

Executive Summary

With high rates of worker turnover plaguing China’s manufacturing sector, factories are under a lot of pressure to retain workers. According to Gallup’s State of the Global Workforce report, China has one of the lowest rates of employee engagement in the world. Of the manufacturing workers surveyed, 94% reported feeling “not engaged” or “actively disengaged” on the job. This correlates closely with China’s increasing rates of worker strikes, turnover, and workplace dissatisfaction.

Using anonymous mobile surveys, we set out to understand why workers are leaving and what would make them stay. We also wanted to try to move the needle on turnover and its key drivers. With financial support from The Walt Disney Company, we convened these 10 leading brands and retailers who nominated 70 factories to the two-year program in China: American Eagle Outfitters, C&A, Harry’s, Hasbro, J. Crew, Marks & Spencer, Mattel, Vodafone, Walmart, and Walt Disney itself.

Here’s what we found:

1. Top Findings

- Two out of five workers (43%) are dissatisfied with their current job, and from this group, only 30% plan to stay at their factory for at least the next six months.
- Three out of four workers (73%) regularly experience workplace stress, which correlates with supervisor relationships. Only 11% of those with good supervisor relationships also report frequent stress.
- One out of four workers (28%) report that they do not believe complaints are resolved fairly by factory management.

2. Improvement Over Time

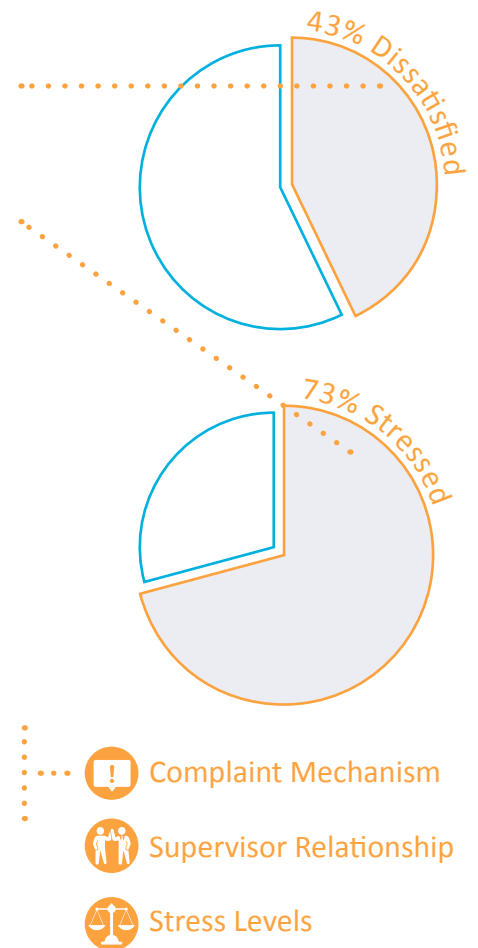
- There’s good news – factory interventions showed statistically significant improvements between the baseline and follow-up surveys. Workers are reporting 15% less workplace stress and 10% greater likelihood of staying at their factory for the next six months.

3. Key Drivers of Turnover

- The top three drivers of turnover were different at each factory but common themes were the fairness of complaints resolution, supervisor relationships, and stress.
- Factories were asked to complete Action Plans to address worker concerns by designing programs and taking action on specific findings.

4. Factory Comparisons

- Looking across the dataset representing 119,000 workers in 70 factories, brands and retailers have an unprecedented benchmarking opportunity to track industry trends and understand how their factories compare to one another versus industry averages.
- Factories in particular see benchmarking as a powerful motivator to drive improvement as they seek to stay competitive.



“Working with Laborlink provides a new dimension of insight into job satisfaction amongst our workforce. Along with our existing audit and engagement practices, Laborlink helps us understand what is most important to our workers, and enables us to better engage with them.”

- Huey Wilson, Senior Vice President of Mattel Human Resources

Key Learnings:

A number of key learnings and recommendations surfaced for brands and factories. In addition to using benchmarking data, we recommend that brands and retailers:

1. Communicate the shift from an audit mindset to avoid survey interference:

Factories that are used to being rewarded and punished through audit programs may not immediately understand the business value of gauging workers’ true perceptions. This can lead to attempts to manipulate survey results. Brands need to communicate differently to suppliers about this type of engagement, emphasizing that the focus is partnership and business value rather than compliance.

2. Engage with factories in new ways to build buy-in:

The program allowed brands to take a different approach to engaging factories. American Eagle Outfitters (AEO), for example, hosted a supplier summit for its 15 participating factories to prepare them for the worker surveys. It was there that factory management came together to discuss a new way to engage workers, predict how workers would answer key satisfaction questions, and practice action planning. After conducting baseline surveys, each factory used its Laborlink data to develop a specific project that helped to improve worker satisfaction.

3. This is just the beginning of a new era of worker engagement, enabled by technology:

Our vision is a world where every worker is heard and where worker well-being is integral to business success. We invite you to set your own strategy for connecting with every worker, and we look forward to partnering with you on the journey.

Program Overview:

Across Eastern and Central China, the [Laborlink China Collaborative](#) and its accompanying [Key Drivers Pilot](#) invited nearly 119,000 workers across 70 factories to call Laborlink and complete a short survey on their current job satisfaction. The survey responses produced approximately 32,000 valid and complete survey results, which is representative of the worker populations across the 70 Chinese factories in the program.

