



Any changes on the factory floor?

Impact assessment of digital training on rights
and responsibilities on 19 factories in China



AXFOUNDATION

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Axfoundation is an independent, non-profit organization working practically and concretely towards building a sustainable society. Axfoundation believes in business as a force for change. Through broad collaborations with different actors in society, Axfoundation contributes to positive environmental and social change.

Executive Summary

Axfoundation initiated a capacity-building drive in 2014 to support Axel Johnson companies to operate in a more effective and sustainable way by reinforcing workers' rights and empowerment at supplying factories in China. Digital learning tool Quizrr was chosen to provide training programs to increase knowledge of rights and responsibilities among workers and managers at supplier factories in China.

Five years later, in the fall of 2019, Axfoundation assessed the output and outcomes of the initiative. This report presents the results from a survey of 19 factories supplying five Axel Johnson companies: Axfood, Filippa K, Kicks, Martin & Servera and Åhléns.

The results suggest that working environments at the supplier factories have improved since Quizrr training programs were introduced. Better communication between workers and management is frequently mentioned by the respondents. Many say they are appreciative of having received training and there are very few negative comments in proportion to the total number of responses, even though this last point should be interpreted with caution.

There is a risk of bias as respondents may over or underemphasize their input. It is also possible that surveys initiated by customers tend to generate more positive responses from suppliers. In short, it is difficult to validate the veracity of the responses.

Nevertheless, the assessment indicates improved worker engagement after Quizrr trainings, which is a significant result. Most of the respondents claim that elections of worker representatives take place, followed by democratic elections and participatory meetings. More than half of the respondents claim these changes occurred after the training. If correctly reported, this is an important achievement.

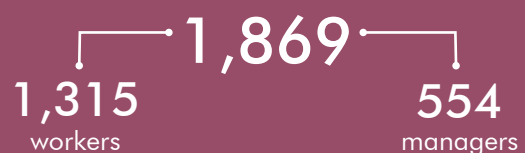
Raised awareness and consciousness regarding working conditions and production processes is a prerequisite for actual improvements. Many respondents report that the training has led to increased understanding of processes at the factory.

In response to open questions about the training, some workers say that the training has led to more active involvement and has improved problem solving at the factory. When asked about changes they had noticed at their factory after training, the right to speak out, willingness to express ideas and increased motivation were often mentioned.

Gamification of learning is an educational approach designed to motivate users to learn by using gaming elements in learning environments. Quizrr uses short films shot in local factory environments, which workers and staff can easily relate to, in conjunction with a series of questions. This fun way of learning may explain some of the positive reactions expressed during assessment. Also, digital learning is widely supported by managers, who consider it a modern and efficient way of learning.

Over the last few years, local representatives of Axel Johnson companies in China have been closely involved in the implementation of Quizrr. Their representatives believe that Quizrr has played a role in changing attitudes. Short films used in the training programs depict the benefits of effective worker representation, good dialogue and rights-based approaches. The aim is to encourage better understanding and openness, both of which are unfortunately difficult to measure. Among the reasons for the positive outcome of this initiative, may well be changing attitudes among workers and managers.

The total number of survey respondents



The response rate for the survey is 49 percent. Taking methodological weaknesses into account, the number of respondents is high enough to support indications that positive change is ongoing, and that knowledge is crucial.





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Beyond audit initiatives aim to build capacity

What is responsible supply chain management? In short, it is the responsibility of a company to ensure that its suppliers uphold decent working conditions.

Standards must be followed, such as those established at International Labor Organization conventions. Agreed behaviors are often compiled in the company code of conduct. The UN Guiding Principles on Business and Human Rights stipulate corporate responsibility with regards to respecting human rights throughout the supply chain. OECD guidelines for multinational companies describe the human rights due diligence process in steps. Based on these guidelines, every company should assess, address and monitor human-rights risks in its supply chains and follow up on deviations.

EU and US companies who source from China may also place social requirements on their suppliers and monitor them through social audits. This process aims to uphold compliance at the factory and to offer the buyer company an overview of working conditions. From the buyer-company perspective, requirements are a push factor for improvements. For suppliers, they are imposed rules to which they must comply and are conditional with order placement. The incentive is primarily business driven and not necessarily anchored with the needs of the factory or its workers.

While social audits have contributed to raising factory standards, academic research acknowledges that they do not build capacity on a deeper level and nor do they necessarily lead to sustainable improvements. This top-down approach does not involve workers

and, rather than addressing root causes, it can encourage quick fixes or double-bookkeeping practices.

For instance, worker representation is not a legal requirement in China yet is becoming more and more frequent because of pressure from EU and US customers. Functional worker representation includes democratically elected workers to represent colleagues during participatory meetings. However, a common practice is where factory managers instruct workers to attend meetings and define them as “worker representation meetings” just to please certain customers.

There are exceptions and, in some cases, indications of change due to generational shifts in mindset and attitudes. As in all countries, company cultures depend on the education level, approach and traditions upheld by the management. “On one hand, older generations of owners don’t typically like worker representation,” explained one of the companies’ local representatives. “But some of the younger, more educated owners see it as a way of building a sustainable business.”

Suppliers spend substantial resources on audits and requirements from their customers, who in turn spend substantial resources on checking audit results and addressing findings. Consequently, so-called “beyond audit initiatives” have emerged to complement reactive audits with proactive capacity building. Quizrr is an example of such an initiative, aiming to build capacity through increased knowledge and awareness.

Quizrr is a Swedish company that develops a digital training on worker’s rights and responsibilities. The training is delivered on mobile devices such as tablets in the form of gamified content. They combine live-action videos and questions in local languages. The “measure and share” concept enables both customers (buying brands) and suppliers to track progress and benchmark results via an online dashboard. Companies can also track knowledge levels before and after trainings.

Long-term collaboration

Quizrr training programs at Axel Johnson companies' suppliers are part of a long-term collaboration between Axfoundation and the companies. Since 2014, the companies have implemented Quizrr as part of their sustainability strategy with the aim of sourcing responsibly and contributing to positive change within their sphere of influence.

Axfoundation has accelerated, supported and monitored these efforts and has been able to engage closely with them thanks to the Axel Johnson companies' business relations with their suppliers. The companies opened doors to factories that may otherwise have been closed to Axfoundation. It is important to note that Axfoundation also collaborates on projects with companies outside the Group.

Axfoundation

Axfoundation is an independent, non-profit organization working practically and concretely towards building a sustainable society. Through broad collaborations with different actors in

society, Axfoundation contributes to positive environmental and social change. Through the program "Sustainable Production and Consumption", Axfoundation adds competence and resources to companies' efforts to manage and maintain sustainability in global production, with a certain focus on worker's rights and environmental issues in supply chains.

Axel Johnson

Axel Johnson is one of the largest trade and service companies in the Nordic region. The today wholly and partly owned companies within Axel Johnson had a total annual turnover of approximately SEK 88 billion (2019). The operations employ approximately 25,000 people and the companies are trading partners with thousands of companies worldwide. Axel Johnson's values and long-term approach represent a key, shared platform for the entire Group. Axfood, Filippa K, Kicks, Martin & Servera and Åhléns are brands within the Group and they all source goods and services from China.

Quizrr trainings Axel Johnson companies in China				
	2016-01	2016-12	2017-03	2020-03
Total completed training sessions	1,330	10,049	11,176	34,167
Total number of people trained	370	3,601	4,071	8,766
Total number of factories	4	21	24	28

Quizrr trainings in total	Globally				China
	2016-01	2016-12	2017-03	2020-03	2020-03
Total completed training sessions	3,121	36,290	41,522	677,778	468,429
Total no of people trained	1,198	17,007	19,788	177,122	111,582
Total number of factories	10	90	110	425	358

The role of Axfoundation in capacity building

Axfoundation strives to initiate, support and run initiatives that spur social sustainability in global business operations. Axfoundation believes that responsible supply chain management should include capacity building and beyond audit activities designed not only to empower workers, but also contribute to peaceful dialogue between all parties in the workplace.

Axfoundation became an early adopter of Quizrr and decided to subsidize the cost of the license for Axel Johnson companies. This started in 2014, when the companies implemented Quizrr training programs at their suppliers' premises. As of 2020, five companies in the Group have implemented Quizrr at 24 factories in China and three in Thailand.

Since 2017, Axfoundation has focused on evaluating the outcome of the training and further supporting the development of Quizrr trainings based on lessons learned. Now that the project has matured, the cost of the license for Quizrr is primarily assumed by the buying companies and their suppliers. However, there are some exceptions. Axfoundation still supports blended learning activities using Quizrr, where classroom trainings are combined with digital training at the factories. Axfoundation was also one of the founders of the Nordic Initiative, an ethical-recruitment project run together with Quizrr in Thailand. In early 2020, the initiative shifted name to MOVE aiming to reach migrant workers in several countries.

