BetterWork

Sustainable Improvement Framework

Principles and Learnings From Better Work

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1. Introduction

The global manufacturing sector, including the apparel industry, has faced significant challenges in ensuring compliance with internationally recognized labour standards in supply chains. This is compounded by fragmented and occasionally conflicting efforts from various brands aiming to enhance conditions among common suppliers, as well as a lack of collective commitment to maintaining long-term improvements. To address these challenges, leading brands and retailers recognize the need for joint efforts and collaboration to achieve better working conditions and greater resilience in apparel supply chains. Industry leaders collaborate to share best practices to address decent work deficits that can occur at workplaces where apparel is produced. Such collaboration aims to reduce duplicative efforts, promote data reliability, and increase efficiency in improvement processes. This framework is informed by the experience of the ILO-IFC Better Work programme's work on improvement in apparel factories. While based on the experience in the sector, it is intended to provide key principles that manufacturers, brands, and retailers can use to inform action in improving non-compliances in factories. This framework gives particular attention to the role of international labour standards and national labour law as the foundation for sustainable improvement and describes how empowered worker voices could be included in the improvement process.

External frameworks can inform and influence collective approaches to promote decent working conditions. The United Nations Guiding Principles (UNGP) for business and human rights affirm that business enterprises must prevent, mitigate and, where appropriate, remedy human rights abuses that they cause or contribute to. Businesses must accordingly adopt company-wide policies that embed respect for human rights in business operations; implement processes and mechanisms to prevent or mitigate any adverse impacts related to their operations, products or services; and establish measures to remediate any negative impacts- even if these impacts have been carried out by suppliers or business partners, as is often the case in complex apparel supply chains.[1] In addition, businesses are contending with shifting regulatory requirements regarding conducting and reporting on human rights due diligence (HRDD) in their business operations.

For the purposes of this framework, sustainable workplace improvement refers to the processes to ameliorate identified instances of non-compliance with international labour standards and national labour law at individual workplaces, and to enable improvements on issues identified by workers and management. The principles and practices described in this framework advance best practices to respect human rights, including preventing and mitigating harm in business relations. While the role of grievance mechanisms at workplaces is touched upon, this framework does not fully address the role of businesses in making restitution to individuals who seek remedy from suffering a human rights violation.

The framework is informed by experience and evidence generated from implementation of the ILO-IFC Better Work programme ensuring compliance with international labour standards and

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[1] See The UN Guiding Principles on business and human rights:
https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf

labour law in multiple country contexts over 20 years. The intention is for business partners to internalize and leverage this learning for use in supply chains beyond Better Work's reach. It focuses on recommended principles and methods to promote respect for labour standards and to improve workplace conditions. It combines preventative measures with remedial actions not only to correct current non-compliance but also to prevent future violations through systemic change. This framework focuses on workplace-level intervention and approaches.

Pursuing sustainable improvement is more comprehensive and ambitious than a traditional compliance auditing exercise. Based on experiences, Better Work programme has shown that it must be rooted in an iterative cycle of continuous improvement that respects and empowers the voice of workers, especially the voices of those historically marginalized at the workplace. It entails the collaboration among brands, retailers, and suppliers who know well the challenges and complexities of operating in supply chains. This framework aims to serve as a common basis and vehicle for discussion among leading business actors in their collaboration to advance competitiveness and resilience alongside greater realization of labour rights and decent working conditions.

2. Principles of sustainable improvement

This sustainable improvement framework builds upon the foundation of what the ILO, through its constituent members, have deemed fundamental principles and rights at work.[2] On this basis, this framework identifies the following principles that businesses should prioritize to achieve sustainable improvements, which include:

    i.   Respect of fundamental rights at work and promoting fair treatment.
   ii.   Promotion of collective worker voice and meaningful social dialogue.
  iii.   Identifying root causes and moving beyond checklists
  iv.   Fostering ownership and capacity building
   v.   Continuous improvement

A brief overview of each of the principles follows. In addition, a deeper dive on the importance of empowering worker voices in sustainable improvement is provided in a subsequent section of this framework.

I.   Respect fundamental rights at work and promote fair treatment

The UNGPs clearly establish the responsibility of businesses to respect internationally recognized human rights, which include the principles concerning fundamental rights set out in the ILO's Declaration on Fundamental Principles and Rights at Work.[3] Fundamental rights at work include: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition

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[2] ILO 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up, ILO (2022)
[3] UNGPs, Principle 12.

of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

While companies have the responsibility to comply with legal requirements set by the national laws in countries of operation, there may, in some instances be legislative and enforcement gaps that lead to difficulties in ensuring that workers' rights are sufficiently respected. The fundamental principles and rights at work are elaborated in ten Core Conventions of the ILO, whose principles establish the benchmarks against which businesses and other social actors assess the labour-related human rights impacts of business operations.

There is accordingly a growing expectation for businesses to develop company-wide policies that commit to respecting the fundamental principles and rights at work across all operations. This responsibility requires companies to put measures and processes in place to avoid causing or contributing to the infringement of labour rights; and prevent or mitigate adverse rights impacts. This responsibility applies to the impacts directly inked to an enterprise's own activities and operations; or indirect impacts of operations, products or services carried out through business partners.[4]

Sustainable improvement thus requires businesses to uphold these internationally recognized rights, and consistently apply them as qualitative benchmarks for addressing and correcting instances of non-compliance. Companies may also rely on and develop quantitative indicators derived from international labour standards to measure improvement.

II.   **Promotion of collective worker voice and meaningful social dialogue**

A broad set of international instruments and guidelines on business and human rights stress the importance of engaging with stakeholders, including workers. The UNGPs emphasize the importance of businesses engaging with potentially affected stakeholders, including workers, when assessing human rights impacts and developing strategies to address them. The human rights due diligence process outlined in the UNGPs directs businesses to consider and address risks to workers' rights, including their ability to voice concerns. In addition, both the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and the OECD Guidelines call for regular consultation between multinational enterprises and workers' representatives.

Worker voice in sustainable improvement is to be rooted in the concept of effective social dialogue. The ILO defines social dialogue as including all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Workplace cooperation, collective bargaining at company, sector or cross-industry levels, and tripartite consultation processes are common forms of social dialogue. Among the necessary preconditions for effective social dialogue include strong and independent representation for

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4 See, UNGPs, Principle 13, and ILO MNE Declaration, para 10(c).

workers and employers, as well as respect for the fundamental rights of freedom of association and effective recognition of the right to collective bargaining.[5]

To achieve sustainable improvements in compliance with labour standards, engagement with workers must be done on the basis that affords workers genuine, collective voice. Furthermore, investments must be made in workers' empowerment – both women's and men's - by supporting their awareness of their rights and responsibilities, as well their skills to articulate and negotiate improvements. This work contributes to industry stability and success, providing a foundation for sustainable improvement efforts and decent working conditions. Further effort to define worker voice and empowerment will be detailed in the in-focus section below, along with a description of structures and practice guidance for channelling worker voice.

There is also an expectation for business to proactively engage a broader set of stakeholders at different points in their management systems. Beyond workers and trade unions, other relevant stakeholders may include policy-focused civil society organizations, international organizations, and government representatives. These stakeholders may serve as important sources to inform business policy; or as partners for collaborative action to foster compliance. and prevent or address the impacts of non-compliance. The inputs of different stakeholders can provide businesses with invaluable insight to understand and address on-the-ground challenges, leading to genuine and sustainable improvements.

III. Identifying root causes and moving beyond checklists

Adopting a "comply or die" approach risks achieving only compliance by "tick the box exercise" without addressing the root causes. This fear-driven methodology hinders long-term, sustainable practices that require genuine engagement and a deeper examination of underlying issues. Implementing punitive measures not only contradicts the goal of remediation but also risks creating an adversarial relationship with suppliers, undermining the collaborative spirit crucial for sustainable improvements. Rewarding businesses is the strongest lever brands have to incentivise sustainable remediation. Brands can incentivise factories to invest in sustainable remediation strategies by building them into rating systems.

Better Work's in-factory engagement has shown that identifying the root cause of non-compliance is an essential component of workplace improvement. The root cause of absenteeism, for instance, may be an issue with workplace bullying or harassment or insufficient options to manage care duties at home. Determining root causes can be managed through a comprehensive approach that includes on-site assessments, worker and management interviews, and data analysis. By engaging directly with workers and management, brands and factories can gather insights into workplace dynamics, uncover underlying factors contributing to non-compliance, and assess systemic issues. Customized advice and improvement plans are optimized when based on an objective and thorough assessment of working conditions. Dialogue among workers and management supports the

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legitimacy and efficacy of improvement plans at workplaces. The experience of various business partners in supply chains can be used to assist workplaces that need to develop robust management systems to sustain improvements over time. This can include guidance on setting up effective HR practices, occupational safety and health systems, and grievance mechanisms.

IV.   Fostering ownership and capacity building

Better Work's experience in engaging actors in apparel supply chains suggests that improvements are more likely to be sustained when workers and managers in individual workplaces in supply chains have strong ownership of the improvement process by defining their own visions and objectives. This autonomy enables workers and managers in factories to identify, prioritize, and address non-compliance and other critical issues effectively, fostering self-sufficiency and the ability to sustain positive change.

Many suppliers will need support to build capability and commitment to achieve sustainable compliance. Based on experience, Better Work recommends that stakeholders develop and embrace a comprehensive capacity-building plan tailored to the specific learning needs of management and workers.   An environment of empowerment not only enhances implementation but also ensures that factories are responsive and adaptable to challenges. Clarity around roles and responsibilities should be established to promote accountability. Essential skills for investment include communication, negotiation, and grievance resolution, all of which are fundamental to improving productivity and maintaining decent work standards.

V.   Continuous improvement

Workplace improvement should not be a one-off exercise. It should be part of a continuous process to allow for changes over time, particularly in the case of non-compliance in contexts where there are deep-rooted and systemic issues within a particular area or industry of operation. Businesses need to track and review whether their efforts to strengthen compliance are effective over time. This helps to strengthen the company's efforts to prevent non-compliance. Where non-compliance occurs, reviewing business policies and practices helps to ensure that the remedy provided is effective in practice.

It is also important, particularly in contexts where there are deep-rooted issues such as systemic child and forced labour, for continuous improvement efforts to include business partners and/or suppliers across supply chains.[6] The advisory services approach offered by Better Work demonstrates key components of a model of supplier engagement that emphasizes continuous improvement, including focusing on root causes, identifying areas of improvement through objective data and dialogue, and establishing long-term relationships and management systems to sustain improvements.

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[6] See, for example, ILO-IOE, 2015, "How to do business with respect for children's right to be free from child labour: ILO-IOE child labour guidance tool for business".

Businesses can develop policies and procedures to leverage their business relationships to address non-compliance. Companies may, for example, develop corrective action plans with business partners to build towards compliance with codes of conduct in cases where the non-compliance is not easily brought to an immediate end. These efforts may be strengthened through commitments or contractual assurances among business partners, which fosters long-term relationships and capacity building.

2.2.   Drivers of sustainable improvement

This section aims to illustrate drivers of improvements in working conditions based on experiences and evidence from Better Work, following practices to be key to promoting sustainable improvement:

Gender-responsive, targeted and intersectional approaches
In a sector where women are the majority of the workforce and are often in the lowest-skilled and lowest-paid occupations, applying a gender lens to labour rights violations – beyond addressing discrimination alone–is crucial for creating equitable and sustainable solutions. This involves consistently examining sex-disaggregated data and developing strategies that recognize sex and gender differences, considering and responding to the intersection of other identity factors that may exacerbate inequalities, and addressing the diverse needs in the workplace with a specific focus on gender equality.

Change that is long-term and sustainable must tackle deeply ingrained and harmful gender norms, stereotypes, and systemic power imbalances at the root of discrimination and inequality in the workplace.

This form of responsiveness can be seen, for example, where supporting women's career development, including technical and transferrable skills training, are be paired with efforts to eliminate biased promotion practices and foster inclusive leadership. Similarly, addressing gender-based violence and harassment requires a dual focus on behaviour change and the implementation of effective, victim-centred policies, grievance mechanisms, and accountability measures. Furthermore, enhancing female workers' representation means not only increasing their numbers in representative bodies but also ensuring their voices are heard and their concerns are addressed in workplace dialogues.

