

# Forming an Effective Internal Labor Standards Performance Team

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## Why This is Critical

Throughout this Handbook, we have talked about the need for management systems. Policies, procedures and trained people. Attitudes, skills and knowledge. You need to encourage workers to develop the right attitude. You need to help workers develop the skills they need to continually improve labor standards performance. You need to teach them the knowledge they need to do the job.

But who is going to do this? Who is going to get to work each day and think about improving labor standards performance? How will you involve workers from all levels and functions in your company?

You need to build a team that takes responsibility for labor standards performance. Each person on the team needs to realize it is an important part of his or her job at your company. And, like any team – it needs: a leader, a manager, a captain. Think back to the earlier section on change management. Someone needs to drive the change. They need to take responsibility. They need to make it happen.

## Who's on the Team

The diagram shows you the basic minimum structure for your Internal Labor Standards Performance Team. The size of the team can vary depending on the size of your company. It could be as few as 2 people for a small company; for medium and larger companies, between 4-10 people is ideal. If your company or organization has multiple locations, you will probably need to create a team at each location. Be pragmatic in your approach. The point is not to create more committees and bureaucracy. The point is to create a small nimble group that will take responsibility. You do not need to hire new workers. It does not need to be anyone's full-time job, nor a big time burden. But for the team members, the responsibilities do need to be written into their job descriptions.

As you build the Internal Labor Standards Performance Team you need to evaluate the candidates on their attitudes, skills and knowledge. In the beginning, the most important consideration is their attitude. You need to select people that are interested and excited. You need to select people who are passionate about improving labor standards performance and who believe it is good for the company.

The CEO or General Manager must be involved for the project to be taken seriously and for it to succeed. They need to lead by example. They need to show commitment and passion for the journey.

## **The Internal Labor Standards Performance Team**

You need to appoint a team inside the company to take the lead in the company's labor standards. The team becomes the champion for labor standards performance and PS2. It is not a full-time job, but the team must know how to speak the language of labor standards and communicate it effectively to all workers.

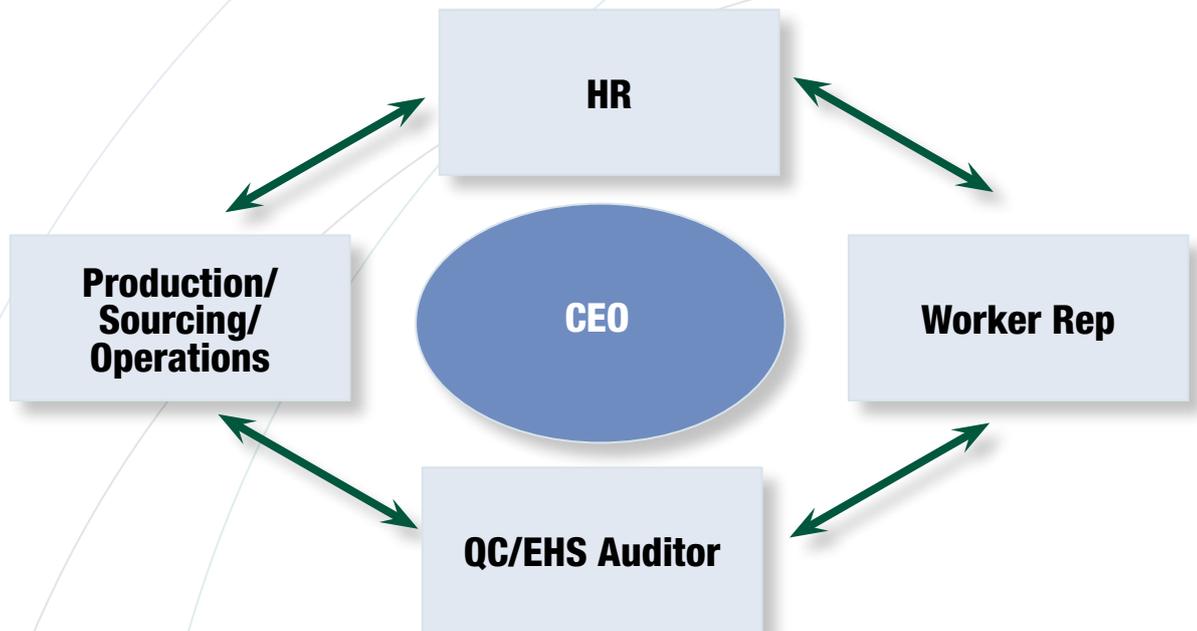
PS2 has a requirement for human resource policies and most of the labor standards performance policies and procedures emanate from the human resources department. So of course, the HR department needs to take an active role in the team. In most cases, the Internal Labor Standards Performance Team Leader will come from the HR department.

