



International
Labour
Organization

Decent Work in
Garment Supply
Chains Asia



Factory
Improvement
Toolset

► Productivity and decent work

A workers' manual



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► About this manual

This manual aims to guide trainings to inform workers and their unions in the Asian garment sector on how they can contribute to and benefit from productivity improvement in the factory through enhanced social dialogue, compliance with labour standards and improved working conditions.

Participants will learn how workers can better support productivity and how productivity improvement can lead to better working conditions in the form of increased income, improved working environment, welfare and occupational safety and health.

This training consists of six sessions, including Getting Started and Conclusions sessions, and takes approximately eight hours to complete – roughly 1.5 hours for sessions 2-5, and 40 minutes each for the Getting Started and Conclusions sessions.

Upon completion of this training manual, participants should have increased knowledge regarding:

- The general concept of productivity and its importance;
- The importance of social dialogue for enhancing productivity and working conditions;
- The role of labour standards in productivity improvement;
- How workers can contribute to productivity improvement; and
- How productivity improvement can lead to better working conditions and decent work.

This manual was supported by the Enterprises Department and the Decent Work in Garment Supply Chains Asia project, funded by the Government of Sweden.

The ILO's Enterprises Department builds on private sector development strategies, with a view to strengthen enterprises, business relationships and services, market structures, and the business environment so that they channel more benefits to the poor as well as create more and better jobs effectively.

► Guidelines for successfully using the training tool

Read out-loud

The training tool is designed for individuals to take turns reading the instructions out loud to the group. At least one member of the group should be selected to take this responsibility.

Listen to the instructions and work as a group

The programme will not be successful if participants work independently or one member of the group acts as a leader in making decisions.

Be active

Encourage everyone in the group to actively contribute. Make sure that no group member dominates the discussion or does not participate at all.

Monitor the time

Select one member of the group to monitor the time for each activity and remind the group when it is time to move to the next exercise.

Complete the survey

Before and after the training you may be asked to complete an evaluation survey. This information will be kept confidential and is used to improve the FIT materials.

Follow the icons

A set of icons is used throughout the modules to provide easy to recognize reference points for different tasks within each session and activity.

► Icons

A set of icons is used throughout the modules to provide easy to recognize reference points for different tasks within each session and activity.



Read out loud

One member of the group should read out loud to the rest of the group.



Knowledge link

Knowledge and skills are linked to other FIT learning resources and support.



Time allotted

Indicates how much time each session and activity should take.



Supplies needed

Indicates that supplies may be necessary to complete the session.



Begin step-by-step instructions

Indicates that the step-by-step instructions for an activity are beginning.



Think about it

Indicates additional information for the participants to think about.

► Acknowledgements

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1

Session 1

Getting started

Session overview

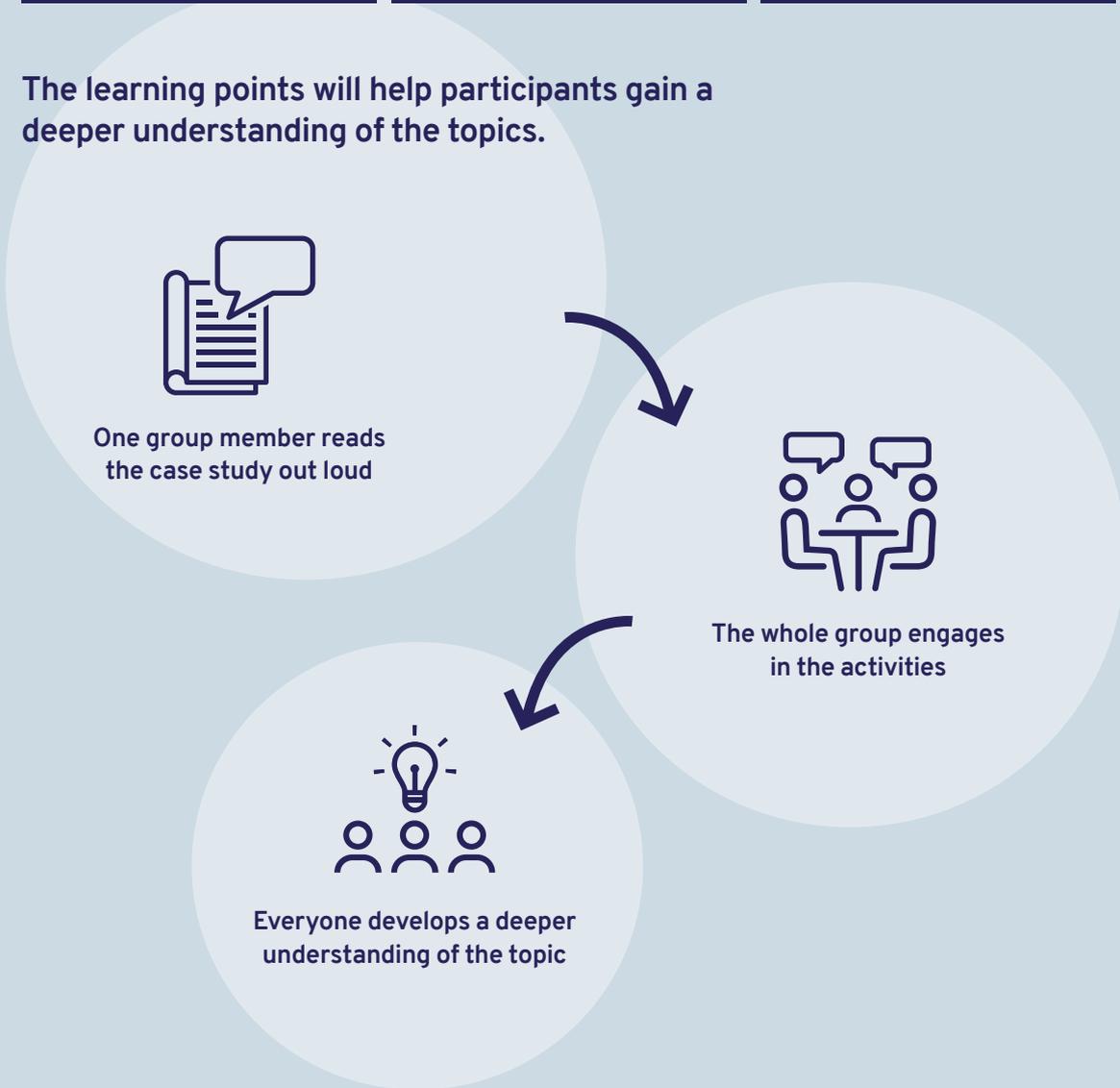
In this session, participants are introduced to each other and are given an overview of the training. In Activity 1a, they learn about the training's participatory and activity-based methodology, and get to know each other. In Activity 1b, they are familiarized with the training's goals and content, and discuss their own learning expectations.

Session 1

► Overview

 <p>One member should read the learning point out loud to the rest of the group</p>	 <p>40 minutes</p>	 <p>Learning manual, pens, markers and poster paper</p>
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The learning points will help participants gain a deeper understanding of the topics.



Activity

1a

20 minutes

Getting to know each other

This training seeks to inform workers and their unions in the Asian garment sector on how they can contribute to and benefit from productivity improvement in the factory. It consists of six sessions, and takes approximately eight hours to complete. In this first activity, participants will get to know one another better and understand the training's participatory and activity-based methodology.



Learning points:

This training is participatory and activity-based. For the training to be successful, it is important for participants:

- Be active and engaged.
- Participate actively in activities and discussions.
- Listen to and respect others' ideas and opinions.

This allows participants to learn more from each other's ideas and experiences, as well as from the training content.



Learning steps:

1. Individually, participants draw their own factory on a piece a paper.
2. One by one, participants introduce themselves briefly, display their drawing, and explain what their role in the factory is.

Examples of information to share: Name, place of origin, job position, how long participants have worked in their current position, factory location, products produced by the factory, etc.

1. Individually, participants draw their own factory below.



2. One by one, participants introduce themselves briefly, display their drawing, and explain what their role at the factory is.

Name	Place of origin
Job position	How long have you worked here?
Factory location	Product produced by the factory

Activity

1b



20 minutes

Understanding this training

This training aims to help participants improve working conditions and industrial relations in their factory by learning how to better participate in and benefit from productivity improvement through enhanced social dialogue, compliance with labour standards and improved working conditions.

In this activity you will learn that productivity can benefit everyone involved and that workers can play an active role in improving it.

