Foreword

Current economic realities (such as liberalization, globalization, constantly changing customer demands, new structure of production and work) increase the importance of human and social capital for enterprise success. Competitiveness and viability – even survival – of the enterprise increasingly depend on its ability to make its employees motivated, skilled and committed. Such task could be achieved only in a workplace environment characterized by a spirit of mutual trust and respect, non-discrimination and good labour-management relations.

Under Management and Corporate Citizenship (MCC) Programme area, ILO advocates and promotes the notion that International Labour Standards (ILS) are tools of people-oriented managerial practice and that the body of ILS are reflecting the principles upon which good management is based.

With the following publication, MCC intends to give a brief overview of answers to frequently asked questions regarding the linkages between International Labour Standards and management. For a more detailed analysis, we would like to draw your attention to a new ILO publication. "Corporate Success through People: Making the International Labour Standards Work for you", written by Nikolai Rogovsky and Emily Sims, which will be published soon. Managers are, in fact, very much invited to address specific concerns on a case-to-case basis by contacting faqilsmanagers@ilo.org . Further questions are very welcome.

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Introduction

Globalization is twofold, in many ways. It leads to greater business opportunities, but also increases competition further. With competition itself being fundamental for functioning markets, challenges, however, are constantly growing. New technologies, shifting terms of trade, and external shocks make change the only constant factor in the business world, now more than ever. Revenue models, corporate strategies and management philosophy change, and so do expectations of stakeholders (such as shareholders, workers, NGOs, governments, and society as a whole).

Consumers value not only a product's quality, but also care about the conditions under which it was made. Increasingly, consumers are willing to pay a premium for brand reputation and ethical production. Shareholders, in addition to investment performance, are increasingly interested in a company's supply chain and investment policy, since these may pose potential risks to the value of their investment. Together with their duties and responsibilities towards the enterprise, workers also have a right to decent work, including a safe and secure work environment, and the opportunity to enjoy greater freedom, creativity, and responsibility. Last but not least, communities increasingly look to local businesses to provide not only decent employment, but also welcome efforts to advocate certain values and to become an active member of the society.

Most managers are well aware of these trends. And many of them seek guidance in their search for good management practices. But how can managers benchmark their everyday business practice to ensure that they are in line with stakeholders' expectations?

International Labour Standards (ILS) can be used as such a benchmark. Adopted by governments', workers' and employers' representatives of 175 member states of the International Labour Organization (ILO), they express the overall general consensus on what constitutes good labour practice in society. ILS are, of course, not designed to give direct guidance to companies. ILS address governments which may use them in designing national laws and practice. In many countries, ILS are already incorporated in national legislation, which is why managers should turn to national laws and practice first. However, the knowledge of some particular ILS may further increase managers' understanding of broadly accepted international standards. Indeed, NGOs and other interested parties often use ILS as their benchmarks in assessing businesses' performance. This makes ILS a useful tool for businesspeople around the globe. With their clear provisions, ILS can be used voluntarily as benchmarks for good labour practice, helping to achieve important improvements of both working conditions and business performance.

Managers may have critical attitudes and concerns when it comes to ILS. Indeed, much depends on the specific situation and on individual circumstances, and both business environments and characteristics of companies vary substantially (e.g. level of economic, legal, industrial, and social development; micro-, small, medium, large and multinational enterprises). There is certainly no "one-size-fits-all" solution. However, some important questions with regard to ILS and Management are asked frequently. Providing answers to these questions is the aim of this paper. Of course, further suggestions are more than welcome.

International Labour Standards (ILS)

What are International Labour Standards (ILS)?

Adopted by governments', workers' and employers' representatives of 175 ILO member states, ILS express the overall general consensus on what constitutes good labour practice in society. ILS mainly come in two forms – conventions and recommendations. Conventions are legally binding on states that ratify them, while recommendations are intended to act as guidelines only. Conventions and recommendations are supplemented with other documents (e.g., declarations) setting out very general principles and values that all ratifying states have to follow, as well as non-binding documents such as technical guidelines and codes of practice for certain areas (e.g., occupational safety and health).

ILS and managers – where's the link?