Axfoundation's involvement in pilot projects and innovative efforts within the area of social sustainability necessitates evaluation and impact measurement. One of the purposes of this report lies within Axfoundation's interest in social impact measurement. There is no silver bullet that can measure and prove that social impact is the result of a certain activity. There is a need, therefore, for different approaches. We see value in academic research as well as in pragmatic efforts on the

factory floor. Consequently, to combine and compare methods and results on a regular basis, Axfoundation has involved both academic researchers and practitioners.

Axfoundation contracted the Raoul Wallenberg Institute in 2017 to assess the impact of Quizrr program Rights & Responsibilities. The subsequent report was published in October 2018. It suggests that Quizrr training has contributed to greater awareness and new routines, especially in the area of health and safety. It is however unclear whether the training has generated measurable impact.

Axfoundation decided to widen the scope for the following assessment and included all three Quizrr programs described on the next page. The evaluation was carried out in 2019/2020 and the results form the basis of this report. The assessment included 19 Chinese factories that produce clothes, ceramics, food and non-food items for five companies: Axfood, Filippa K, Kicks, Martin & Servera and Åhléns. The duration of time that Quizrr was used at the participating factories varied, as did the training programs that were chosen and the way in which they were delivered. A common practice was for management teams to schedule entire production lines to take part in training programs either individually or in group sessions.

The methodology used in this evaluation differs from that employed by the Raoul Wallenberg Institute, which is based on qualitative interviews with workers and managers at six factories. This report is based on data from 19 factories collected using an online survey. While the sample size is larger, no individual interactions took place. Axel Johnson companies provided access to the factories, while Axfoundation developed the survey and carried out the analysis with assistance from the companies' local representatives. One reason for the different methodologies is Axfoundation's ambition to explore different ways of measuring social impact.

Quizrr: Digital training in rights and responsibilities

Quizrr is a Swedish company that develops a digital training on worker's rights and responsibilities. The training is delivered on mobile devices such as tablets in the form of gamified content. They combine live-action videos and questions in local languages. The "measure and share" concept enables both buying companies and suppliers to track progress and benchmark results via an online dashboard.

Quizrr has a number of training programs. The programs used by the Axel Johnson companies are Rights & Responsibilities, Worker Engagement and Wage Management System. All have different levels for workers and managers. Training programs are available in Bangladesh, China, Mauritius and Thailand and are developed within the frame of each country's labor laws. Quizrr training programs contain several learning modules for different topics, such as workplace policies, health and safety, fire safety and workplace dialogue.

The training builds on the assumption that shared knowledge within the factory improves the dialogue and thereby the working environment. Workers should be aware of and able to exercise their rights and managers on all levels should share this knowledge and practice good behavior. In short, shared understanding for rights, rules, regulations and good practice is beneficial for production processes across the factory.

Quizrr's business model is to sell user licenses. The license fee is sometimes paid by buying companies, sometimes by suppliers. At times, supplier and buyer share the cost. The business model assumes that the supplier is motivated to invest time and financial resources on Quizrr training. The challenging task is to verify if the cost pays off – whether in engaged staff, improved productivity, less worker turnover or built trust and transparency within the organization and with business partners.

The Quizrr training programs

The three training programs assessed in this report all have one version for workers and one for managers. Each program contains several learning modules. The goal is to improve working conditions and establish stable factory processes by increasing common knowledge of rights, rules and regulations.



Rights & Responsibilities



Worker Engagement



Wage Management System



About this report: Purpose, methodology and structure

The purpose of Axfoundation's impact assessment is to measure effects and changes in behavior as a result of Quizrr training programs. The assessment focuses on impact: concrete changes on the factory floor. The user-friendly design of Quizrr training programs and its implementation by the factories is not considered in this evaluation.

Methodology

The impact assessment is based on quantitative and qualitative data collected via online surveys. The questions were chosen by Axfoundation together

with the Axel Johnson companies and their local representatives. The assessment was carried out September to November 2019.

Surveys were created for each Quizrr training program, with one set of questions for managers and another for workers. All six surveys were produced using Mentimeter in English and Mandarin. The surveys were accessible via a QR-code printed on posters and put up on noticeboards at the 19 factories. Users scanned the codes with their smartphones to access the surveys, which contained multiple-choice (Yes/No/I don't know) as well as open questions.

The statistical data is based on 1,869 respondents, among them 1,315 workers and 554 managers. In total, the 19 factories have 3,825 workers. The response rate for the survey is 49%. Taking methodological weaknesses in account, the number of respondents is enough to suggest that positive change is ongoing, and that knowledge is crucial.

Number of respondents for each questionnaire:

- Rights & Responsibilities for workers: 465
- Rights & Responsibilities for managers: 211
- Worker Engagement for workers: 412
- Worker Engagement for managers: 183
- Wage Management System for workers: 438
- Wage Management System for managers: 160

Total number of respondents: 1,869

Integrity

Workers and managers were informed of the purpose of the surveys by the Axel Johnson companies' local representatives. The local representatives played an important role in encouraging the management teams at the 19 factories to put up the posters on their noticeboards to make the survey accessible to all staff.

All responses were given anonymously, and no IDs were registered. An introduction on the survey's start page contained the following information: "The information will be used for communicative purpose. No one's identity will be disclosed. The brands are interested in aggregated data from all factories using Quizrr within the Axel Johnson companies. Please answer sincerely. Your time and true responses are very important to us in order to make necessary improvements for the future, based on your needs." This report will be shared with both buyers (in English) and suppliers (in Mandarin).

Weaknesses

The Mentimeter surveys were set up in such a way that a single smartphone could be used multiple times to fill in the survey. The upside of this was that respondents who did not have a smartphone could borrow a coworker's device to do the survey, thereby reaching more workers. A weakness is that it is impossible to verify that the different submitted responses were submitted by different individuals. It is possible that one individual registered several survey responses. There are indications in the data that this

has happened. For instance, in some cases, the same wordings in open questions appeared several times in a row. In such cases, duplicate responses were not taken into consideration during the analysis. Neither were the duplications present in the answer clusters in the report.

In addition, it is unclear whether the survey was filled in under pressure or voluntarily. It is also impossible to validate if the responses are truthful and honest. Furthermore, translation issues are always challenging. Three different translators translated vast amounts of material and some inconsistencies have been detected in the final English material.

For the above reasons, absolute conclusions cannot be drawn based on the surveys. Rather, the data indicates certain patterns of improvement. There might also be different drivers behind the indicated changes, in addition to the training itself.

Relevance

The results from the 19 factories might not be representative for all Quizrr-licensed factories in China. However, the results may still be interesting and relevant for other buying brands and Chinese suppliers. The results indicate some change in relation to communication and dialogue, which is positive for both the brands and their suppliers. Naturally, it is impossible to verify if Quizrr is the sole contributor to this change, or if the results are sign of changing attitudes on a wider level.

Structure of the report

This report presents the six questionnaires from each of the Quizrr programs and the respective results in the following order of chapters:

1. Rights & Responsibilities for workers
2. Rights & Responsibilities for managers
3. Worker Engagement for workers
4. Worker Engagement for managers
5. Wage Management System for workers
6. Wage Management System for managers

Each chapter is introduced by an elaboration on the Quizrr training program and its content, followed by an analysis of the responses, graphs and clustering of open responses.





Quizrr Rights & Responsibilities

Survey for workers:
Results and analysis



Quizrr Rights and Responsibilities training

Markets: China, Bangladesh

Languages: Mandarin, Bengali

Content: Short films, quizzes

Learning Modules:

- Workplace policies
- Health & safety
- Fire safety
- Workplace dialogue

What is Quizrr Rights & Responsibilities training?

Factory workers across the world are unaware of their rights and responsibilities, which makes it harder to exercise them. This can leave them more vulnerable to unfair treatment or abuse.

Violation of standards and worker rights, and failing to functionally address such issues, is likely to put a business' reputation at stake. Poor working conditions also provoke safety concerns, and, bundled with other issues such as unfair wages, can build up low worker engagement and high employee turnover. Companies and their suppliers that operate in

emerging markets often struggle to maintain labor standards and comply with regulations.

Quizrr Rights & Responsibilities training is designed to inform and educate workers, managers and supervisors. The training program consists of films and questions to build knowledge about employment policies and guidelines, covering topics like overtime, maternity leave, health and safety, and the importance of establishing efficient worker-manager dialogue in the workplace.