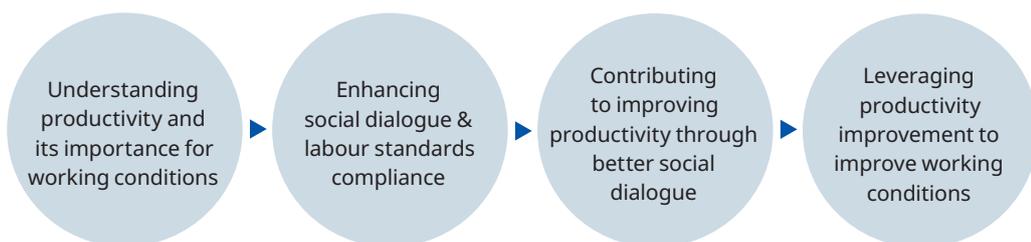


Learning points:

More specifically, this training will help participants to:

- ▶ Understand what productivity is and why it is important for workers.
- ▶ Understand the role of social dialogue and labour standards for productivity.
- ▶ Understand how workers can better contribute to improving productivity in the factory, when the prerequisite conditions of social dialogue and labour standards are met.
- ▶ Understand how productivity gains can be leveraged to benefit workers by improving working conditions.

Participants' journey through this training:





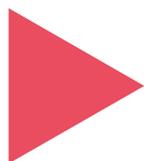
Learning steps:

1. Together, participants discuss the three questions below.

Why are you interested in taking this training?

What are your expectations for this training (what would you like to learn)?

How do you think this training can benefit yourself and your factory?



2

Session 2

Understanding productivity for workers

Session overview

In this session, participants learn about productivity and its importance. In Activity 2a, they are introduced to basic concepts of productivity. In Activity 2b, they discuss linkages between productivity and working conditions. In Activity 2c, they learn how productivity improvement can create employment, benefit labour standards compliance, and improve working conditions, including income, welfare, OSH, and the working environment.

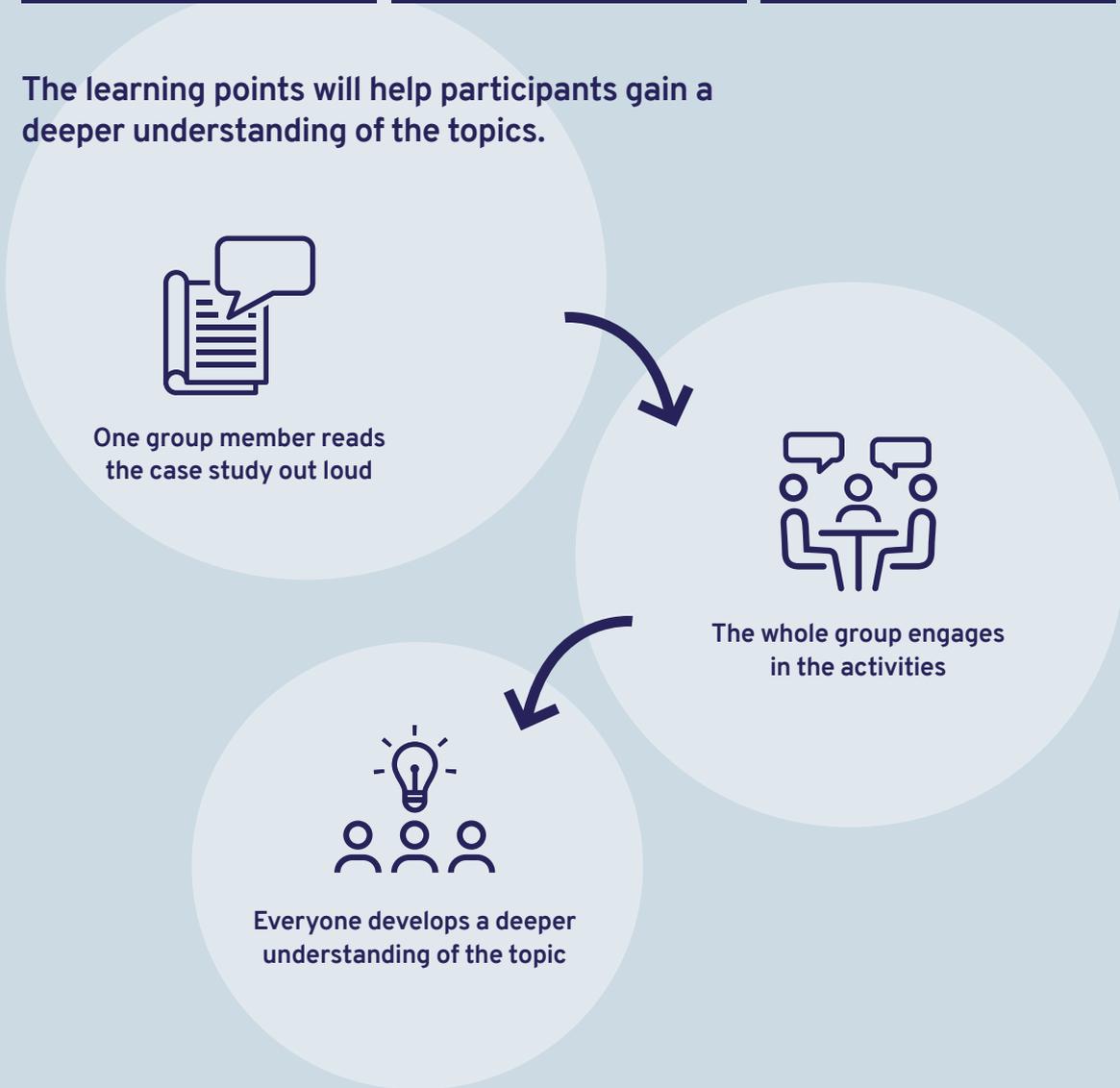


Session 2

► Overview

 <p>One member should read the learning point out loud to the rest of the group</p>	 <p>80 minutes</p>	 <p>Learning manual, pens, markers and poster paper</p>
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The learning points will help participants gain a deeper understanding of the topics.



Activity

2a



25 minutes

Understanding productivity

In Session 1 participants learned about the methodology of the training. Session 2 introduces the concept of productivity and its importance. In this activity, participants will understand key definitions and examples.



Learning points:

What is productivity?

Productivity is the relationship between the outputs generated by a production process and the inputs provided by workers and others to create this output. In other words, it is how efficiently you use the resources needed for production. In a garment factory, inputs are the different resources (employees, electricity, fabric and trims, machines, etc.) needed to produce garments (outputs).

Productivity = Output / Input

There are many definitions of productivity, but according to the ILO: **“Productivity is a relationship between outputs and inputs. It rises when an increase in output occurs with a less than proportionate increase in inputs, or when the same output is produced with fewer inputs”** (ILO, 2005: 5). Productivity can be measured for all inputs as a whole, or separately for each type of output. The latter technique yields so-called partial measures of productivity: Labour productivity, material productivity, capital productivity, energy productivity and machine productivity. This manual focuses on labour productivity. Labour productivity represents the total volume of output (garments) produced per unit of labour (one employee) during a given time.

Labour productivity = Total number of garment produced / Number of employees

What does “improving productivity” mean?

Traditionally, improving productivity means that you are able to produce more outputs with the same or fewer inputs of inputs. So, a more productive factory produces more garments (output) with the same amount of resources and time investment (input) as well as reduced defects (of higher quality). This allows a factory to become more profitable.

Being more productive does not mean that factory employees need to work more or harder – or that they are at risk of losing their jobs. Rather, it should enable them **to work smarter, through increased efficiency and less wasted resources**. That is where the saying “working smarter, not harder” comes from. Decent working conditions, including income and welfare, are significant elements needed to boost workers' performance.

There are many ways productivity can be improved, depending on the situation.

Below are two examples of how factories were able to improve their productivity:

► Mini-case 1

In factory B.C., there are many cutting defects due to the lack of cutting skills training, and the poor quality of cutting knives. As a result, many garments need to be re-cut, which increases fabric costs and delays orders. To solve this issue, the factory buys new knives, sets up a maintenance system, and a training for cutting operators. Now, factory B.C. can cut more garments faster, and reduced fabric waste by 10 per cent. Factory B.C. uses fabric more productively!

► Mini-case 2

Factory K.L. spends a lot of money on electricity, mainly for lighting and air conditioning. To save electricity, the factory improves insulation in each room, changes light bulbs to lower consumption bulbs, and implements several measures to reduce consumption, for instance by switching off all lights during lunch break and at night. In one year, factory K.L. reduces its electricity bill by 15 per cent. Factory K.L uses electricity more productively!

**Learning steps:**

1. Together, participants discuss the three questions below.

In your own words, try to explain productivity.

Do you think productivity in your factory is low or high? Explain why.

2. Read aloud the scenario below. Then, participants discuss the two questions below.

*Factory A has 500 employees. It produces about 2,000 shirts every month, using 3,500 meters of fabric.
Factory B has 500 employees. It produces about 1,500 shirts every month, using 4,000 meters of fabric.*

What are the inputs and outputs for both factories in this scenario?