The idea for international standards for labour came in part from various businessmen at the turn of the 19th century. They wanted to develop an international framework that would allow conscientious employers to improve the quality of life for their workers and still be competitive. ILS can be considered as the common ground for labour legislation, employment, and management practice. The setting of international labour standards – where international labour standards come from – is a unique process involving not only governments from all over the world, but also employers' and workers' representatives from a geographically diverse range of industries and sizes of enterprise. In other words, ILS are the outcome of a standard-setting process in which employers play a substantial role.

How do ILS relate to national labour laws?

ILS can influence national labour law and practice in two ways. First, if a country has ratified a convention, it must ensure that national law and practice complies with the convention. Second, conventions and recommendations tend to influence national law over time simply because they generally embody best practices from around the world which countries often find to be useful guides in drafting labour legislation.

How do ILS relate to management practices?

Almost all ILS address directly only the actions of states, not workers or employers, since generally only states are the subject of international law. But ILS implicitly require or recommend action for employers' organizations. For example, most ILS set out only general principles; therefore, governments are expected to consult with employers' associations and workers' organizations on the details. Employers' organizations should then assume an active role in working with the government to achieve the goals set out in the ILS, by:

- providing the government with information to improve policy-making and legislation;
- providing information to managers; and
- working with unions and other workers' organizations in a spirit of cooperation.

Although ILS do not address managers directly, the principles underlying ILS can help managers to add a new dimension to their management philosophy, policies and practices. Due to the unique tripartite consultation process involving governments,

workers' and employers' representatives, many ILS can provide managers around the globe with useful guidance, in small, medium, large, and multinational enterprises and institutions alike. They can help managers to better understand the expectations that international markets have for them since civil society activists often use ILS for assessing whether companies are socially sensitive.

Which ILS are most relevant to me as a manager? For instance, which international standards can I use to draw guidance from if I would like to draft a corporate policy on labour rights?

This depends to a certain degree on the field(s) of business you are involved in. However, there are a few core conventions which are important to know for managers. These include the convention on Freedom of Association and the Right to Organize and Collective Bargaining in all types of industries and services (No. 87 and 98), conventions dealing with non-discrimination (No. 100 and 111) and those on the Abolition of Forced and Child Labour (No. 105, 138, and 182). Managers also may find other conventions and recommendations helpful. For example, the convention concerning Minimum Wages (No. 131) may help managers to set fair wages and benefits, and ILS concerning working time can provide guidance to managers in setting hours of work (No. 14, 106). Additionally, knowing the provisions and underlying ideas of the Occupational Safety and Health convention (No. 155) could provide useful.

How can I actually implement ILS in my managerial practices, on a practical level?

Managers in small, medium, large, and multinational enterprises might consider ILS as guidelines for the *values* that a company should uphold, no matter what country and part of the world it is dealing with. For managers in developing countries, verifiable adherence to fundamental ILS may help in promoting their goods and services to the international markets, and in creating partnerships with MNEs. These values can give shape and direction to mission statements, general business strategies, codes of conduct and corporate policies.

How can I learn more about ILS and, specifically, ILS for Managers?

A book entitled "Corporate Success through People: Making the International Labour Standards Work for you", written by Nikolai Rogovsky and Emily Sims, will be published soon. If you are interested in ordering a copy, please let us know by e-mailing to faqilsmanagers@ilo.org.

For further information on the linkages and synergies between ILS and management, you are again invited to write an e-mail to this address. More information about ILS is also available on the ILO website: www.ilo.org, and via the ILO Publication Unit (click on "Publications").

Freedom of Associations and the Right to Organize

What are Freedom of Association and the Right to Organize?

Freedom of association and the right to organize address two issues that are of relevance to managers: efficiency and credibility. Any business that wants to maximize its productivity must have good employee relations and high worker morale. Employees have a voice at work, including collective representation if they so choose. This, at the same time, is the most effective way of building relations and morale. When people share in the process of making decisions which directly concern them, they feel respected and more committed to the outcome. Even though participation in decision-making may have limitations, it is general wisdom that participatory management can have positive impacts on performance.

Managers should also be aware that actions to protect workers' rights that exclude worker participation are not credible, even with the best of intentions.

