every meeting consisted of two phases. In the first phase, the purpose of the project was explained by referring to the 2004 workshop, and after obtaining their cooperation, the questionnaire was handed out. After reviewing the questionnaires, the main tendency of the answers of the questionnaire was discussed within the group. Questions were asked to the participants to get to causal explanations related to the tendencies specified in the questionnaire. If there was no supportive argument for a certain tendency, it wasn't taken into account. Furthermore, open ended questions were asked to gain a deeper understanding of the situation.

To search for communication problems, a ten point scale measurement tool was used. Participants were asked to report their view of the communication situation in their factories now and a year ago. To draw unbiased conclusions, both participants of the 2004 workshop and a sample of non participating workers were included in the data

collection process. All managers which did not participate in the workshop in 2004 were included as far as they were available at the time.

To ensure unbiased responses of newly selected workers, their responses were compared with the responses of the participants of the 2004 workshop. Some of the non-participating workers gave high scores to a question while others gave low scores to the same question. Another precaution to get unbiased responses was to ask to the participants to develop supportive arguments especially for extremely low or high scores of the questionnaire items. If there was no significant argument to support the responses to questionnaire items, the extremely high or low scores were not taken into account.

The points listed in the questionnaire were based on the communication problems stated in the 2004 communication workshop.

The following points were used in the worker's questionnaires:

1. Difficulties in communication with supervisors
2. Underdeveloped social relations between workers
3. Low morale
4. Inability to communicate with those in managerial positions
5. Managers carry their stress to the workers
6. Managers organize a meeting only if a technical problem occurs, in the case of human problems they don't care

In Managers' questionnaire, following problems stated in the 2004 workshop were used:

1. Lack of communication between departments
2. Lack of sharing information
3. Ineffective meetings
4. Supervisors can't establish dialogue between upper management and workers

Following suggestions derived from 2004 workshop were measured in the workers' questionnaire to see if there was any improvement since 2004 workshop:

1. We shouldn't be reluctant to express ourselves
2. We should face and solve problems instead of step back and wait someone to solve it
3. We should be open to criticism
4. We should consider our job as important
5. Workers should be aware of their responsibility
6. We should self criticize
7. We can solve problems with our supervisors if we can communicate effectively
8. We should express someone's fault in a proper manner

Following suggestions derived from 2004 workshop were measured in the managers' questionnaire to see if there was any improvement since the 2004 workshop:

1. To be open to different ideas
2. Team work should be achieved
3. To make workers feel themselves as a member of the team
4. To establish social activities to lower work related stress
5. To attempt to solve problems instead of punishing for them.

SOE awareness was defined to have two value levels. The first level is the workers' basic information about SOE and the second level is the workers' internalization of SOE, which means their broader understanding of the SOE.

To measure the first level the headings of document "Standards of Engagement") were told to the participants and they were asked for their opinions in order to identify to what extent workers had been informed To measure the second value level the participants were asked for their opinions in order to identify to what extent workers internalized the SOE. The participants were required to estimate the percentage of those workers who internalized the SOE.

To measure the effectiveness of the grievance systems, the situations related to grievance procedures were described and then the participants were asked how workers would behave in various situations and what channels they would prefer to use. At the end, the participants were requested to rate the effectiveness of the grievance system on a ten point scale measurement tool. Open ended questions were asked to find out if there were improvements after the 2004 workshop, and also to find out the possible correlation of these improvements

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## **4. Analyses & Findings**

