

DESIGNED TO HELP
 FACTORIES EVALUATE
 AND IMPROVE THEIR
 COMPLIANCE PER-
 FORMANCE



LABOR RELATIONS

Communication, Representation, Consultation, Negotiation

Labor Relations is about the working relationship between the management of a company and factory and its workers. Its purpose is to build, strengthen and sustain a good relationship between these parties to ensure a harmonious and highly-effective working environment.

In most factories the work of HR is still primarily focused on personnel management, i.e. the administrative and office management aspects of the enterprise. However, it has been increasingly recognized that a key responsibility of the HR, or the wider management, should be concerned with the productivity and morale of the company - the notion of labor relations.

Labor Relations Managers look at the long-term benefits of good rapport and the ramifications of conflicts between management and workers, advising management to consider company morale and the larger context of the situation before making a decision. The Labor Relations Man-

ager looks beyond the company rules and attempts to negotiate a more holistic and appropriate solution to challenges, depending on the specific circumstances of the conflict.

Labor relations operates in a domain that interacts and affect many others, including the immediate social system of the factory and the community, the production system of the factory and the organization, and the local and nationwide legal system. The goal is to shift from the prevailing 'personnel administration' approach to one that integrates labor relations considerations.

Benefits

Good labor relations can lead to improved performance; increased profitability, improved and sustained efficiency and greater productivity.

Additionally, good labor relations safeguards against worker frustration due to disenfranchisement and can help workers feel connected to their management while creating systems that allow management to keep a finger on the

pulse of workers' needs. Finally, labor relations strategies address many of the challenges of large-scale industrial production processes.

3 Steps to Effective Labor Relations Management

Step 1 Identify the needs of your workplace, through:

- Management Self-Assessment Tool
- Workers Surveys

Step 2 Conduct Capacity building, via:

- Face-to-Face Training
- Online human resource training and guidance
- Consultation

Step 3 Evaluate the implemented changes by:

- Management Self-Assessment*
- Workers Surveys*
- Progress Tracking Charts

*Before and after analysis



The **Fair Labor Association (FLA)** is a collaborative effort to improve working conditions in factories around the world. By working cooperatively with forward-looking companies, NGOs and universities, the FLA developed a workplace code of conduct based on ILO standards, and created a practical system of monitoring, remediation and verification to achieve these standards. For more information on the FLA, our processes, or the participants, please visit our website at <http://www.fairlabor.org>.

CAPACITY BUILDING TOOLS



TRAINING COURSE: LABOR RELATIONS

Objective

The course explores how the labor relations department and activities can complement personnel administration, and how a locally-developed labor relations strategy that builds relationships between management and staff is more beneficial than a strictly administrative approach to controlling and organizing the work force.

The training defines 'labor relations', and distinguish its roles, responsibilities and purpose within an organization from personnel administration.

Approach

The basic Labor Relations module is a half-day program that can be combined with the other basic module on the Freedom of Association, and Collective Bargaining. This design reflects the interactive nature of Labor Relations; Labor Relations operates in a domain that interacts with and affect many others.

In addition to the basic module for Labor Relations, there are four (4) advanced modules that cover the main issues within labor relations in more detail. These include the Communication, Representation, Consultation and Negotiation modules.

ONLINE TOOLKIT: LABOR RELATIONS

Objective

Similar to face to face training, the online toolkit shows how to design and implement Labor Relations practices that contribute to the achievement of an organization's business objectives, both at the factory and institutional levels.

Methodology

The training course is strategic, highly action-oriented and very interactive. A methodology combining theory presentations, group discussions, case studies and role plays enables participants to gain a better understanding of the goals and benefits of managing labour relations strategically and learn how to apply them in practice within their factories.

Audience

This training is designed for managers within organizations and at factories that are either: 1) negotiating with one or more trade unions vying for the right to represent workers' interests; 2) interested in fostering and maintaining good relationships with their workers; or 3) operating within a current labor relations system that has been successful and who would like to expand.

