



Better Work Jordan Impact Assessment Manager Report

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Executive Summary

In 2008 Better Work Jordan was introduced in apparel factories like yours.

Tufts University in Medford Massachusetts (USA) was selected to conduct an impact assessment of Better Work.

Your factory's participation in impact assessment data collection has greatly helped identify which elements of Better Work are successful in improving competitiveness and labour standards, and which aspects could be revised.

The impact assessment was designed to identify Better Work Program impact on

- Factory productivity
- Profitability
- Business opportunities and supply chain position
- Economic growth in Jordan
- Factory organization and business practices and
- The wellbeing of workers and their families

The impact assessment is not part of your factory's Better Work Enterprise Assessment. All information provided by you factory has been kept confidential. Your survey responses have only been used by the Tufts Impact Assessment Team to assess the effectiveness of the Better Work program. Only summary findings are reported to Better Work and participating factories.

As of December 2013, managers from 19 factories enrolled in Better Work Jordan have completed both a baseline data collection and a second round follow up survey. Participating factories will receive periodic reports on key research findings from the impact assessment team that may be useful in improving your business success.

This report provides information on management trends in the Jordanian apparel industry by comparing responses over time from general managers in garment factories. It also captures trends over time in factory manager perceptions of challenges to their business success and production innovation planning.

Some key findings and trends include:

- There is a 26 percentage point increase between baseline and follow-up surveys in the proportion of managers who report their factory is the preferred supplier to their most important customer: 80% of managers now report their factory is the preferred supplier.
- Baseline surveys had shown low rates of customer visits to factories. The low rates of reported factory visits remains overtime.
- Uncertain orders from customers and penalties for late delivery of orders are the most commonly cited obstacles to business success from managers completing follow-up surveys.
- 93 percent of factory managers report in follow-up surveys that their factories have plans to implement or already have implemented supervisor skills training.

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Worker Characteristics

By December 2013, the impact assessment had collected baseline and follow-up survey responses from over 200 workers. Responses from these workers show that the gender breakdown among garment workers in Jordan has stayed consistent over recent years: approximately 75 percent of the workforce is female.

Question	Baseline		2 nd	
	Count	Percent	Count	Percent
Are you female or male?				
Female	192	75.6	207	74.5
Male	62	24.4	71	25.5
Total Survey Participants	254		278	

The distribution of workers aged 26 or older is similar for the two samples. However, the baseline data collection has disproportionately more workers who are aged 21-25. The rise in average age is expected given that there was approximately a three year range between the beginning of the first data collection and the end of the second.

Question	Baseline Data Collection			2 nd		
	Count	Percent	Cum	Count	Percent	Cum
How old are you?						
18-20	17	6.7	6.7	17	6.1	6.1
21-25	78	30.7	37.4	56	20.1	26.3
26-30	75	29.5	66.9	89	32	58.3
30-35	43	16.9	83.9	63	22.7	80.9
36-40	27	10.6	94.5	29	10.4	91.4
40 or older	14	5.5	100	24	8.6	100
Total Respondents	254	100		278	100	

For baseline surveys, 38.7 percent of respondents report they were born in Sri Lanka (Table 3), which decreases to 23.7 percent by the second round of surveys. An increasing portion of workers in garment factories in Jordan were born in Bangladesh, rising from 8.4 percent at baseline to 24.5 percent at follow-up.

Question	1 st		2 nd	
	Count	Percent	Count	Percent
Where were you born?				
	<i>29 participants not asked</i>			
Don't want to answer	1	0.4	-	-
Jordan	97	43.1	107	38.5
Bangladesh	19	8.4	68	24.5
Sri Lanka	87	38.7	66	23.7
Other	21	9.3	37	13.3
Total Respondents	225		278	

In each time period, about one third of workers report that upper secondary school is their highest level of educational attainment. Roughly another third in each time period has a level education exceeding secondary school. At baseline, 2.4 percent of respondents report no formal education. In follow-up surveys, 4 percent of workers responding report to have received no formal education.