Which factory is more productive and why?

3. Together, participants discuss: Which situation(s) below describe a productivity increase?

Situation	Productivity increase?
Last year, factory X spent US\$5,000 on electricity, and produced 45,000 shirts. This year, factory X spent US\$5,00 on electricity, and produced 50,000 shirts.	
Last year, there were 300 workers in factory X, who produced 40,000 shirts. This year, there were 350 workers, who produced a total of 60,000 shirts.	
Last year, factory X spent US\$80,000 on materials, and produced 30,000 jackets. This year, factory X spent US\$80,000 on materials, and produced 20,000 jackets.	

Activity

2b



25 minutes

Understanding productivity

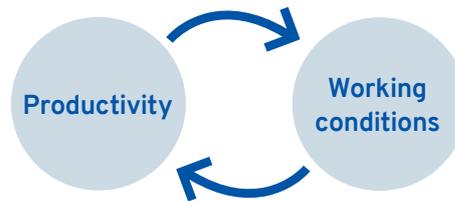
In Activity 2a, the concepts of productivity and productivity improvement were introduced. In this activity, the linkages between productivity and working conditions are explained.



Learning points:

Productivity and working conditions

We often think of productivity and working conditions as two opposite principles but in fact, working conditions and productivity are mutually reinforcing. A worker who earns a living wage, is in good health, and has decent work conditions based on freedom, safety and dignity is much more likely to perform well. However, a worker dissatisfied with her/his wages and worried about her/his health and safety will not be motivated nor able to perform well. It is difficult to improve productivity under poor working conditions, and it is also difficult to invest more capital to improve working conditions if productivity remains low.



Productivity and workplace relations

Productivity improvement does not happen automatically. For productivity improvement to take place, workers and managers must be able to cooperate with each other to plan and implement new improvement measures together. They must **trust each other, communicate openly, and workers should feel as if their contributions are important**. This can only be achieved through harmonious industrial (labour-management) relations, which requires three preconditions to be met. The conditions are: (1) "social dialogue"; (2) labour standards compliance; and (3) decent working conditions. When such conditions are met, workers become more able and motivated to contribute to productivity improvement, and productivity can be leveraged to improve working conditions. Industrial relations and their preconditions will be discussed in Session 3.

Productivity and working conditions in Asia

Overall, productivity remains quite low in the Asian garment sector, although it differs greatly between countries and factories. This can be partly explained by the fact that productivity has not always been considered important. Today, factories are becoming increasingly aware of the importance of productivity, and productivity levels are slowly increasing. However, there are several other factors that explain why productivity remains low, such as the lack of operator skills and management skills trainings, low machine efficiency, and poor working conditions.

Because of these traditionally low levels of productivity, the Asian garment sector has much potential for improvement. Although wages are slowly rising, average earnings still remain low, and are often insufficient for workers to provide for their families. This can contribute to excessive overtime and long working hours in factories. Women, who make up the majority of garment workers, are often paid lower wages than men and are also more vulnerable to discrimination and sexual harassment. Garment workers are also exposed to many safety and health hazards, such as the handling of harmful chemicals, strain from repetitive movements, injuries from poorly secured machinery, and fires or collapses in unsafe, poorly maintained buildings

Country	Lowest minimum wage (US\$)	Highest minimum wage (US\$)	Effective date
Brunei Darussalam		No minimum wage	
Cambodia	US\$190 (772,730 khr)	US\$190 (772,730 khr)	Jan. 2020
Indonesia	US\$123 (2.7 million rupiah) in Yogyakarta	US\$298 (4.2 million rupia) in Jakarta	Jan. 2020
Lao PDR	US\$101 (900,000 kip)	US\$124 (1,100,000 kip)	May 2018
Malaysia	US\$259 (1,000 ringgit)	US\$283 (1,200 ringgit)	Feb. 2020
Myanmar	US\$3.29 per 8 hours (4,800 kyat)	-	Mar. 2018
Philippines	US\$5.70 (290 peseta) per day	US\$10.61 (527 peseta) per day	2020
Singapore	New wage model is based on skills, labour productivity and career		Sep. 2014
Thailand	US\$10 (313 baht) per day	US\$11 (336 baht) per day	Jan. 2020
Viet Nam	US\$132 (3.07 million dong) in region 4	US\$190 (4.42 million dong) in region 1	Jan. 2020

Source: ILO, 2021.



Learning steps:

1. Together, participants think about the meaning of “good working conditions”. In the blank space below, they write down words and sentences that they think describe “good working conditions.”

For example: Clean workplace; good wages; opportunities to get promoted; work-life balance; etc.

2. Together, participants discuss: What do you think are the main factors contributing to low productivity in your own country or factory? (Select from the following).

Lack of training for workers.	Poor communication in the factory.
Poor management skills of managers.	Lack of planning and poor organization in the factory.
Old, inefficient machines and tools.	Non-compliance with labour standards such as OSH rules and labour rights.
Poor working conditions.	Gender discrimination from lower wages.

3. Together, participants discuss the three questions below.

How do you think productivity could be improved in your factory?

What is the role of trade unions in improving the barriers listed in question 2 above?

How do you think improving productivity could help improve working conditions in your own factory?

Activity

2a



25 minutes

The importance of productivity for workers

In Activity 2b, the relationship between productivity and working conditions was outlined. This activity goes further in explaining the importance of productivity for workers.



Learning points:

When the required preconditions are met to build harmonious industrial relations, workers become more able and motivated to contribute to productivity improvement. Improving productivity can help the factory increase its profits, a share of which can be used to improve working conditions as well as provide more and better employment. Therefore, productivity does not only concern senior factory management but is everyone's business!



Productivity and labour standards

According to the ILO's Decent Work Agenda, every worker has the right to work in safety, freedom and dignity. Compliance with labour standards is one of the four pillars of decent work- (i) rights at work, (ii) social protection for all, (iii) decent and productive employment, and (iv) social dialogue. Although labour standards are decided at the government level, it is up to enterprises to apply them at work. Compliance with labour standards is fundamental for formulating productivity improvements. High productivity cannot be achieved and maintained in the long term under poor labour standards. From this perspective, labour standards and productivity are complementary.

Productivity and income

When productivity is high, the employer will have the ability to pay higher income, and workers can thus obtain improved wages. Productivity gains can also be re-distributed in the form of monetary rewards and bonuses for good performance, or in the form of various benefits (such as paid leave, free meals, free medical care and others). Higher wages and better benefits also help motivate workers by providing incentives to perform better, which in turn further reinforces productivity.

Productivity and the working environment

If productivity is high, workers are in a better position to call for a better working environment that is safe and healthy for workers, physically but also mentally and emotionally. It can also

allow the factory to improve its systems (for example, staff management systems) in order to better support workers and operate more efficiently. This, in turn, also reinforces productivity.

Productivity and employment

The more productive a factory, the more competitive it is in the economy and the more profits it can generate. If the favourable conditions are created, the factory can re-invest part of its profits in improving working conditions and hiring more workers to increase its production capacity. New, better jobs are created, and unemployment is reduced.



Learning steps:

1. Together, participants discuss: In your own words, explain why productivity is important for workers.

2. Together, participants discuss and decide whether each sentence below is True or False.

Sentence		True	False
1.	When the required preconditions are met (social dialogue and labour standards), workers become more productive.		
2.	Productivity is only important for senior factory managers, and workers should not preoccupy themselves with it.		
3.	Productivity increases can be used as a legitimate basis to improve working conditions in the factory.		
4.	All workers have the right to working in freedom, safety and dignity.		
5.	Productivity gains can be used to increase wages for workers and provide them with a safer, healthier working environment.		
6.	When factories improve productivity, they can improve working conditions as well.		

Session 2

▶ Wrap up



Before taking a break, participants should review the key learnings



5 minutes



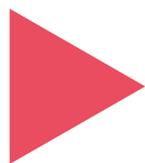
Learning manual, pens, markers and poster paper

Key learnings:

- ▶ Productivity is the relationship between the outputs generated by a production process and the inputs provided to create this output.
- ▶ Productivity rises when an increase in output occurs with a less than proportionate increase in inputs, or when the same output is produced with fewer inputs.
- ▶ Productivity and working conditions reinforce each other. It is hard to improve productivity under poor working conditions, and to offer good working conditions if productivity is low.
- ▶ Productivity can only be improved in a context of harmonious industrial relations. For this, three preconditions are required: Decent working conditions, social dialogue and labour standards.
- ▶ Productivity can help improve working conditions (labour standards compliance, incomes and the working environment), and create more and better employment.

Time for a break!