Harmonize and target data collection and protect privacy.
Insights drawn from data gathered at the factory-level on working conditions has powerful potential to set the basis for workplace improvement. However, experience and research have shown that data gathered through traditional social audits and self-assessments in the supply chains can frequently lack reliability and integrity.[7] Nevertheless, working with suppliers to establish systems for robust and accurate data collection

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[7] Kuruvilla, Sarosh. "Private regulation of labor standards in global supply chains: Problems, progress, and prospects." (2021)

can be leveraged as an important tool. Brands and retailers can use data from audits and self-assessments for learning and development, rather than solely for compliance tracking.

Moreover, businesses can support data collection at the factory-level aligned with international labour standards and national laws and disaggregated by sex. Better Work's experience in enabling improvements in the apparel sector has demonstrated the importance of prioritizing data collection that encompasses fundamental rights and principles at work, and specific drivers of sustainable impacts – including on social dialogue, management systems, gender equality, and inclusion.[8]

Data collection and analysis conducted by business can be informed by commonly accepted principles for data privacy, protection, and confidentiality, including those detailed by the OECD Guidelines for Multinational Enterprises. This includes protecting the confidentiality and security of personal information of individuals, such as names, ages, ID numbers, and photos. By upholding common principles for ethical data collection, business actors can ensure privacy and trust while fulfilling legal obligations.

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[8] "Sustaining Impact: Better Work strategy 2022-2027."ILO-IFC (2022)

3. Driving improvements through dialogue

Workers have a right to have their collective voice heard in workplace matters, including in processes to improve workplace conditions. Ensuring effective realization of enabling rights, including the right to freedom of association and collective bargaining, is linked to better working conditions and essential for sustainable improvements. Evidence shows positive spillover and magnifying effects of enabling rights at the workplace.

▶ The stronger the industrial relations system in a workplace, including the presence and implementation of a collective bargaining agreement (CBA), the more likely factories are to meet and uphold compliance with labour regulations, including regular and overtime wages, paid leave requirements, and contracts.

▶ Workplace cooperation training can promote greater worker-manager communication and cooperative work relationships, which are linked to greater motivation, productivity, and product quality, and lower turnover and absenteeism.

▶ Well-functioning worker-management dialogue can contribute to lower prevalence of industrial unrest. Proportional participation of women participants in bipartite committees is associated with better workplace outcomes.[9]

Supporting continuous, meaningful dialogue where women and men representing management and workers have the will, trust, and commitment to engage in good faith strengthens worker-management relations throughout the improvement process. Including workers across genders and other relevant identities and their representatives as key stakeholders is essential in identifying issues and root causes of non-compliance and shifting the focus from symptoms to solutions. Management engagement with worker representatives, including trade unions, enhances improvement processes, and demonstrates a commitment to transparent progress reporting. Workplace improvement efforts without the involvement of workers and their representatives are not sustainable. This section of the framework focuses on how to define worker voice and engagement, structures for dialogue and cooperation, and principles for supporting grievance mechanisms at the workplace.

3.1. Defining worker voice and empowerment

Worker voice and empowerment refers to the ability of workers to collectively discuss and advocate for their interests at the workplace. The foundation and pre-condition for developing genuine worker voice and empowerment is respect for the fundamental right to freedom of association and the right to collective bargaining, as established through relevant ILO Conventions and Recommendations. In addition, worker voice is situated within the broader concept of social dialogue, which the ILO defines as all types of negotiation, consultation, and

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[9] Further insights from Better Work's body of research evidence on worker empowerment available from: https://betterwork.org/research, including Discussion Papers 24, 37, 40, 41 and 46 on worker voice.

exchange of information between or among representatives of governments, employers, and workers on issues of common interest relating to economic and social policy.

On a further practical level, gaining consensus around the definition of worker voice has benefitted in part from examination of worker-management committees in workplaces participating in Better Work.[10] Research involving a broad range of workplace committees identified four interrelated criteria for well-functioning committees, which Better Work has used as a consistent reference in its advisory services. To ensure committees support worker voice, i) workers are elected through a participatory and secret ballot election process without management presence, ii) members fully represent workers, which includes consulting (non-member) workers before meetings and reporting back to them after, iii) members are fully protected from potential management retaliation, and iv) members are empowered, including using power through leverage, to address their concerned adequately. This framework has subsequently been widened from a focus on committees to cover the broader concept of worker voice, and deepened to include principles of v) inclusion, to ensure diversity of views and backgrounds, including based on race, gender and of marginalized groups of workers, and vi) enabling committees and worker organization to effectively carry out their function by giving sufficient information, time and space to conduct their work.[11]

3.2. Structures for dialogue and cooperation

Regular dialogue between management and workers' representatives is the foundation for identifying and resolving compliance issues. Ensuring freedom of association and effectively recognizing the right to collective bargaining are fundamental preconditions for effective social dialogue. Adapting social dialogue to specific contexts is crucial for ensuring full ownership by the parties involved and sustainability of the process. Moreover, national laws vary regarding the establishment of regular dialogue mechanisms at enterprise level; in some countries there are legally mandated committees on specific topics (such as OSH), broadly mandated committees for consultation purposes or requirements for engaging with trade unions on policy issues. This section of the framework gives an overview of several structures for workplace dialogue and cooperation.

Trade unions

Respecting workers' right to organize and the effective recognition of the right to bargain collectively is foundational for any sustainable improvement effort. This means that workers – women and men – must not be discriminated or retaliated against for their efforts to associate, and must be without interference from management or government in their efforts to organize. Management has a role to recognize and uphold the rights and authority of union representatives, ensuring they lead and shape dialogue with management, especially where they

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[10] Anner, Mark. "Wildcat strikes and Better Work bipartite committees in Vietnam: Toward an elect, represent, protect and empower framework." Better Work Discussion Paper 24. International Labour Organization and International Finance Corporation. (2017)

[11] Anner, Mark. and Fischer-Daly, M. "Worker Voice: What it is, what it is not, and why it matters" Center for Global Workers' Rights, The Pennsylvania State University (2023)

represent all or part of the workforce. Buyers in supply chains have also contributed to these efforts by ensuring they do not undermine or negatively influence the rights of workers to organize. Further guidance from the ILO for businesses can be found on the ILO Helpdesk for Business on International Labour Standards: Questions and answers on business and freedom of association.

Access and entry to a union may differ for women and men. With legacies of male-dominated membership and leadership, unions themselves can at times hinder the effective representation of all workers.

At a factory, where unions are operational, dialogue mechanisms should be jointly decided by management and unions, and as guided by national law. Where unions are not present, it is especially important to ensure that other forms of dialogue, such as committees, are not undermining or taking up the role of unions. Committees may not always be appropriate, for example if they have been initiated to undermine the establishment of unions or replace union operation. To determine their appropriateness in ambiguous cases, it may be necessary to consult with trade unions, employers' associations and government, to determine the best approach, particularly when there is no existing union presence in a factory.

Worker-management committees

Confidentiality, non-retaliation, and victim-centredness are particularly important in case of grievances relating to discrimination, violence and harassment, where significant additional damage and harm can be caused in and by the handling process. Exceptions, special protections, or deviation from the standard handling process may be required and should be regulated by a specific policy on (gender-based) violence and harassment.

Workers must also have the ability to appeal a decision and to seek remedy outside of the factory mechanism through judicial or non-judicial alternate dispute mechanisms. Mechanisms such as hotlines managed by brands, international or local NGOs may provide a safety net outside of formal and locally owned procedures and can be channels which workers choose to use. However, these mechanisms should always be established in relation to workplace mechanisms and state mechanisms and should not undermine or replace the official channels. In addition, Better Work advises that apparel brands should avoid instituting parallel or competing hotlines within a single factory.

The effectiveness of a grievance mechanism relies on the quality of the social dialogue process between workers' representatives and managers in developing, resolving, and learning from grievances. Effective grievance mechanisms create a sustainable channel for dialogue between management and workers' representatives, contributing to ongoing improvement in both business performance and working conditions in a factory.

In Better Work factories, over the years, buyers have played a key role in influencing and supporting the work of factories and they have taken some specific steps that can help in the strengthening of factory-level grievance mechanisms. From Better Work's experience, taking a

proactive approach and supporting suppliers in having strong mechanisms is key way to prevent problematic issues in the first place.

4. Collaboration and collective action in the industry

The importance of collaboration between actors in the industry is highlighted by many brands and retailers. Each business actor in a supply chain has a role in engaging in supply chains and should align with principles described in the ILO MNE Declaration and the OECD Due Diligence Guidance for Responsible Business Conduct. Among these principles, the role of a brand or retailer in sustainable workplace improvement in manufacturing sectors includes:

▶ **Promoting worker empowerment and social dialogue.** Based on the learnings of Better Work, businesses can support the principles described in this framework including promoting collective worker voice. Although not all businesses participating in a particular supply chain can be directly involved in workplace-level social dialogue, some businesses maintain regular communication with partners that operate manufacturing workplaces to foster credible social dialogue among workers and management, which is essential for continuous improvement.

▶ **Promoting transparency**: Brands can encourage transparency through continuous self-reporting and provide positive business incentives to suppliers who demonstrate a commitment to continuous improvement. Avoiding a "policing" approach of regular cycles of checking progress and instead focusing on collaborative improvement and communication supports the principles of ensuring ownership and continuous improvement outlined in this framework.

▶ **Prioritizing trusting, long-term supplier relations over transactional sourcing models.** An emphasis on continuous improvement, transparency, and the strengthening of social dialogue by brands can enable longer-term sourcing relationships with suppliers. Establishing long-term, formal commitments with

> ## BW good practice: Training for supplier level capability-building
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> Better Work and its partners have designed a capability building programme which includes a specialized curriculum using adult-learning methodologies and a training implementation plan.
>
> **A five-day workshop covers the following key topics:**
>
> ▶ introduction to facilitation skills and the communication process;
> ▶ understanding industrial relations, social dialogue, and workplace cooperation;
> ▶ trust-building and negotiation skills;
> ▶ management system approaches for joint remediation, including pre-meeting, meeting, and post-meeting activities;
> ▶ facilitation practice sessions, action planning, and evaluation.
>
> **See annex for a full description of the training programme.**

suppliers can support their competitive footing.[12] In turn, suppliers can invest in their capacity to implement sustainable changes in support of decent work.

▶ **Examining brand practices**: Brands and retailers should conduct a thorough review of business practices that may hinder compliance improvements by suppliers. Companies should address the root causes of non-compliance that may stem from brand practices and promote responsible business conduct as outlined in the OECD Due Diligence Guidance and the ILO MNE Declaration .

▶ Through the work of Better Work in many countries, the programme has learned that **ownership by enterprise owners and workplace management** plays a role in the improvement process by developing a clear vision for continuous improvement. This commitment and trust should be established before beginning to discuss and address instances of non-compliance. Supporting discussions about improvement requires building internal capacity and structures for dialogue and operations. In-factory teams responsible for compliance need the appropriate technical knowledge and skills to drive sustainable improvements. Better Work's experience shows an effective approach consists of senior management assembling a dedicated team to focus on working conditions and ensure legal compliance, providing regular communication and strategic involvement at all company levels. An awareness of a facility's performance on relevant assessments empowers management to make informed, timely and budget appropriate actions to maintain compliance.

▶ **Vendors and Intermediaries** also play a critical role in determining the success or failure of sustainable improvement efforts. They often play a critical intermediary communication role between factories and brands. Given this positioning, they have a unique supporting role to play in identifying and addressing communication barriers between brands and suppliers, and in supporting factories in discussions with brands to address root causes of non-compliance. As with brands, vendors and intermediaries can avoid duplicating efforts by refraining from creating proprietary reporting and assessment tools. They can also avoid imposing punitive measures on factories that are making genuine efforts towards improvement and transparency. Instead, they can establish a clear strategy for addressing repeated or severe violations of social compliance standards.