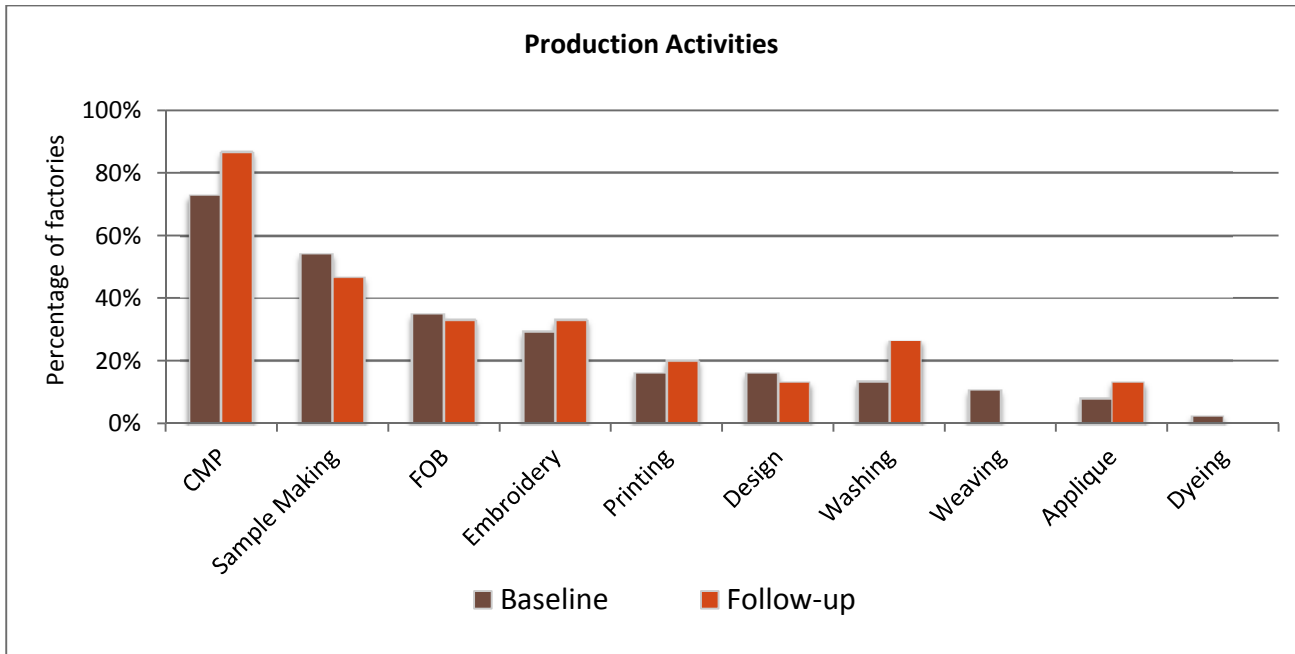
What is your highest level of education?	1 st			2 nd		
	Count	Percent	Cum	Count	Percent	Cum
Don't want to answer/Don't know	2	0.8	0.8	2	0.7	0.7
No formal education	6	2.4	3.1	11	4	4.7
Primary school	32	12.6	15.7	46	16.5	21.2
Lower secondary school	49	19.3	35	46	16.5	37.8
Upper secondary school	87	34.3	69.3	94	33.8	71.6
Short-term technical training	4	1.6	70.9	5	1.8	73.4
Long-term technical training	10	3.9	74.8	10	3.6	77
Professional secondary school	36	14.2	89	37	13.3	90.3
Junior college diploma	21	8.3	97.2	22	7.9	98.2
Bachelor's degree	7	2.8	100	5	1.8	100
Total Respondents	254			278		

Approximately one third of respondents at baseline say they are working in their first job, compared to one quarter later in the subsequent survey. 38.6 percent at baseline report to have had a previous apparel job either inside or outside Jordan, compared to 33.4 percent in subsequent surveys. The next most common response in both baseline and follow up surveys is that workers were previously at home taking care of family (10.6 percent of responses at baseline and 16.5 percent at follow up).

Question	1 st		2 nd	
	Count	Percent	Count	Percent
Where did you work before starting your job in your factory?				
None, this is my first job	79	31.1	72	25.9
Another apparel factory in Jordan	65	25.6	59	21.2
Another apparel factory outside Jordan	33	13	34	12.2
At home taking care of my family	27	10.6	46	16.5
Another business in Jordan	15	5.9	14	5
Household enterprise non agricultural	6	2.4	5	1.8
Another business outside of Jordan	3	1.2	9	3.2
Family farm	3	1.2	14	5
Don't want to answer	1	0.4	1	0.4
Other	22	8.7	24	8.6
Total Responses	254		278	