Employers, in turn, also have the right to collectively express their views and concerns without interference or fear of intimidation from any side.

What are the benefits of these rights?

Evidence from both developing and developed countries clearly shows that freedom of association and respect for the right to organize have a positive impact on business performance. While the right to organize also includes the right not to organize, an organized workforce may provide workers with important services and information, and a collective voice. Workers' organizations, such as unions, also are efficient channels of communication for both workers and employers. For instance, grievance and arbitration procedures that involve unions or other workers' organizations have been shown to reduce turnover of employees and promote stability in the work force – conditions which, when combined with an overall improvement in industrial relations, enhance workers' productivity and, consequently, help to strengthen a company's competitiveness.

My workforce is currently not organized. Should I encourage them to do so?

Freedom of Association means that your workers should be allowed to organize themselves into one or more unions or workers' organizations, or refrain from organizing, if they so choose. The role of a manager is to ensure that whatever workers themselves have decided (to have none, one or many workers' organizations) they have decided in full freedom, without direct or indirect influence from management. You as a manager are not required to take any measures if there is no workers' organization or union in your enterprise, so long as you refrain from any act which may either directly or indirectly discourage or prevent workers from exercising their right.

What kind of support should I give to the workers' organization?

On the background of national laws, if workers in your enterprise choose to form one or more organizations, you are encouraged, but not required, to assist these organizations, with the various possible benefits in mind that have been outlined before (What are the benefits of these rights?). Measures of support might include providing a meeting space for them on-site, allowing representatives to take time during working hours for organizational activities, and allowing necessary time off work for representatives to participate in union training activities. With regard to the latter, is does not necessarily mean that employers

have to pay for this – the relevant recommendation expressly provides for this. While abstaining from any direct influential actions, managers are also encouraged to facilitate the workforce's execution of their rights in every possible and feasible manner.

Although at first sight it may seem unfair to ask employers to provide general support to freedom of association, in fact, employers have much to gain from better-organized workers. If one asks most employers what situation regarding freedom of association and collective bargaining is particularly difficult to handle, they often tell you how exhausting it is to work with a partner or partners who are less prepared in bargaining sessions and consultations, because they lack the time and resources to prepare adequately, and are much more likely to storm out of talks and resort to strikes and other actions to compensate for their weaker position. A better-prepared negotiating partner is generally more reasonable, and more reliable, which improves chances for successful bargaining and makes measures such as strikes or lockouts less probable.

What kind of action should I abstain from?

Basically, any acts which undermine directly or indirectly the right to freedom of association and collective bargaining. These include perhaps well-intended acts which may still result in interference, such as supporting financially or otherwise one particular union or favoring workers' representatives in general over their workers (for instance in pay or promotion). Managers should also avoid any action which could be interpreted as either undermining or co-opting workers' organizations. One should also abstain from threatening or harming representatives or in any way being complicit if a third party (e.g. police) threatens or harms workers' representatives. Of course, it is important to acknowledge that the latter actions are, fortunately, not widespread.

As the FAQ board on ILS for managers develops, we will clarify in more detail the grey areas and welcome any specific questions you may have in this respect.

Collective Bargaining

What is Collective Bargaining?

Collective Bargaining describes the process of negotiation on salaries and wages and terms of employment more generally, between employees and the employers, either directly or through representatives. (Other forms of e.g. payment determination do of course exist.)

Should I as a manager encourage workers to bargain collectively? What are the benefits?

Collective bargaining may contribute to efficient management in several ways. First, it is simply easier to negotiate one time (per bargaining period) with all non-managerial workers, than to negotiate with a potentially large number of individual workers. More importantly, having one agreement which covers all non-managerial workers equally ensures that all negotiations are viewed as transparent and fair. Workers care as much about their pay levels relative to other workers as they do about absolute levels of pay. Nothing undermines management more quickly than the discovery that a few workers are being paid more than the rest, not because they are better workers but simply because they are better negotiators.

Collective bargaining, on the contrary, can help management reign in more outrageous demands by getting workers to discipline each other for the sake of the survival of the firm.