First break: 20 minutes



3

Session 3

The role of social dialogue and labour standards

Session overview

In this session, participants learn about two of the preconditions that are to be met in order for workers and management to develop more harmonious industrial relations. In Activity 3a, they are familiarized with the concept of harmonious industrial relations and its importance for productivity. In Activity 3b, they learn about the first precondition for harmonious industrial relations – social dialogue. In Activity 3c, they learn about the second precondition for harmonious industrial relations – labour standards compliance. In Activity 3d, they discuss two important aspects of labour standards compliance – freedom

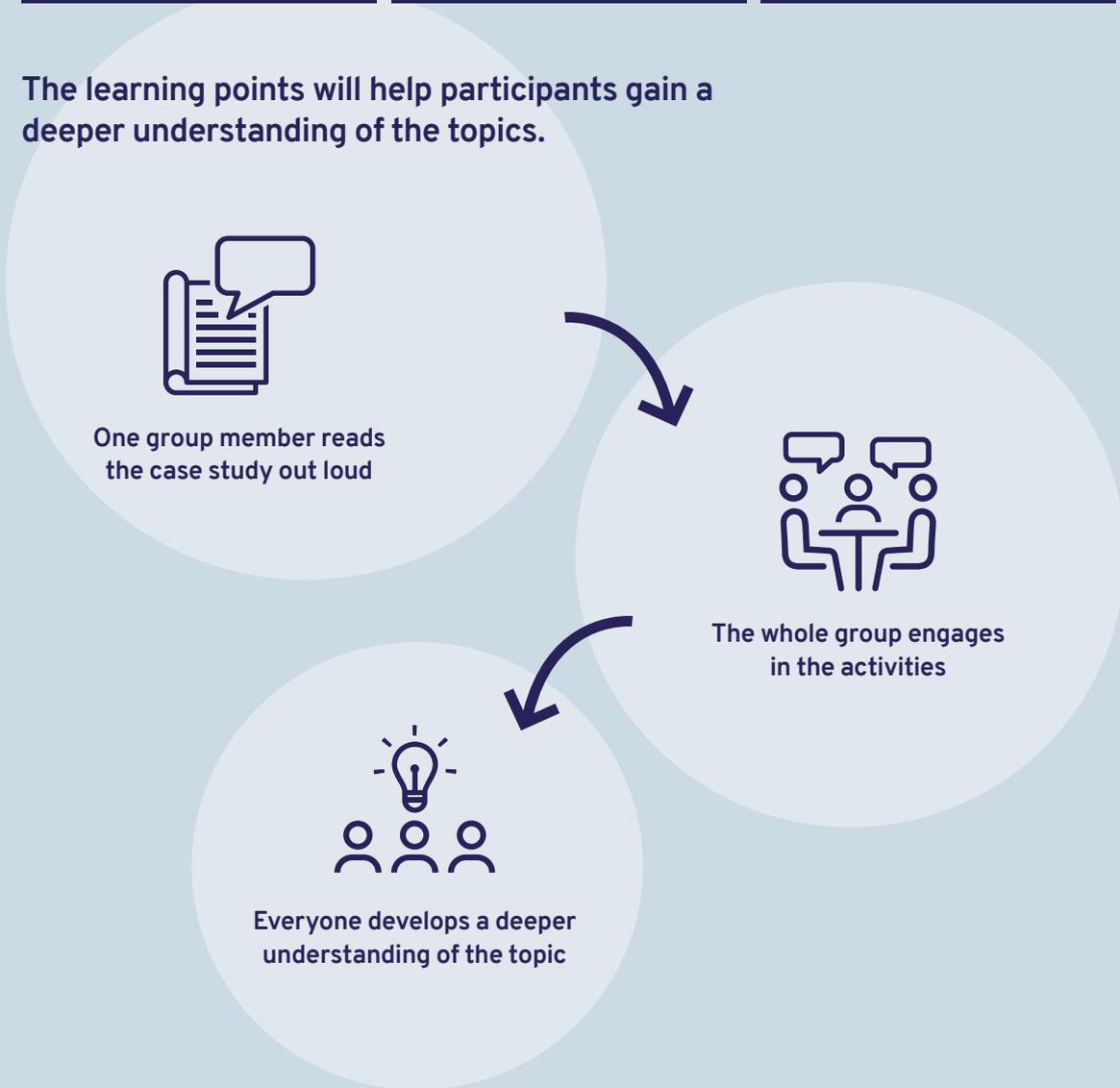


Session 3

► Overview

 <p>One member should read the learning point out loud to the rest of the group</p>	 <p>90 minutes</p>	 <p>Learning manual, pens, markers and poster paper</p>
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The learning points will help participants gain a deeper understanding of the topics.



Activities

3a



20 minutes

Industrial relations in the factory

In the previous session, participants learned about the importance of productivity for workers and the factory. In this activity, the concept of industrial relations, an important precondition to improving productivity, is introduced.



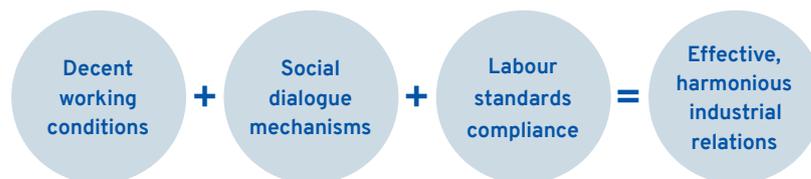
Learning points:

A precondition to productivity

Improving productivity requires workers and managers to be able to cooperate with each other to plan and implement a safe, healthy and cooperative work culture. Workers and managers must trust each other, communicate openly, and workers should as if their contributions are important. In other words, effective productivity improvement requires what is called *"harmonious industrial relations"*.

What are industrial relations in the factory?

Industrial relations are an ongoing process of both formal and informal interactions between workers and managers and between individuals or groups. Ideally, industrial relations are based on positive, open, proactive two-way communication between workers and managers, which builds mutual trust. Good industrial relations are inclusive and do not favour any one group over another. This means that women and men are given equal voices and core labour standards and national laws are respected for everyone. There are three preconditions to harmonious industrial relations: *Decent working conditions, social dialogue, and compliance with labour standards*. You will learn about the latter two preconditions in the following activities.



The benefits of harmonious industrial relations

Harmonious industrial relations are the basis for respecting labour rights and improving productivity because workers who feel valued are more productive! Effective industrial relations also guarantee a safer working environment as managers consult with the people who are using the tools/environment most. This consultation eventually increases job satisfaction and effectiveness, especially when introducing new technology or products. This also lowers the chance of disputes as workers are involved in the conversation and better understand why changes are occurring.

When people are informed about why something is happening and being consulted on how it should happen, they are much more willing to make it happen.



Learning steps:

1. Read the scenario below. Then, participants discuss the three questions below.

In factory X, managers wanted to introduce a flag system to address problems with product quality. The idea was that that quality checkers inspect operators' work every hour and when problems arise, the checker places a coloured flag by the relevant operator to alert the supervisor's attention in order to address the problem immediately. At first, operators disliked this idea, but after discussing it fully in the joint worker/management committee, operators understood how this change can help the factory improve quality production. Managers eventually gained support for their proposal and it was agreed that the flag system will also be used to identify and reward the operators who perform best with bonuses. After implementation of this new system, the factory saw consistent improvements in quality within-line defect rates falling from 43 per cent to 12 per cent.

Is this an example of good workplace relations? Why or why not?

What were the results for workers and for the factory?

What might have happened if the changes had not been discussed and negotiated?

2. Together, participants discuss the two questions below.

Are industrial relations in your factory characterized by open communication and mutual trust? Why or why not?

What could be done to improve relations between workers and employers (management) in your factory?

Activity

3b



25 minutes

Social dialogue

Productivity improvement requires the building of harmonious industrial relations characterized by mutual trust, open communication and dialogue among workers and management. There are three preconditions to achieve this: Decent working conditions, social dialogue and compliance with labour standards. In this activity, participants will learn about social dialogue.



Learning points:

What is social dialogue?

Social dialogue is defined by the ILO 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. It can exist as a tripartite process, with the government as an official party, or it may consist of bipartite relations only between labour and management (or trade unions and employers' organizations).

Social dialogue can take place at different levels - national, regional, sectoral or at the enterprise level, depending on the subjects and actors involved. At the factory level, this means that workers and management listen to each other, discuss, and make decisions together to solve labour issues and improve working conditions. Overtime, this allows them to build harmonious industrial relations based on *open communication and mutual trust*.

Social dialogue is an inclusive and democratic way of decision-making. A unilateral decision or action without the consent of the other side is often met with resistance. This leads to ineffective implementation of changes needed to improve productivity. Dialogue can minimize this resistance through collaboration. It can help develop a shared understanding of problems and facilitate the finding of solutions and compromises to achieve common goals. To summarize, effective dialogue can be used as a spring board to promote labour-management cooperation and communication.