### **4.1. Evaluation of the Impact of the 2004 Communication Workshop**

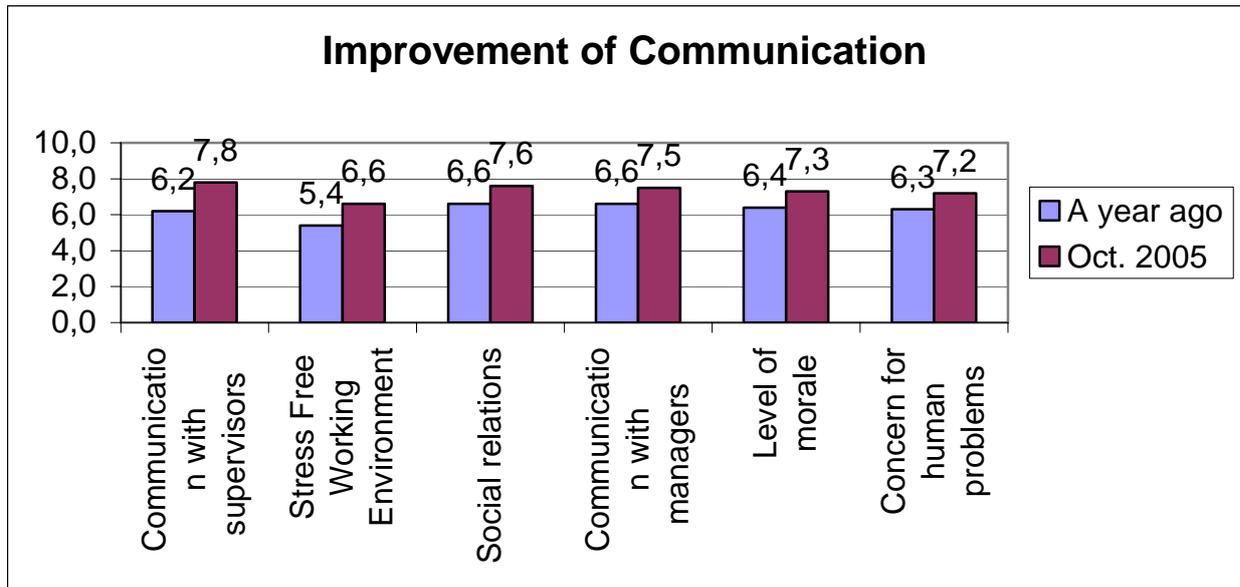
#### **Worker-Supervisor Communication**

Actual communication problems were searched by covering six areas and the participants were asked how they perceived these areas/dimensions in October 2005 and a year ago.

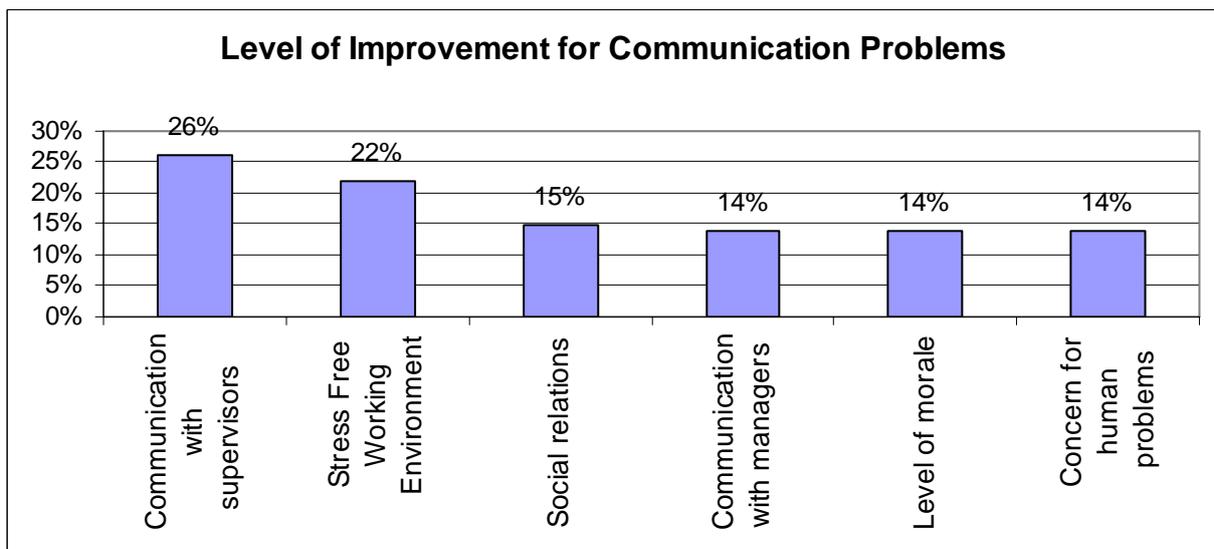
All 98 workers from the four participating companies perceived that there had been significant improvements in various areas since October 2004.