Increased motivation

Analysis of workers' responses



Number of
respondents

465

When assessing the impact of Quizrr Rights & Responsibilities training, workers were asked if they had observed any changes after the training of this module and were given nine options.

Workers' top three observations of effective changes at the factory:

1. Increased motivation (82%)
2. Better working environment (65%)
3. Fewer injuries (63%)

A potential change of attitude and behavior was manifested in the top choices "Increased motivation" (82%) and "Better working environment" (65%). The third highest score is given to "Fewer injuries" (63%) which indicates better health and safety processes, an improvement which was also reported by the Raoul Wallenberg Institute in 2017. "Fewer injuries" is also in line with wordings used in the Worker Engagement

Survey where "occupational safety", "labor protection", "protective equipment" and "production safety" are frequently mentioned.

It is also worth noting that 57% choose "Less conflict", 58% "Better management behavior" and 49% say they can express their opinions. All these choices score highly, which are positive indications of better working atmospheres.

It is reasonable to assume that the respondents do not differentiate between the results of the different training programs Quizrr Rights & Responsibilities, Quizrr Worker Engagement, and Quizrr Wage Management System. For this reason, it is important not to connect the responses too closely with any program, but rather regard them as generally appreciative of Quizrr training programs and their effects.

Have you noticed any changes at the factory?







Quizrr Rights & Responsibilities

Survey for managers:
Results and analysis



Improved dialogue

Managers' top three observations of effective changes at the factory

64% Improved worker-management communication

62% Workers better with safety

62% Better cooperation during fire drills

Analysis of managers' responses



Number of respondents

211

When assessing the impact of Quizrr Rights & Responsibilities training, managers were asked if they had observed any changes after the training of this module and were given nine answer options.

Managers' top three observations of effective changes at the factory:

1. Improved worker-management communication (64%)
2. Workers better with safety (62%)
3. Better cooperation during fire drills (62%)

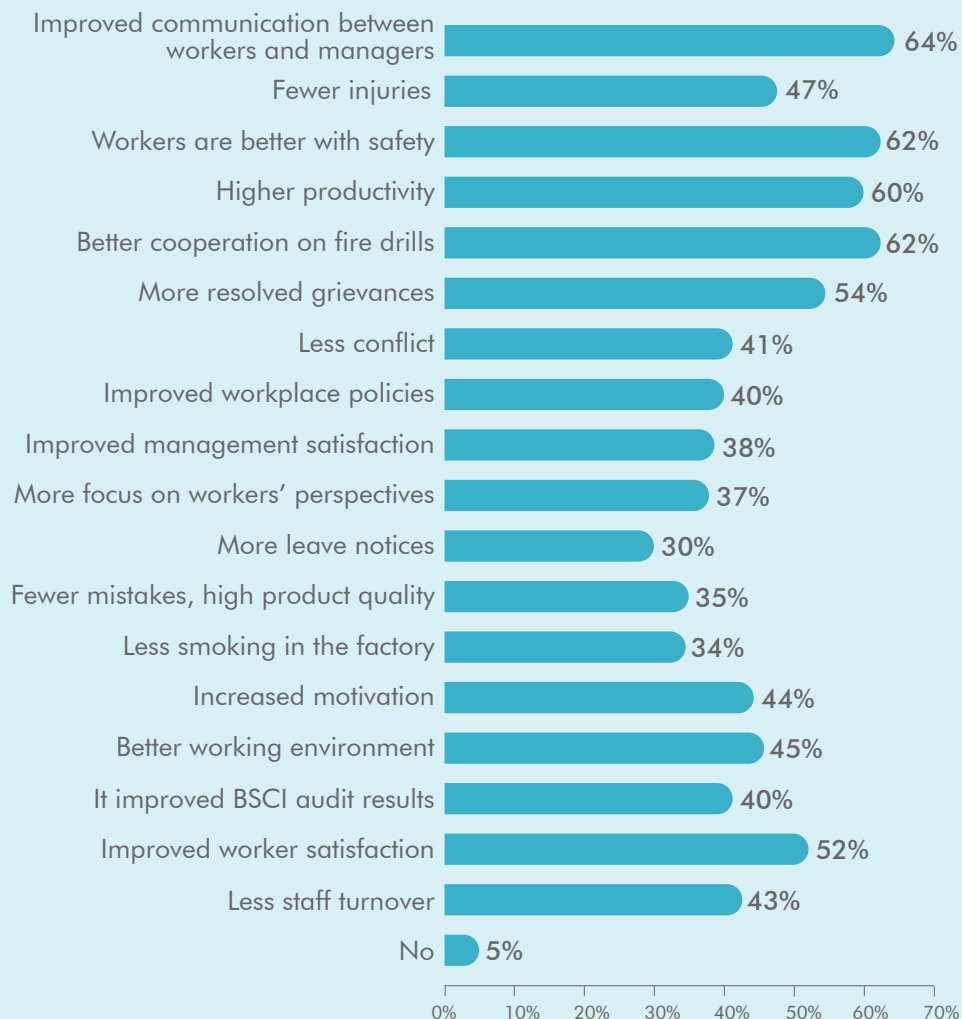
Managers' responses align with the workers and indicate improved dialogue,

problem solving and safety. In addition, 54% answer "More resolved grievances," which can be verification of functional communication when worker's problems have been communicated and addressed. Health and safety issues also score highly. 62% choose "Better cooperation during fire drills" and 47% "Fewer injuries".

In addition, 40% claim that the training has led to improved Business Social Compliance Initiative (BSCI) audit results. This positive effect on audit scores has not been confirmed by Axel Johnson companies, neither has it been contested. Comparisons over time show no clear trend on audit results among the five companies.



Has Quizrr Rights & Responsibilities training led to any concrete changes at the factory?







Quizrr Worker Engagement

Survey for workers:
Results and analysis



Quizrr Worker Engagement training

Markets: China, Bangladesh

Languages: Mandarin, Bengali

Content: Short films, quizzes

Learning Modules:

- Dialogue and Engagement
- Worker Representation
- Roles and Responsibilities
- Nomination and Election

What is worker representation?

A common belief is that workers in China cannot engage in or raise their voices through democratic processes. This is factually incorrect. While it is true that freedom of association is not allowed in China and only one state union exists, factory unions can be formed and there are rules regarding nomination and elections under the national framework of trade unions. Rather than prohibited, it is often encouraged to improve the dialogue between the employer and employee through these processes.

Functional worker representation means that worker representatives are democratically elected by their coworkers to be actively involved in decision making through participatory meetings with the factory management.

It is common that information about worker representatives are posted on the factory walls

because of audit requirements from EU and US buyers. However, as mentioned in the introduction, it is far from certain that the representatives are elected workers. They could even be managers selected by other managers. It is a challenging task for a social auditor to validate whether the workers representation system is functional and promoting increased dialogue by channeling workers voices.

What is Quizrr Worker Engagement training?

Quizrr Worker Engagement training is designed to facilitate functioning systems for dialogue-based problem solving and worker-management relations, covering issues such as effective communications, employee satisfaction, worker representation and participation. It elaborates on the worker representative's role and mandate, as well as on the importance of action and feedback from managers.

Improved democratic elections of worker representatives

Analysis of workers' responses



Number of respondents

412

When assessing the impact of Quizrr Worker Engagement training, workers were asked if they could nominate representatives, if elections were held, if participatory committee meetings were held, and if they had observed any changes after the meetings.

- 86% of workers claim they can nominate a representative in a nomination process. 61% say it happened after Quizrr training, 32% say it did not.
- Almost all workers say there has been an election. 55% claim it happened after Quizrr training, 38% say it did not.
- 85% of workers say they have participated in an election.
- 76% say they have raised issues with the worker representative.
- 93% of workers say there are participatory committee meetings at the factory.
- 87% say there are written records available after the meetings and 90% claim the meetings have led to positive change.

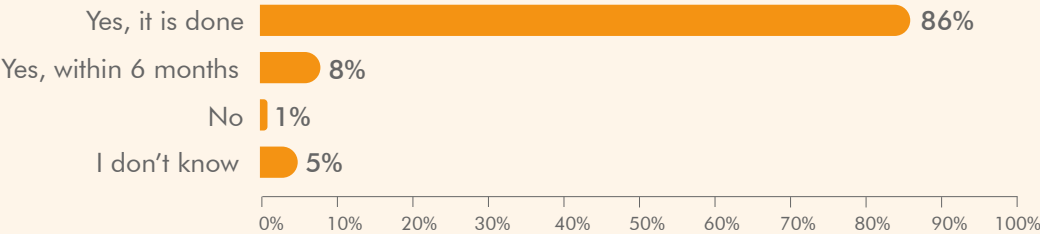
The responses indicate that nominations for worker representatives, elections and participatory committee meetings take place in the factories. If the system is functional, and if it is a result of Quizrr training, is hard to judge.