Social dialogue and productivity

Productivity improvement efforts can only be effective if they are planned and implemented within a climate of industrial relations based on dialogue between managers and workers.

Information-sharing	Consultation	Negotiation	Cooperation
A one-way process through which management shares information with workers by opening simple channels of communication.	A two-way process through which workers' representatives express their opinions and demands, and management responds.	An interactive process through which managers, workers and their representatives discuss and negotiate to reach formal or informal agreements in the factory.	An integrated process through which managers and workers work jointly to reach a consensus on issues of common interest, solve problems, or facilitate change.

Workers are closest to production activities and therefore are a vital source of insight and information on how to improve productivity. When workers are consulted on productivity improvement measures and their point of view taken into account, more efficient solutions are found, negative impact is avoided, and willingness to change increases. In brief, involving workers ensures that productivity improvement measures are appropriate and effective, and can be implemented efficiently.

Social dialogue relies on four instruments that progressively allow workers to become more involved in improving factory productivity and working conditions: Information-sharing, consultation, negotiation and cooperation. In session 4, you will learn how these instruments can be used to allow workers to better contribute to and benefit from productivity improvement.



Learning steps:

1. Together, participants discuss the two questions below.

In your own words, explain what social dialogue is.

In your own words, explain why social dialogue is necessary in order for workers to contribute to productivity improvement.

2. Together, participants discuss: Are the situations below good examples of social dialogue?

Situation	Yes	No
1. Management does not address workers' problems or complaints when they are voiced.		
2. Management consults workers before making decisions or implementing changes that will impact them.		
3. Workers share information with managers so that problems can be solved as fast as possible.		
4. Workers know how to improve productivity in the factory but do not share their ideas with management.		
5. Management consults workers to understand how to improve working conditions and productivity in the factory.		
6. When they are dissatisfied or unhappy with a new measure or decision, workers do not say anything to management.		

Activity

3c



20 minutes

Labour standards

Productivity improvement requires the building of harmonious industrial relations characterized by mutual trust, open communication and dialogue between workers and management. There are three preconditions to achieve this: *decent working conditions, social dialogue, and the respect of labour standards*. In this activity, you will learn about labour standards.



Learning points:

What are labour standards?

International Labour Standards (ILS) lay down minimum standards that are applicable across the globe. They are constituted by 190 conventions, 206 recommendations and six protocols, commonly referred to as the International Labour Code.

- *Conventions* are subject to ratification by the member States, where they then create binding legal obligations (States are obligated to respect and abide by them).
- *Recommendations*, on the other hand, are not subject to ratification, but amplify conventions by outlining guidelines in the development of policy, laws and practice in given fields.
- *Protocols* are also international treaties, which are subject to ratification by ILO member states. They are partial amendments of the existing conventions to update the conventions and make them more relevant to changing conditions.

The ILS are elaborated, adopted and implemented on a tripartite basis, meaning based on the full cooperation of governments, employers and workers. ILO member states are obliged to submit progress reports on ratified conventions to the ILO - once every three years for core conventions and once every five years for technical conventions.

Among the ILS, the eight ILO fundamental Conventions outline fundamental principles and rights at work, which include:

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)

The other conventions are technical conventions, setting standards for rights and working conditions in various industries and occupations, such as wages, working time, occupational safety and health, and so on..

Labour standards and productivity

Although they have traditionally been seen as opposing forces, productivity and International Labour Standards (ILS) have one common concern: to strengthen and to increase the productive capacity of labour. ILS aims to do this by protecting and empowering workers with better social, working and living environments, and productivity measures do this by using the potential of labour more efficiently and applying it more effectively. Sustained compliance with labour standards is impossible without improvement in productivity; and high productivity cannot be achieved and maintained under poor labour standards. Hence, ILS and productivity are not contradictory, but complementary.



Learning steps:

1. Together, participants discuss the two questions below.

Have you ever learned about labour standards? If yes, how or when?

In your own words, explain why labour standards and productivity are complementary.

2. Together, participants discuss: Are the rights listed below Fundamental Rights at Work according to ILS?

Is this a Fundamental Right at Work?	Yes	No
The right to freely establish and join workers' organizations for the promotion and defense of your occupational interests.		
The right to bargain (negotiate) freely with employers without being restricted or penalized.		
The right to work without being forced and with timely pay (right to work in freedom).		
The right to equality of treatment and opportunity (the prohibition of discrimination in access to employment and training on the grounds of race, colour, sex, religion, political opinion, social origin, etc.).		
The right to equal pay and benefits for work of equal value (the prohibition of discrimination in compensation on the grounds of race, colour, sex, religion, political opinion, social origin, etc.).		
The prohibition of being admitted to employment below 15 years of age, in protection of children's rights.		

Activity

3d



20 minutes

Freedom of association and collective bargaining

In Activity 3c, participants learned about labour standards and their importance for productivity and working relations, and for building good industrial relations. This activity focuses on two particularly important labour rights – Freedom of association and collective bargaining.



Learning points:

Freedom of association

Among the ILS, eight Conventions have been identified as core conventions and their significance reiterated in the ILO's Declaration on Fundamental Principles and Rights at Work, adopted in 1998. This Declaration enshrines the commitment of governments, employers and workers to respect, promote and abide by principles and rights in the areas of freedom of association, forced labour, minimum age for work, and non-discrimination in equal value of work. Among them, the Freedom of Association and Protection of the Right to Organise Convention (1948) imposes a respect for the right of all employers and workers to freely and voluntarily establish and join workers' and employers' organizations for the promotion and defense of their occupational interests. There is no need for previous authorization to set up organizations. Workers and employers have the right to set up, join and run their own organizations without interference from the State authority or each other. Employers should not interfere in workers' decision to associate, try to influence their decision in any way, or discriminate against workers who choose to associate or who act as representatives.

Collective bargaining

Collective bargaining, the right of workers to bargain (negotiate) freely with employers, is an essential element of freedom of association. Collective bargaining is a formal process that involves negotiation, consultation and the exchange of information between employers and workers. Workers usually work together as a group and are represented by elected individuals. Talks typically focus on topics such as wages and working conditions (for example wage increases, overtime rates, levels of allowances, working hours, leave, and work safety). The Convention provides protection against anti-union discrimination and ensures procedures to examine complaints lodged by unions in respect to violation of trade union rights. Both unions and management are obliged to proceed to collective bargaining in good faith. The end goal is to reach an agreement that is acceptable to all parties.

The agreements reached are legally binding and apply to all workers in the factory even if they are not union members. Collective bargaining allows for the settlement of disputes through discussion and consensus rather than through confrontation and helps ensure adequate wages and working conditions for workers.

Linkages with productivity

ILS allows for free, motivated and creative labour while eliminating production processes that dehumanize and alienate. For labour to be more productive, it should be free and motivated. Both freedom of association and collective bargaining are fundamental for workers to guarantee and defend their labour rights as well as negotiate working conditions, benefits and remunerations with employers on a more equal footing. By helping to generate trust

and mutual understanding between workers and employers, freedom of association and collective bargaining lay the ground for harmonious industrial relations, a prerequisite of effective productivity improvement.



Learning steps:

1. Together, participants discuss the two questions below.

Are you a member of any workers' organizations such as a union or association that defends your rights and interests?

If not, what is the main reason why you are not joining the workers' organization?

2. Together, participants discuss: With regards to collective bargaining, are the sentences below true or false?

Sentences	True	False
Collective bargaining is an important element of freedom of association.		
Through collective bargaining, workers share information with management but cannot negotiate freely.		
The goal of collective bargaining is to reach an agreement that is acceptable for all parties through discussion rather than confrontation.		
Collective bargaining talks typically only focus on the issue of wage increases.		
Agreements reached through collective bargaining are never legally binding.		
Collective bargaining helps generate trust and mutual understanding between workers and management.		

Session 3

► Wrap up



Before taking a break,
participants should review
the key learnings



5 minutes



Learning manual, pens,
markers and poster paper

Key learnings:

- Productivity can only be improved in a context of harmonious industrial relations. For this, three preconditions are required: decent working conditions, social dialogue and labour standards.
- Social dialogue in the factory describes negotiations, consultations or information exchanges between representatives of employers and workers, on issues of common interest.
- International labour standards (ILS) lay down minimum standards and set targets for development in fields such as basic human rights, freedom of association and working conditions.
- ILS includes Freedom of Association and Right to Collective Bargaining, i.e. the right to freely and voluntarily establish and join workers' organizations like trade union for the promotion and defense of occupational interests, and to bargain collectively.

Time for a break!