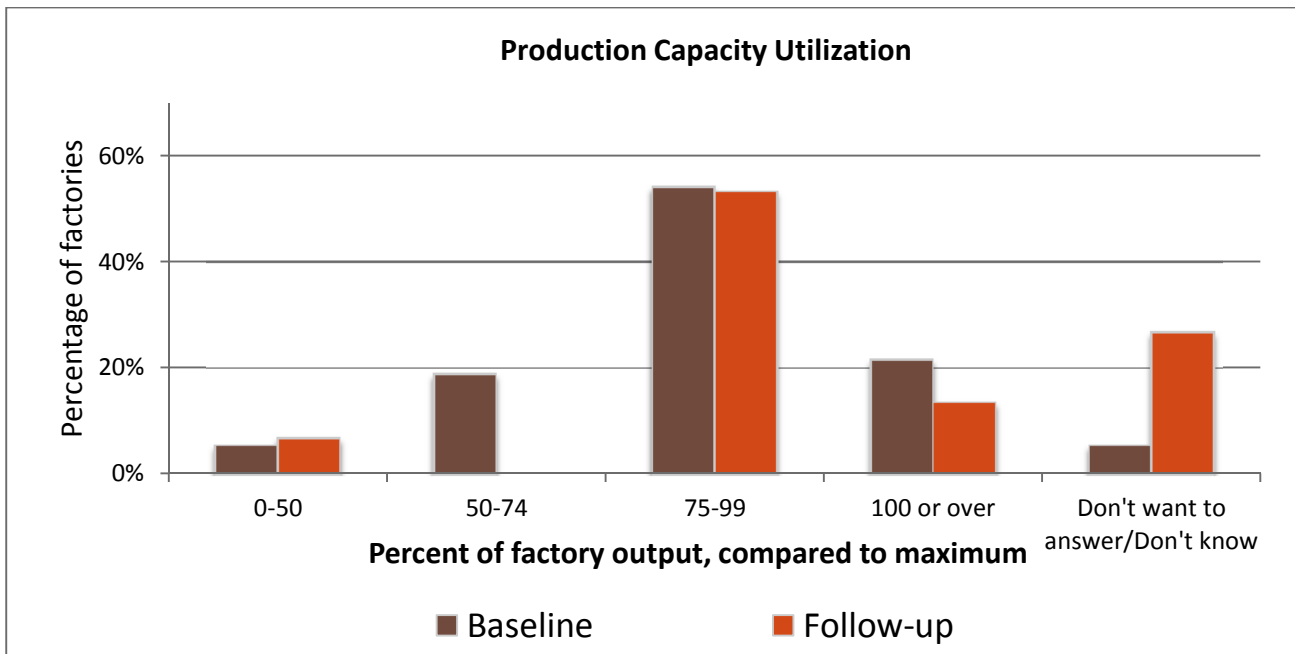
Production Activities

Most factories in Jordan continue to engage in Cut-Make-Pack production activities. Over 80 percent of general managers surveyed in second-round surveys affirmed that their factories engage in this production activity.



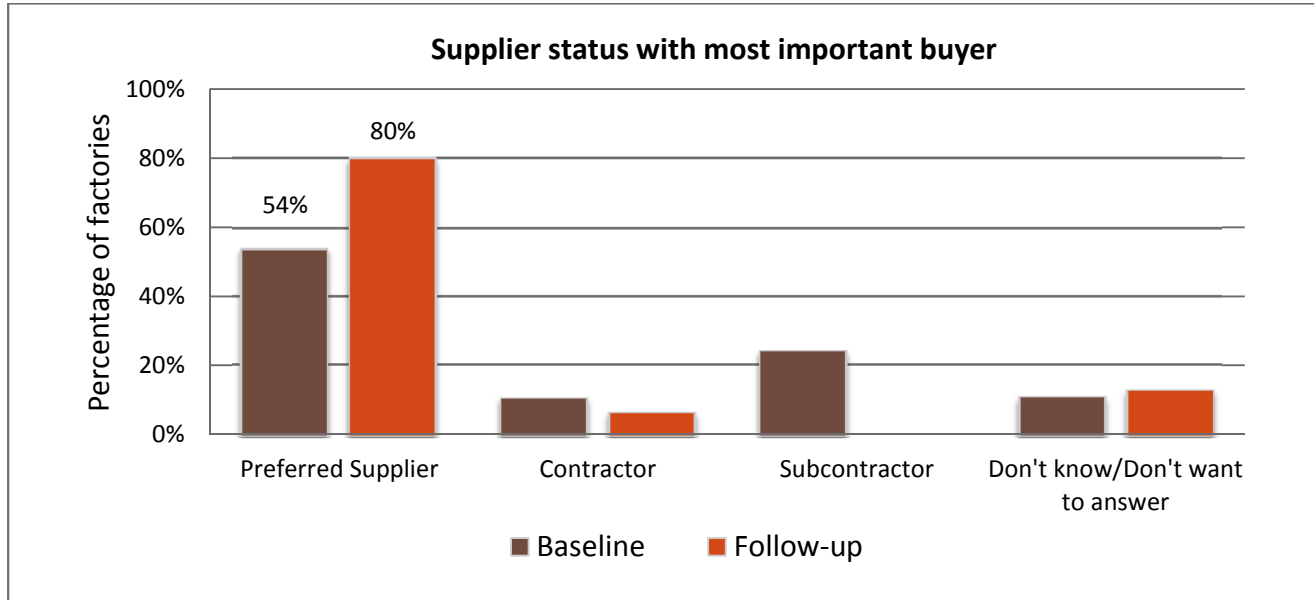
Production Capacity Utilization

Capacity utilization varies dramatically across factories in Jordan. Most factories at the time of the baseline survey and again at follow-up reported a production capacity utilization rate between 75-99% for the previous quarter. Some factories even reported actual production that exceeds full capacity, though this percentage of managers decreased slightly over time.