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[12] Cajal-Grossi, Julia, Rocco Macchiavello, and Guillermo Noguera. "Buyers' sourcing strategies and suppliers' markups in Bangladeshi garments." *The Quarterly Journal of Economics* 138, no. 4 (2023): 2391-2450.

Effective collaboration: a perspective from some Better Work brand partners

When brands share suppliers in common, they can also share activities for sustainable improvement. Collective brand engagement must be carefully managed to prevent the perception of anticompetitive behaviour that detracts from the industry's alignment with principles of fair competition and ethical conduct. However, intentional coordination among brands, following a clear process and shared principles, has the potential to address systemic compliance challenges with more efficacy and efficiency than individual brand and retailer efforts alone. To ensure effective collaboration, brands must adhere to best practices that facilitate ethical interactions and foster sustainable improvements across the supply chain. The combined efforts shall contribute positively to sustainable improvement initiatives and respect the legal frameworks within which all parties operate. Following are recommendations gathered from the perspective and experience of brands and buyers participating in the Better Work programme:

Do's and Don'ts for brand collaboration

Do's:

▶ Abide by anti-trust regulations: Always ensure clarity on anti-trust rules and adhere to them when coordinating with other brands on engaging suppliers for sustainable improvement. Maintain direct and open communication between brands to use resources efficiently.

▶ Establish a unified baseline: Set a common baseline for improvements based on international labour standards and national laws. Accept data and findings from other brands, collaborate on a unified action plan with suppliers, and set shared expectations for timelines and targets. Phase out proprietary tools and methods tied to individual brand codes of conduct.

▶ Provide coordinated support to suppliers: Facilitate coordinated training and support to help suppliers implement compliance improvements. Share best practices and offer compliance guidance. Promote learning and development through incentives that encourage transparency and systemic improvements. Ensure a common understanding among brands on how best to support individual factories in addressing issues while avoiding conflicting approaches.

Don'ts:

▶ Make binding group decisions before legal review by the brands involved: Avoid informal or "creeping" decision making.

▶ Manage sensitive information carelessly: Do not discuss actual brand capacities during deliberations; use ranges or proxies to prevent sharing commercially sensitive information.

▶ Hold standards discussions: Avoid discussing brands' views on specific standards when deciding the Corrective Action Plan (CAP) content and addressing issues for subsequent remediation.

▶ Prevent collective boycotting: Avoid any form of collective boycotting or alignment on negative consequences toward a factory perceived as non-compliant.

See annex for full details. This is based on a brand initiative.

While a detailed discussion of their role is outside the scope of this publication, governments and their agencies have an essential place in labour market governance and enforcing compliance with national law and international norms. They play a foundational role in setting labour standards and addressing non-compliance through the establishment of robust labour market institutions and the promotion of social dialogue. By enacting and enforcing laws that define fair working conditions, wages, and rights, governments create the legal and institutional frameworks necessary for ensuring compliance. Furthermore, they can support social dialogue by fostering cooperation between employers, workers, and other stakeholders, which is essential for identifying and addressing the root causes of non-compliance. Through these efforts, governments help to build more equitable and sustainable workplaces.

# 5. Factory level – implementing the PDCA framework

The factory is the fundamental unit of the supply chain. As such, it plays a central role in successful sustainable improvement. The Plan-Do-Check-Act (PDCA) cycle provides a systematic framework for addressing challenges and driving continuous improvement within organizations, including factories. It is an iterative design and management method used in business for the control and continual improvement of processes and products.

While the PDCA approach is effective for addressing many operational and quality-related non-compliances, its applicability becomes more limited when tackling complex systemic issues tied to ILO Core Conventions such as freedom of association, child labour, and forced labour. These issues often stem from factors beyond the immediate control of factory processes. Addressing them requires a multifaceted strategy that includes robust enforcement of national labour laws, and engagement with workers' organizations to tackle root causes. While PDCA can still serve as a tool within a broader framework—e.g., for monitoring progress or improving specific practices—it must be complemented by broader policy interventions and stakeholder involvement to achieve meaningful and sustainable change in such cases.

The steps outlined below outline a systematic approach to preventing non-compliance and supporting effective improvement. Each step builds upon the previous one to create a coherent and comprehensive strategy for sustainable compliance improvement.

Embracing the Plan-Do-Check-Act (PDCA) framework provides a holistic and dynamic strategy for continuous improvement that aligns with legal requirements and international standards. This cyclical framework strengthens social dialogue at the enterprise level, enhancing communication and collaboration. It is important to note that individuals may be drawn to different steps of the PDCA cycle depending on their expertise, perspective, and role within the organization.

For more detailed guidance on implementing a systems-based approach to problem solving, including the PDCA framework, refer to the annex.
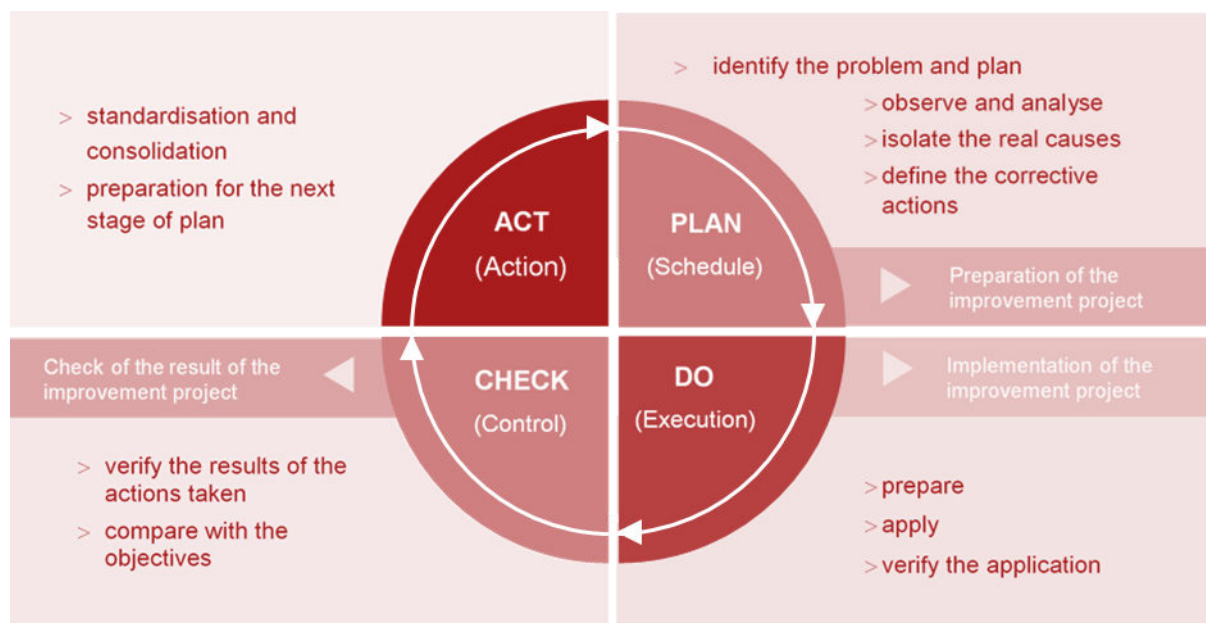
5.1. Plan

Begin with a clear and aspirational vision that extends beyond mere compliance. Define values and goals that will guide all subsequent actions, shaping the strategies and policies for sustainable improvement, including through:

- ▶ initiating the compliance improvement journey;

- ▶ articulating values and goals that go beyond mere adherence to standards;

- ▶ serving as the guiding light for subsequent actions.

Key considerations for defining vision and strategy:

- ▶ How does the organization work towards compliance with applicable national laws and international labour standards?

- ▶ How does the business position itself towards key issues in its industry and the geography in which it operates?

- ▶ How does it address key social and labour risks affecting the business?

- ▶ How are women and men workers and their representatives, including trade unions, included in developing the strategy?

- ▶ What long- and medium-term targets should be set to integrate compliance objectives with overall business goals?

Policies at the enterprise level:

Policies should include, as a minimum, the following key principles and objectives to which the organization is committed, including:

▶ respecting the fundamental rights at work of all workers, as enshrined in international labour standards and elaborated by national labour laws;

▶ protecting the safety, health, well-being and rights of all members of the organization by preventing work-related injuries, harassment and violence, ill health, diseases and incidents;

▶ complying with relevant national laws and regulations, voluntary programmes, collective agreements and other requirements to which the organization subscribes;

▶ ensuring that workers and their representatives are consulted and encouraged to participate actively in all elements of the policy and supporting procedures.

Additionally, the policies must be specific to the organization and appropriate to its size and the nature of its activities. They should be clearly written, dated and made effective by the signature or endorsement of the employer or the most senior accountable person in the organization. The policies should consider gender and other inclusion aspects to ensure gender-sensitive policies and promote equal protection for all workers.

5.2. Do

Implement systems at the enterprise level

Invest in sound internal systems (trained, committed people routinely following procedures) to achieve the objective of continuous improvement. This entails establishing a clear organizational structure that supports the implementation of the vision. The structure must be:

▶ defined and evaluated through a process of social dialogue;

▶ communicated and readily accessible to all persons at their place of work;

▶ reviewed for continuing suitability and be made available to relevant external interested parties, as appropriate.

Capability building

Develop the skills and knowledge needed for both management and workers to address compliance effectively. Create a comprehensive capability-building plan that identifies specific improvement needs and learning requirements (refer to annex for more details).

Considerations for internal capacity building include:

▶ defining roles and functions related to compliance, improvement, promoting dialogue and dispute resolution, and establishing transparent and non-discriminatory selection criteria for staff;

▶ allocating responsibility at appropriate levels and across different functions, including senior management, particularly for roles that significantly impact workers;

▶ implementing incentives to support objectives and regularly review performance against these benchmarks;

▶ providing relevant staff with training on improvement techniques and how to implement them through consultation and negotiation between management and workers;

▶ establishing or strengthening social dialogue mechanisms: Ensure the organization develops or enhances mechanisms for open and constructive communication between management and workers as a cornerstone of sustainable compliance. Refer to annex 3 for more details.

Training programmes should:

▶ include all members of the organization, such as worker representatives, as appropriate;

▶ be conducted by competent individuals to ensure quality and effectiveness;

▶ offer initial and refresher training at timely intervals to maintain and update skills;

▶ incorporate evaluations for participants to assess their understanding and retention of the material and review these evaluations periodically;

▶ document the training process appropriately, considering the size and nature of the organization's activities;

▶ provide training at no cost to participants and schedule it during working hours whenever possible.

While the risk assessment process should be applied to all aspects of factory work, OSH is a priority for every workplace. Minimising the risk of OSH hazards is essential to avoid injuries, illnesses and other harms to health and wellbeing, including violence and harassment. OSH risk analysis should be part of every factory-wide PDCA cycle.

▶ Determine prevention and control measures.

▶ Determine proactive measures for controlling hazards/risks.

▶ In the case of occupational safety & health risks, plan action based on a hierarchy of controls (eliminate, substitute, minimise through engineering, minimise through administration, PPE).

▶ Take corrective action according to national laws and regulations.

▶ Include training as an essential component as the workforce needs to understand hazards/risks.

Risk Assessment

Based on a process that is inclusive of workers and their representatives, assess risks in the workplace in five steps:

1. Identify risks and hazards.
2. Identify who might be affected and how.
3. Evaluate the risk – identify and decide on risk control measures.
4. Record who is responsible for implementing which risk control measures and the timeframe.
5. Record the findings, monitor and review the risk assessment and update when necessary.

See box 8 for an example of Risk Assessment in OSH hazard prevention. See also annex 4 for sample tools and more on risk assessment, including "bow-tie" analysis.

Note: Many, but not all, categories of non-compliance can be assessed using these risk assessment principles. Some issues, such as freedom of association or other fundamental rights at work, will require a tailored approach.

5.3. Check

Establish clearly-defined monitoring, assessment and evaluation processes to identify the sufficiency of business policies, and efficacy of implementation measures at workplace levels.

Gather data from worker feedback, complaints filed, compliance assessments, and other sources to evaluate performance against established benchmarks and identify areas for refinement and improvement.

Identify further areas for improvement and root causes through social dialogue. Use findings, feedback and other outcomes from this process to assess implemented systems' effectiveness regularly.

