



International
Labour
Organization

Responsible Workplace Practices

Developing responsible workplace practices for better jobs and business

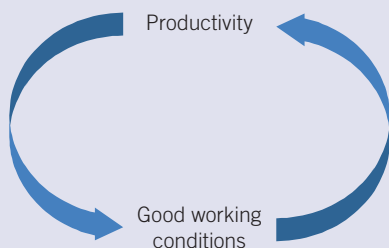
The ILO provides technical assistance to organisations in member states through three main programmes, Better Work, SCORE and SIMAPRO, which are aimed at enterprises of different sizes in different sectors. Read about these programmes overleaf.

Globalization today means that industrial supply chains are stretching to all corners of the world. In developing and emerging economies, global supply chains offer unprecedented opportunities for enterprises to grow and create jobs. However, they also present tough challenges. International quality standards require suppliers to invest in technology, modernize management practices and develop workforce skills. Global competition and thin margins demand continual upgrades in productivity. Many multinational companies also insist that suppliers comply with codes of conduct to safeguard international labour and environmental standards. However, while meeting quality and productivity standards is a priority for suppliers, enforcing social standards often comes as an afterthought.

In many global supply chains based on low-cost labour, working conditions are a concern. The role of governments in defining, communicating, and enforcing labour standards, and the sourcing practices of multinational enterprises are important factors. One way to address poor working conditions is through monitoring and enforcing regulations. But, there is also a business case for improving working conditions.

The ILO approach to responsible workplace practices

Academic research and practical experience in ILO projects has established the positive relationship between good working conditions and productivity



The ILO seeks to counter the myth that better working conditions are too costly for business. Enterprises that act to improve the social and environmental impact of their operations enhance their reputation, reduce the costs of doing business and boost competitiveness.

Academic research, practical experience and evaluations from ILO projects have shown that responsible workplace practices, such as innovations in work organization, continuous workplace learning, good labour-management relations and respect for workers' rights, are important ways of raising productivity while also promoting decent work. The research paper, "Can better working conditions improve the performance of SMEs?: An international literature review", summarises the growing evidence on the association between good workplaces practices and various types of positive enterprise-level outcomes, including reduced employee turnover and improved profitability.

The ILO in action: Promoting responsible workplace practices

The ILO advises policymakers, labour administrations, business associations and trade unions on what they can do to help enterprises succeed in global supply chains while protecting workers' rights and benefits. The ILO offers:

- Capacity building for national institutions to support enterprise productivity and responsible workplace practices.
- Practical training and advisory packages for enterprises.
- Research on effective policies, case studies and model workplaces that demonstrate the positive relationship between job quality and enterprise productivity.

The ILO further offers a variety of training programmes on how to improve productivity and job quality through responsible workplace practices, including the ILO International Training Centre's course on *Sustainable enterprise promotion through good workplace practices and human resource management*. The ILO provides technical assistance to organizations in member states through three main programmes, Better Work, SCORE and SIMAPRO, which are aimed at enterprises of different sizes in different sectors.



SCORE uses before and after pictures to demonstrate enterprise improvements

SCORE – Improving working conditions and productivity in SMEs

Sustaining Competitive and Responsible Enterprises (SCORE) is a practical training and in-factory counselling project that improves productivity and working conditions in small and medium enterprises (SMEs). The SCORE Training product demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains.