Graph1 shows the workers comparison of the situation in Oct. 2004 and Oct.2005, whereas graph 2 provides an overview what area/dimension has improved most.

Graph 1 - Improvement of Communication-All workers



Graph 2 - Ranking of Improvements



Graph 2 clearly shows that the area which has improved most is “Communication with Supervisors”. As a result, a 1.6 point (26%) improvement was reported by workers, regardless whether they participated in the 2004 workshop or not. For three of the four participating factories “communication with supervisors” is the most improved area/dimension and for one factory the second improved dimension.

Apart from the questionnaire results, interviews with workers also supported and verified workers’ responses to the questionnaire.

Considering the communication with supervisors, the following points were mentioned by the majority of the workers during the meetings when the questionnaire results were discussed.

- “Supervisors used to criticize us sharply. Now they try to understand the situation”
- “They used to blame us. This year they are listening to us.”
- “Supervisors are not shouting at workers anymore”
- “Differently from last year, if supervisors can’t grant leave to workers, they explain the reason”
- “When it is needed they warn us politely”
- “This year they are motivating workers”
- “Now we can request a leave without any embarrassment”
- “Now supervisors are listening to the workers’ problems that are not related with work”
- “Workers are being informed now”
- “Workers communicate with supervisors without the fear of layoff”
- “Supervisor attitudes on faults have changed from “who did it” to “how can be solved”
- “Workers are no more insulted by supervisors”

There is a common pattern of improvement for all four companies.

When the workers were asked to explain the reasons of this improvement related to “communication with supervisors”, they particularly pointed out the 2004 workshop and the following activities, triggered by the workshop. According to the workers, after the workshop, “The managers repeatedly advised the supervisors to communicate with the workers as they had learned in the training session of the 2004 workshop”. Nearly all the 2004 workshop participating workers mentioned that the training session of the 2004 workshop, especially the communication model called “Four mental frames for effective communication” had a deep impact and changed not only workers but also supervisors and manager’s attitude and behavior. However, they also mentioned about the difficulties they experienced in disseminating these new attitudes into their work environment. The same point was mentioned by some managers. To solve this problem, two of the four factories decided to provide further communication training to their workforce, to more supervisors and managers. In one factory, it was reported that the HR manager conducted the communication training for the total workforce and it was seen by the participants as highly effective. A similar situation was reported for the other factory.

It was reported in all companies that those supervisors who participated in the 2004 workshop had changed their behavior towards workers and that they also tried to affect the non participating supervisors. This point was mentioned by the workers, the managers and the non participating supervisors.

According to the interview results with the workers, the managers had changed their attitudes on the supervisor-worker relation as the result of both, the 2004 workshop and the adidas’ follow-ups. To their opinion, “adidas is advising the managers

continuously about the importance of workers' well being and hence, the managers induce the supervisors to behave in a proper way".

It seems that radical changes have occurred in worker-supervisor communication in all four companies and this could be verified through all subjects of this research. This improvement seems to be not only the result of the 2004 workshop but also the adidas follow-ups' and the managers' efforts played a vital role.

Only a few of the agreed improvement projects from the 2004 workshop were performed and implemented effectively, such as "breaking news", "lunch with workers" and "communication trainings".

### **The Effects of Lean System**

During the research, another factor appeared to have affected the communication last year. This was the Lean System, a productivity model which adidas is implementing at its supplier factories. Although the Lean System was not a factor planned to be measured in the research, during the meetings in the factories, it was mentioned as having significant impact on existing communication patterns.

Lean is all about being more productive, which requires effective policies and procedures and thus, employee participation in these processes is an essential part.

It seems that the Lean System, beyond its technical advantages, has significant influence on both, the supervisor-worker relations and the level of work-related stress. In fact, the second highest score for improvement was seen in the area of "Stress free work environment".

It appears that obviously due to cultural reasons it seems difficult for workers in Turkey to report that they have a lower level of stress and a higher morale than they had before. However, in all four factories almost all workers reported that they experienced a reduction of stress as compared to last year. This point was analyzed in detail and concluded that better communication with supervisors within the lean system produced this result... When the workers were asked in the meetings how they could explain the high scores of improvement for a stress-free work environment, the social aspect of the Lean System came up as an explanatory variable.