More than half of the respondents claim that the nominations, elections and meetings happened after Quizrr training, however 32% say they did not (meaning they were already in place). It is unclear if the nomination and election processes that were already in place before the training were functional or not. Based on the experience from the Axel Johnson companies' local representatives and Quizrr's training team, worker representatives are commonly chosen by the management, so it can be assumed that not all were functional.

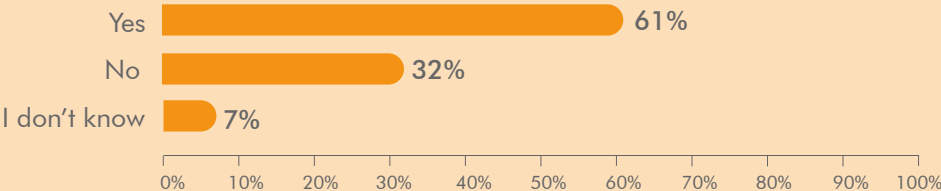
In 2019, five factories participated in blended learning training where digital training is combined with on-site trainings. Quizrr and/or company local representatives attended nominations and elections at some of these factories, so it is known for a fact that they took place.

The role of worker representative is to convey coworkers' opinions to their managers during formal and regular meetings. In total, 87% of the respondents say there are written records available from these meetings. This indicates that workers are aware of the agenda and outcome. 90% claim the meetings have led to change which indicates that a functional feedback system is in place.

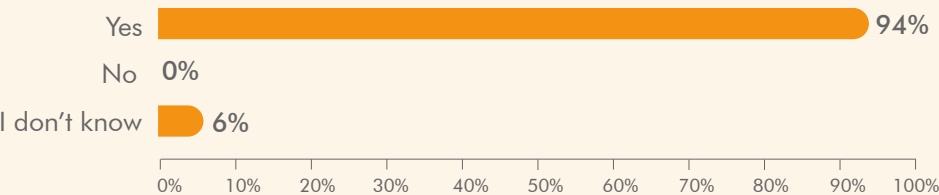
Can workers nominate worker representatives at your factory in a nomination process?



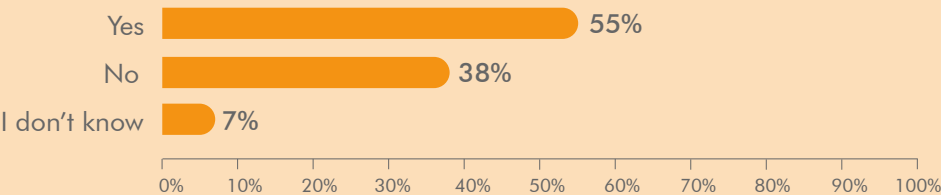
If yes, did it happen after Quizrr training?



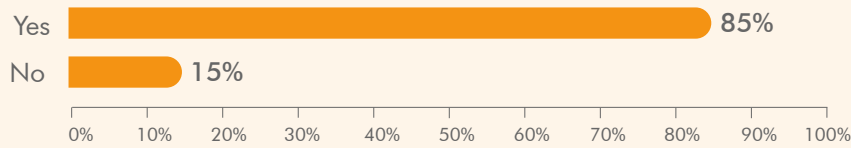
Has there been a worker representative election at the factory where workers elected their representative?



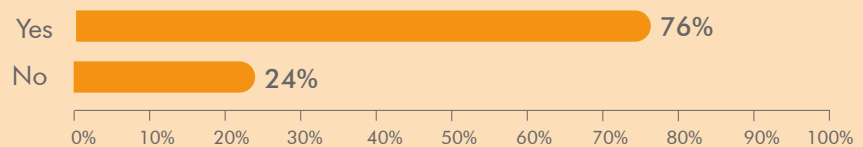
If yes, did it happen after Quizrr training?



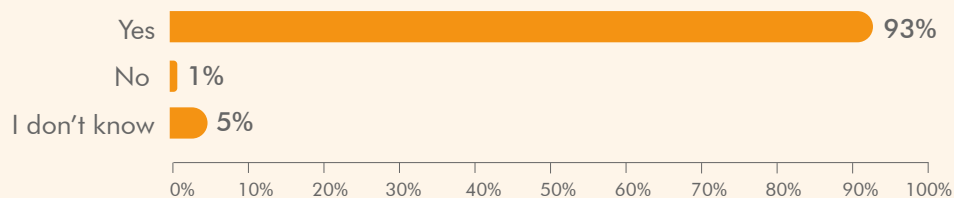
Have you participated in the election of any worker representatives?



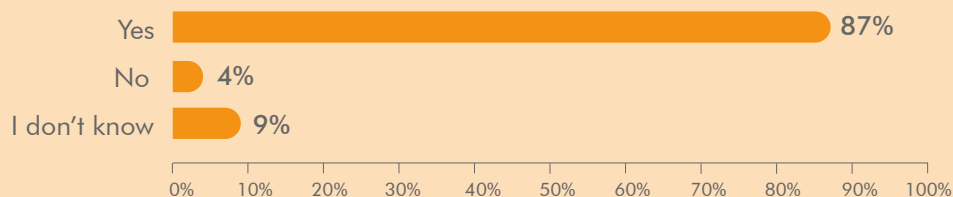
Have you raised any issues to the worker representative?



Are there any Participatory Committee meetings at your factory?



Do written records from these meetings exist?



Participatory committee meetings improve communication

Analysis of workers' responses to open questions

Workers were asked if the participatory meetings at the factories have led to any positive changes, and if so, to also name what had changed. In total, 90% of workers claim that the meetings have led to positive changes.

Based on analysis of their responses to open questions, four main themes became evident:

1. Communication, knowledge and understanding
2. Active involvement, problem solving and exercising rights
3. Environment and welfare
4. Management systems and efficiency

Many workers mention better communication – between workers and management or between workers themselves – as a result of the participatory

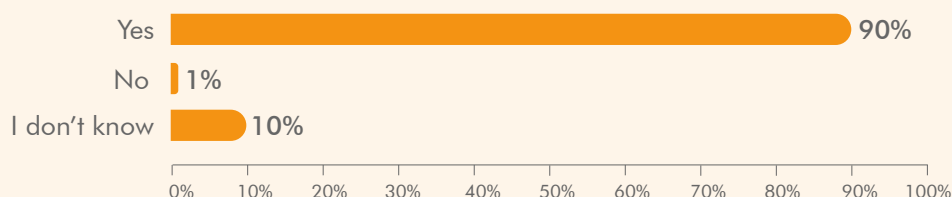
meetings. Transparency, understanding and knowledge were commonly used terms.

Most responses are in the second theme, on active involvement, problem solving and exercising rights. This indicates that the necessary knowledge is not only evident, but it is also possible to exercise knowledge and be actively involved. Many remarks about active involvement go beyond communication and instead refer to empowerment. Wordings from workers include problem solving, active dialogue, right to speak, willingness to express ideas, and increased motivation.

The third theme possess a flavor of well-being at the workplace in general. Wordings about better treatment, friendlier management, welfare, and humanized atmosphere are commonly used.

The fourth theme covered work-related improvements such as increased productivity, efficiency or comments relating to standardization. It also covered clarity and understanding of management systems and procedures. Words used were productivity, efficiency and professional.

Have these meetings led to any positive changes at the factory?



What changes do you see after these meetings?