5.4. Act

Management and workers should jointly identify root causes, agree on which aspects they would like to prioritize, define time-bound improvement targets, and invest in systems to ensure systemic improvements sustain compliance.

Ensure that the worker-management committee has oversight of corrective action.

Share compliance status and social dialogue outcomes with brands and other stakeholders. Transparency plays a fundamental role in building trust.

Based on assessments, take decisive corrective actions to improve systems continuously.

Progress report transparently, considering policy adjustments, refining training programs, or enhancing social dialogue mechanisms.

6. Conclusion

Sustainable improvement is much more than a compliance exercise. To be successful it should be rooted in an iterative cycle of continuous improvement. It is a journey demanding the commitment and collaboration of all stakeholders and brands, by virtue of their ability to influence and encourage factories and vendors, have a particularly important role. As this framework demonstrates, the key to achieving lasting improvements lies in understanding the root causes of problems, embedding the principles of social dialogue, strengthening capacity up and down the value chain, and continuing to work for change into every aspect of business operations. By fostering environments where workers rights are respected and collaboration encouraged, businesses can contribute to more resilient and equitable supply chains.

The attached annexes provide deeper insights into the mechanisms parties may use to enhance the principles outlined in the framework. The Better Work approach to sustainable improvement and supporting evidence may also complement the understanding of these guidelines – more information can be found at www.betterwork.org.

As we conclude, this framework invites all stakeholder - brands, suppliers, workers, and other stakeholders to embrace these principles not as a checklist but as a commitment to continuous improvement and ethical practice. While challenging, this journey holds many opportunities for growth and innovation, ensuring that actions are not just about meeting standards but creating decent work that contributes to a sustainable future.

Sustainable Improvement Framework: Principles and Lessons from Better Work

International Labour Organization

IFC International Finance Corporation WORLD BANK GROUP

Creating Markets, Creating Opportunities

Table of contents

Annex 1 Definition of key terms

1.1. Bipartite committees

Bipartite committees are made up of representatives of management and workers within a factory to facilitate workplace cooperation.

▶ Workplace cooperation committees, as well as consultation and cooperation, may be voluntarily established by the parties or required by legislation, which may outline their establishment, scope, functions, structures and methods of operation (e.g., legally mandated OSH committees)

▶ Where there are legally required mechanisms for workplace cooperation, those mechanisms should be used as a platform for remediation through a process of continuous improvement.

▶ Committees must not be used to undermine trade unions.

Bipartite committees include workplace cooperation committees, OSH committees, prevention of sexual harassment committees, transport committees, canteen committees, women's empowerment committees, and so forth. These types of committees typically have a narrowly focused mandate, but they may offer a useful means for initiating and promoting a culture of social dialogue in a factory. [1]

1.2. Bipartite social dialogue

Bipartite social dialogue involves two parties – employers and/or employers' organizations and workers' organizations – that agree to exchange information, consult each other, or negotiate together. It is often practised through collective bargaining or workplace cooperation.

Bipartite social dialogue may take the form of committees made up of representatives of management and workers within a factory to facilitate workplace cooperation. [2]

▶ Workplace cooperation committees, as well as consultation and cooperation, may be voluntarily established by the parties or required by legislation, which may outline their establishment, scope, functions, structures and methods of operation (e.g., legally mandated OSH committees)

▶ Committees must not be used to undermine trade unions.

Bipartite committees may include workplace cooperation committees, OSH committees, prevention of sexual harassment committees, transport committees, canteen committees, women empowerment committees, etc.

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[2] Report VI Social dialogue and tripartism. International Labour Office. Geneva: ILO, 2018.
https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_624015.pdf

1.3.   Decent Work

The International Labour Organization defines Decent Work as involving opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

1.4.   Social Dialogue

The ILO defines social dialogue to include "all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy."

Social dialogue describes the involvement of workers, employers and governments in decision-making on employment and workplace issues. It includes all types of negotiation, consultation and exchange of information among representatives of these groups on common interests in economic, labour and social policy. Social dialogue is both a means to achieve social and economic progress and an objective, as it gives people a voice and stake in their societies and workplaces.

Social dialogue can be bipartite, between workers and employers (which the ILO refers to as the social partners) or tripartite, including government. Bipartite social dialogue may take the form of collective bargaining or other forms of negotiation, cooperation and dispute prevention and resolution. Tripartite social dialogue brings together workers, employers and government to discuss public policies, laws and other decision-making that affect the workplace or interests of workers and employers.

In the context of factory-level remediation, social dialogue refers primarily to bipartite relations between workers and their representatives (including trade union representatives), and factory management. Social dialogue processes can be informal, structured, or a combination of the two.

The main goal of social dialogue, as affirmed by the ILO, is to promote consensus building and democratic involvement among the main stakeholders in the world of work. Successful social dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress.

The ILO has made clear that for social dialogue to take place, the following must exist:

- ▶ strong, independent workers' and employers' organizations with technical capacity and access to relevant information;
- ▶ commitment to engage in social dialogue on the part of all parties;
- ▶ respect for the fundamental rights of freedom of association and collective bargaining; and
- ▶ appropriate institutional support at sectoral/national level. [3]

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[3] https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm)%20%20a

1.5.   Trade Union

A trade union is defined as a workers' organization constituted for the purpose of furthering and defending the interests of workers. [4]

1.6.   Workplace cooperation

Workplace cooperation is a form of bipartite social dialogue at factory level between the employer and workers, which can include information sharing, consultation, and cooperation on matters of mutual concern not within the scope of collective bargaining machinery or not normally dealt with by other machinery concerned with the determination of terms and conditions of employment. It enables both parties to understand each other's needs, interests and difficulties, and to discuss and resolve issues of common concern through social dialogue (ILO Recommendation 94 - Co-operation at the Level of the Undertaking, 1952).

1.7.   Workers' representatives

As outlined in ILO Convention 135 (Workers' Representatives Convention), workers' representatives may, depending on national law or practice, be:

- ▶ trade union representatives, namely, representatives designated or elected by trade unions or by members of such unions; and/or
- ▶ elected representatives, namely, representatives who are freely elected by the workers of the undertaking in accordance with the provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are recognised as the exclusive prerogative of trade unions in the country concerned. [5]

Workers' representatives must not be used to undermine trade unions.

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[4] Industrial Relations Data (IRdata) - ILOSTAT
[5]https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312280#:~:te
xt=Workers'%20representatives%20in%20the%20undertaking%20shall%20enjoy%20effective%20protection%20
against,conformity%20with%20existing%20laws%20or

Annex 2 Social dialogue mechanisms

Social dialogue is the cornerstone of sustainable compliance. Each enterprise must establish or strengthen mechanisms for open and constructive communication and workplace cooperation between management and workers. The form that dialogue takes at the enterprise level can vary and should be determined by the stakeholders themselves, guided by national law and international standards. There is no "one size fits all" social dialogue mechanism; there may be bipartite committees, works councils, or trade unions that engage in collective bargaining. It is not up to a brand or any other external party to determine the form of workplace social dialogue.

This annex outlines key considerations and principles when promoting social dialogue at the workplace, with a specific focus on workplace cooperation (bipartite) committees which could serve as a platform for remediation of issues of importance to workers and management.

1.1. Key Principles of Workplace Cooperation Committees

For workplace cooperation committees to be effective, research and experience have highlighted that certain characteristics matter most in their composition. The existence of *and* the quality of social dialogue in workplace cooperation committees is essential to improving working conditions and the well-being of workers.

The following aspects are desirable criteria for a workplace cooperation mechanism to be effective:

- ▶ Trade union(s) are fairly represented in the committee.
- ▶ The proportion of the committee members that are female reflects the proportion of the workforce that is female.
- ▶ Worker representatives are freely appointed or chosen by workers themselves from a set of candidates based on democratic elections.
- ▶ Various categories of workers employed in the enterprise are represented on an appropriate basis.
- ▶ Serving on the committee is voluntary.
- ▶ The committee should meet regularly, and both workers and managers should be involved in chairing meetings.
- ▶ Committee members are adequately trained to execute their responsibilities.
- ▶ Representatives of workers have access to adequate information to perform their duties.
- ▶ Committee deliberations are reported in meeting minutes, and the minutes should be transmitted to the workers.
- ▶ Representatives of the workers are allowed the necessary time to perform their functions without loss of pay.
- ▶ There is adequate protection of the representatives of the workers against discrimination because of the exercise of their functions.
- ▶ There is a member of management with decision making power on the committee.
- ▶ The outcomes of committee deliberations are considered in factory management decisions.

Regularly reviewing whether the above principles are in place is important to determine whether the workplace cooperation committee is effective and engaging in true social dialogue. These principles should be regularly reviewed, as social dialogue is an ongoing process and should be continuously monitored for effectiveness. Developing specific indicators based on national laws and international labour standards is important to measure progress and success.

1.2. Worker representatives

In the context of workplace cooperation, the role of worker representatives is to ensure that interests and concerns are addressed in a sustainable and fair manner.

Below is a list of steps that could be taken by worker representatives to fulfil their mandate in the context of workplace cooperation.

- ▶ Identify priorities of workers around subject matters such as affecting production, the workplace environment, workers' concerns around contracts, maternity, leave, payment, OSH etc.
- ▶ Meet on a regular basis with factory management through the committee to discuss these issues.
- ▶ Listen to concerns and needs from management, offer perspectives regarding root causes and solutions, and contribute towards action plans.
- ▶ Report back to workers on progress and other developments.
- ▶ Orient the workers in the factory toward the factory level grievance procedures, offer to support as a witness or representative in the grievance process.

Below is a non-exhaustive list of qualities of an effective worker representative.

- ▶ Can effectively represent workers' interests and is perceived to have such qualities by the other workers.
- ▶ Has a good understanding of workers' needs and demands and knows how to get information and evidence to support these.
- ▶ Has a good understanding of the general industry/sector and the company.
- ▶ Has a good understanding of basic labour rights, health and safety issues.
- ▶ Can prioritize and set short- and long-term goals.
- ▶ Has good communication and public speaking skills.
- ▶ Listens carefully and respects various opinions (non-judgmental).
- ▶ Is reliable and can respect confidentiality of information.

1.3. Management representatives

Having a manager with decision making authority on the workplace cooperation committee is essential to ensuring that the outcomes of discussions are made into reality and that issues can be remediated. Management representatives have a key role to play in balancing the interests of the company with the interests and needs of the workers.

Below is a non-exhaustive list tasks for effective management representatives in the context of workplace cooperation.

- ▶ Identify concerns and priorities from the management side.

- ▶ Participate in committee meetings and discuss the concerns or improvement areas with worker representatives.
- ▶ Listen to the needs of the worker representatives and discuss issues with them in a spirit of good faith.
- ▶ Share necessary information to support decision making.
- ▶ Facilitate identification of root causes and action planning.
- ▶ Reports back to senior management and liaises with other members of the management team to secure sufficient resources (time and financial resources) to follow up on issues for improvement.
- ▶ Respects confidentiality of information.
- ▶ Does not or retaliate, directly or indirectly, against worker representatives. Ensures that other members of management refrain from retaliation against worker representatives.

Below is a non-exhaustive list of qualities of an effective management representative.

- ▶ Trusted by highest levels of management/ownership and has the trust of worker representative counterparts.
- ▶ Has a good understanding of the general industry/sector and the company.
- ▶ Has a good understanding of basic labour rights, including health and safety issues.
- ▶ Ability to prioritize and set goals for short and long term.
- ▶ Able to ensure that agreed changes are carried out by management efficiently and effectively.
- ▶ Has good negotiation skills and ability and willingness to reach compromise.
- ▶ Has good communication and public speaking skills.
- ▶ Listens carefully and respects various opinions (non-judgmental).
- ▶ Is reliable and respects and maintains confidentiality.

1.4. Establishing a Workplace Cooperation Committee

In many countries, a workplace cooperation committee, or another type of committee is mandatory according to law. Even in workplaces where a committee is not required by law, the benefits of such a committee are widely recognized, so long as a committee does not undermine the role of a trade union (and includes the trade union where present).