Workers stated the following points related to the social aspect of the Lean System:

- "Before the lean implementation, the supervisors had to speak too much which caused conflicts. Now it is not needed anymore."
- "Quarrels on defective products and rework have ended after the lean system implementation."
- "Work flow is free of problems; therefore, no communication problem occurs."
- "We have begun to share common objectives."
- "We are acting as a team and experiencing less communication problems."
- "Everything is done orderly and in a planned way after the Lean System. This reduced the level of stress."

- “We all know what is going to happen after two days (e.g. Extra work) with the lean system. Before the implementation of the lean system everything was unexpected.”
- “Before the lean system the supervisors were often in panic. Now they are more calm”
- “Before lean there were problems between the workers from sewing, ironing, and quality control. Now they know they are all members of one team.”

The following quotation from the report of the 2004 communication workshop points out the need for objective changes in the working conditions, which the Lean System did.

“Considering the source of communication problems, we can understand that ineffective business processes create the strain and urgency for delivery on time. As a result, this strain is carried to the workers through successive management levels. Under these conditions, the pattern of “high concern for job and low concern for people” becomes the main behavioral pattern of all managerial levels; therefore, solving the communication problems requires improving business processes.”

It is clear that the 2004 communication workshop triggered obviously the development and managers, supervisors and workers who participated in this workshop acted as a driving force. Further supportive components were the follow-up work performed by adidas as well as the implementation of lean.

## **4.2. Evaluation of the actual Communication and Grievance System**

It seems that after the communication workshop in 2004 two way communication channels have been developed, as this was not the case a year ago. In the report of the 2004 workshop, it was concluded that

...the most evident problem is that communication in all four companies is a one way (from managers to workers) communication. In most cases, only instructions and constraints were communicated. In case of problems related to production, nobody attempts to include workers to the problem solving setting. Workers do not have relevant information to contribute to problem solving. Workers want to feel themselves as a part of the team and to be treated as contributing partners, not as passive components of production process.

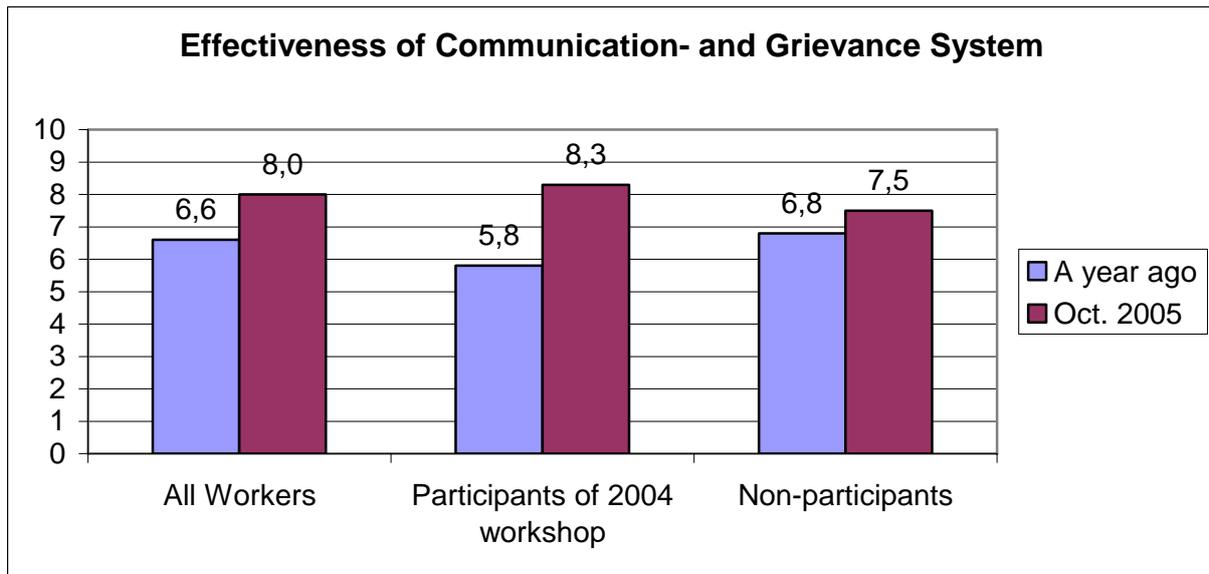
Now two way communication can be observed in all four factories and at all levels. Nearly all workers reported that they can communicate with whomever they want to, even with the general manager. The flow of information was reported in the 2004 workshop as restricted and top down. At the end of 2005, workers reported that they receive work related information easily and that they can express their ideas better to supervisors and managers.