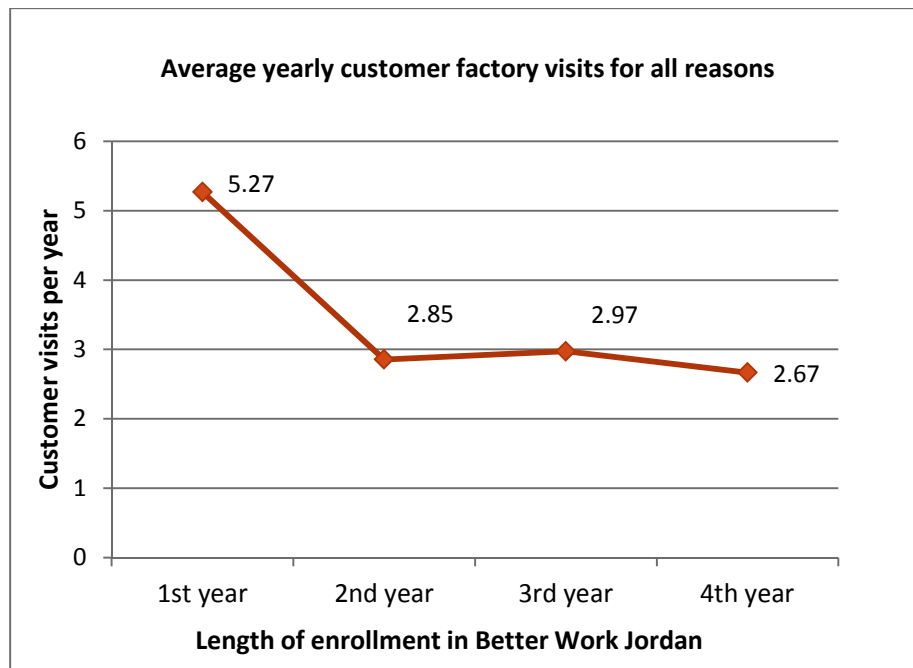
Supply Chain Position

More managers, from 54% to 80%, report their factories are the preferred supplier to their most important customer.



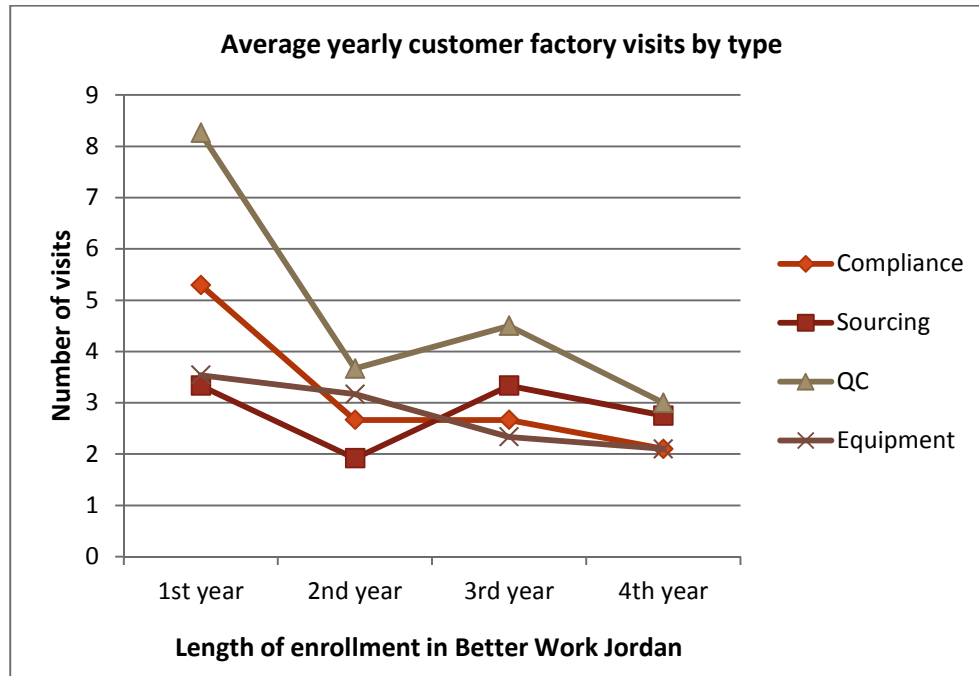
Customer Visits to Factories

Customer visits to factories are costly in terms of time but can be an important source of technology transfer. Visits by quality control and technicians can improve the ability of a factory to meet the demands of international buyers. Furthermore, existing evidence suggests that frequent visits for any reason can improve code compliance. Customers appear to rarely visit factories in Jordan. Furthermore, the number of visits per year decreases over the period of time a factory is enrolled in Better Work Jordan, as seen in the graph and table below. Average total yearly visits for factories in their first year of enrollment in Better Work Jordan is 5.27; factories that are in their fourth year participating in Better Work Jordan for have only 2.67 factory visits on average per year.