Responses from workers to open questions clustered in themes

1. COMMUNICATION, KNOWLEDGE AND UNDERSTANDING

- Management communicates more with workers
- The communication between management and workers has changed at the factory
- Ensured better communication
- Improved communication on occupational hazards, legal requirements, and employee rights
- Better understanding about the treatment of workers
- Transparent decision making
- Employees understand more about their rights
- Improved understanding of the role of worker representatives
- Better understanding of the worker representative election process
- Workers know more about their rights
- Better understanding on how to solve workers' problems
- Improved communication between workers and worker representatives with the owner
- Better communication with factory management
- Better communication channels between workers and the company
- Know how to choose worker representatives
- Better knowledge on how worker representatives are elected

2. ACTIVE INVOLVEMENT, PROBLEM SOLVING, EXERCISING RIGHTS

- Worker representatives work more actively
- If the employee has a problem, then the worker representative can discuss with management and immediately find a solution
- Problems raised by workers are quickly resolved
- Difficulties for employees can be solved
- Improved the right to speak up
- Workers are working actively and know how to protect their rights
- Employees are more actively involved
- Workers are more willing to express ideas
- Workers' suggestions may be adopted
- Employees' suggestions can more easily be understood by leaders and resolved
- Let us to have more right to speak
- Increased motivation
- Possible to exercise employees' rights
- Workers can put forward their own suggestions and opinions
- Increased motivation to work
- Staff can solve their development problems
- Employees can get better feedback to their problems
- Employees can better respond to questions
- Employees work more happily
- Employees can better express their ideas
- Employees can give feedback at any time
- When employees have problems, they can find better solutions
- Increased employee motivation
- Employees can take the initiative to provide feedback to their superiors when problems are found at work
- Better solution of problems at work
- Improved employee motivation

3. ENVIRONMENT AND WELFARE

- Workers and management are more friendly towards each other
- Better treatment of employees
- Improved staff life and staff diet
- Management is friendlier
- Help workers to have an open mind in work and their life
- More comfortable
- Outlook and atmosphere of the factory has been further enhanced
- Improved meals and food
- More humanized environment
- More harmony between employees
- Workers are more harmonious
- Employee benefits
- Official business and processes are more humanized -
- Workers and management are more friendly
- The factory is more humanized
- Work atmosphere is getting better
- Better working atmosphere
- Improved working environment
- Better welfare and treatment in the factory
- Improved working environment and welfare
- Better welfare and wages

4. MANAGEMENT SYSTEM EFFICIENCY

- Management no longer only focuses on the production progress, but instead pays attention to the employees' ability, working time, efficiency
- Production meetings
- More standardized
- The factory has improved the protection of workers' labor protection supplies, and paid more attention to the safety of production at each station
- Management norms are more professional
- The system is more specific
- More standardized workflow
- Improved the company's efficiency
- Increased work productivity
- Improved efficiency
- More standardized staff
- Work more actively
- Occupational safety

5. NEGATIVE/NOT SURE

- Not sure



Shifting attitudes towards worker representation

Analysis of workers' responses to open questions

Workers were asked if Quizrr Workers Engagement training has led to any other changes in behavior or changes to processes in the factory. The responses to the open questions are grouped into four main categories.

Many respondents claim that Quizrr Workers Engagement training has led to better communication and understanding, active involvement, a better working environment and other work-related improvements.

In addition, many respondents see changes in behavior or processes, like improved problem solving. If this is the case, it is a significant outcome. Above all, Quizrr Worker Engagement training appears to have contributed to a shift of attitude towards worker representation. This is confirmed by the Axel Johnson companies' local representatives. According to them, Quizrr has been helpful in

providing a better understanding of and openness to the worker representative system.

Last but not least, many responses refer to improved systems at the factory. This indicates that the training improved general awareness of standards, routines and production related processes.

Considerations when interpreting responses

It is important to note during the analysis process that some wordings in the responses are repeated by workers at the same supplier. This suggests that the same user has registered multiple times. These duplications may point to fraudulent behavior and are therefore not included in the summary. At the same time, other examples of responses to open questions reveal considerable variation of wordings within the same supplier.

Bearing in mind methodological weaknesses, the overall impression of the survey is positive in many regards.

Any other shifting behavior or processes as a result of Quizrr Worker Engagement training?

Responses from workers to open questions clustered in themes

1. COMMUNICATION, KNOWLEDGE AND UNDERSTANDING

- Meet with employees regularly
- Meet regularly to discuss staff issues
- Managers regularly come to the workshop to talk to employees about their recent difficulties
- Employees have better understanding of the factory
- Increased employee awareness
- Everyone communicates a lot
- Clear understanding of the work
- Increased fire awareness
- Everyone appreciates conversation and communication
- More transparent
- Employees know more about human rights
- Improved internal communication
- More understanding of the factory
- Understand the workers' representation election process
- Employees understand relevant laws and regulations
- Increased sense of responsibility
- Employees are willing to participate more in such training
- Employees have a better understanding of their rights
- Know more about how to get the treatment at the factory
- A better understanding of the workers' election process
- Better skills to solve employees' problems
- Familiar with workers' representation process

2. ACTIVE INVOLVEMENT, PROBLEM SOLVING, EXERCISING RIGHTS

- Work proactively, production safety and protection, legal rights of workers
- Factory improved meals and overtime is more reasonable and legal
- Workers are more active
- Everyone can better give their opinion
- Everyone have ideas for improvement and opinions can put forward
- Rights and responsibilities more fulfilled
- Workers' representation election
- Timely problem solving
- Improved worker representative election
- process
- Employees are more active in their work
- Employees are more active than before
- Staff problems can be resolved in a timely manner
- Problems can be resolved in time for employees
- Better at solving employees' problems
- Employees are more motivated to participate in communication
- The company pays more attention to communication with us
- Factory management knows more about the workers' situation

3. ENVIRONMENT AND WELFARE

- Employees get a fairer treatment
- More workers see factory as home and get management attention
- Better salary and benefits
- Changed life standard
- Reduced problems at work
- Strong sense of responsibility and motivation
- Factory just like home
- Better working environment and better motivation to work
- Better working environment
- The factory is more transparent and humanized
- The welfare of the factory, and environment is getting better and better
- Welfare treatment
- Better welfare
- Closer relationship between management and workers
- Behavior more secure
- The atmosphere in the factory is better and the work is smoother
- Employee motivation
- More comfortable
- Better management
- Better relationship between workers
- Better relations between employees
- More harmony between employees
- Relations between workers
- More harmonious relationships between workers
- More harmony among workers

4. MANAGEMENT SYSTEM EFFICIENCY

- More standardized management of the business
- Process optimization
- Safe production
- Reduced work-related injuries
- More standard workflow
- Operating specifications
- Normalized operations
- Higher efficiency
- Continuous improvement of processes
- Process optimization
- More transparent processes
- Process simplification
- Improved welfare system
- Policies more completed
- Policies more standardized
- Management norms, workers professionalism
- Protective equipment
- Employees increase the coefficient of safe operation at work

5. NEGATIVE

- I don't know





Quizrr Worker Engagement

Survey for managers:
Results and analysis



High scores on feedback systems

Analysis of managers' responses



Number of respondents

183

When assessing the impact of Quizrr Worker Engagement training, managers were asked if workers can nominate representatives, if elections are held, how often representatives and managers meet, and if written records from these meetings are shared publicly.

- 84% of managers claim workers can nominate a representative in a nomination process and 55% say these nominations happen because of Quizrr training.
- 88% say there have been worker representative election and 82% claim the Quizrr training has helped in this process.

- 71% of managers say worker representatives and management meet regularly.
- 75% say written records are shared at the factory and a majority claim they follow up on workers comments.

Regarding nomination of workers, 84% claiming the process is in place is a very high score. Even though the figure cannot be confirmed, it has been verified that functional nomination processes have taken place at some factories since the Quizrr team and local representatives are present.

Regarding Quizrr's impact, 55% of the managers say that the nominations happened because of the Quizrr Worker Engagement training, which implies that the trainings have had an impact.

At factories that have not yet had nominations, managers could choose the option "It will happen within six months". In total, 14% of the managers pick this option, which can be interpreted as a sign of change, since there were already worker representatives on the factory before the training, which likely had been chosen by management and not nominated by coworkers. For this reason, it can be predicted that a new process is planned, namely worker's nomination. On the other hand, the response could also be interpreted as intended to please the surveyor.

Regarding the election of workers representation, 88% say there has been an election and 82% claim that Quizrr training has been helpful in this process. It is hard to say whether these numbers reflect the quantitative reality, however it is likely that they reflect a qualitative outcome of the training: appreciation and understanding of the function and meaning of

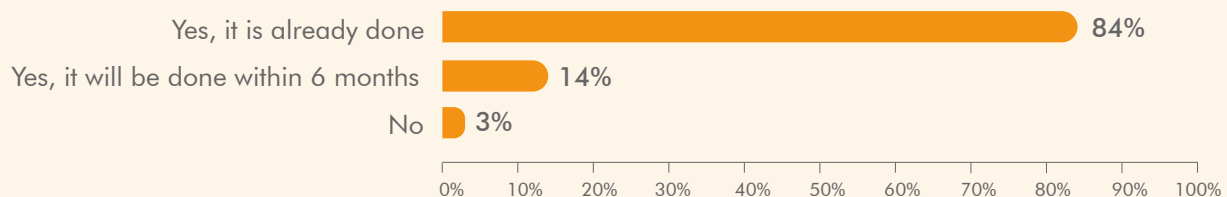
worker representation: improved dialogue, which benefits the whole factory.