In jurisdictions where law specifies parameters for the establishment and operations of a workplace cooperation committee, these should be adhered to. Where no laws are in place, or the process is not clearly defined, the establishment of a committee should ultimately be up to the primary stakeholders (management and workers) themselves, supported by brands and other stakeholders as requested.

In cases where a union is already active at the enterprise, a workplace cooperation committee may not be necessary (in some cases such a committee could unintentionally undermine the role of the union if it is set up). In such cases, it is imperative for the factory management to consult with the union prior to establishing any new structure.

Below are sample questions that committee members (workers and management) could raise when establishing a workplace cooperation committee within their enterprise.

- ▶ Is the purpose of the committee clearly defined?

▶ Is the committee's authority clearly defined?

▶ Is there equal representation of workers and management on the committee (or at least equal number of worker representatives to management representatives)?

▶ Is there a union at the factory? If so, are union representatives active on the workplace cooperation committee?

▶ If there is a union, have the roles of the union vs the workplace cooperation committee been clearly defined and agreed upon?

▶ To whom does the workplace cooperation committee report?

▶ Does the committee meet regularly?

▶ What time of day and where are workplace cooperation committee meetings taking place?

▶ Is an agenda prepared for each meeting?

▶ What is the procedure for the inclusion of new items for discussion on the agenda?

▶ Is the agenda distributed to all members well before each meeting?

▶ Who is chairing the meeting? Does this alternate between worker and management representatives?

▶ How are decisions reached at workplace cooperation committee meetings?

▶ Are comprehensive meeting minutes kept and are these available to management and committee members and posted promptly for all workers to read?

Buyers can play a role in supporting social dialogue by ensuring that legal and international standards on freedom of association and collective bargaining are adhered to and by encouraging management and worker representatives to actively engage in dialogue through their chosen mechanism.

Tools such as workplace cooperation (through various types of committees) can help to ensure safe and productive workplaces if they respect collective bargaining and its outcomes do not undermine the role of trade unions.

As a starting point, buyers must:

1. understand the legal frameworks in each country (see Annex 3 for a mapping of relevant regulations on workplace cooperation for select countries);

2. monitor and ensure that the laws are being adhered to. If they are not, support management and workers with capacity building and learning opportunities;

3. when a trade union present or a collective bargaining agreement is present, use that as a starting point. Understand more about the union, its affiliations, how it engages workers, how the CBA was negotiated, etc. Promote engaging in good faith dialogue with the union to the factory management;

4. when engaging with or supporting different types of committees, aim to understand if the committees are legitimate and effective. The above questions can be used by buyers in discussion with their supplier partners to find out more;

5. understand that building effective social dialogue takes time and trust building. Make a clear commitment to the supplier to continue working with them through this process and allow time for trust and dialogue to build.

Annex 3 Overview of social dialogue mechanisms in selected countries

Below is a mapping as of 2024 of legal requirements for social dialogue and workplace cooperation in select countries. This information is intended to help buyers and other stakeholders understand the requirements in place and ensure legal and sustainable structures are built, in line with national laws and international standards.

N.B. Laws and legal requirements can frequently change, so information below must be verified at the time of use. Better Work provides this mapping as of 2024 a starting point for understanding the types of mechanisms and legal provisions for social dialogue mechanisms in several contexts.

1.1. China

Trade unions – Legal requirements

Source: Labour Law, 2018, Art. 7; Trade Union Law of the People's Republic of China, as amended 2021

Article 7 (Labour Law 2018)	The Labour Law (2018) provides that workers have the right to join and organize trade unions in accordance with the law.
Trade Union Law of the People's Republic of China, as amended 2021	The Trade Union Law provides that a basic-level trade union committee is set up at enterprise level when there are 25 or more members. If there are less than 25 members, a basic-level trade union committee may be set up separately, or jointly in two or more work units, or an organizer may be elected to organize the members in various activities. (Art. 10 TUL). This provision indicates that while there is no minimum number of members to form a union, the number of trade union members affects the need to establish a trade union committee. All Trade Unions must be affiliated to the All-China Federation of Trade Unions (ACFTU). The Trade Union Law provides for the formation and structure of trade unions, specifies their rights and obligations, and governs the acquisition and use of their funds and property. It also provides for union involvement in the improvement of labour productivity. Under the Trade Union Law, trade unions can take action against labour rights violations, propose solutions for workplace hazards and accidents, investigate infringements on workers' rights and job-related accidents, and hold consultations during work stoppages. The Trade Union Law states that trade unions, through workers' congresses or other forms, organize workers to participate in democratic elections,

democratic consultation, democratic decision-making, democratic management, and democratic oversight of employers.

Workers committees – Legal requirements - Democratic Management of Enterprises and the "Workers' Congress" System.

Sources:

▶ *Labour Law, 2018, Arts. 8, 80, 81;*
▶ *Trade Union Law, as amended 2021, Arts. 20, 37;*
▶ *Provisions on the Democratic Management of Enterprises (PDME)*
▶ *Work Safety Law (2021 Amendment), Art.7*

Workers	
Article 8 (Labour Law 2018)	Provides that workers participate in democratic management through workers' assemblies, congresses or other forms, or conduct equal consultations with employers on the protection of workers' rights and interests.
Article 20 (Trade Union Law 2021)	Provides that trade unions ensure that workers can exercise their democratic management rights under the system of workers' congresses or other systems of democratic management. Democratic management applies to non-State-Owned Enterprises through Article 37 of the TU Law.
Enterprises	
Article 37 (Trade Union Law 2021)	Enterprises establish a democratic management system with the worker' congress as the basic form, to promote open enterprise affairs and democratic management. Enterprises guarantee and respect employees' rights to information, participation, expression, supervision and other democratic rights, and support workers' participation in enterprise management.
Article 3 PDME	A company shall establish a system of workers' directors and supervisors and support participation in the company's decision-making, management and supervision by the workers' representatives who are elected at the workers'

	congress as the members of the board of directors or board of supervisors. They represent and maintain the workers' rights and interests.
Article 36 PDME	No senior manager or supervisor of a company can serve as a workers' director; and no senior manager or director can hold the post of workers' supervisor

Labour Dispute mediation committees	
Article 80 (Labour Law 2018)	This Act provides that a Labour Dispute Mediation Committee may be established at the enterprise level. The Committee is composed of worker representatives, employer representatives, and trade union representatives. The chairperson is a trade union representative. Where a labour dispute reaches an agreement through mediation, the parties are required to implement it.
Article 81 (Labour Law 2018)	The labour dispute arbitration committee consists of representatives of labour administrative departments and employers and trade unions at the same level. The chairman is a representative of a labour administrative department.

Occupational Health & Safety (OSH) Committees - (Not a legal requirement, but may be present in some factories, especially in state-owned companies)	
Article 7 (Work Safety Law (2021 Amendment)	Defines trade unions' role in overseeing work safety: The trade union organizes workers to participate in the democratic management and oversight of work safety and protects workers' safety at work. Employers must consult with the company's trade union when developing or amending work safety polices and rules.
Article 41	Require production/ operation companies to establish, improve and implement an examination and control system for potential risks of accidents, and to adopt technical and management measures to discover and eliminate risks of accidents. The examination and control of risks of accidents must be recorded and disclosed to workers or their representatives in meetings, by posting information, or through other means. The examination and control of risks of major accidents must be reported to the work safety authority, and to the meeting of workers or workers' representatives in a timely manner.
Article 60	States that trade unions are entitled to oversee and offer opinions on the design, construction, and use in production and other operations of the safety facilities and construction projects.

	Trade unions are entitled to require companies to redress violations of work safety laws and regulations. They also can offer solutions when companies command violations of rules or risky operations, or when unions discover risks of accidents, and companies must reply in a timely manner. Trade unions can request that workers be evacuated from dangerous work sites when workers' safety is in danger, and companies must respond immediately. The law also provides that trade unions can participate in accident investigations, offer suggestions on handling accidents, and require that those responsible are held liable.
National Tripartite Bodies	
Art. 34 Trade Union Law	Stipulates that governmental administrative departments for labour at various levels, together with representatives of employers and trade unions at the same level, establish trilateral consultation mechanisms on labour relations and jointly analyse and settle major issues regarding labour relations. In principle, three parties are to have equal number of representatives in the system. At present, there are two organizations representing employers – China Enterprise Confederation (CEC) and All China Federation of Industry and Commerce (ACFIC). Workers are represented by the All-China Federation of Trade Union. The National Tripartite Conference for Coordination of Labour Relations (NTCCLR) whose functions include, among other things, the establishment and improvement of a working system of labour relations and the promotion of local-level tripartite labour relations coordination mechanisms, labour contracts, collective contracts, democratic management systems, and labour dispute settlement mechanisms. The tripartite conference system is now in operation at various levels, including national, provincial, municipal, and district levels. Its secretariat is usually located in the labour administration unit in charge of labour relations and wage policies at each level.

3.2 India

Trade Unions: legal requirements
Source: Trade Unions Act, 1926, Arts. 4, 22, as amended

Trade Unions Act	Provides for registration of Trade Unions and governance. Under the law, 7 or more persons can register a trade union. At least half of the office-bearers of a trade union must be engaged or employed in an industry with which the union is connected.

Committees: legal requirements

Source(s):

- ▶ *Worker Committees Industrial Disputes Act, 1947, Sec. 3*
- ▶ *Industrial Disputes (Central) Rules, 1957, Sec. 4*
- ▶ *Factories Act, Section 41G(1)*
- ▶ *Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Section 4(1, 2)*
- ▶ *Minimum Wages Act of 1948*
  Contract Labour (Regulation and Abolition) Act of 1970
  Unorganized Workers' Social Security Act of 2008
  Building and Other Construction Workers' Act of 1996

Workers Committee	
Industrial Disputes Act, 1947, Sec. 3 Industrial Disputes (Central) Rules, 1957, Sec. 4	A Workers Committee is required to be set up under the Industrial Disputes Act in enterprises with 100 or more employees. The number of worker representatives on the Committee cannot be lower than the number of employer representatives. Worker representatives are chosen in the manner prescribed, in consultation with the trade union. Trade unions, by terms agreed in the collective bargaining agreement, exert influence through their representatives in the Works Committees. Election of workers' representative to the Committee takes place in two groups - (1) those elected by workers who are members of the registered trade unions, and (2) those elected by workers who are not members of the trade union(s), in proportion to the number of union members/ non-members, unless more than half the workers are TU members, in which case there is no division made with non-union members. If a trade union neglects to furnish membership information within a month after a request, the union is not included on the Committee.
Occupational Health & Safety (OSH) Committees	
Factories Act, Section 41G(1)	The Factories Act requires employers in factories where a hazardous process takes place, or where hazardous substances are used or handled, to set up a Safety Committee consisting of an equal number of workers' and management representatives to promote co-operation on OSH. The government may exempt certain factories.
Internal Complaints Committee	
Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)	Requires the establishment of an Internal Complaints Committee to handle complaints of sexual harassment. The employer nominates the members, 50% of whom must be female: Presiding Officer (Senior level female employee), 2 other females knowledgeable in law/ engaged in work related to women (welfare officers/ counsellors), 1 member from an NGO.

Act, 2013, Section 4(1, 2)	
National Tripartite Bodies	
Minimum Wages Act of 1948 Contract Labour (Regulation and Abolition) Act of 1970 Unorganized Workers' Social Security Act of 2008 Building and Other Construction Workers' Act of 1996	The Indian Labour Conference (ILC) is the apex level tripartite consultative committee in the Ministry of Labour & Employment to advise the Government on issues concerning workers. The first meeting of the Indian Labour Conference (then called Tripartite National Labour Conference) was held in 1942. The main purpose of the tripartite body is to promote uniformity in labour legislation; laying down procedures for the settlement of industrial disputes; discussing all employment-related issues of national importance. Other sectoral tripartite committees also exist (e.g. transport, agriculture, textiles). Many of India's Tripartite bodies exist at a state level, where social dialogue mechanisms exist for areas including minimum wage setting, regulating the employment of contract labour, and the formulation of social security schemes for unorganized workers amongst others. These tripartite social dialogue structures have been established through various acts, listed on left.