As a side benefit, collective bargaining also establishes and reinforces communication channels between workers and management. Management has the opportunity to learn more about workers' expectations, concerns, or grievances, and, in turn, to convey its expectations, concerns, and grievances. When collective bargaining is carried out in an atmosphere of mutual trust and respect, communication channels are generally open, orderly and fair to both parties, which sets the foundation for a productive and creative enterprise.

However, it is important to stress that under ILS, collective bargaining is voluntary. ILS do not mandate that employers and workers bargain collectively precisely because much of the benefits – improved communications, deepened mutual respect, etc. – are lost in an atmosphere of forced negotiations.

What does a company do in a country that prohibits or limits the right to collective bargaining and freedom of association, and what about the recognition of these rights in Export Processing Zones (EPZs)?

First, an employer must find out if collective bargaining is really prohibited or if there simply is no existing machinery to support collective bargaining. In countries with poor industrial relations the problem is usually an absence of machinery rather than a ban. Therefore, firms that operate in countries without machinery are encouraged to take it upon themselves to set a good example and enable other enterprises to learn from their experiences of bargaining collectively. Bargaining collectively despite the absence of machinery is important not only for good industrial relations, but also enhances the relationship between the company and civil society as a whole.

Non-discrimination

What does non-discrimination mean?

Non-discrimination in the workplace means that people should be educated, trained, employed, assessed and promoted based only on their abilities. In particular, managers should ensure that sex, race, ethnicity, national extraction, social origin, disability, religion or political opinion do not influence their decisions concerning hiring, firing, job assignments, promotion, remuneration, training, etc.

Which indirect forms of discrimination should I be aware of?

Managers should be aware that more subtle discriminatory practices (indirect discrimination) may exist in a company even when it has succeeded in eliminating blatant discrimination. Indirect discrimination exists when seemingly neutral criteria for decision-making or general managerial practices unfairly disadvantage a particular group.

Workers should be assessed based on the quantity and quality of work performed. For example, a visually impaired candidate for a job in a laboratory should not be excluded from the application assessment process only because of a general notion that people with this disability may not be able to work in such an environment. Instead, the specific case of this candidate should be assessed carefully before an employment decision is taken.

Indirect discrimination may also exist even when the manager has good intentions. For instance, a manager may refuse to hire women for a post requiring heavy lifting, on the grounds that women are weaker than men and may get hurt. While it is true that, on average, women are not as strong as men, it is not true that all women are physically incapable of lifting heavy items. Their abilities should be assessed on an individual basis. Furthermore, such work should be made safer for all workers, regardless of sex (e.g., employing equipment to lift heavy items, using safety equipment, receiving safety training, etc.). Other types of subtle discrimination include lack of access to facilities for people with impaired mobility, or lack of support to help people with disabilities to carry out their work.

From a business perspective, why is non-discrimination so important?

Both common sense and scientific research show that abilities and talent are equally spread among gender, races, ethnicities, and other social dimensions. To give an easy example, a company deciding not to support the career development of employees older than 40 years excludes a significant portion of its talent pool.

The same situation occurs if, for instance, women are not promoted to senior management positions. First, there is no evidence of superiority of men when it comes to managerial tasks. Second, the fear that women in senior management positions may not be as available as men because of maternity leave or child care shall not guide managerial decisions, for two good reasons: a company which decides to prevent talented women from climbing the career ladder simply cuts off a significant percentage of its human potential. Plus, men can assume responsibility for childcare as well.

Employing, assessing, promoting, or dismissing all members of the workforce based on work-related criteria only is the most efficient and promising way to ensure highest performance.

How can I create a non-discriminatory work environment?

Managers should first familiarize themselves with relevant aspects of non-discrimination. Then, all staff members, workers and managers alike, should be informed about the issue of non-discrimination and its payoffs. Next, an internal audit of randomly chosen organizational units of the company or, if feasible, the company as a whole, can be used as a means to check whether a desirable level of non-discrimination has already been achieved. Herein, questionnaires, workshops, seminars, or lectures followed by guided discussions can all be suitable communication channels. Following this audit, a strategy should be formulated. This work plan should identify areas in which discrimination occurs, ways to counter these practices, and concrete milestones and indicators of success.