Of the 183 respondents, 71% of managers say worker representatives and managers meet regularly. The remaining 29% say they meet infrequently, only when needed. This is a relatively high figure for a pragmatic (potentially arrogant) attitude to systematic and regular dialogue.

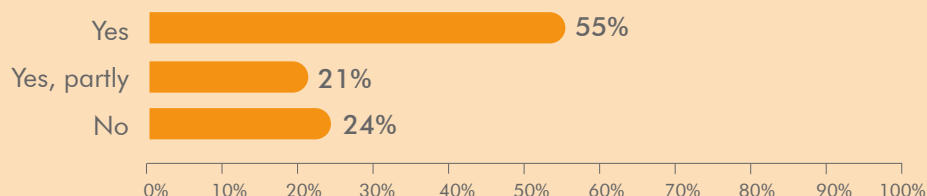
75% of managers say that written records from these meetings are shared at the factory, 21% say they don't know and 4% say they are not shared. If 2 out of 10 managers are not aware of if meeting records are shared at the factory, there is room for improvement.

A huge majority of managers (93%) claim they follow up on workers comments. Only 2% say they do not follow up on worker representatives' input at meetings. If so, a functional feedback system is in place at a large majority of the factories. The managers' responses are in line with those of the workers' in this area, as workers claim that problem solving at the factory is timely and that dialogue with management has improved.

Can workers nominate worker representatives at your factory according to the nomination process?

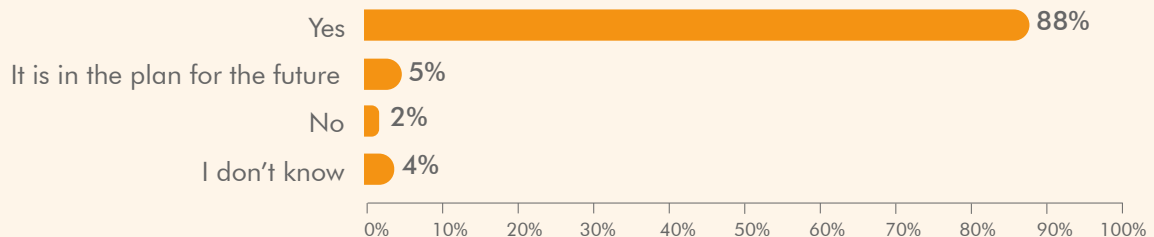


If yes, is it because of this training?

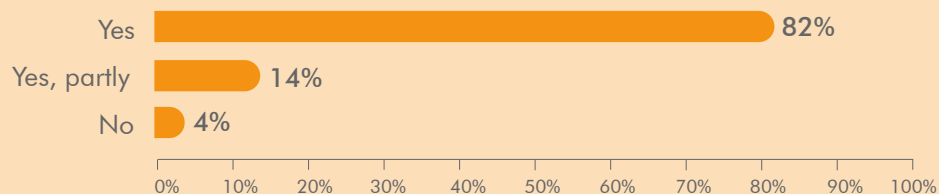




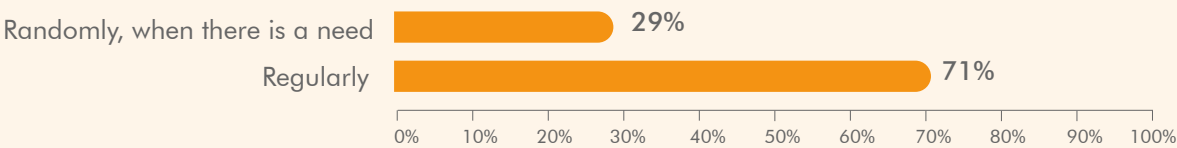
Have elections of worker representatives taken place at the factory where workers elected their representative?



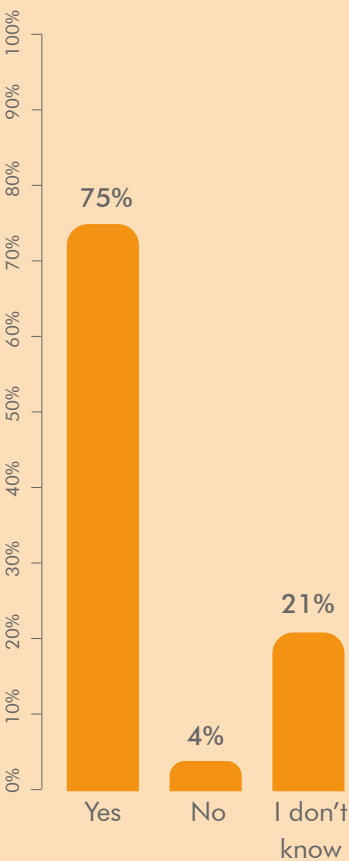
If yes, was the Quizrr training helpful?



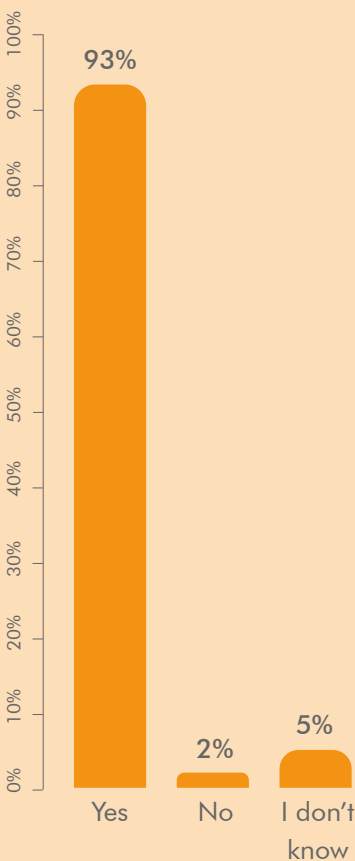
How often do worker representatives and managers meet at the factory?



Have written records from these meetings been shared at the factory?



Have the suggestions from workers been addressed and followed up by managers?





Signs of functional worker engagement

Analysis of responses from managers to open questions

Managers were asked in which way Quizrr Worker Engagement training has been useful. Based on the responses, three main themes have been identified:

1. Knowledge and communication
2. Active involvement and protection of rights
3. Management skills and professionalism

As in the case of workers, improved communication and problem solving is mentioned by managers as

products of Quizrr training. Additionally, responses indicate a degree of professional satisfaction. One might assume that the training contributed to an increase in competence. Improvements such as working skills, personal growth, and raised standards were mentioned.

One answer contradicts all other feedback. It states that the worker representatives are selected by managers and “only say what they are requested to say by the managers”. This embodies the problem with non-functional worker representation at many factories and apparently still occurs even after Quizrr Worker Engagement training.

How has Quizrr Worker Engagement training been useful?

Responses from managers to open questions clustered in themes

1. KNOWLEDGE AND COMMUNICATION

- Learned a great deal of knowledge
- Learned useful knowledge, like how to uphold rights
- I learned how to solve problems
- Helpful for conversations with workers
- Channeled communication through management and workers
- Smooth communication between workers and management
- Improved individual consciousness
- If feels useful from personal experience
- Useful training that helps us accept new energy and knowledge
- Improved relationship between workers and management
- Increased employee's motivation

2. ACTIVE INVOLVEMENT, RIGHTS

- More focus on all aspects of employees
- More care for on every employee's aspects
- It protects individual rights and interests
- It protects workers and their benefits
- It was helpful in the election of worker representatives
- Identified responsibilities and rights for workers through systematic learning
- It helped us understand the best format of employee being involved

3. MANAGEMENT SKILLS, PROFESSIONALISM

- Increased working skills, full speed personal growth
- Sharpen personal working skills, improved self in all aspects
- Sharpened my skills in the company
- The company is applying these framework
- Improved working efficiency and improved company regulations
- Improved management capabilities
- Raised standard in the management
- Improved skills could improve efficiency and productivity
- Better way to manage employees
- HR managers should get more such trainings

4. NEGATIVE

- The worker representatives are not elected by workers; they are assigned by managers. The worker representatives only say what they are requested to say from managers.







Quizrr Wage Management System

Survey for workers:
Results and analysis

What is Quizrr Wage Management training?

As suppliers realize the need and importance of worker engagement and compliance to international standards, the organizations also understand the value of a fair and motivating work environment. This requires good wage management systems in place, to ensure that individual skills and experience are reflected in wage levels, and that workers not only understand their wage structure, but also have access to skill development and growth.

Quizrr Wage Management training introduces wage management systems, employment benefits, regulations on overtime, and career opportunities to encourage a more stable and motivated workforce. The program also covers legal requirements such as the workers right to employment contracts, job descriptions, wages, overtime pay and social security. In addition, it covers issues such as wage discrimination, recruitment, career planning and workplace dialogue.