Comments: Although not required by legislation, Cafeteria/ Food Committees or Transport Committees are commonly found in apparel factories in India

3.3 Sri Lanka

Note: in Sri Lanka the tripartite constituents have agreed to start by working through OSH committees. Therefore, the OSH committees can be focused upon as an entry point for workplace cooperation.

Committees – legal requirements

Sources:

▶ *Industrial Disputes Act*

▶ *Employee Councils Act I*
▶ *BOI Guidelines for the Formation and Operation of Employees' Councils*

Worker Committee	
Industrial Disputes Act. Employee Councils Act I. BOI Guidelines for the Formation and Operation of Employees' Councils.	Employees Councils are provided for by the Board of Investments (BOI) Guidelines for businesses in the export industry. They are not legally mandated in non-state entities. State-based entities are required to have Employee Councils under the Employee Councils Act.
	The BOI Guidelines provide that Employees Councils have the right to represent workers in proceedings under the Industrial Disputes Act, and to make recommendations to the employer. Employees are nominated to the EC. If number of nominees are more than the required representatives, elections are held through secret ballot.
	Number of representatives shall be between 5-10. However, if the number of employees is large, can have more than 10 representatives. All departments should be represented.
	Term of Office is 2 years. Once formed, the EC should be registered at the BOI. A President, Vice President & Secretary shall be elected.

Occupational Health & Safety (OSH) Committees	
National Guidelines on Establishing Bipartite OSH Committees at Workplaces 2023	Not legally mandated. However the Department of Labour has issued National Guidelines on Establishing Bipartite OSH Committees at Workplaces 2023, which stipulate the composition of OSH committees (50% workforce/ 50% management; gender representation in line with company gender composition; number of members between 6 -22).
	OSH/ ESH committees are functional in most readymade garment factories.

Other Committees	
Wages Boards Ordinance 27 of 1941	The Wages Boards Ordinance 27 of 1941 makes provisions for the establishment of Wage Boards for the regulation of wages and working conditions in any trade or industry in Sri Lanka. The Wage Boards function on a tripartite basis and have an equal number of representatives of employers and workers in a trade appointed by the minister in charge of labour.

National Tripartite Bodies	
	National Labour Advisory Council (NLAC) is the main institute for social dialogue. The NLAC is the national tripartite consultative mechanism established to provide for consultation and co-operation between the government and the organizations of workers and employers at the national level on matters relating to social and

	labour policies and international labour standards. The organizations represented on the council are selected by the Minister of Labour and Foreign Employment.

Comments: Although not required by legislation, Cafeteria/ Food Committees or Transport Committees are commonly found in apparel factories in Sri Lanka

3.4 Türkiye

Trade Union – Legal Requirements

Source: Law on Trade Unions and Collective Labour Agreements

Law on Trade Unions & Collective Labour Agreements	Law on Trade Unions & Collective Labour Agreements governs the formation and operation of Trade Unions. Workers may establish trade unions. However, workers may encounter difficulties in fully exercising their rights to freedom of association, collective bargaining, or the right to strike.

Committees

Worker Committee	
	Not legally required
Occupational Health and Safety (OSH) Committees	
Art. 22, 23 Occupational Health and Safety Law	OSH Committees are legally required in enterprises with more than 50 employees where continuous work is carried out for more than 6 months. Employers must implement the decisions of the OSH Committee. Where there is more than one employer in the same workplace, they must inform each other on the decisions of the committees which might affect one another
Other Committees	
Regulation on Annual Paid Leave	In workplaces with more than 100 employees, employers must establish an Annual Leave Committee to evaluate requests for annual leave.
National Tripartite Bodies	

	Türkiye has tripartite or multipartite social dialogue mechanisms called formal consultative boards. They represent a tripartite or multi-partite structure involving the government, and workers' and employers' organisations. The Economic and Social Council, Labour Assembly, Tripartite Consultative Board and Commission on the Determination of Minimum Wages are important examples, since they are involved in macro level decision-making.

Comments: Discipline Committees may be set up through collective agreements

3.5 Viet Nam

Note: In Viet Nam the national labour code requires enterprises to conduct regular bipartite dialogue at the workplace. For the garment industry there is an agreement among the tripartite constituents to promote bipartite committees (PICCs) comply with the labour code. Hence bipartite committees (PICCs) can be focused upon

Trade Unions – Legal requirements

Sources: Labour Code, Trade Unions Law

Trade Unions	
Labour Code, Arts. 170-178 Trade Unions Law	Under the Trade Unions Law, Vietnam has a single Trade Union system with the Vietnam General Confederation of Labour (VGCL) as the recognised union. Amendments to the Labour Code in 2019 (effective 2021) provide for a new category of enterprise-level Workers' Representative Organization (WRO), called Worker's Organization (WO). In addition to the existing trade union, workers in enterprises can now establish, join and participate in WOs that are not affiliated to VGCL (as well as in VGCL-affiliated unions, or federation of labour). The Labour Code does not provide for WOs to be formed at a sectoral, national or international level, so they can only operate at enterprise level. Regulations providing for the registration of WOs has not been released as of May 2023, so to date, no WO has been registered. For now, they exist in the law but not in practice. The Trade Union Law, which governs the operation of trade unions (but does not regulate the WOs, nor the WROs in general) provides that all trade unions must be affiliated with the Vietnam General Confederation of Labour. It is planned that the Trade Union Law will be revised in 2024, considering the 2019 amendments to the Labour Code on WROs.

Worker Committees

Source: Decree 145/2020/ND-CP, Labour Code

Workers Committee/ Social Dialogue	
Decree 145/2020/ND-CP, Arts. 37-48	A committee structure is not required, but the employer is responsible for issuing Regulations on Grassroot Democracy after consultation with the WRO(s) and elected workers' dialogue representatives (if any) and making it publicly available to all workers before implementation. ▶ The principles, numbers of participants, components, time, procedure for dialogue at workplace, responsibilities of each party will be implemented in accordance with the Regulations on Grassroot Democracy but should meet the following legal requirements:
(Labour Code, Art. 63(2); Decree 145/2020/ND-CP, Art. 41)	**Frequency**: At least once per year, and at request of either party, and in case there is one of the following issues: ▶ developing the work performance assessment rules ▶ changing operation, technology, products or due to economic reasons which affects workers employment ▶ developing labour utilisation plan ▶ developing wage scale, wage table and labour norms, ▶ developing bonus regulations ▶ developing the internal work rules
Decree 145/2020/ND-CP, Art. 38(3).	**Participants:** ▶ the legal representative or authorized person from the employer's side, and by more than 70% of the total workers' representatives for regular dialogue, or more than 30% of the workers representatives for dialogue at the request of a party. The number of workers' representatives is defined based on the total number of workers in the factory and is specified in Decree 145/2020/ND-CP, Art. 38(3).
(Decree 145/2020/ND-CP, Art. 38-41)	The participants in the dialogue are selected at least once every 2 years and shall be made publicly available at the workplace.

(Labour Code, Art. 64)	**Contents:** The parties can choose one or more than one of the following issues: ▶ the business and production situation of the employer; ▶ implementation of employment contracts, CBA, workplace terms and regulations; ▶ working conditions; and ▶ iv) requests of each party to the other.
(Decree 145/2020/ND-CP, Art. 39)	The employer must make publicly available the minutes of dialogue within 3 days to workers and WRO concerned.

Occupational Health & Safety (OSH) Committees	
Law on Occupational Safety and Health, Art 75 (3)	An enterprise having 1000 workers or more must set up an OSH Council which is composed of: + the employer representative acting as chairman; + the trade union executive committee representative acting as vice chairman; + the OSH officer acting as secretary; + the medical staff; + other related members.
Decree 39/2016/ND-CP, Art. 38(2))	An enterprise having less than 1000 workers may set up an OSH council when finding it necessary and having sufficient conditions for its operation.

National Tripartite Bodies	
Decree 145/2020/ND-CP	**National Wage Council** The National Wage Council is established as an advisory body under the control of the Ministry of Labour, Invalids and Social Affairs (MOLISA). This tripartite body has the following wage-setting functions and duties:
Art. 49. National Wage Council Functions	**Functions:** ▶ Policies on employee salaries ▶ Region-based minimum wage consultation
Art. 50 Duties	**Duties** ▶ Carry out surveys, collect information, undertake analysis etc. relating to wages

|	
	▶ Prepare reports on minimum wages based on the above factors review subsistence standards of workers and families ▶ Hold annual negotiations to propose to the government the plan for wage adjustments ▶ provide consultation for government regarding policies on pay
OSH Law, Art. 88 The National Council of Occupational Safety and Hygiene	**The National Council of Occupational Safety and Hygiene** is an advisory organization advising the Government on OSH policies and legislation. It includes representatives of the Ministry of Labour, War Invalids and Social Affairs, the Ministry of Health, Vietnam General Confederation of Labour, Vietnam Farmers' Union, employers, relevant Ministries, agencies and OSH specialists or scientists. Annually, the Council holds discussions to share information, improve coordination/collaboration among employers, employees, trade unions, representatives of employers and regulatory agencies to promote fair and safe working conditions, and improve the development and implementation of OSH policies and legislation.
Prime Minister Decision 68/2007/QĐ-TTg and 1413/QĐ-TTg The National Industrial Relations Committee	**The National Industrial Relations Committee** advises the Prime Minister on mechanisms, policies and solutions to build healthy industrial relations; to build a coordination mechanism between relevant agencies and organizations in the prevention and settlement of labour disputes and strikes. **Detailed functions** 1. Advise the Prime Minister and relevant agencies and organizations on directions, mechanisms, policies and measures; implement guidelines, mechanisms and policies on labour relations; build solutions and develop harmonious, stable and progressive labour relations. 2. Research, propose, recommend, and consult with agencies and related organizations on solutions to implement Party guidelines, State policies and laws on labour relations, and measures for handling complex issues arising in labour relations. 3. Formulate and publish periodical and extraordinary reports on labour relations. 4. Support provinces and centrally run cities to establish and operate the tripartite mechanism on labour relations in accordance with requirements and local conditions.

Annex 4: Following a systems-based approach for problem solving

4.1 Introduction

In the fast-paced and competitive landscape of the apparel, textile and footwear industry, the ability to address challenges effectively is paramount for organizational success.

Every day, businesses encounter obstacles that hinder productivity, compromise quality, or jeopardize compliance with regulatory standards. In response to the ever-growing demands from customers, regulators, and employees, organizations must continuously seek opportunities for improvement and innovation.

Problem-solving is not merely a task but a critical competency essential for sustainable growth and success. Recognizing this imperative, organization need to be committed to nurturing the problem-solving skills of individuals, teams, and the organization. Hence, this annex serves as a basic resource, introducing some of the intricacies of problem-solving in context of sustainable compliance improvement.
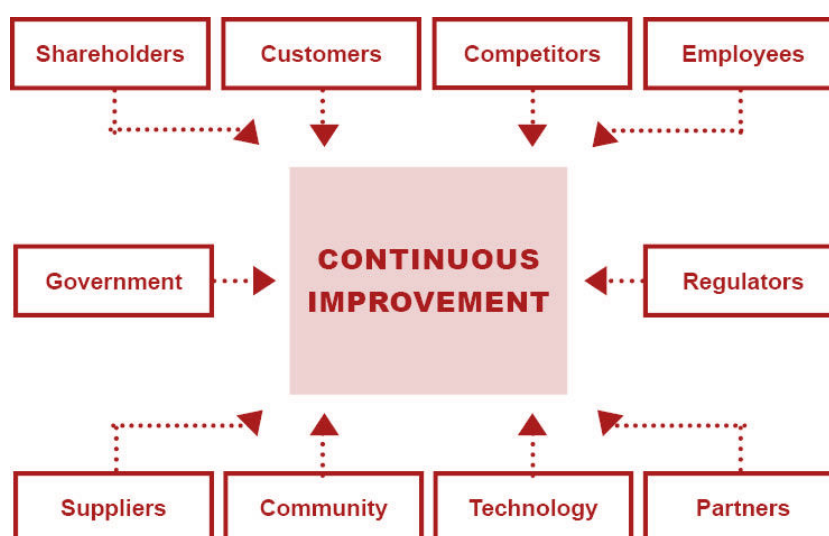
1.1.1   What is problem solving?