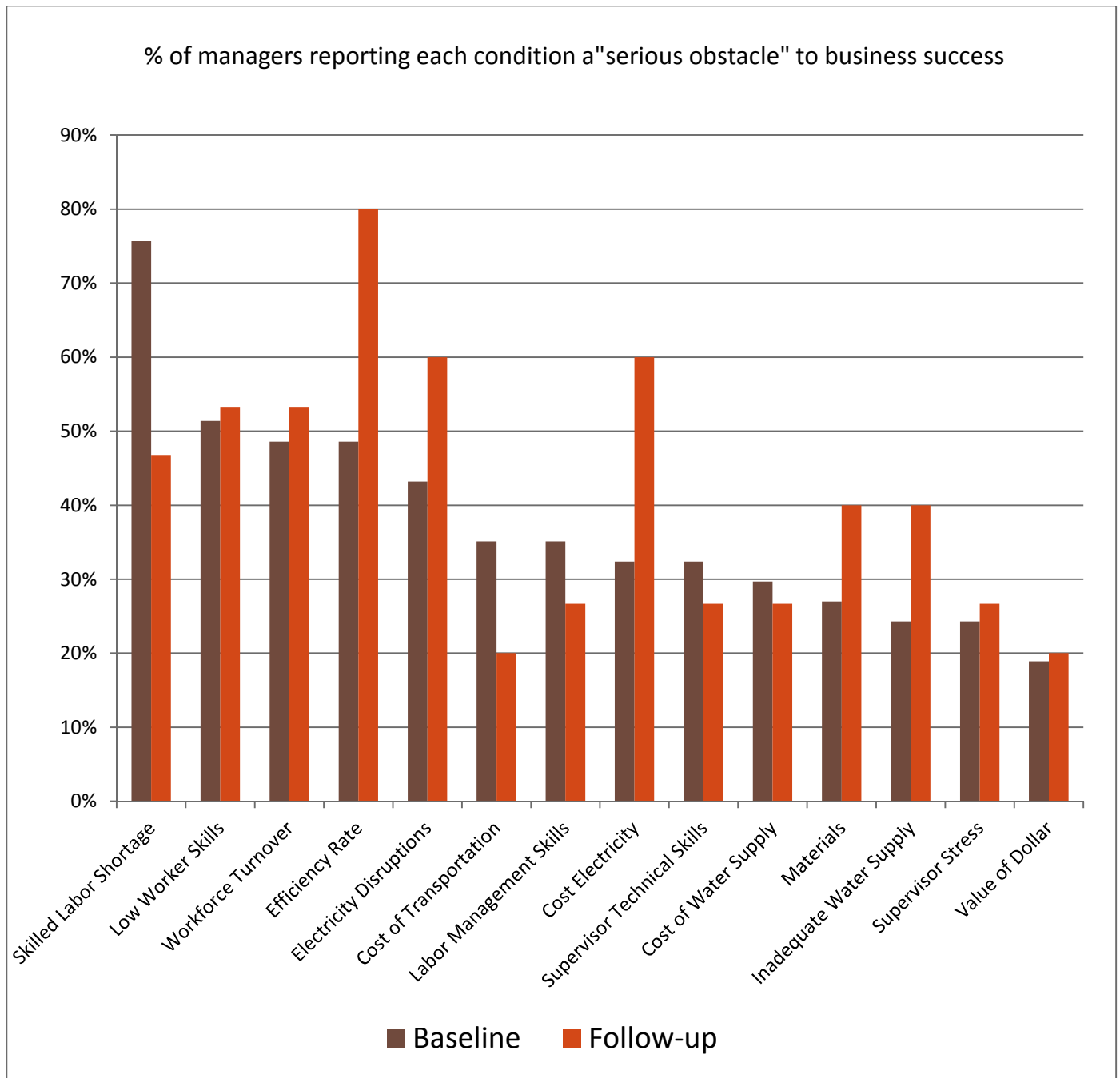
Factory visits over time in Better Work factories	
Average number of yearly visits for all reasons by most important customers	
	Number of factory visits
1 st year of enrollment in Better Work Jordan	5.27 visits 29 observations
2 nd year of enrollment	2.85 visits 6 observations
3 rd year	2.97 visits 3 observations
4 th year	2.67 visits 6 observations

The general downward trend in the number of factory visits can be seen in each type of customer visit, with the decrease in visits for quality control showing the most dramatic reduction.