Current personnel administration staff may also benefit from this toolkit, learning how labor relations connects to administration, how simple administrative tasks contain information that can be translated into systems that improve relations between workers and management

Content

The online toolkit summarizes the definition of labor relations, highlights the differences between labor relations and personnel administration, outlines how labor relations systems can support and enhance personnel administration and explains how strong labor relations can improve performance.

The Labor Relations online toolkit can be accessed by all FLA members on <http://tp.fairlabor.org/intranet/courses/fair-wages>

OUTLINE OF THE INSTRUCTIONAL MATERIAL

- ◆ Introduction to Labor Relations
- ◆ How Labor Relations differs from Human Resource Management
- ◆ Communication in the enterprise
 - What is communication?
 - How to ensure "good" communication
- ◆ Representation in the enterprise
 - What kind of worker representation is good for the company?
- ◆ Consultation in the enterprise
- ◆ Negotiation in the enterprise

SUSTAINABLE COMPLIANCE ASSESSMENT TOOLS



Management Self-Assessment Tool

The Management Self-Assessment tool on Grievance Procedures measures a factory's performance when receiving and managing grievances and complaints. Assessing factors such as policy, procedure, training, implementation, communication, documentation, workers integration and awareness, this tool captures all of the important elements when mapping a comprehensive picture of a factory's compliance performance. The risk of noncompliance is higher if one or more of these factors are missing or incomplete. A score below 3 (on a 5-point scale) indicates substantive problems and a serious risk of noncompliance.

Methodology

The Management Self-Assessment tool on Labor Relations is a quantitative tool consisting of a range of multiple-choice questions. The answers to the questions either support or reveal the weaknesses of a factory's compliance. The data generated by the Self-Assessment juxtaposes a factory's compliance score with the basics of the Labor Relations systems.

Sincerity, Support, Progress

Management Self-Assessment tools are embedded in a comprehensive problem solving process. This process starts with an analysis of needs, then offers capacity building tools to address those needs, and subsequently communicates measurements of progress. Measurement of progress is only possible if the baseline is correctly and candidly identified. After an average 12 months of capacity building, the Self-Assessment is repeated to gauge the impact. The results of the Self-Assessment can be compared to those of the workers surveys to verify the integrity of the data.

SCOPE Workers' Survey:

The views of workers are essential to ensure the consistency and sustainability of compliance. Workers' perspectives, gathered through the Sustainable Compliance Workers' Perspectives Survey (SCOPE), are a part of the baseline study. Workers should also be involved in capacity building. Their experience and perception of change is essential criterion when measuring impact.

Method & Organization of Interviews

SCOPE is a standardized quantitative survey. Workers complete a questionnaire comprised mainly of multiple-choice questions. All workers' interviews are anonymous, and the FLA ensures participating workers' protection.

Sample

Workers participating in SCOPE are chosen randomly from a list of factory workers. The sample size correlates with the size of the factory's workforce. The survey instrument covers Labor Relations from a workers' perspective.

Comprehensive Picture

Whenever possible, the SCOPE topics mirror the Management Self-Assessment tool (e.g., policy, procedure, training, etc.) to collect comparable data. Each of these factors is measured through 5 to 10 questions (items) that add up to a final score. The results are then directly compared to those from the Management Self-Assessment. The SCOPE survey and the Self-Assessment can be repeated after a period of time to explore a factory's progress.

Progress Tracking Charts

Indicators measure a factory's progress during the capacity building phase. They show if what was learned during capacity building translates to implementation on the factory floor. Factories collect the necessary indicator data monthly and provide periodic reports on progress and any issues during the project.

Factors measured

- ◆ Policy & Procedure
- ◆ Workers' Integration
- ◆ Implementation
- ◆ Communication
- ◆ Training
- ◆ Documentation
- ◆ Awareness
- ◆ Quality of Personnel Responsible

For more information please visit
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