Problem-solving is a systematic approach to addressing challenges or obstacles encountered in various contexts, including manufacturing settings like apparel, textile, and footwear factories.

It involves identifying issues, analysing their root causes, developing effective solutions, and implementing measures to prevent recurrence. In the realm of OSH and social compliance, problem-solving aims to ensure worker safety, well-being, and adherence to regulatory standards.

As an example, a common problem in factories might be workers experiencing repetitive strain injuries (RSI) due to prolonged periods of sewing. Problem-solving in this context would involve identifying the root causes of RSI and implementing measures to mitigate or eliminate them, such as ergonomic workstation design or implementing regular breaks and stretching exercises.

1.1.2   Problem solving and continuous improvement

"Continuous improvement" is an ongoing effort to enhance products, services, or processes incrementally over time. It's a fundamental principle in most of the manufacturing industries, emphasizing the pursuit of excellence through iterative refinement and optimization.

The goal of continuous improvement is to systematically identify opportunities for enhancement, implement changes, and monitor outcomes to achieve greater efficiency, effectiveness, and customer satisfaction.

At its core, continuous improvement involves a mindset shift toward embracing change as a means of driving progress and innovation. It encourages organizations to cultivate a culture of dialogue, learning, adaptability, and accountability, where employees at all levels are empowered to contribute ideas, experiment with new approaches, and collaborate to solve problems.

Systematic problem-solving and continuous improvement go hand in hand in organizations. Problem-solving helps teams find areas where we can make things better, and continuous improvement means teams keep making things better over time.

When we use any of the structured problem-solving methods, it helps to figure out what's causing issues and how to fix them. Then, we take those solutions and use them to make ongoing improvements. It is like a cycle of learning and getting better, helping the teams to keep up with changes and stay competitive.

Let us explore this through a practical example.

▶ **Problem-Solving**

A factory identifies absenteeism fluctuating between 1 per cent to 10 per cent over the past 12 months, despite the standard being set at per cent. This variation indicates a problem that needs to be addressed. Using problem-solving techniques, the factory conducts a root cause analysis to understand why absenteeism fluctuates so widely.

Possible causes may include inadequate employee scheduling, poor workplace morale, or insufficient support for employees facing personal challenges. After identifying the root causes, the factory implements countermeasures or solutions to stabilize absenteeism at 4%. This involves making changes to policies, procedures, or workplace culture to address the underlying issues causing absenteeism fluctuations.

▶ **Continuous Improvement**

Once the factory has successfully stabilized absenteeism at 4% and maintained this level for a reasonable period, it can then focus on continuous improvement. The factory recognizes that achieving the 4% absenteeism target is just the beginning of its journey toward operational excellence.

With absenteeism under control, the factory can now aim for even higher performance by setting a new standard, such as reducing absenteeism to 3%. This represents a continuous improvement initiative, where the factory seeks incremental gains beyond its initial target. Achieving and sustaining a 3% absenteeism rate requires ongoing efforts to optimize processes, engage employees, and foster a supportive work environment. Continuous improvement becomes a mindset ingrained in the factory's culture, driving ongoing efforts to enhance performance and achieve ever-higher standards.

1.1.3   Why we need cross functional teams for problem solving

Cross-functional teams (CFTs) are crucial in effective problem-solving within factories, especially when addressing compliance issues. These teams serve as dynamic platforms that bring together individuals from diverse backgrounds and departments, including production, safety, quality assurance, and management.

Such challenges often necessitate multidisciplinary approaches, requiring input from diverse perspectives and expertise. In here, the most important or key element that cannot be overlooked in this collaborative effort is the involvement of workers themselves. By actively engaging workers in cross-functional teams, factories can harness invaluable insights and experiences that are essential for understanding the real-world impact of problems and implementing effective solutions. Workers are often the first to encounter safety hazards, compliance gaps, and operational inefficiencies on the factory floor. Their firsthand knowledge and perspectives are invaluable in identifying root causes, evaluating proposed solutions, and ensuring the practicality and effectiveness of implemented measures.

Standard: Absenteeism should be equal or less than 4%.

Current situation: Absenteeism fluctuates between 1% to 13% during the last 12 months.

Problem solving efforts to reach the standard of 4% and make it stable for a reasonable time.

Enhance the Standard: Absenteeism should be equal or less than 3%.

Moreover, involving workers in problem-solving processes fosters a sense of ownership, empowerment, and accountability, leading to greater buy-in and commitment to organizational goals. Ultimately, by embracing worker involvement in cross-functional problem-solving teams, factories can enhance the comprehensiveness, relevance, and sustainability of their improvement efforts, driving continuous improvement and fostering a safer, more compliant, and more productive workplace for all.

Let us now look at some of the benefits an organization can achieve through the using cross-functional teams that include worker representatives:

CFTs enable a platform to obtain different viewpoints and understand the real causes in the factory.
CFTs can help solve difficult problems that are challenging to handle alone.
CFTs facilitate generating more solutions and finding the right solution collectively.
CFTs aid in finding **solutions that everyone agrees with, fostering consensus and alignment.**
CFTs expedite solution implementation in the factory, as decisions are made collaboratively, and ownership is shared.
CFTs promote better learning by facilitating knowledge sharing a**nd mutual explanation among members.**
CFTs enhance members' collaboration skills, leading to improved teamwork in daily work activities.
CFTs contribute to the development of better communicators and facilitators within the organization.
CFTs cultivate r**espect, trust, and cooperation among team members, strengthening workplace relationships.**
CFTs create a culture of shared success and celebration, where victories are enjoyed collectively.

1.1.4   What is a problem?

For us to start the journey, before delving into the problem-solving process, it's essential to establish a clear understanding of what constitutes a problem. Often, individuals may misconstrue symptoms as problems or jump to solutions without adequately defining the underlying issue. By delineating the distinctions between problems, symptoms, and solutions, we lay the foundation for a structured and systematic approach to problem-solving.

In very simple terms, a problem can be defined as the difference between the current situation and the standard (or the desired way).

> *"Pretending to have no problems, can be the biggest problem of all!"*
> *- Taiichi Ohno - father of the Toyota Production System.*

People often get muddled between problems, symptoms and solutions, so it helps to understand the difference:

- A problem is a deviation from normal expectations.
- A symptom is an effect of a problem.
- A solution is a way to correct a deviation from normal expectations.

See following examples:

"Our problem is that we need new equipment"	This is a SOLUTION
"Our problem is poor morale"	This is likely to be a SYMPTOM of more specific problems
"Our problem is how to speed up the ordering process"	This is leaping to solutions, without having defined the PROBLEM
"Our problem is which supplier to choose"	This requires a DECISION, not a problem to be solved

Let us now look at a couple of examples using the above explanation:

Accidents

Standard or desired situation	The standard for workplace safety dictates that (as per the policy) accidents should be zero or minimized, and workers should be provided with a safe working environment to prevent injuries.
Current situation	During the last 12 months, higher rate (more than 4%) of accidents among workers were reported to the clinic, with frequent incidents of slips, trips, and falls on the production floor.

Gap assessment	The significant gap between the current situation (high accident rate) and the standard (minimized accidents and safe working environment) highlights a problem that needs to be addressed.

Harassment by Supervisors

Standard or desired situation	The standard for workplace conduct dictates (based on the policy) that all employees should be treated with respect, fairness, and dignity, free from any form of harassment or discrimination.
Current situation	During the last 3 months, workers in the production floor, cutting department and stores reported instances of harassment by immediate supervisors, including verbal abuse, intimidation, and unfair treatment.
Gap assessment	The disparity between the current situation (harassment by supervisors) and the standard (respectful and fair treatment of employees) signifies a problem that requires intervention and remediation.

4.2 Using the PDCA framework

The Plan-Do-Check-Act (PDCA) cycle provides a structured framework for organizations to address issues, implement changes, and monitor outcomes systematically. This model, rooted in the principles of quality management and pioneered by figures like Walter Shewhart and W. Edwards Deming, guides individuals and teams through a structured approach to problem-solving. By understanding and applying the steps of the PDCA cycle organizations can effectively identify, analyse, and address issues, fostering a culture of innovation, adaptability, and excellence.

In the context of apparel, textile, and footwear factories, PDCA can be applied to various challenges related to OSH and labour compliance. By following the PDCA process, factories can plan and execute interventions, assess their effectiveness, and refine strategies iteratively to achieve sustainable improvements in workplace safety, health, and regulatory compliance.

The following tool provided practical steps to assist in effectively implementing the PDCA framework.

Identify the problem

    a. Clearly define the issue or challenge faced, based on facts and observations.

    b. Utilize experience and common sense to understand the root cause of the problem and its impact on operations.

    c. Important to define the problem in detail, two tools that can be used:

        i. As explained earlier, show the different between the standard/desired way with the current situation.

ii. Always, try to capture the essential details of 5W and H, as What, When, Where, Who and How.

Analyse the situation

a. Utilize experience and common sense to understand the root cause of the problem and its impact on operations.
b. Conduct a thorough analysis through data-driven with involvement of all parties involved.
c. This covers the Why aspect of the 5W approach.
d. We can use the most common tool as why analysis for this.

Develop countermeasures or possible solutions

a. Brainstorm potential solutions or countermeasures to address the identified problem.
b. Utilize creative thinking and collaboration to generate a range of feasible options.

Implement countermeasures or possible solutions

a. Select the most viable solution based on its effectiveness, feasibility, and alignment with organizational goals.
b. Execute the chosen solution with precision, allocating resources and responsibilities as needed.

Evaluate and adjust

a. Monitor the implementation of the solution and its impact on the problem.

b. Use feedback mechanisms to evaluate the effectiveness of the solution and make adjustments as necessary. As an example, if the countermeasure is successful, one can standardize the process, if not we have to go back the above steps to see what needs to be adjusted.

c. Embrace a culture of continuous improvement, where lessons learned from each problem-solving endeavour inform future approaches and contribute to organizational learning and growth.

## 1.2. Bow-tie diagrams and risk analysis

Bow-tie diagrams are a simple and effective tool for involving employees at all levels in the above problem-solving exercise as well. It is a visual way to clearly display the links between the potential causes, controls and consequences of a major event. It is a powerful tool to manage risks as it looks at both prevention and recovery from an adverse event.

The bow-tie activity will help identifying appropriate controls to prevent a particular event as well as reducing or recovering from the consequences of the event should it occur. Using it as an activity for management and workers to reflect on based on a process of collaboration and dialogue will help identifying appropriate controls to prevent a particular event as well as reducing or recovering from the consequences of the event should it occur.

The diagram is a visual way to clearly display the links between the potential causes, controls and consequences of a major event. One of the benefits is to make risks more visible and easier to communicate within the factory. By facilitating dialogue and collaboration, bow-tie diagrams contribute to a more inclusive and informed social compliance planning process, ensuring a thorough exploration of risks and the development of effective risk mitigation measures.