Management systems are a key element in the process. In most companies and organizations, management systems are prevalent in the quality control or quality management function of the company. Having someone on the team that has familiarity with implementing management systems is extremely helpful. It also allows for linkage between your existing management systems and the labor standards performance systems. So we recommend that your team include someone from the quality control department or someone that is responsible for this in your company. Alternatively, if you have an established health and safety department, the manager of this department would be an appropriate team member.

Labor standards performance and PS2 extend beyond your company to your supply chain. The companies that are leaders in labor standards performance are integrating labor considerations into all aspects of their operations. For these reasons, your team needs to include someone from other departments, for example, your purchasing or outsourcing departments. They need to become familiar with the issues. They need to become your eyes and ears when visiting suppliers.



One or more worker representatives is an essential part of an effective Internal Labor Standards Performance Team. The voice of the worker must be heard. The worker reps become a communication channel from the workers to management and from management to the workers. Their involvement and this communication channel will enhance what already exists in your company. Check in the Toolkit for details on selecting the worker reps.



Depending on the size of your organization and your organizational structure, you may also consider the following positions for the team: Chief Financial Officer or someone from the finance department, environmental health and safety manager, corporate communications manager, marketing director.

## What the Team Does

No one needs more committees and more meetings. In many cases, the surest way to kill a project is to form a committee to study it or to manage it. No one is responsible. Everyone is busy with his or her day-to-day responsibilities. In the beginning, the committee meets regularly for a few times. Then the meetings are less frequent. They get postponed. The project dies. Workers know the pattern. They know they can wait until the project withers and dies.

But improving labor standards performance towards PS2 is not a project. It is a new way to operate. It is a journey. The Internal Labor Standards Performance Team and its Leader are responsible for leading the company. They are responsible for making sure all of the workers have the attitudes, skills and knowledge to make the journey successful.

When the idea of quality management systems was first introduced, it met resistance. Now it is integrated into the day-to-day operations of many companies or organizations. The same will be true for labor standards performance.

It is important to note that we refer to it as the Internal Labor Standards Performance Team, not the internal audit team. This is a really important distinction. The thrust in the field of social and labor standards is to go beyond auditing. It is clear that companies need to build internal capacity in their company to create sustainable change. Your Internal Labor Standards Performance Team will conduct internal audits, but they will do much more.

### Roles of the Team

Develop and implement policies and procedures based on PS2 and best practices

Conduct internal audits as per ISO management system guidelines

Participate in management review

Conduct management and worker training

Establish worker communication channels

Manage suppliers and contractors

Engage local NGOs, trade unions and government agencies

Coordinate with customers, investors and stakeholders

Connect internal departments such as purchasing, production, marketing and HR

# The Team Leader

The Team Leader is the most important position on the team. He or she will need to spend the most time managing the ongoing process. To a large extent, the ultimate success of the improved labor standards performance journey rests on the shoulders of the Team Leader, with the public support of the CEO.

Team Leaders must have the right attitude. They must be able to overcome resistance inside the company. They must continue to push forward and fight corporate inertia. They must be able to explain to workers at all levels that this is the right thing to do – for the company, for the workers and for the external stakeholders. They must believe in the principles of PS2.

Team Leaders need to be open-minded. They need to have the skills and investigative attitude of a labor standards performance auditor. They need to command the attention and respect of people in the company, at contractors and in the supply chain. They need to not just find problems, but create solutions and build better systems.

## Team Leader Performance

### Team Leader Attitudes

- Non-discriminatory
- Treat all workers at all levels with equal dignity
- Neutral to unions
- Investigative
- Problem-solver
- Pragmatic

### Team Leader Skills

- Developing procedures to meet PS2 policy requirements
- Interview methods and interview techniques (worker interviews, management interviews)
- Effectively communicating with workers
- Developing training curricula
- Training managers, workers and suppliers
- Soliciting and incorporating local NGO and trade union feedback
- Interacting with customers and stakeholders
- Interacting with external auditors

### Team Leader Knowledge

- PS2 elements
- Local labor laws
- Internal auditing procedures based on ISO 19011
- Relevant corporate and industry codes
- Management systems development and implementation
- Common labor problems in the region and industry
- Potential solutions based on international best practices

# Training Requirements

Training is a critical element of the entire system. It is the combination of training, technical assistance and management systems that enables change to occur. This is the combination that builds capacity in your company and in your supply chain. Remember, the goal is to internalize labor standards performance and make it a routine part of doing business.