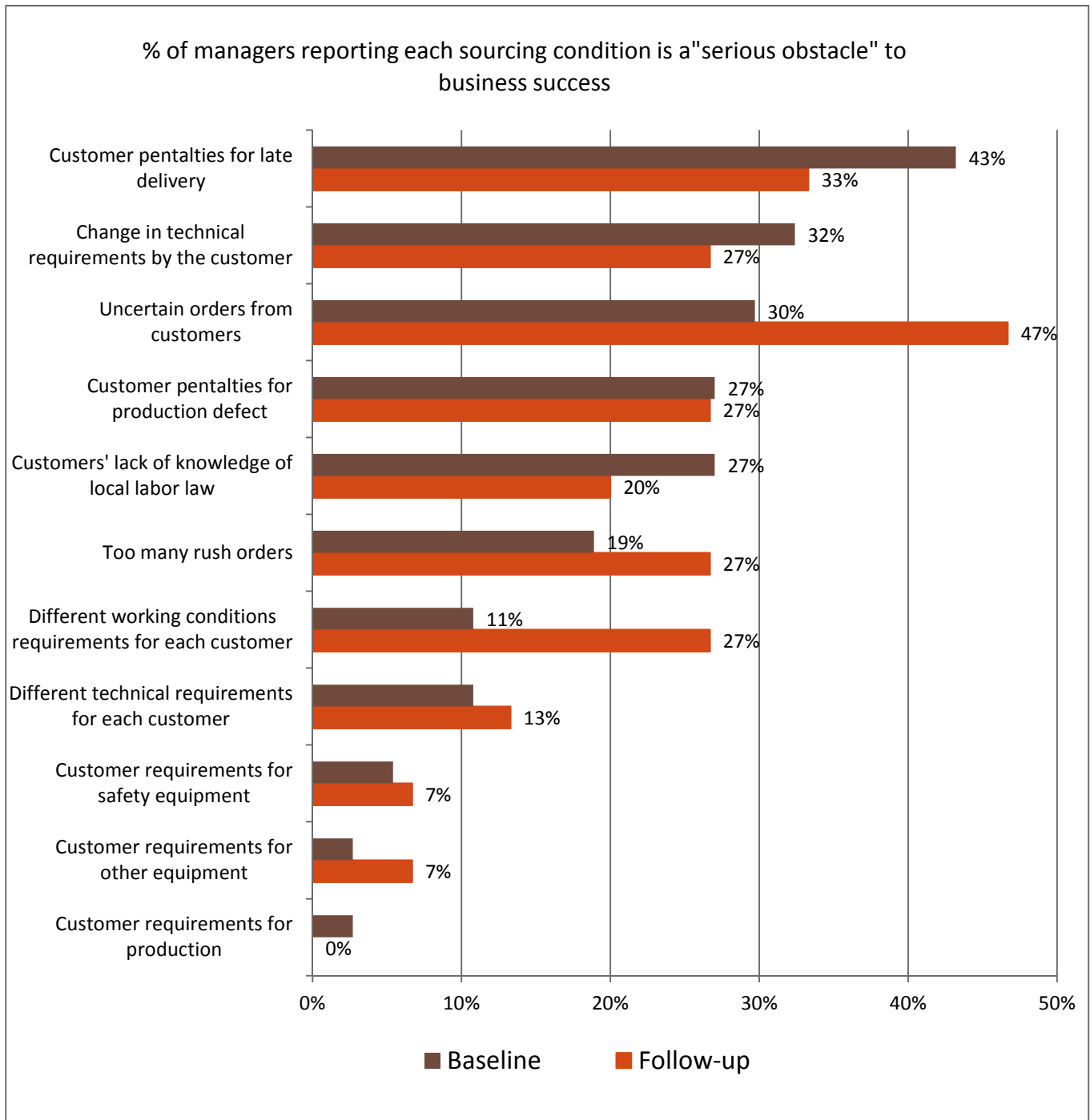
Obstacles to Business Success

At baseline, the most commonly cited serious obstacle to business success reported by managers was a shortage of skilled labor. Additionally, nearly half of managers reported other workforce management challenges such as low worker skills, turnover and efficiency rates as serious obstacles to success. Follow-up survey responses show large drop in the percentage of managers citing a shortage of skilled labor as a serious problem (from 76% to 47%). Among the areas of increasing concern are the efficiency rate of workers, and the cost and reliability of electricity.