Bow-tie schematic with before and after event control measures
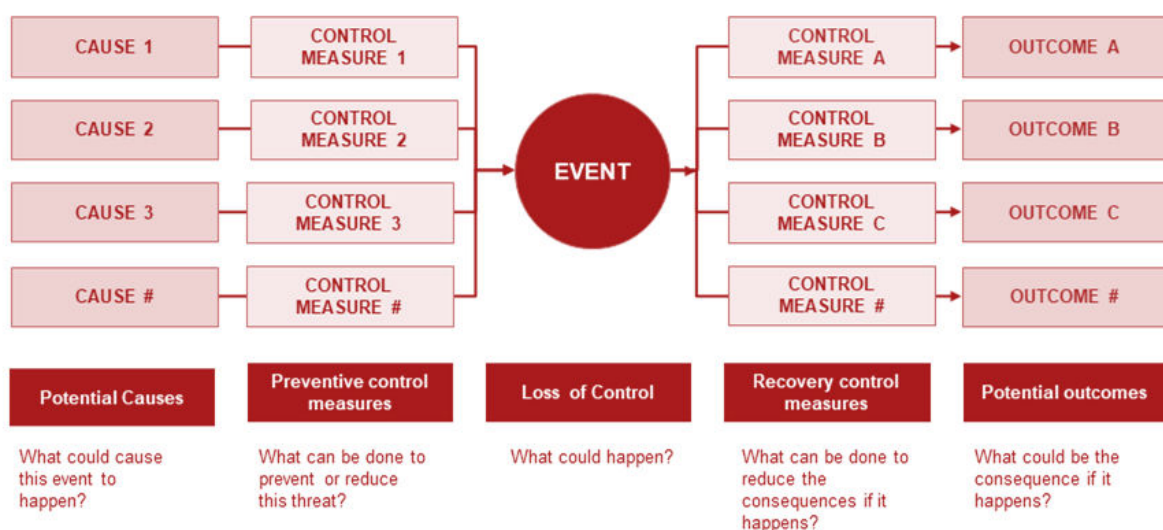
Example of Bow-tie schematic: Chemical storage tank leakage
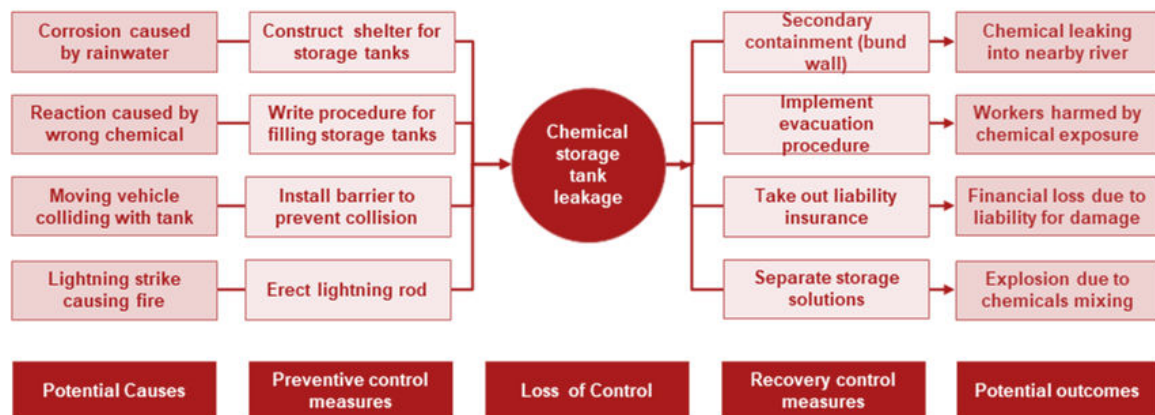
# Annex 5: Training for supplier level capability building

1.1. Sustainable Improvement Training*

*A comprehensive training agenda and content can be made available on request

To transition from proprietary practices to a sustainable improvement framework, Better Work and its partners have designed a capability building programme which includes a specialized curriculum using adult-learning methodologies and a training implementation plan.

1.1.1 Objectives of the Training

The overall objective is to equip trainers with facilitation skills and other competencies to in turn strengthen the capability of managers and workers including workplace cooperation committee members as well as trade union representatives to engage in sustainable improvement.
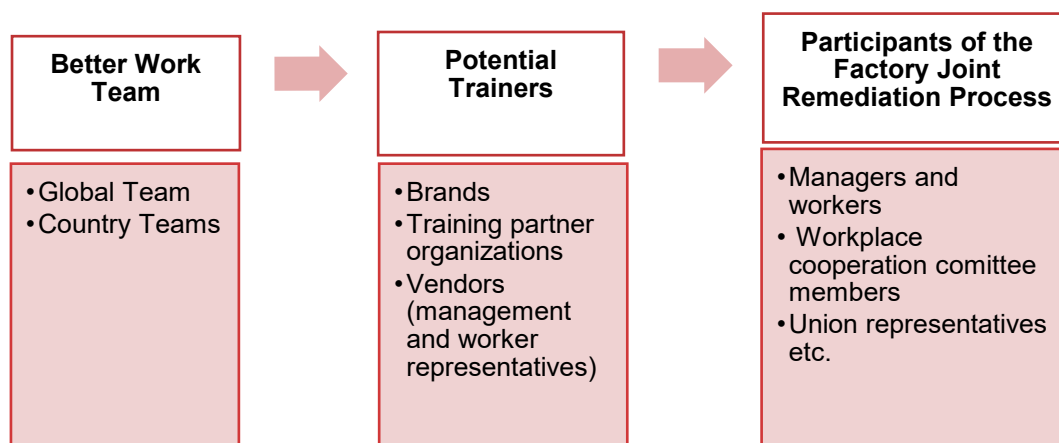
1.1.2 Expected Outcomes

Short term:

▶ Implement introductory capacity building to support industry actors to sustainably remediate through principles of social dialogue.
▶ Ability of participants to commence training with vendors.

Long term:

▶ Build capacity of different stakeholders, to contribute towards longer-term sustainability goals of the industry partners' initiative.
▶ Scaled training

1.1.3 Suggested training of trainer agenda and themes

Day One – Building block: Facilitation skills

▶ Facilitator skills and the communication process.
▶ Introduction to Industrial Relations (IR) and Social Dialogue

Day Two – Building block: Knowledge and Awareness

▶ Understanding workplace cooperation.
▶ Trust-building and negotiation skills.
▶ Introduction to facilitation.

Day Three – Building block: Skills and tools

▶ Management system approach for joint remediation.
▶ Pre-meeting, meeting, and post-meeting activities.

Day Four – Building Block: Systems aspect

▶ Facilitation support and feedback.
▶ Developing an action plan for implementation.

Day Five – Building Block: Practice

▶ Developing a roadmap for implementation.
▶ Workshop evaluation.
▶ Next steps and closing.

Annex 6: ILO resources for reference

ILO Industrial Relations Global Toolkit?	Offers a holistic package on industrial relations covering topics such as grievance mechanisms, collective bargaining, workplace cooperation etc.
ILO Factsheet on grievance handling	Offers a quick look at the key principles of grievance handling, based on ILO Recommendation 130
ILO self-learning module on Social Dialogue and Industrial Relations	This self-guided induction course aims to develop the basic knowledge and understanding of social dialogue, tripartism and industrial relations based on the relevant ILO standards.
The ILO Code of Practice on Safety and health in textiles, clothing leather and footwear	Provides practical guidance for public and private sector entities involved in textiles, clothing, leather, and footwear industries, outlining obligations, responsibilities, duties, and rights related to safety and health.
ILO guidelines on occupational safety and health management systems	Provides overarching guidance for the effective management of occupational safety and health in workplaces. Includes guidance on the hierarchy of controls in occupational safety and health, guiding on prioritizing and implementing measures to mitigate workplace hazards effectively.
ILO guideline on risk assessment and management at the workplace	Primarily aimed at empowering owners and managers of small and medium-sized enterprises (SMEs) to independently enhance safety and health conditions in their workplaces.
ILO 5 step guide for employers, workers and their representatives on conducting workplace risk assessments	
Empowering Women at Work: Policies and practices for gender equality in supply chains (ilo.org)	
ILO 10 Keys for Gender Sensitive OSH Practice – Guidelines for Gender Mainstreaming in Occupational Safety and Health (2013).	Offers guidelines for incorporating gender sensitivity into occupational safety and health practices, emphasizing inclusivity and addressing gender-specific concerns.

Gender equality | ILO Business case	
Violence and harassment at work – an employers' guide (ilo.org)	Includes templates e.g. vision statement, policy outlines, checklists)

Annex 7: Coordination and collaboration to support sustainable improvement – a model for brands

Effective coordination and collaboration among brands are crucial for sustainable in promoting sustainable improvement practices. This framework outlines a model for brands to work together sustainable change. It highlights the importance of shifting from policing to partnering with factories, emphasizing support for long-term, remediation in the garment industry.

The key steps for brands and suppliers in sustainable improvement can be broken into initiation, collaboration, implementation and evaluation phases.

1.2. Initiation

Suppliers or brands may initiate the compliance remediation process.

Suppliers should engage with each buyer brand to gauge interest in collaboration and invite them in writing (email) to participate.

Initiating brands should confirm with the supplier their willingness to participate in remediation efforts. The brand can then request the supplier contact other brands in writing to confirm their interest in the process.

It is crucial to set ground rules on collaboration at the outset and minimise anti-competitive behaviour. There are three levels of risk: best practices, consulting with counsel, and practices to avoid.

1.2.1   Best practice – Pro competitive

These practices are considered safe and promote fair competition. Brands can freely engage in them without significant legal risk, ensuring fairness and inclusivity.

Establish standards openly with broad industry consensus;

▶ Base standards on widely accepted scientific research to ensure objectivity and reliability.
▶ Commercial neutrality, that is develop standards without bias towards any particular commercial interest to maintain fairness.
▶ Allow manufacturers and brands to freely exchange compliance information to foster collaboration.
▶ Permit brands and manufacturers to independently adopt or modify standards, promoting flexibility.
▶ Demonstrate adherence to standards to promote fair competition and build trust.

1.2.2 Moderate risk: Consult with counsel

These practices carry a moderate level of risk and should be approached with caution. Legal counsel should be consulted before engaging in these activities to ensure compliance with anti-trust laws:

▶ Sharing cost data, especially among direct competitors, can be risky and should be handled carefully;
  - Refrain from favoritism towards specific manufacturers or suppliers to avoid unfair competition;
▶ Disclosing production decisions should be done with discretion to prevent competitive harm;
▶ Avoid publicly identifying non-compliant manufacturers without proper consideration of collaborative approaches that foster long-term trust or where this may have legal repercussions.

1.2.3 High risk

Some activities should be **completely avoided** by brands, including:

▶ Discussions regarding pricing agreements as these can open the door to price-fixing;
▶ Discussions on how standards may affect profits;
▶ Agreements to boycott or blacklist, as these can lead to anti-competitive behaviour;
▶ Agreements that manipulate competition, such as not competing in certain markets or sectors.

Adhering to anti-trust guidelines to ensure fair and competitive practices is crucial when engaging in collaborative efforts involving multiple brands. Meeting facilitators should begin by reinforcing these guidelines to all participants. They should explicitly consider the behaviours listed above and ensure any questions are addressed before continuing.

In general, brands make their own decisions on how to interpret and enforce compliance with standards. Agreements to align on a standard should not be taken without the advice of counsel.

1.3. Collaboration

Brands should select a brand lead to act as a facilitator and focal point for the factory and collaborating brands. The lead and brands should establish clear communication channels and regular meetings to ensure ongoing coordination.

During this stage, brands will coordinate their efforts to address areas of improvement identified through a common assessment tool or other relevant indicators, for example the Social & Labour Convergence Program (SLCP) assessment tool. Brands can provide questions or areas of focus to the brand lead to be included in the assessment. Brands should agree on the assessment template before asking the factory to use the tool.

Factories should be required to provide a single assessment report which is shared among the participating brands. Brands can use this data with their own audit tools to develop their own assessment or rating. These assessments should not be shared.

1.4. Implementation

Brands will use the assessment data to advocate for and support the implementation of a unified, factory-owned, actionable improvement plan. This plan will establish performance metrics and key indicators that reflect compliance with international labour standards and promote sustainable improvement.

Features of the plan should include strengthening internal systems and ensuring trained, committed personnel routinely follow procedures to achieve continuous improvement. It will also establish a clear organizational structure that supports the implementation of the vision, defined and evaluated through a process of social dialogue.

The plan should build capacity, develop the skills and knowledge needed for both management and workers to address compliance effectively, and create a comprehensive capability-building plan that identifies specific improvement needs and learning requirements.

1.5. Evaluation and Adjustment

Brands, through the lead, should gather data from worker feedback, complaints filed, compliance assessments, and other sources to evaluate performance against established benchmarks. This will help identify areas for refinement and improvement through dialogue with the factory.

Management and workers should jointly identify root causes, prioritize aspects for improvement, define timely improvement targets, and invest in systems to ensure systemic improvements sustain compliance.

Transparency will support the remediation process, including by sharing compliance status and social dialogue outcomes with brands and other stakeholders to build trust. Collaborators should ensure regular, transparent progress reporting, consider policy adjustments, refine training programs, or enhance social dialogue mechanisms.