Second break: 1 hour (mid-day break)



Session 4

Contributing to productivity improvement

Session overview

In this session, participants learn that workers can contribute to productivity improvement through enhanced social dialogue. In Activity 4a, they discuss the importance of capacitating workers in understanding productivity measurement. In Activity 4b, they are introduced to the first instrument of social dialogue, information-sharing, and in Activity 4c, to the second instrument of social dialogue, consultation. In Activity 4d, they learn about joint decision-making mechanisms, which are based on the last two social dialogue instruments – negotiation and cooperation. Participants learn how these instruments can help workers contribute to productivity improvement, then discuss options for their own factory. At its end, the session introduces various ILO policies pertinent to the promotion of productivity and decent work.

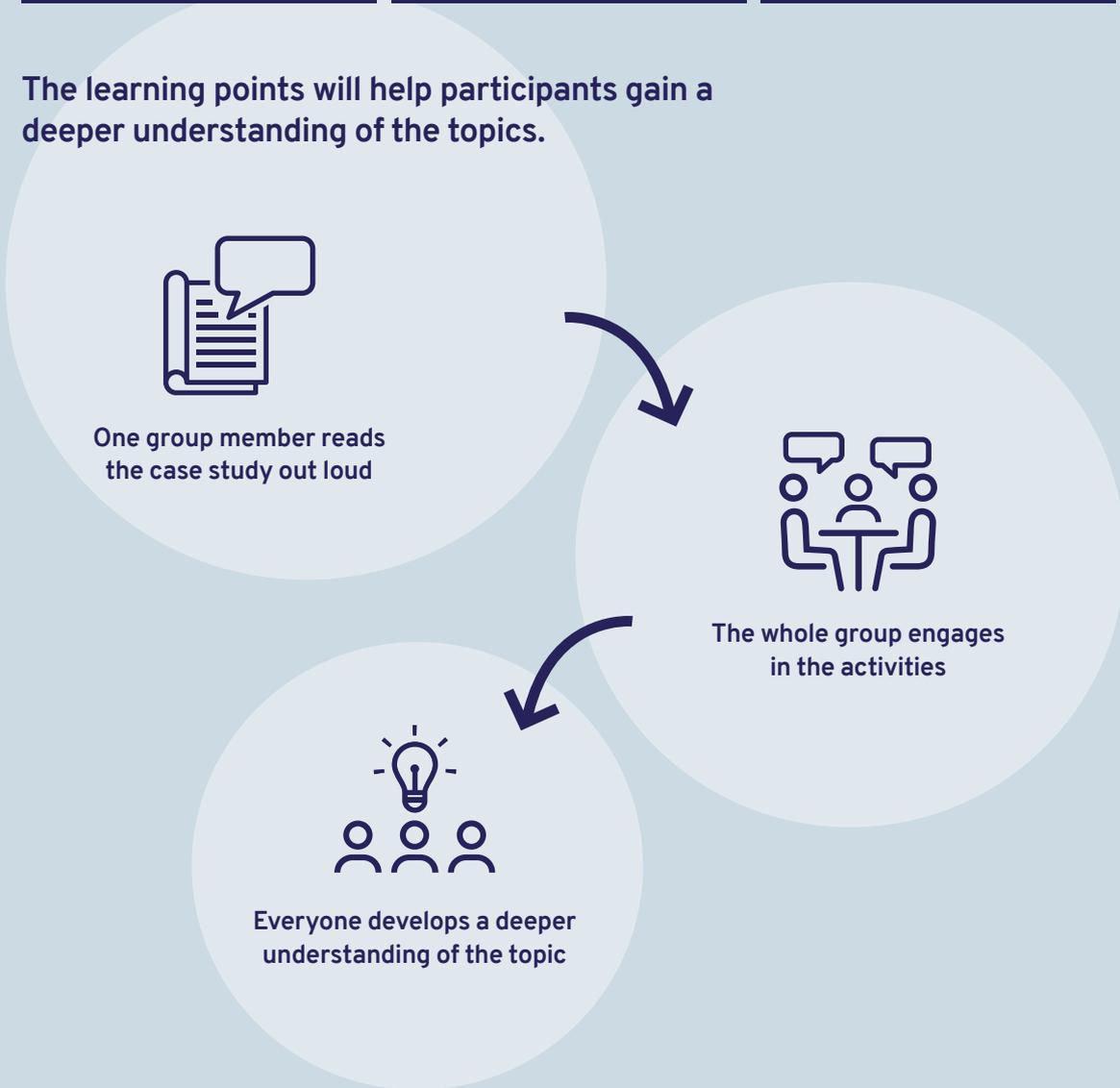


Session 4

► Overview

 <p>One member should read the learning point out loud to the rest of the group</p>	 <p>90 minutes</p>	 <p>Learning manual, pens, markers and poster paper</p>
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The learning points will help participants gain a deeper understanding of the topics.



Activity

4a



25 minutes

Measuring productivity in the factory

Social dialogue relies on four instruments that progressively allow workers to become more involved in improving the factory: Information-sharing, consultation, negotiation and cooperation. In this activity, participants will discuss the importance of capacitating workers in understanding productivity measurement.



Learning points:

When the required preconditions are met to build harmonious industrial relations based on trust and communication, workers become more able and motivated to contribute to productivity improvement. The more productive the factory, the more gains can be re-directed towards workers themselves. Therefore, it is in everyone's best interest for workers to contribute actively to improving productivity.

What is productivity measurement?

Productivity measurement helps assess the level of productivity in a factory. Although productivity is generally expressed as the ratio of outputs and inputs, in a factory, it is evaluated using measures called Key Performance Indicators (KPIs). KPIs show how well the factory, a department, or a line performs in a certain area. For instance, the factory may measure on-time delivery rates, i.e. the proportion of orders that are shipped to the buyer on time. A sewing line may measure its defect rate, i.e. the number of sewing defects found per hundred garments. The level of labour productivity can differ according to inputs based on health, skills, knowledge and experiences of workers. That is why good working conditions are crucial to maintain and increase productivity in general. KPIs should thus not only include measures of pure performance, but also reflect the quality of working conditions in the factory. For instance, the factory may measure the number of accidents taking place in all departments, or workers' satisfaction with their wages. Although they do not directly express productivity, KPIs indicate working conditions and allow factories to monitor progress (or regression) over time by comparing results at pre-determined time intervals.

Why measure productivity?

An important prerequisite for planning and implementing productivity improvement in a context of social dialogue is the establishment of a *transparent system* to measure and share the gains of productivity among labour and management. Without measurements, it is impossible to assess productivity improvement, and to determine how they should be re-invested to benefit workers through improved working conditions. Productivity cannot be improved if it cannot be measured.

Building workers' capacity

A *transparent system* means that both workers and management must be able to access and understand productivity measurements and results. This is important for two reasons. Firstly, equal access is required to maintain workplace relations and ensure social dialogue. Leaving such knowledge to management alone would not help because workers might see it as a managerial scheme to push them harder. Secondly, in order to contribute to improving productivity, workers must first be able to understand it. Being excluded from such information would make it both difficult and demotivating for them to contribute to improving productivity.

Therefore, for workers to build their capacity to make a positive contribution towards productivity improvement, it is essential for them and their representatives to understand productivity concepts, measurements and their significance. They must be trained to be able to use simple productivity statistics (such as KPIs) related to their work and/or to the factory's general performance, compare them with targets, understand trends, and spot deviations. Further down the line, workers themselves can be involved in collecting, analyzing and displaying productivity-related information.



Learning steps:

1. Together, participants discuss the questions below based on the table provided.

Common KPIs		
Number of defects per hundred sewn garments	Number of re-cuts done in the cutting room due to defects	Fabric utilization efficiency in the cutting room
Percentage of orders delivered on time to buyers	Number of pieces produced per employee	Sewing target achievement rate
Share of women in supervisor / manager positions	Worker turnover rate	Average sample preparation time
Number of accidents and near-misses	Workers' satisfaction with wages and welfare	Quality of relations between workers and managers

In your role at the factory, what information (KPI) could help you measure productivity and working conditions? Circle in the table, then write down additional ideas below.

2. Read aloud the scenario below. Then, participants discuss the two questions.

In factory B, the sewing manager measures productivity daily by calculating how much of the daily target has been achieved and what proportion of sewn garments were rejected due to defects. This information is not shared with line operators. They are only told to work faster, and sometimes shouted at. As a result, they do not know how well they are performing, and what to change to perform better. They are also demotivated to take action to improve productivity, and the factory does not make progress.

Does factory B have a transparent productivity measurement system?

How does not having access to productivity information impact line operators and the factory?

How could the system be made more transparent for workers?

Activity

4b

20 minutes

Sharing information

In Activity 4a, participants learned about the importance of measuring productivity. In this activity, they will learn about concrete ways to contribute to improving productivity through information-sharing.



Learning points

What is information-sharing?