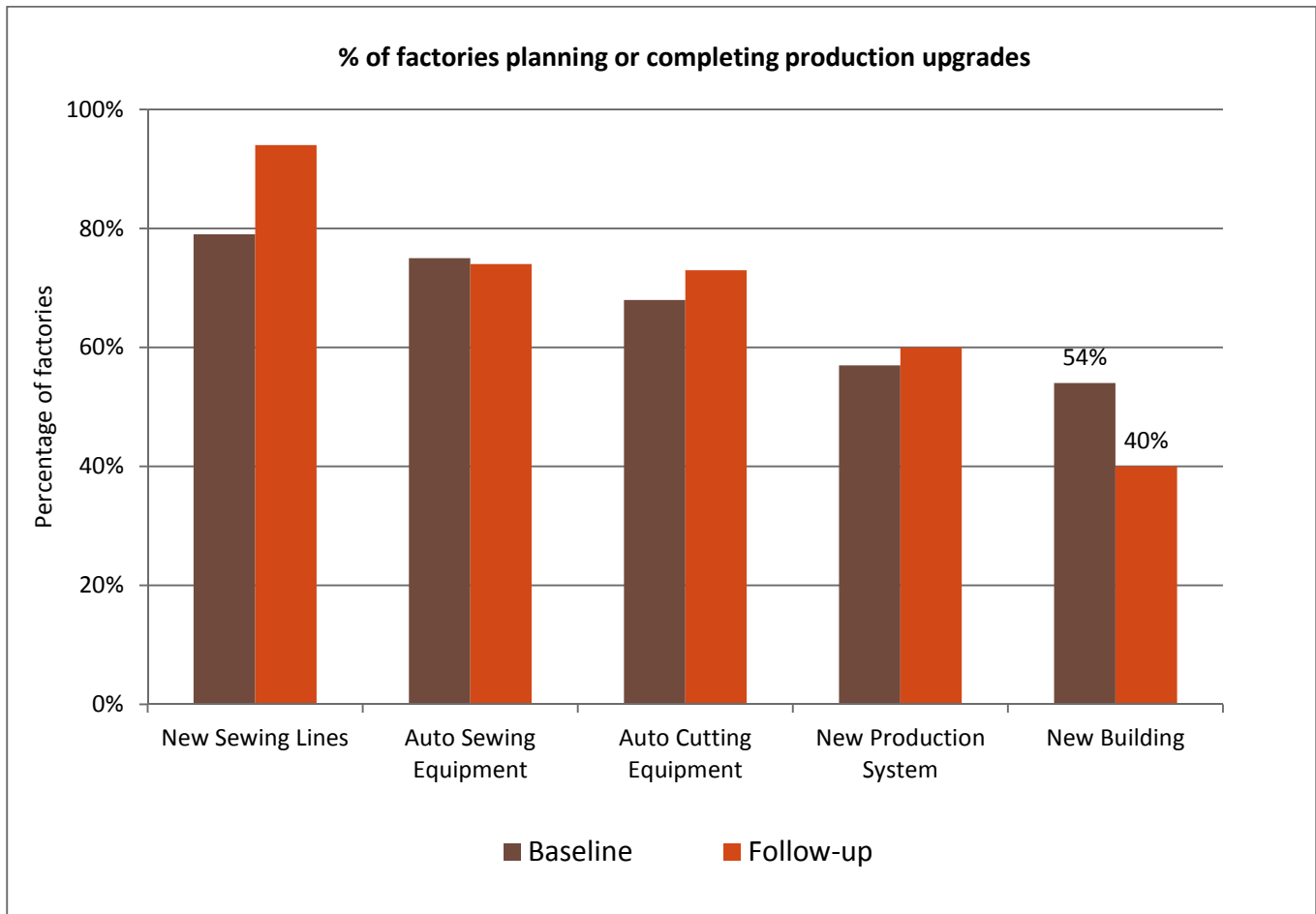
Sourcing Challenges

Strict management of the supply chain in terms of penalties for failure to deliver on time and changes in technical requirements are the greatest supply chain challenges reported by Jordanian apparel producers at baseline. By the time of the follow-up survey, there is an increase in the percentage of managers citing uncertain orders from customers as a serious problem, from 30% of managers to 47%. There is also an increase in the percentage of managers who say that different requirements for working conditions from each customer is a serious problem, up to 27% from 11%. Other responses from managers stay largely consistent through the follow-up survey.



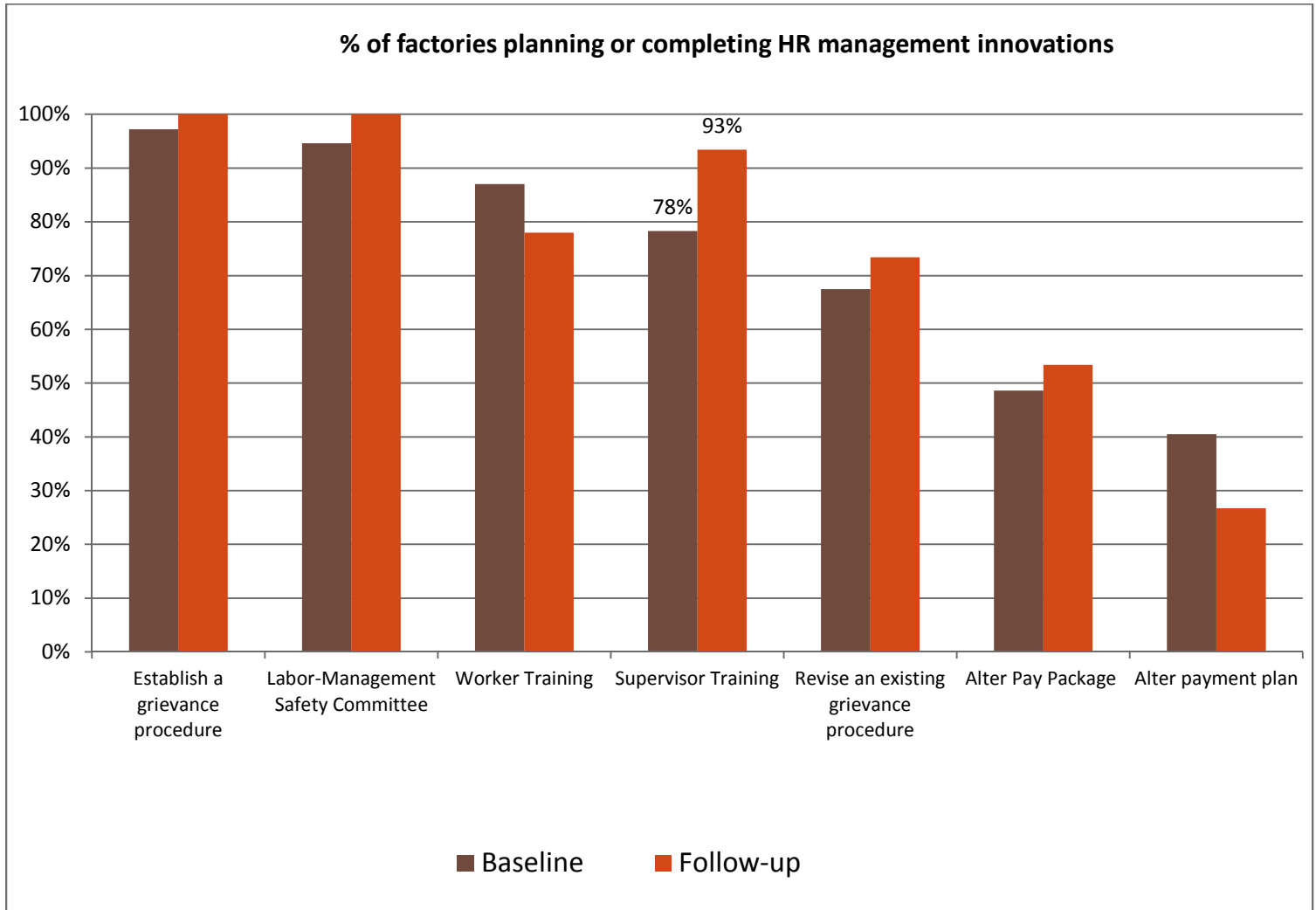
Production Innovation

Managers are asked whether they are considering certain innovations or expansions in production. At baseline managers are most likely to report that they are considering or implementing new sewing lines or auto-sewing and auto-cutting equipment. These priorities are largely consistent through the follow-up survey, with an even greater proportion of factories planning to expand sewing lines. The percentage of managers considering expansion into new factory buildings has decreased from 54% to 40%.