Quizrr Wage Management System training

Markets: China

Languages: Mandarin

Content: Short films, quizzes

Learning Modules:

- Employment
- Wages
- Pay Systems







Legal wages and workplace dialogue key takeaways

Analysis of workers' responses



Number of
respondents

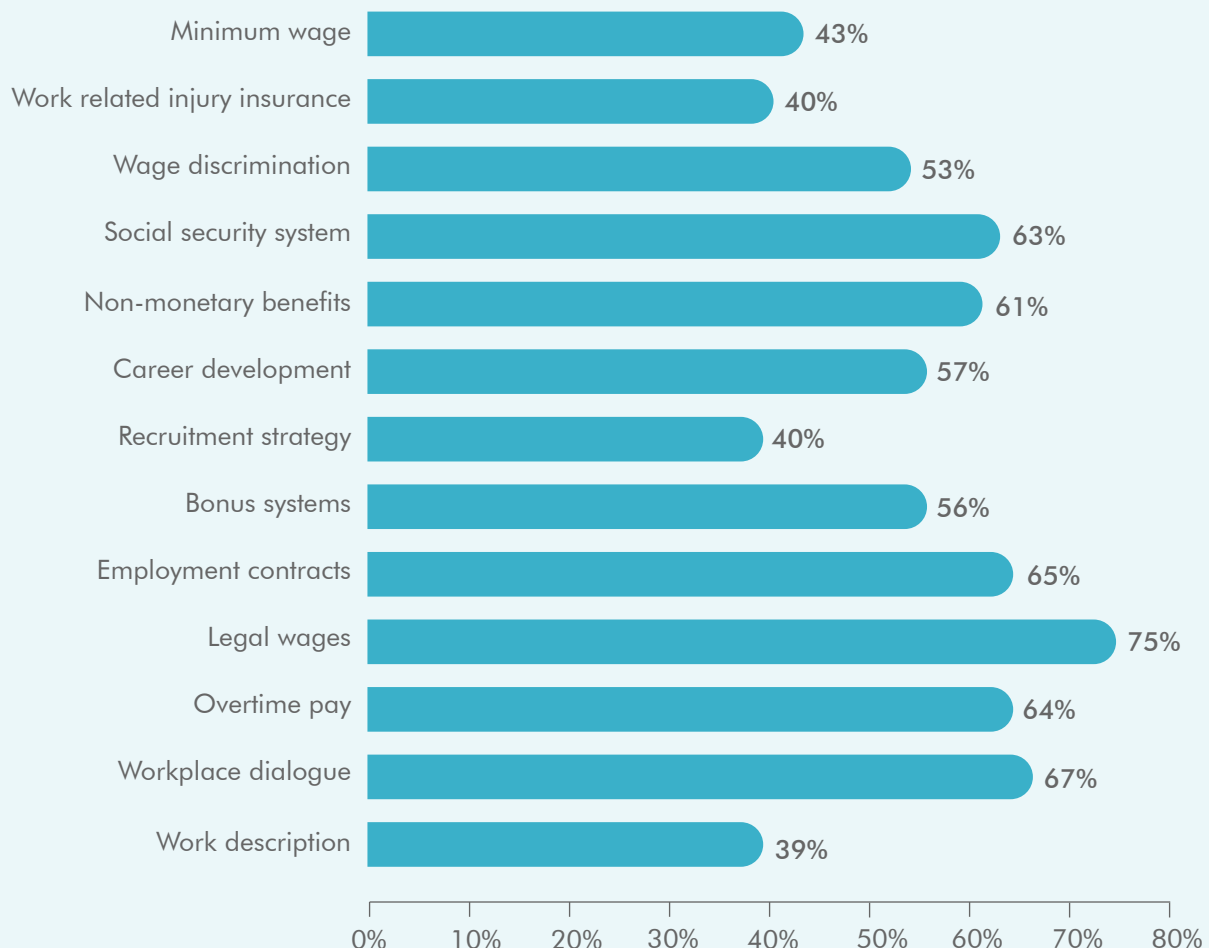
438

When assessing the impact of Quizrr Wage Management training, workers were asked if their knowledge has improved in areas relating to wages, insurance, social security, benefits and contracts.

A total of 75% of the workers claim they have increased their knowledge of legal wage levels. With no collective bargaining

power in China, wages are set at the local or regional level for minimum wages. Individual skills, responsibility and years of employment must be considered, but this is not always the case. Quizrr Wage Management training teaches workers about competent wage management from both the workers and management's perspectives. Since legal wage levels is

Has Quizrr Wage management training improved your knowledge in any of the following areas?



the most-popular takeaway, we can assume poor awareness among workers before the training, which likely achieved significant results.

The second top-highest-rated option relates to increased knowledge regarding workplace dialogue. This is closely linked to workers sense of influence in order to receive a fair wage. More than half of the respondents (53%) say they have improved their knowledge of wage discrimination, a complex issue which can be hard to tackle if awareness is lacking. Therefore, the high number of respondents that state that they have increased their knowledge of both these areas is an important achievement.

Regarding the third top-mentioned area (employment contracts), the results indicate that workers need

additional information about basic practices. Knowledge gained about contracts is of great importance and must be taken further.

In total, 64% of the workers say that they learned more about overtime pay, which is one of the most-challenging compliance issues in the Chinese context (and global production in general). Reasons for excessive overtime can be poor buying practices from the customer side, insufficient wages, or forced overtime. The actual pay for overtime is therefore crucial knowledge for workers at risk of exploitation, or who take on voluntary overtime to increase their net income.



Increased knowledge is an important piece in the puzzle

Analysis of responses from workers to open questions

To assess the impact of Quizrr Wage Management training, workers were asked an open-ended question regarding if they have noticed any effects in the factory after the training.

Based on the responses, these five main themes were identified:

1. Communication
2. Workplace
3. Wage and social welfare
4. General appreciation
5. Negative

A significant number of responses are positive, as shown in cluster 4, however there are also answers indicating no change. The positive comments appear to indicate overall appreciation of the training. Some refer to increased knowledge of the core issues of wage management: salary calculation and understanding the situation of wages. This is the best outcome one can expect at this point and the Wage Management training must be considered a piece in the puzzle.

Therefore, the responses indicating that the wages have increased, including comments such as “better income” and “improved social security processes” cannot be interpreted as results of Quizrr, even if true. Methodologically, it is very difficult to verify whether Wage Management training has led to actual wage increase, however it is likely that the awareness on wage calculation has increased to some extent.

What effects have you noticed after the Wage Management training?

Responses from workers to open questions clustered in themes

1. COMMUNICATION

- Communication
- Smoother communication
- Better communication between management and employees
- Improved workplace conversation
- Improved communication between workers and management
- I can express my opinion
- Better understanding of laws and regulations
- Understand how to solve problems and misunderstandings
- Gained new knowledge
- Management friendlier
- Improved communication skills
- Improved communication with management
- Understand laws and regulations
- Workers' career development is more clear
- More transparent recruitment
- Factory management more focused on the communication between employees
- How to elect worker representatives

2. WORKPLACE

- Improved management
- Workflow optimization progress
- Work situation more conscious
- Workers labor security has significantly improved
- Improved work efficiency and product quality
- Workers protect themselves more
- Improved work efficiency
- Higher productivity

3. WAGE AND SOCIAL WELFARE

- We get better income to have better life
- Increase in wages and benefits
- Wages are more reasonable
- Before there were many issues I didn't understand, but now I know more on eg. social security
- Salary calculation
- Equal pay for equal work without wage discrimination
- More overtime pay
- Clearer understanding about salary calculation
- Work injury insurance is more convenient
- Improved social security processes
- Better salary and benefits
- More non-cash benefits
- Good understanding of the key points of compensation
- Understanding the situation of wages
- The company's salary management system is more complete

4. GENERAL APPRECIATION

- Welfare will slowly increase
- Very good
- Work is better
- More comfortable work
- Excellent
- Greatly improved
- Good change
- Change a lot
- Very good
- Extremely happy
- Good for us
- Increased enthusiasm for work
- Employees attitude changed
- Change a lot
- Life improved and sports facilities improved
- Learn new knowledge
- Working conditions
- Working environment
- Helpful for daily work
- Very well
- Helpful for regular work
- Good working atmosphere
- Good working conditions
- Working atmosphere is good
- Increased employee motivation
- Good environment
- Good conditions
- Better working conditions
- Help the daily work
- Reduces the living burden of worker (having easier life)
- Workers have higher motivation towards jobs
- Emphasis on workers rights
- Having better and more complete system
- Managers are more friendly
- More orderly in the factory
- Increased worker motivation
- Safer workplace
- Employees are more proactive when they find problems
- Better welfare
- The process has been improved