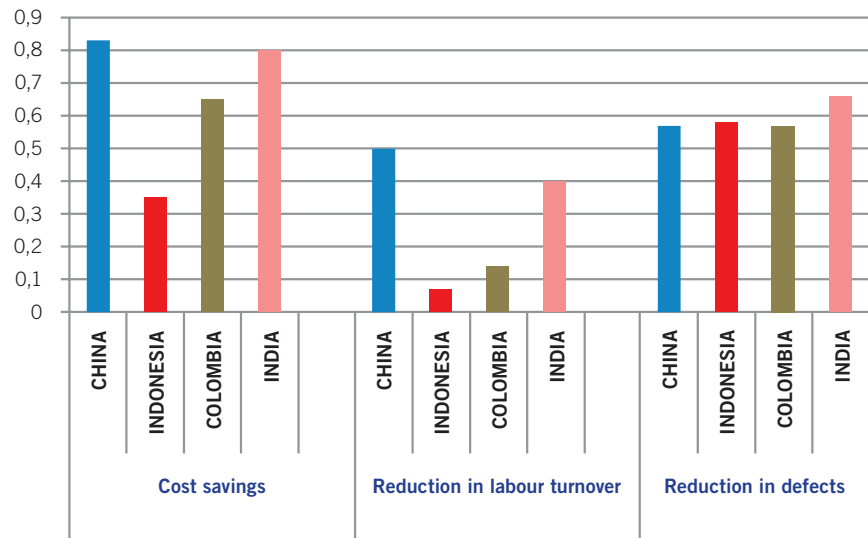
SCORE Training is a modular programme that focuses on developing cooperative working relations resulting in shared benefits. The five SCORE Training modules cover Workplace Cooperation, Quality Management, Clean Production, Human Resource Management, and Occupational Safety and Health. Each module includes a two-day classroom training for managers and workers, followed by on-site consultations with industry experts that ensure the training is put into action in the workplace.

Through the SCORE programme, ILO assists government agencies, training providers, industry associations and trade unions in emerging economies in Africa, Asia and Latin America to offer SCORE Training to enterprises. However, SCORE Training has also been the subject of public-private cooperation. Swiss Coop was the first leading company to offer SCORE Training to their suppliers in China in 2013, and others have followed their lead.

SCORE's impact monitoring database records the detailed enterprise-level impacts achieved through SCORE Training. A small sample of this from Indonesia is shown in the following graph.

SCORE impacts

% of trained enterprises in 4 SCORE countries reporting cost savings, reduction in labour turnover and reduction in defects



In Phase I of SCORE, 2,700 managers and workers from 348 SMEs, joined SCORE Training, introducing improvements that impacted on 65,000 workers from these enterprises. Phase II has seen SCORE extend its reach to nine countries so that many more SMEs can become more competitive and more sustainable and provide more and better jobs.

The SCORE project is managed by a global team, based in ILO Country Offices and Headquarters in Geneva. SCORE is supported by the Governments of Switzerland, Norway and Canada and the ILO.

SCORE helps PT Laksana, an automotive parts manufacturer in Indonesia, towards a more sustainable growth

PT Laksana Teknik Makmur manufactures auto parts in Cibubur, Indonesia. The enterprise has grown from five to two hundred employees since 1998 and now produces over 600 different automotive accessories.

Growing so quickly posed a number of challenges for the company. For example, outdated work organization hindered efficient work flow and led to increased defect rates. Also, while the company employed many new workers, it failed to put appropriate communication systems in place. The lack of worker-management dialogue contributed to inefficiencies and other unhealthy workplace practices prompted high rates of absenteeism.

The changes implemented at PT Laksana as a result of SCORE Training led to concrete, significant benefits for the company and its employees. In particular:

- Defect rates decreased from 5% to 2% within three months;
- Health and safety has become the high priority at the company;
- OSH signs are now posted around the working area;
- Special cubicles have been built as spraying rooms;
- Personal protective equipment is (masks, goggles, gloves) are now fully accessible for employees;
- The company has now extended health benefits to workers' families.

All of these results have led to the company's main buyer upgrading the supplier ranking of PT Laksana to "A Rank," confirming the potential for PT Laksana to build on its success into the future.

Better Work impact data demonstrates that factories that become compliant commonly achieve increased business benefits as well as improving job quality for workers. Some examples from the Better Work impact data bank:

- A 5% increase in compliance leads to a 10% increase in employee incomes, a 9% increase in remittances from workers to their families, and a 3% improvement in worker health;
- 62% of Better Work Viet Nam factories have increased production capacity and 60% have increased job opportunities;
- In Lesotho, Better Work has helped to ensure 100% of factories have eliminated HIV/AIDS discrimination in the workplace;
- In Haiti, a 50% improvement in occupational safety has been achieved.