Human Resource Management Innovation

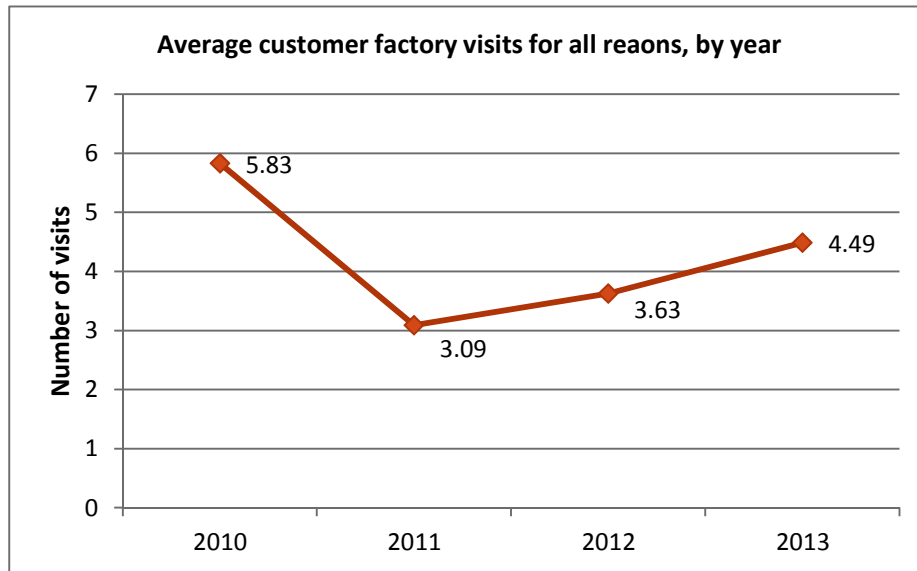
Baseline surveys show factories have begun to address their labor management challenges first by introducing worker committees and grievance procedures. A smaller proportion of factories are also planning or have implemented innovations related to skills training for workers and supervisors. Investments in workplace communication are likely a consequence of intervention by Better Work Jordan.



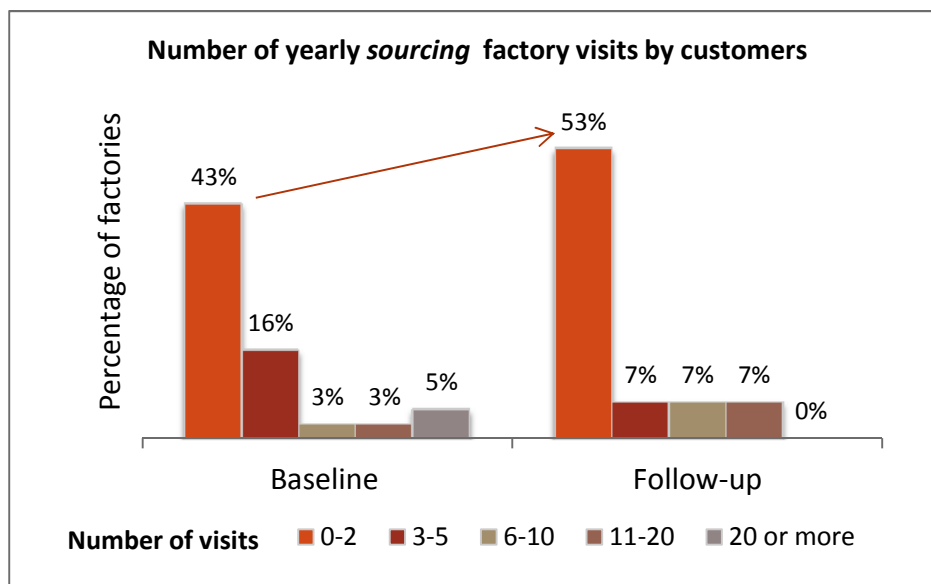
ANNEX

Customer Visits to Factories in Detail

When viewed strictly by year, there appears to be an initial decrease followed by increasing average yearly visits by customers to factories. This picture does not take into account, however, an increasing number of factories that join Better Work Jordan for the first time in 2013.



When a subset of factories are tracked over time and have completed a baseline and follow-up impact assessment survey, we see that a higher percentage of factories – 53% compared to 43% – report 0-2 visits for sourcing from their most important customer in the past year. (N.B.: The percentages given in the following four graphs do not sum to 100% as some factories either declined to answer or were not asked.)



Similarly, a higher percentage of factories report 0-2 yearly visits for *code compliance*, *quality control* and visits to check *equipment or machinery* since the baseline survey.