5. NEGATIVE

- Reduced business, standardized working hours
- No change
- Not clear
- No
- Not quite sure

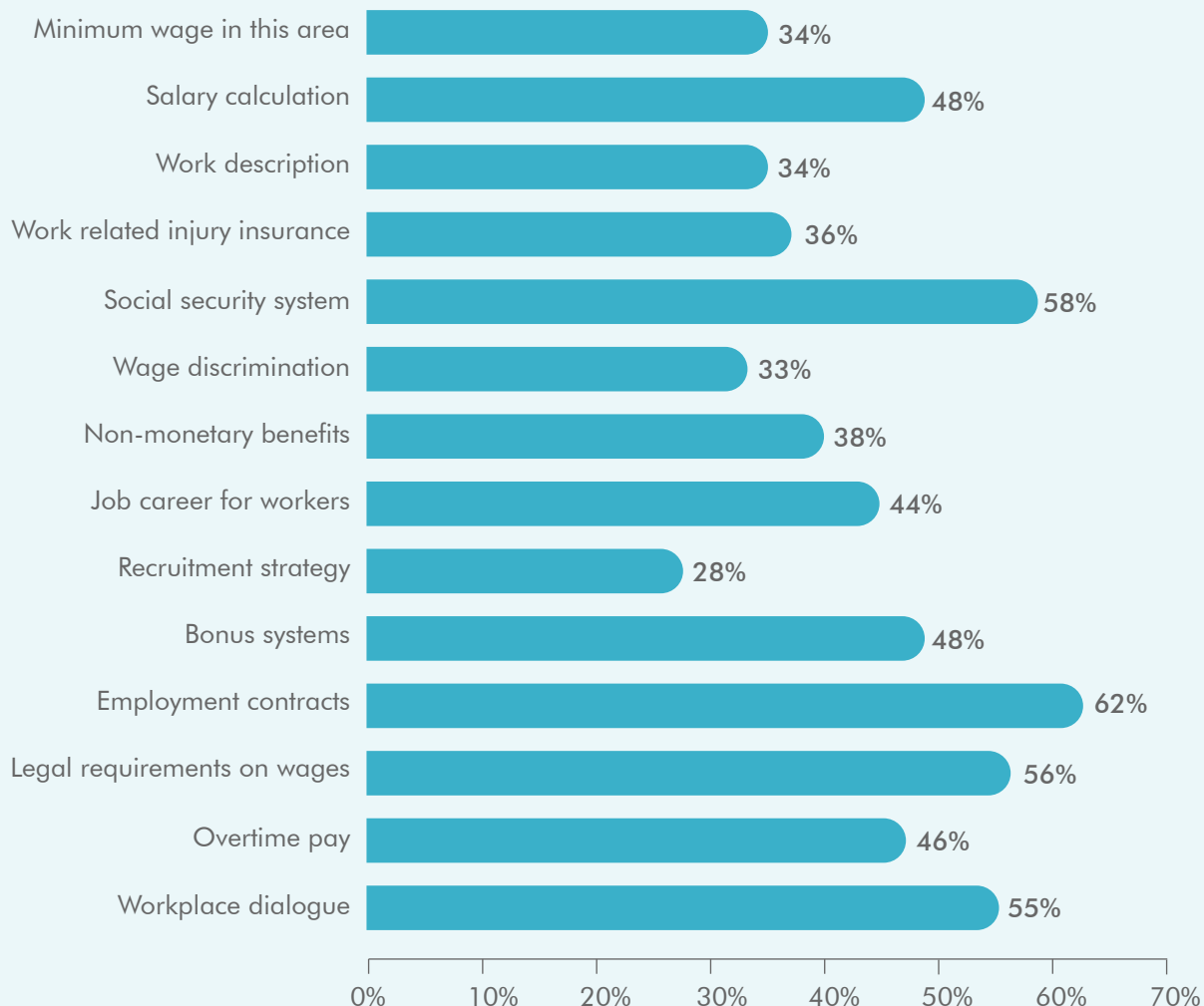




Quizrr Wage Management System

Survey for managers:
Results and analysis

Has wage management training improved your knowledge in any of the following areas?





Key areas of improved knowledge

Top 3 issues of improved knowledge after training:

62%

Employment contract

58%

Social security system

56%

Legal requirement on wages

Analysis of managers' responses



Number of respondents

160

When assessing the impact of Quizrr Wage Management training, managers were asked the same question as workers regarding improved knowledge in areas such as wages, insurance, social security, benefits and contracts.

It is worth noting that the managers' top area of improved knowledge concern contracts, which can be considered a basic topic. It should be taken into consideration that the respondents of the managers survey are not segmented. The results contain responses from both top management and supervisors. It is likely that production or line managers without

staff responsibility lacked competence in these areas prior to the training.

Social security is the second top area which is an increasingly important topic among both local and migrant workers in China. Social benefits are administered in the province where the place of work is located, and it is not necessarily possible to access them from their home province. It is vital that the social security system is correctly handled by the employer and that workers are well informed about the system in order to enjoy the benefits to which they are entitled.

Academic's comments

Social responsibility audits in China have encountered substantial challenges in recent years. Some producing companies appear to be content with existing labor laws, social responsibility audits and compliance standards, thereby making no contribution towards further improving working conditions and internal relationships.

Axfoundation has been devoted to the creation and provision of valuable and meaningful training since 2014. It is committed to the development of essential capacity improvements for employees, which are widely seen as stepping stones towards integrating sustainable social development into companies' labor practices.

The Quizrr training assessed in this report is divided into three subjects and covers the core content of labor relations. The vivid teaching methods and flexibility of the training will very likely impress the respondents. As the training program is entrusted to a specialized third-party non-profit organization, an acceptable degree of independence, professionalism and relevance can be expected.

This report is based on the assessment of the three subjects of the training and the detailed evaluation of the effectiveness of the training. On general assessment, it is clear that significant improvements have been made to the protection of workers' rights and interests, worker representation, and labor-management communication, thereby confirming the validity of the training. In particular, the training of managers has enabled them to learn the basics of wage management and the skills needed to support communication training. It is apparent that many managers who want to communicate more effectively are held back by a lack of methods and systematic comprehension. These can be achieved through training.

However, in addition to the positive developments evident, there are suggestions to be put forward

regarding continued training and comments regarding the assessment as such.

Firstly, there is a problem with the sampling. As mentioned in the report, there appears to be cases where employees scan the QR-code multiple times to fill in questionnaires several times with the same mobile phone. The supplier may encourage employees to do this to follow orders and reduce the efficacy of the investigation. This can be avoided in the future by using technological solutions to identify workers.

Secondly, the charts lack pre- and post-test results, which are needed to compare attitudes and behavior before and after the training. Such comparison can be an objective way of measuring the effectiveness of the training.

Thirdly, it is essential to refine the design and articulation of the questionnaire. For example, the democratic election of worker representatives can include the nomination of candidates for a union leader, a representative of collective bargaining, and a delegate concerned with living conditions. Currently, workers have insufficient rights to nominate candidates for the democratic election of union leaders and collective bargaining representatives. They do however enjoy relatively high levels of participation in the nomination of delegates concerned with living conditions. The questionnaire did not distinguish between the types of representatives, and this led to an overly optimistic result. What's more, different types of managers are not distinguished in the questionnaire, and the perspective of general supervisors is quite different from that of senior managers. When addressing the issue of how to reduce conflict, besides the question listed in the survey, the number of labor arbitration cases and labor complaint cases that had taken place within the company should also be taken into account.

Zhai Yujuan, Doctor of Law, Professor at Shenzhen University Law School, and Director of the Research Institute of Labor Law and Social Security Law at Shenzhen University. Zhai Yujuan was a visiting scholar at Northwestern University in 2006-2007. She has also been vice director of the Labor Relations Committee of the Guangdong province and an arbitrator of the Shenzhen Labor Dispute Arbitration Commission. She has been engaged in legal practice and theoretical research for many years, in the fields of labor law and social security law.



A prerequisite for the survival and prosperity of the planet and humans is sustainable production and consumption. This applies to everything, from the food we eat to the clothes we wear; from the technology we use to the items with which we decorate our homes. Consumption is accelerating and poses serious risks not only to the natural environment but also to the people working along the global supply chain. Axfoundation strives to initiate, support and run initiatives that spur social sustainability in global business operations. We believe that responsible supply chain management should include capacity-building and beyond-audit activities designed to empower workers and encourage peaceful dialogue between all parties in the workplace.



**Act to inspire
and inspire
to act**



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