Establishing a non-discriminatory work environment is, of course, not a once-only activity. It requires constant supervision and continuous improvement. Herein, it should however be acknowledged in general that actions to fight discrimination should be reasonable and take into account the limited capacities of the company.

How do I deal with employees who act in a discriminatory manner towards their subordinates, peers, or supervisors?

Eliminating discrimination throughout the workplace can be challenging. Although managers cannot control the thoughts and attitudes of their staff, they can send clear signals about what behavior is expected of workers, and what will not be tolerated. Managers are encouraged address related incidents directly with the persons involved.

Specifically, in order to reach the goal of a non-discriminatory work environment, managers can, for example, set up a five-point plan for tackling discrimination in the workplace.

- 1. Set a clear example from top management team.
- 2. Establish a culture of zero tolerance of blatant discrimination.
- 3. Raise awareness through training, discussion groups, etc., of more subtle forms of discrimination.
- 4. Educate workers about actions they can take if they feel that they are being discriminated against or witness discriminatory behavior.
- 5. Set up management / staff committees to hear grievances and periodically review the firm's non-discrimination policies.

How do I know when I have eliminated discrimination?

Frequent questionnaires, for instance, help to assess the current state of discrimination in the company. Needless to say that those who have formerly suffered from discrimination are the ones who have to decide whether their situation has sufficiently improved. Public opinion can also be an indicator, however, it seems imperative for managers to keep in close contact with members of the workforce who have reported or been subjected to discriminatory practices. Again, managers are encouraged to establish a system of constant supervision and continuous improvement.

For example, when I employ 50% women and 50% men, should I still be concerned about gender equality as one major issue of non-discrimination?

Yes. Quantitative equality is definitely not the only indicator for non-discrimination. If a company has ten male employees, including managers, in upper positions, and also

employs ten women, all of them in lower positions, it becomes clear that this company is encouraged to undergo another critical self-evaluation.

Above everything, non-discrimination is about finding the most productive and rewarding career path for every employee, and to train, develop, and capitalize on a company's most qualified, experienced, and motivated human resources – and not about focusing on numbers and quantitative relations.

Forced Labour

What is Forced Labour? Which different forms exist?

The concept of Forced Labour comprises various forms, old and new ones, ranging from slavery and debt bondage to labour that involves trafficking in human beings. However, the term "forced labour" has a particular legal meaning, and should not be confused with popular terminology sometimes used to describe poorly paid, dangerous or generally exploitative work.

Worldwide attention to forced labour has increased in recent years through international appeals to some countries to rectify that persistent problem. Trafficking of women and children — mainly for prostitution and domestic service but also sweatshop work — has also increased dramatically throughout the world in the last ten years.

Domestic workers are often trapped in situations of forced labour; they are physically or legally restrained from leaving the employer's home, by means of threats or of actual violence, or through tactics such as retention of identity documents or pay. Overwhelmingly affecting women and children, and often closely linked to trafficking and migration, this practice exists in a number of countries. For instance, millions of people live and work in conditions of debt bondage in many countries throughout South Asia and Central and South America. Slavery and involuntary community and village labour is still found in a handful of countries in Africa. Forced labour in the form of coercive recruitment is present in many countries of Latin America and in parts of the Caribbean. Indigenous populations in particular suffer from this form of abuse. But also in Europe the number of cases involving forced labour are increasing. In this region, forced labour involving trafficking of migrants is the most pressing issue.

From the viewpoint of a manager, what risks does Forced Labour bear?

Only recently, several high-profile cases in sweatshop industries in North America have resulted in severe penalties and heightened public awareness. Apart from moral arguments against the various forms of forced labour, public opinion is a decisive factor which cannot be ignored. In a steadily globalizing economy, it is absolutely crucial for managers to ensure a good reputation of their company, both domestically and on the international level. Management practices or supply chains which involve forced labour may severely harm this reputation and might even lead to the breakdown of business operations. This has already been the case in several countries and industries around the globe. Additionally, there have been cases in which companies have unwittingly used infrastructure constructed with the use of forced labour, which again had negative impacts on reputation and business results.

Managers should therefore be aware of both the possible consequences of forced labour, and the payoffs of employing a well-trained and highly motivated workforce instead regarding performance and improved competitiveness.