It seems that since the 2004 workshop there have been significant improvements and that there are effective top-down and bottom-up communication systems in place in all four factories. Most important the supervisors listen to what workers say and if

necessary they help to create communication between a worker and a manager. Workers' roles begin to change and they have been encouraged by managers to be more assertive in communication.

As a result of open communication obviously the grievance system is working more effectively. The workers' overall rating score was 8.0 and their arguments supported this high score.

Graph 3 - Effectiveness of Communication – and Grievance System



The Worker Committee System and the Suggestion Box System have been established in these companies to provide a direct communication between the top management and the workers. The problem to overcome was that, in the past, workers' suggestions, -needs and -complaints had never reached out to the top management and/or had been filtered at other management levels.

In the Worker Committee System, the workers in each department choose at least one representative to whom they communicate relevant issues. Worker representatives and the top management meet on a monthly basis to discuss the issues raised.

In the Suggestion Box System, suggestion boxes are provided in the company and workers can put any kind of suggestions or complaints in them. Only the top manager opens the boxes every 15 days and provides written feedback on the notice boards. Almost all workers in the meetings reported that suggestion boxes had been working effectively but as face to face communication between managers and workers developed, the suggestion box system began to be less preferred by the workers. The workers in all four companies reported that if the issue was personal, face to face communication was preferred. If the issue was a general one, workers preferred the suggestion boxes. However, some workers reported that workers who are shy, still preferred the suggestion boxes. Many workers' general opinion about suggestion boxes was "If I can communicate easily with my managers, why do I need to use a suggestion box".

The Grievance system seems to have improved last year as a result of improvements of the communication system. The Grievance system included the following channels:

1. Complaint boxes
2. Managers
3. HR Manager

### **4.3. Analysis of the Correlation between Communication Systems and SOE Awareness in Factories**

SOE Awareness was defined to have two value levels. The first level is the workers' basic information about SOE and the second level is the workers' internalization of SOE, which means their broader understanding of the SOE.

It was assumed that at the basic level, a worker knew what the SOE is, either as a result of having received training or by reading at least the SOE-Poster. It was verified by asking questions that in all factories almost all workers had a basic understanding of what the SOE is. To gain a deeper understanding of the second level workers were asked to estimate the proportion of workers who not only knew what the SOE was, but also how many were able to understand its broader meaning. It was estimated by the workers that nearly half of the workers had internalized SOE in the sense mentioned above.

In all factories almost all the workers have basic information on SOE as a result of some training activities, booklets and meetings. Even at this level of SOE awareness, there is no relation between SOE awareness and communication system. It is possible to observe a factory having improved communication system, but it might be that nobody has any idea about SOE unless training or related activities have been performed. It can be argued that SOE awareness at both basic and advanced levels is a result of specifically devised activities. In other words, it seems that an effective communication system does not automatically cause SOE awareness. However, it can be said that an effective communication system can be supportive if there is specifically devised activities to raise SOE awareness. In the absence of these activities, improved communication system does not affect level of SOE awareness.

Some workers reported that older workers did not believe the SOE will bring positive change for them. They reported that obviously new generation of workers tend to internalize SOE more than the old generation of workers. A few workers mentioned that they did not care about SOE, because they trust their company will do the best for them. It seems it is possible to change the level of SOE consciousness especially for new generation of workers if specific and professionally designed activities are performed in a supportive communication setting.

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## **5. Recommendations about How to Improve the Existing Communication Systems in the relevant factories**

1. Since supervisors obviously have a key role in the communication systems, professionally designed training programs on communication and personal coaching should be provided for them.
2. Communication training has to be done for a large number of workers because a small number of workers who have attended the communication training in this case, couldn't be effective to change the other workers.
3. For the improvement of SOE internalization, a training program should be designed.
4. Social events could be organized to help creating a friendly atmosphere between the managers and the workers