ILO/IFC Better Work Monitoring and Evaluation

Tufts University
Macalester college

Center for Growth and Development
Washington D.C.

November 18, 2009

Insider Econometrics
Ichniowski, Shaw and Prennushi (1997)

- Traditional System
  - Close supervision by foreman
  - Strict work rules
  - Narrow job responsibilities
  - Incentive pay based on quantity (not quality)
  - No work teams
  - No financial information sharing
  - No regular meetings off-line
  - No screening of job applicants
  - No off-line or other formal training

"Expected" does not mean "Optimal"

- Traditional system may not be the most socially desirable

  - Discrimination against certain low-productivity workers
  - Exploiting young, low-education female workers with little market experience unable to advocate on their own behalf
  - Exposes workers to health risks with long-term effects

- Traditional system of labor management may not even be the most productive

  - Failure to use wages to elicit work effort
  - Ignores human factors in job design that may lead to long hours and health risks
  - Suppresses two-way communication that would otherwise lead to innovations
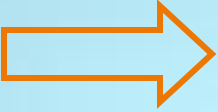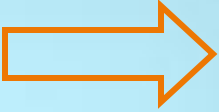
What we don't know, yet. Examples

- Does paying workers as promised improve viability because incentive pay makes a factory more efficient or do buyers reward compliant factories with orders?

- Can factories learn to control overtime?
    - Worker demands
    - Capital utilization
    - Managing risk and uncertainty

- How can Better Work help?
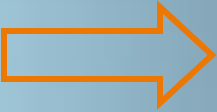   - Prompting experimentation
    - Providing information
    - Constraining behavior

How do we figure all of this out? Five Approaches

1. Sequential Stratified Field Experiment with treatment and control: Treatment and Vintage

2. Stratified Random Treatment Order: Dosage

3. Year-over-year changes

4. Constructed comparison group from national household and manufacturing surveys

5. Case Studies: Human Development, Managerial Innovations, Occupational Health and Safety

Stratified Random Treatment Order

	Period 1	Period 2	Period 3	Period 4	Period 5
Cohort1	Treatment	→	→	→	→
Cohort 2	Control	Treatment	→	→	→
Cohort 3		Control	Treatment	→	→
Cohort 4			Control	Treatment	→
Cohort 5				Control	Treatment

Some Indicators

- Business Performance
  - Output/Sales
  - Productivity
  - Supply Chain Position
  - Product Complexity
  - Human Resource Management Systems
- Outcomes for workers
  - Wages, working conditions
  - Access to training
  - Improved outcomes on mental/physical health, access to health care, gender, access to education

Five Modes of Analysis

1. Statistical relationship between Better Work interventions workplace practices and working conditions.
2. Statistical relationship between Better Work and productivity, supply chain position and other indicators of business performance.
3. Network analysis: Better Work and social networks (including FA&CB) that enhance agency and bargaining.
4. Millennium Development Goals: statistical and case study analysis of physical/mental health, gender, education outcomes.
5. Case studies of managerial innovations including human factors.

Data Collection

- Factory Managers: HR system, Productivity, Matched onto Census of Manufacturing
    - General Manager
    - Human Resource Manager
    - Industrial Engineer
    - Production Manager

- Workers – Random sample or 30 workers per factory, Matched onto Living Standards Survey
    - Workplace practices
    - Wages
    - Mental and physical well-being
    - Health and family well-being

Audio Computer Assisted Self-Interview

B_04

Tình trạng hôn nhân của bạn hiện tại?

✓ **Vẫn còn độc thân**

Đã kết hôn

Góa bụa, ly dị hoặc ly thân

Tôi không biết trả lời thế nào

Tôi không muốn trả lời

Show English

V_01.0_03_DRAFT

Unique Data Set

- Detailed Factory Characteristics
- Detailed Worker Characteristics
- Compliance Reports
- HR systems and Innovations
- Indicators of productivity with five strategies for corroboration
- Matched onto standard national data collection instruments (Census of Manufacturing and Living Standards Survey)
- Random Assignment
- Cross-country comparability
- Human Subjects Protections