Organizational change is hard. The best procedures and policies don't matter if they are not used. The challenge is to get people to change how they behave on a daily basis. The challenge is compounded by the fact that you're trying to change the behavior of people both inside and outside of your company. There's no way it will work without training. Training is the heart of capacity building.

Now, just like the term "management system", the term "training" is pretty vague and general. So you put training in your budget and your boss says what kind of training? We'll help you to be able to answer that question.

The best way to break it down is to look at training that takes place inside your company, including contractors (internal training) and training that takes place for companies in your supply chain that helps them better meet your needs (external training). We go over the internal training here, and the external training in the section titled, *Labor standards performance in Your Supply Chain*.

## Training People in Your Company

The overall goal of internal training is to create a common understanding and a common language about labor standards performance. The specifics of the training and the level of detail vary from department to department. But the message must be clear and consistent.

Everyone needs to know what you are doing, why you are doing it, the benefits to the company, that it has top-management support and that it is a journey.

Of course, your human resource people need to have the deepest understanding of every element related to labor standards performance. If you have a labor standards performance department or environmental or health and safety department, they should also get the full training. The social performance team member in your operations department would also benefit from the full training. You need to establish a core group of people that are capable and confident to spread the attitudes, skills and knowledge in your organization. The Internal Labor Standards Performance Team Leader needs the most training, but everyone needs to get involved.

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Here we provide a brief outline of the training that should be conducted for each department. Labor standards performance training should be part of the training provided to all new workers. It also needs to be part of the ongoing training program.

These outlines are not meant to be all-inclusive, but to give you an idea. Regarding how much time needs to be devoted to training, it varies depending on many factors. We have put a very rough guideline for the amount of training per year suggested for each department in your company. Everybody should get some training to build awareness and a basic understanding. But not everybody in each department needs the same depth of knowledge.

Remember, there are different ways to deliver training – classrooms with live instructors, training manuals, pre-recorded computer-based training, live webinars, etc. You can break the training into smaller segments. Make it part of other training or communications. Use group discussions. Use role plays where workers and managers change places. Make it interesting.

**The labor standards performance training needs to be done in addition to job performance training and health and safety training.**

**Human Resource and Labor/Environmental Compliance Department** 5 - 10 days per year

- Detailed knowledge of the components that make up an effective labor standards performance management system
- The specific role of the labor standards performance auditor
- Basic auditing techniques and tools
- Common labor standards performance problems in your region
- Basics of business operations related to labor standards performance
- Worker communication techniques and benefits

**Senior Management** .5 - 2 days per year

- Overview of key issues of labor standards performance and PS2
- Integrating labor standards performance issues into strategic planning and operations
- Role of the Internal Labor Standards Performance Team and their involvement on the team
- Worker involvement and its benefits
- Communicating the benefits of labor standards performance to investors and external stakeholders

**Procurement or Sourcing Department** 2 - 4 days per year

- Overview of key issues of labor standards performance and PS2
- Labor standards performance in contractors and suppliers
- Basics of supply chain mapping and risk assessment
- Basics of conducting a labor standards performance assessment as part of new supplier or contractor evaluation
- Purchasing and contracting practices and their impact on labor standards performance

**Communications and/or Marketing Department** .5 - 2 days per year

- Overview of key issues of labor standards performance and PS2
- How labor standards performance affects customer, investor and media relations
- Linking labor standards performance to core business strategy
- Marketing and communications benefits from improved labor standards performance – “how to tell the story”

**Production Department** 1 - 5 days per year

- Overview of key issues of labor standards performance and PS2
- Purchasing practices on their impact on labor standards performance in the supply chain
- Production benefits from improved labor standards performance
- Links between quality management, production management and labor standards performance systems

**Workers** Regular ongoing training every three months

- Overview of key issues of labor standards performance and PS2
- Workers’ rights and responsibilities
- Communicating with management
- Grievance mechanisms