Information-sharing is the first instrument of social dialogue. It is a one-way process through which management shares information with workers by opening simple channels of communication. This is the first step towards building industrial relations based on trust and open communication. Remember, for this information-sharing to take place effectively, workers must have the capacity to understand productivity concepts and measurements.

Why share information?

When workers understand productivity and have access to enough information, they can better contribute to improving productivity by adapting their performance as needed. Additionally, when workers are aware of the reasons for decisions, changes or processes in areas that concern them, they will work more effectively. Sharing information helps foster teamwork and team spirit in the factory, as cooperation is encouraged, and all workers are made to feel that they are an important part of the factory's development.

► Example

Consider the introduction of new sewing machines in a factory. Workers, who are used to the previous machines and do not understand reasons for this change, may be resistant to it and resent the time spent on re-training. When informed on the reason for this change and on how it can benefit them by increasing productivity, they are likely to be more motivated and cooperate.

How to share information?

Information-sharing can take place in many different ways, formally or informally, verbally or in written form. Below are four systematic means to share productivity information in the factory.

Means	Explanation
Notice boards	Factory-level productivity information and measurement results can be communicated through notice boards, placed in areas such as the entrance. They must clearly display KPIs for factory productivity, to allow workers to assess how well the factory is performing as a whole.
Production boards	Department or line-specific productivity results can be communicated through production boards, placed in production areas or in-line. They must clearly display KPIs that allow workers to assess their departments or line's daily, weekly and monthly performance, spot deviations, and take corrective action.
Daily 10-minute meetings	Short, informal meetings held daily by the supervisor at the point of production to discuss current KPIs, issues and priorities and provide workers with performance feedback. Workers should also be invited to ask questions and share concerns or issues with their supervisor.
Staff briefings	Factory or department-wide briefings held periodically by managers to share information on productivity (or other topics) with workers, point out achievements and areas for improvements, and inform them about changes to production processes or others.



Learning steps

1. Read aloud the scenario below. Then, participants discuss the two questions.

In factory B, the sewing manager measures productivity daily by calculating how much of the daily target has been achieved and what proportion of sewn garments were rejected due to defects. This information is not shared with line operators.

How could the system be made more transparent for workers?

How might sharing this information help workers contribute to improving production?

2. Together, participants discuss the two questions below.

In your factory, does management share productivity-related information with workers? If yes, how?

If not, what could be done to improve the way this information is shared?

3. Together, participants discuss: Which of the four ways to share information outlined below would be suitable for your factory and why (or why not)?

Means	Suitable?	Why
Notice boards		
Production boards		
Daily 10-minute meetings		
Staff briefings		

Activity

4c

20 minutes

Consulting workers

In Activity 2, participants learned how to better participate in productivity improvement by sharing information. In this activity, they will learn how to complement these efforts through consultation.



Learning points

What is consultation?

Consultation is an instrument of social dialogue. Whereas information-sharing is a one-way process through which management communicates information to workers, consultation is a two-way process through which workers' representatives express their opinions and demands. Consultation allows workers to become more involved and engaged in the process of improving productivity, and thus to better contribute to it. As it is a two-way process, it also fosters a more cooperative attitude between workers and management, and also among workers themselves.

Why consult workers?

There are a few good reasons for workers to be consulted in decision making. First, workers are more likely to support an idea that has come from them. Secondly, workers are experts in their own workplace, and are fully acquainted with materials, machines, tools and working processes. As such, they have valuable information that can be vital to improving productivity. In addition, consultation helps increase job satisfaction and commitment by making workers feel that they are valued and a key part of the factory. This, in turn, is likely to have a positive impact on productivity.

► Example

Consider the introduction of new sewing machines in a factory. It would be advisable to involve workers in selecting and installing the new machinery, in assessing the impact on the work environment and in planning and implementing changes needed in the workplace and the production process. This would make the work easier, safer, more effective and humane.

How to consult workers?

There are several different ways for workers to be consulted, formally or informally, verbally or in written form. While engaging in consultation, it must always be guaranteed that workers' ideas and opinions are valued and discussed, and that workers and management deal with each other as equals.

Below are two ways to consult workers on productivity improvement.

Means	Explanation
Employee suggestion schemes	Workers can write down their suggestions to improve productivity and place them in a sealed box that is easily accessible. The box is opened regularly, and a committee decides on which suggestions to implement. Rewards can be provided for participation.
Trade union	Union representatives are elected and meet regularly with managers to discuss problems raised by their fellow workers. Also, the union and management negotiate working conditions and benefits and sign a collective agreement.
Worker councils	Worker representatives are elected and meet regularly without managers to discuss problems raised by their fellow workers. Meeting minutes are recorded, then shared with management, who then follows up with responses.
Grievance's handling	System for workers to communicate complaints and/or raise issues in writing, and help to inform managers on potential trouble, formally or informally. Grievances can then be discussed and resolved before they become large issues.



Learning steps

1. Read aloud the scenario below. Then, participants discuss the two questions.

In factory B, the sewing manager measures productivity daily by calculating how much of the daily target has been achieved and what proportion of sewn garments were rejected due to defects. This information is shared with line operators through production boards and daily line meetings. However, operators do not get the opportunity to communicate ideas on how to improve line productivity to supervisors.

How could line operators be consulted on how to improve line productivity?

How might this help line operators contribute to improving production?

2. Together, participants discuss the two questions below.

In your factory, are workers consulted on changes and how to improve productivity? If yes, how?

Which mean(s) of consultation could be used for workers in your factory to improve communication, leading to productivity improvement?

Activity

4d



20 minutes

Joint decision-making

In Activity 4c, participants learned about consultation mechanisms. In this activity, they will learn how joint decision-making can further enable them to improve productivity and exercise their labour rights.



Learning points

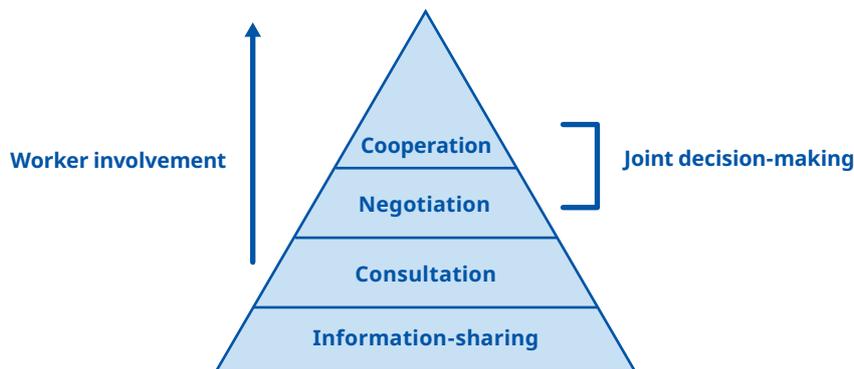
What is joint decision-making?

Joint decision-making involves discussion and interaction between managers and workers that results in a binding decision over a certain pre-determined issue. It relies on two other instruments of social dialogue – negotiation and cooperation.

- **Negotiation** is an interactive process through which managers, workers and their representatives discuss and negotiate to reach a collective agreement in the factory.
- **Cooperation** is an integrated process through which managers and workers work to reach consensus on issues of common interest, solve problems, or facilitate change.

Why is joint decision-making important?

Joint decision-making gives workers the opportunity to become fully involved in improving productivity and working conditions. While information-sharing and consultation gives workers a voice, joint decision-making allows them to take action through negotiation and cooperation and enabling them to exercise their right to bargain and reach binding. Joint decision-making also has an important motivational value. Workers are much more likely to support a decision that they helped make.



How does joint decision-making take place?

Joint decision-making can take place in formally established committees, or through ad hoc working groups formed to investigate and resolve a particular problem. Regardless of the form, the essential feature is that managers and workers come together to make decisions that are binding.

Forms	Explanation
Committees	Committees include both workers and managers and are formed to discuss certain problems, projects or areas for improvement, exchange ideas or opinions, and ensure that both sides are heard. Based on discussions, binding decisions are made.
Teams / working groups	Teams assemble both workers and managers in order to identify opportunities for improvement, plan projects, and implement them. Decisions and results must be communicated with all employees to ensure transparency.



Learning steps

1. Together, participants discuss the two questions below.

In your own words, explain: What is joint decision-making?

Is there any joint decision-making mechanism in your factory? Which?

2. Read the two situations below. For each situation, participants discuss which joint decision-making mechanism it best describes.

Situation	Committee or working group?
Factory A wants to improve productivity in the sewing lines. To do this, a team of line operators, supervisors, and managers is set up to identify opportunities for improvement, prepare a plan, and then implement changes. They report results to their department.	
Factory B wants to improve productivity in the sewing lines. To do so, a group of workers' and managers' representatives meet to discuss productivity issues and exchange ideas. Once they agree on implementation measures, they relay these decisions to workers and management.	