Better Work – Enhancing compliance with labour standards in global supply chains

Better Work is a joint project between the ILO and the International Finance Corporation (IFC) that focuses on driving positive changes for workers in the garment and footwear industries, by helping large companies to comply with core international labour standards and national labour laws. Country programmes combine independent enterprise assessments with advisory and training services to remedy areas of non-compliance. These programmes provide a fusion of expertise on labour conditions and rights with an expertise on business growth.

The project has a presence in 8 countries and in over 900 factories employing more than 1 million workers globally.

Better work outputs 2013:

- 727 assessment reports of factory conditions completed
- 8614 workers trained
- 2484 advisory visits conducted.

Through Better Work’s system, factories share information about their working conditions with the buyers they supply to. This allows buyers to engage with the factories towards sustainable solutions to challenges.

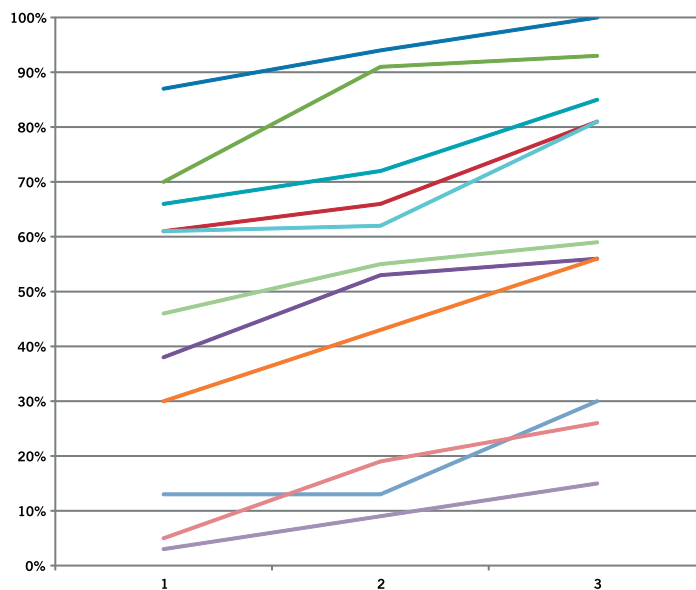
Better Work also gathers comprehensive data on working conditions in participating enterprises and the measurable impacts the project is having. Findings are shared in a way that is impactful and can influence policies that affect the lives of workers and their families. A substantial research portfolio has also been built around these.

In Jordan, factories participating in Better Work for more than 2 years achieved 100% compliance in paying correct minimum wages, paid leave, and social security benefits.

Better Work yearly visits

- Minimum Wages/Piece Rate Wages
- Overtime Wages
- Paid Leave
- Wage Information, Use and Deduction
- Dialogue, Discipline and Disputes
- Employment Contracts
- Emergency Preparedness
- Health Services and First Aid
- OSH Management Systems
- Worker Protection
- Regular Hours

Better Work Jordan Improvements in Compliance



SIMAPRO helps to ensure survival against the odds for Anclote's Restaurant in Mexico

Anclote is a family owned restaurant in the Mexican Riviera Nayarit – Vallarta region employing 16 people. The business was suffering due to the global economic crisis and employees were subjected to informal employment conditions leading to low morale. In 2013, Leticia - Anclote's owner - was seriously considering closure. She came to SIMAPRO as a last effort to ensure the business survival.

SIMAPRO was implemented over 4 months and led to 34 different improvements during this time. As a result, Anclote saw:

- a 20% reduction in food waste,
- an increase of 80% in the restaurant sales (compared to the same period the previous year)
- Anclote's score on SIMAPRO's Working Climate Index increased significantly.

The savings and increased revenue made possible by the improvements provided the business with the financial space to plan for the long-term. Leticia took action to formalize workers and, as debts were reduced, she was able to make a much-needed investment in refurbishing and maintaining the premises, which further helped to revitalize the business. Leticia confirms this stating 'SIMAPRO brought new energy and helped us to get out of the dark.'