As a manager, how can I make sure that my production process does not involve forced labour?

Forced labour can be tackled. Of course, a combination of political will and concerted efforts of communities and businesses is needed to eliminate the problem on the national or regional level. However, on the company level, managers can do a lot to raise awareness, advertise the payoffs of abolishing forced labour practices, and create a common conscience and work environment that helps to eradicate the problem.

Both workers' and employers' organizations, as well as individual corporations, have, in many countries, already taken concrete steps to address the problem. Examples are provided on the Global Compact (the United Nations system business partnership agreement) website, which, for instance, offers sources of information on how to run a commercial or agricultural business in a developing country in a way that avoids the emergence of debt bondage. Further information is available on www.unglobalcompact.org

Trade unions, in addition to raising issues before the ILO supervisory mechanisms, have also brought attention to the problem through their own research, advocacy and membership recruitment. Managers are encouraged to consider all aforementioned activities to further contribute to the effective abolishment of forced labour.

What should I do when I find out that either my suppliers or my own company uses forced labour practices?

Forced labour is such an egregious violation of fundamental human rights that tolerance of the use of forced labour in the supply chain is tantamount to complicity on the part of a corporation which could seriously damage its reputation over night. Therefore, firms should take the strongest possible actions to eliminate immediately forced labour from its supply chain. This includes canceling orders and refusing to place new orders until the supplier can certify that there is no forced labour used in the supply chain. (Companies may wish to consider placing clauses in contracts which give the company the right to cancel an order without penalty if the supplier is found to knowingly use or tolerate the use of forced labour.)

Of course, the more complicated issue is when the supplier unwittingly uses forced labour in certain parts of her production, e.g., in a case where supply chains are complex and control is weak. In such cases, firms should still follow a zero tolerance policy. Additionally, the management is also encouraged to perhaps offer more support to suppliers to help them eliminate forced labour.

Is it in line with ILS to have prison labour involved in the production process?

Please note that this question touches a very complex area of international law and ILS. However, international law sets out some basic rules with regard to this issue:

- 1. Only the public can benefit from prison labour, <u>not</u> private entities. This means that a private firm can purchase goods made with prison labour, but that it should pay exactly the same as if it bought from another private company. Plus, the proceeds should be used to benefit the public, e.g., go towards paying the operating costs of the prison to reduce public expenditure.
- 2. Prisoners' working conditions have to resemble as much as possible market conditions (e.g., social security, safety, health, wages). Any situation where they are used as cheap labour is prohibited, although part of the wages may be deducted for offsetting living expenses or to compensate victims. Labour inspections should be conducted periodically.
- 3. The participation in a prison labour program must be purely voluntary. A prisoner may not be forced to work, including threats or penalties or loss of rights or privileges. For example, the right to early parole may not depend on participation in a work scheme tied to the private sector.

Child Labour

What does Child Labour mean?

Child labour is an opportunity cost – to children who are denied a basic education which would allow them to more fully develop their skills and potential; to the economy, which is hampered by the lower skills base of its workforce; and to employers, who must pay a premium for skilled workers in short supply. Additionally, child labour, which puts a young person's life at risk or poses a threat to her or his moral well-being, is patently wrong and universally condemned.

Of course, there are situations in which a young person's participation in the world of work can be beneficial, both to the individual and to society as a whole. Examples include children helping with the harvest in a farming community, helping in the family business after school, or working as a part of a training program. But it is essential that they be able to obtain an education, and be protected from harm.

When is someone considered a child worker, and how do relevant ILS relate to national laws?

ILS set the minimum age for work generally at 15 years, but allow a lower level of 14 years in developing countries. For more dangerous work (e.g., mining, construction, electricity) and work posing a risk to the moral well-being of the child (e.g. adult entertainment), the minimum should be 18 years of age.

National laws often set a higher minimum age, linked to compulsory schooling. For example, a country in which the minimum age to quit school is 16 may set 16 as the minimum age to work, to discourage children from leaving school earlier.

What is the minimum age for admission to employment in my country? How do I find out the minimum age for admission to employment in different countries?

Minimum age requirements and laws can be found in national employment law publications or by asking the ministry in charge of employment.

Which measures can I implement to avoid child labour in my company?

Managers are encouraged to ask all prospective workers for documents which can be used as reliable proofs of age before admission to employment. Documents, however, can be false, or might have been altered or changed. It should be in every manager's interest to make sure that in cases where there is doubt, additional checks are made to ensure that all applicants have the required minimum age.

Additionally, managers should consider irregular and ad hoc on-site checks in order to identify possible violations and work with local schools which would have a good idea if some children dropped out to go work. Moreover, the implementation of a precise antichild labour policy should be considered as vital. All provisions of this policy should be communicated to managers, the workforce and, particularly, to all employees who assume tasks that are linked to personnel management and employment decisions. Such a policy is a cornerstone in the process to foster the creation of a 'common conscience' concerning child labour within the company. It should ideally not only mention provisions and restrictions, but also explain the underlying values and beliefs that led to its formulation and implementation.

Sometimes one comes across the argument that child labour leads to higher profits because of lower personnel costs. What are the arguments against child labour?

Besides all other moral and social reasons which support the notion to abolish child labour, it is proven that in the case of employing children as cheap production factors, this cheap labour contributes to low productivity and a squandering of the human resource.

Why however, it is then asked, should an enterprise try to make 'smarter' use of its human resources where it can maintain profit by simply using more (cheap) labour, in an environment which suppresses the cost of labour?

Any contribution to an environment which respects and rewards the smart use of labour – including the contribution at the national level of ILS – helps develop the national human resource and positively affects the company's reputation to potential workers, customers, and (foreign) investors. Retention of cheap labour practices will most likely lead to lower productivity and may significantly harm a company's reputation and business prospects. In the bigger picture, it also maintains the nation in a cycle of poverty which results from low productivity and incomes.

When some of the workforce of my company is younger than the minimum age, but performs work at home, is this in line with ILS?

No. The ILO is aware that it can be very difficult for managers to ensure that child labour is not used in any part of a supply chain, especially when portions of the chain are outsourced to home workers. Nonetheless, managers are strongly encouraged to re-design the production process to ensure that they know whether child labour is involved. Managers can also take proactive measures such as working with Non-Governmental Organizations (NGOs), community organizations, schools, etc. to better understand the causes of child labour and how to eliminate it effectively.

How should I react when I find out that my <u>company</u> applies practices that are not in line with the provisions of the ILS concerning child labour?

Workers under the minimum age should not be further employed. However, it is important to note that in many cases, dismissing a child worker means eliminating a major source of income for a whole family. Very often, children work or are forced to work because it is the only possibility to generate enough income to ensure the survival of younger brothers or sisters and, in some cases, even their parents.

In these cases, it is vital to find solutions which terminate child labour on the one hand, but do not endanger the survival of people on the other. This may include, for instance, paying salaries until the child has completed her education. Many cases show that it is feasible to bridge a certain amount of time with ongoing payments until the worker has the required age for employment. The company can also provide part-time paid training to further qualify the young workers, if it is possible for them to go to school as well. If financial resources are restricted, the company could provide a guarantee that it will reemploy the young worker when she has reached the minimum age.

Of course, one need not forget that companies are not institutions which have to provide social benefits. The responsibilities of public authorities and companies should not be confused.

How should I react when I find out that a <u>supplier</u> applies practices that are not in line with the provisions of the ILS concerning child labour?

Influence on suppliers may of course vary. In general, suppliers should be informed immediately that child labour practices are not tolerated under any circumstances. Advice should be provided how these labour practices can be sufficiently improved, considering the options described in the aforementioned answer.

If the supplier in question does not show any willingness to counter the problem, or is not successful in eliminate it, the threat of terminating existing contacts is no exaggerated strategy at all. However, managers should seek constructive solutions by encouraging and supporting suppliers to tackle and solve the issue.

What is the ILO's role in the abolition of Child Labour?

The elimination of child labour is a longstanding major objective of the ILO. In 1919, one of the first conventions adopted fixed the minimum age for employment in industry. In 1973, the ILO adopted its comprehensive Minimum Age Convention (No. 138) which requires states to design and apply national policies to ensure the effective abolition of all forms of child labour and to set the minimum ages for employment. This has proven to be a difficult task confronting much resistance, particularly vested commercial interests and market pressures as well as moral indifference and cultura attitudes. The problem is compounded by unmet development needs that would put parents at work and children in schools.