SIMAPRO - System of Integrated Measurement and Advance in Productivity

SIMAPRO is management tool that promotes a bottom-up workplace dialogue and communication approach to improve social dialogue, working conditions and productivity. Participatory measurement and feedback on group performance, complemented by competency-based training, forms the heart of the system. Together, these create a robust workplace learning environment that drives a process of continuous improvement in work processes, occupational safety and health and other workplace and environmental conditions.

SIMAPRO provides the necessary tools for quantitative and qualitative result assessments and for sharing the benefits achieved through cooperative efforts.

Networking among enterprises is also encouraged, enabling service providers and social actors to share and assimilate best-practices.

The design of SIMAPRO makes it easy to adapt to different sectors and sizes of enterprise. Phase I of SIMAPRO focused initially on the sugar industries of Mexico, Cuba and El Salvador, leading to a significant reduction in workplace accidents and a parallel increase in social dialogue, breaking a previous pattern of regular conflicts. SIMAPRO subsequently expanded into other countries and sectors, including the Chilean fruit sector and the tourism sector, achieving impressive results, a few of which are detailed below. Overall, these improvements have provided a return on investment on training to participating enterprises of 258%:

Headline results from the sugar sector:

- A 50%+ reduction gravity-rate of accidents in mills
- On average, each enterprise implemented 40 improvements , 63% addressing social issues and 19% covering environmental issues;

A few results from the tourism sector:

- 50% of informal SME workers formalized in this environment of high-informality
- Food waste down by 32%
- 434 improvements registered and monitored in 2012-13. 32% addressed wellbeing at the workplace, while 14% involved improvements in wages and rewards made possible by productivity increases. In one enterprise, productivity almost tripled over three years and salaries doubled.

Having reached 291 enterprises in Phase I, across six diverse sectors, in 2013 SIMAPRO Phase II began with the aim of providing assistance to 600 enterprises in 8 countries.

Overview of ILO technical assistance programmes to promote responsible workplace practices

Programme	Target enterprises	Services	Countries covered
Better Work	<ul style="list-style-type: none"> Medium to large suppliers in global apparel supply chains 	<ul style="list-style-type: none"> Compliance assessments against core labour standards and national labour law Enterprise training and advisory services with a focus on social dialogue 	<ul style="list-style-type: none"> Bangladesh Cambodia Haiti Indonesia Jordan Lesotho Nicaragua Viet Nam
SIMAPRO	<ul style="list-style-type: none"> Medium to large enterprises SMEs 	<ul style="list-style-type: none"> Training of trainers on the SIMAPRO methodology Network building for trainers and institutions Tailored measurement systems and competency based training at enterprise level 	<ul style="list-style-type: none"> Chile Cuba Dominican Republic El Salvador Honduras Mexico
SCORE	<ul style="list-style-type: none"> SMEs that are lower tier suppliers in national and international supply chains 	<ul style="list-style-type: none"> Promotion of responsible workplace practices through enterprise-level training and awareness-raising (including labour inspection services) Capacity building of national organizations to provide training and advisory services. 	<ul style="list-style-type: none"> Bolivia Colombia China Ghana India Indonesia Peru South Africa Viet Nam

The ILO and Sustainable Enterprises

The ILO Sustainable Enterprise Programme helps create more and better jobs through enterprise development. It connects business growth and competitiveness with the needs of people to make a decent living in a healthy environment - today and in the future. Anchored in the ILO's mission to create decent work for all women and men, this programme is centred on three pillars:

- An enabling environment for enterprises - Creating the right framework that enables businesses to start, grow and create decent jobs;
- Entrepreneurship and business development - Helping entrepreneurs, in particular youth, women and marginalized groups, to start and build successful enterprises;
- Sustainable and responsible workplaces - Demonstrating the link between productivity gains and improved working conditions, good industrial relations and good environmental practices.

The programme combines evidence-based policy development with capacity building and enterprise support services, delivered at the international and country levels, through advisory services and a large portfolio of technical cooperation. It works with governments, employers' and workers' organizations, in partnership with other UN agencies, financial and academic institutions, donors and others.

Further reading

For more information on Better Work - www.betterwork.org

For more information on SCORE - www.ilo.org/score

For more information on SIMAPRO in Latin America - www.oitcinterfor.org

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