In 1992, the ILO launched the International Programme on the Elimination of Child Labour (IPEC) to continue the struggle against child labour through practical projects in the field. This led to the idea of concentrating immediately on the worst forms of child labour as morally abhorrent situations under any circumstance or development condition while pursuing the wider aim of reducing child labour in all its forms. This is the objective of the ILO Convention on the Worst Forms of Child Labour, adopted in 1999. Governments, workers and employers, reflecting the existence a solid political consensus for action now, approved it unanimously.

Minimum wage rates

Where can I find out about minimum wage rates in different countries and different parts of different countries?

Contacting the National Department of Labour or related department is probably the best way to find information on minimum wages. In this context, the ILO provides a list with useful contact data, which is available through the ILO website.

Occupational Safety and Health

What does occupational safety and health mean?

Optimal working conditions require a safe and healthy work environment and absence of any occupational hazards. A hazard is any existing or potential condition in the workplace that could result in property damage, illness, injuries, death and other losses.

Occupational hazards are generally grouped in two categories: Safety hazards and health hazards. Safety hazards include faulty electrical wiring, unguarded gears or blades, oil spots on the floor, rags saturated with flammable substances and grinders without tool rests or guards. A safety hazard usually results in trauma.

Health hazards include high noise levels, micro-organisms, dust, fumes from welding, mists and vapours from solvents, smoke from the foundry and forging operations, radiation, and manual handling. A health hazard usually results in illness.

As a responsible business owner or manager who employs people your role in safeguarding the workplace cannot be overemphasised. However, measures can also encourage employees' action, e.g., assuming responsibility for developing programmes regarding health and safety, with the support of the business owner or manager.

It is important to note that different countries have different legislation that regulates health and safety in the workplace. It is therefore important to take cognisance of specific legislation that pertain to your country or area.

What are the impacts of unsafe working conditions on business?

Unsafe working conditions result in human suffering in terms of injuries and illnesses. They also result in damage to or loss of equipment and materials and temporary or permanent loss of the use of shop facilities. They will, furthermore, lead to expenses in terms of medical treatment, wages of those injured, and administrative and legal fees. Similarly, pressure deriving from an unsafe work environment, increased fear of injuries, or improper treatment of reasonable health and safety concerns can cause both emotional (stress) and physical problems, increased health-care costs and decreased productivity at work.

How can occupational hazards be reduced and eliminated?

The precondition for reducing and, ideally, eliminating occupational hazards is a proper understanding of their causes. Occupational hazards are caused by unsafe acts and unsafe conditions.

Common unsafe acts include:

- Improper use of tools and machines
- Failure to use protective equipment (i.e. eye protection while welding)
- Use of defective safety equipment
- Failure to follow correct work procedures

- Use of faulty equipment and tools
- Using equipment without authority
- Improper operation of equipment
- Removing safety devices
- Using defective tools.

Common unsafe conditions include:

- Unsafe condition of walking and working surfaces
- Improper maintenance of equipment
- Unguarded or inadequately guarded machinery
- Improper housekeeping of the storage and work areas.
- Lack of illumination and proper ventilation
- The presence of high noise levels
- High or very low temperature
- The presence of fumes, vapours, gases and dusts
- Overloaded electrical sockets with trailing cables and leads
- Drawers left open in desks and cabinets
- Uneven floor surface.

To effectively control the hazards in the workplace and eliminate or minimize causes of accidents and illnesses, the following actions may be considered:

- Encourage employees to sort and organize work items, keep their workplace clean, and make continuous efforts to maintain neatness and cleanliness
- Substitute hazardous materials with less hazardous materials
- Restrict access to hazardous areas
- Install physical guards or controls
- Explain proper procedures
- Train and supervise employees
- Investigate accidents
- Provide personal protective equipment (PPE).

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MCC Working Paper No. 4

Series on Human Resource Management

International Labour Standards and Management -Frequently Asked Questions

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