Session 4

► Wrap up



Before taking a break,
participants should review
the key learnings



5 minutes



Learning manual, pens,
markers and poster paper

Key learnings:

- It is in everyone's best interest for workers to contribute actively to productivity improvement.
- Productivity improvement can be effective only if implemented in a climate of industrial relations based on dialogue, trust and open communication.
- First, a transparent system for measuring productivity must be established, and workers must be capacitated to understand productivity concepts and measurement results.
- Then, to help workers better contribute to improving productivity, management should share productivity-related information with workers clearly and systematically.
- Then, workers must be consulted on how to improve productivity in order to ensure active contribution, two-way communication and the building of mutual trust.
- Then, joint decision-making mechanisms should be set up to allow workers and managers to reach binding agreements through negotiation and cooperation.

Time for a break!

Third break: 15 minutes



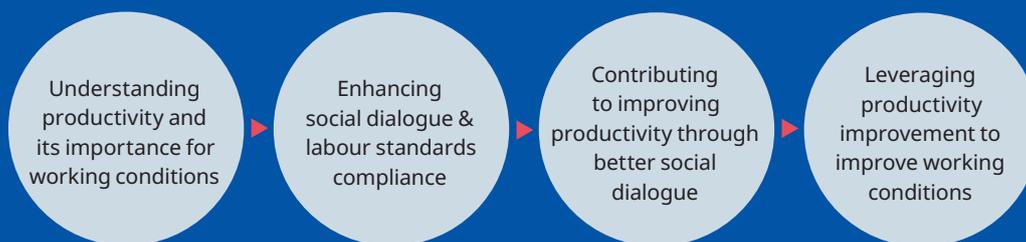
► 5

Session 5

Leveraging productivity to improve working conditions

Session overview

In this session, participants learn how productivity improvement can be leveraged to improve working conditions through equitable sharing of productivity gains. In Activity 5a, they learn how productivity gains can be shared between workers and management and used to improve working conditions based on joint decision-making mechanisms. In Activity 5b, 5c and 5d, they discuss options for improving the working environment, welfare and income, and identify their own priorities in terms of improving working conditions.

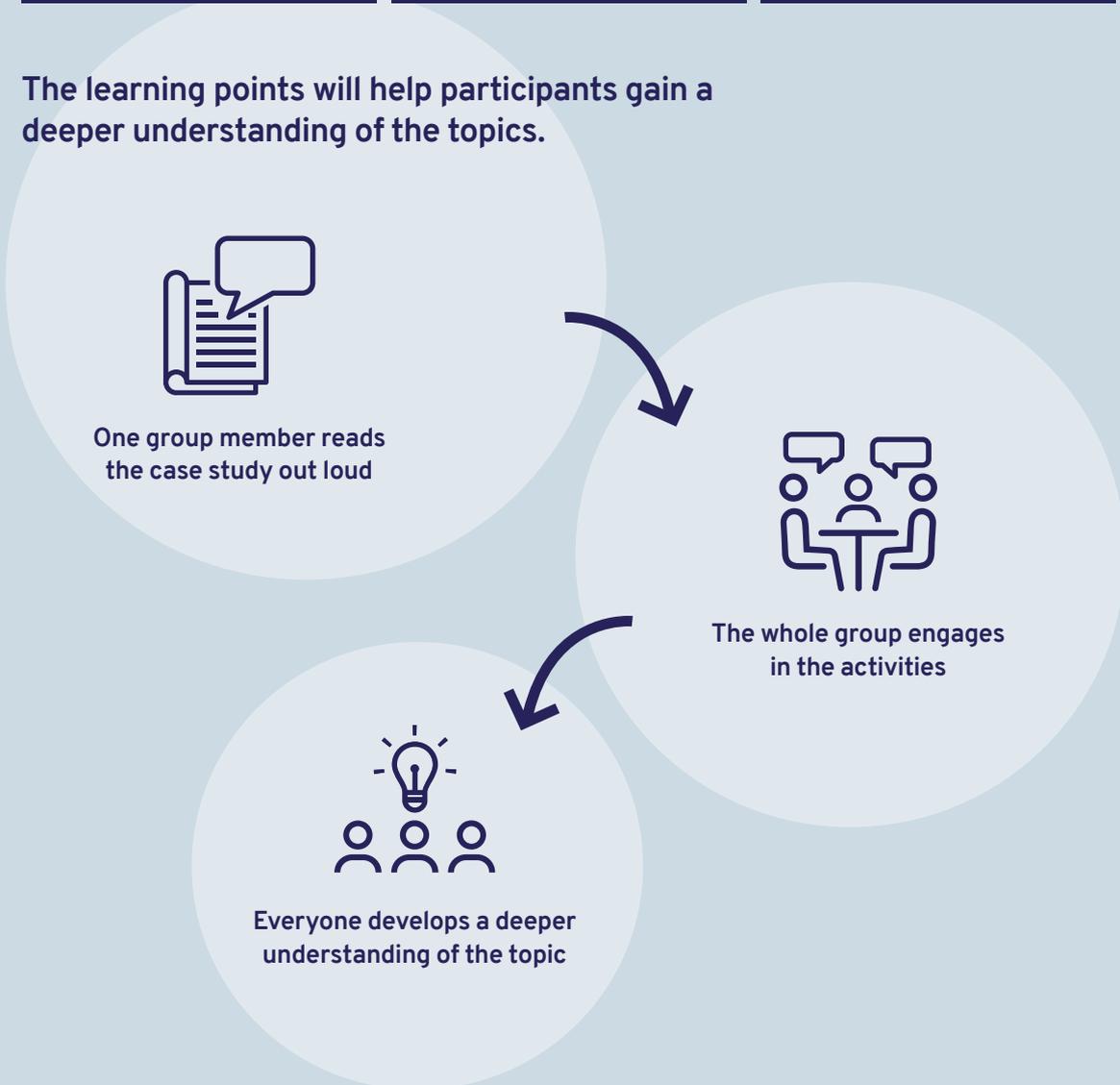


Session 5

► Overview

 <p>One member should read the learning point out loud to the rest of the group</p>	 <p>90 minutes</p>	 <p>Learning manual, pens, markers and poster paper</p>
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The learning points will help participants gain a deeper understanding of the topics.



Activities

5a

25 minutes

Sharing productivity gains

This activity focuses on defining gain-sharing and explaining how it can be leveraged to improve working conditions and productivity.



Learning points:

Leveraging productivity improvement

Through productivity improvement, factories can achieve better working conditions and living standards for their workers (in terms of labour standards, wages and the environment). The more productive the factory, the more potential for gains to be re-directed towards workers. However, improving productivity does not automatically improve working conditions! Imagine productivity gains as a cake. The distribution of gains (the way that the cake is shared) in the factory matters. Through productivity improvement, the size of the cake can grow. Now, if a few senior staff obtain a very large share of a factory's revenue and the majority of workers only obtain a small slice, living standards will improve only for a few. Therefore, we should not be interested only in productivity improvement but also in how to equitably share the profits so that everyone, specifically every worker, benefits.

Sharing productivity gains

In order to ensure productivity gains are distributed fairly, a transparent system must be established. Using consultation, negotiation and joint decision-making mechanisms, workers and managers can start having discussions and reaching decisions on how to share productivity gains equitably.

This involves decisions on how gains should be shared between workers and management, and on how gains should be used to improve working conditions. This usually involves improvements to the working environment, welfare, and/or income.

- **Improving the working environment** - Implementing necessary measures to ensure a safe and healthy environment and/or to provide necessary protective equipment.
- **Improving welfare** - Improving workplace facilities, services and benefits and help workers confront issues that arise (e.g. health problems).
- **Improving income** - Re-distributing productivity gains in the form of increased wages and/or bonuses, rewards and advancement opportunities linked to performance.

Identifying priorities

Decisions regarding productivity gains should be made together by representatives of workers and managers based on needs, desires and overall resource availability. Because resources are limited, it is important to identify priorities, and understand that compromises will need to be made. Workers and their representatives must understand the need for team work, positive attitude, creativity, productivity consciousness, as well as the need for change. They must also not compromise workers' rights, ensure jobs security, and make sure that the mechanisms put in place for gain-sharing are fair, and that management is dealt with as equals. Priorities in terms of improving working conditions should be discussed and agreed on jointly by workers prior to being communicated and negotiated with management. Identifying priorities does

not necessarily mean selecting one single area for gains to be re-invested in (for example, welfare only). As all three areas are important, different percentages can be allocated to different areas based on priorities identified (for example, 75 per cent for welfare and 25 per cent for compensation). A portion can also be left aside as a reserve, to be used in case of need or during a period of crisis.



Learning steps

1. Together, participants discuss the questions below.

Why does improving productivity not automatically improve working conditions?

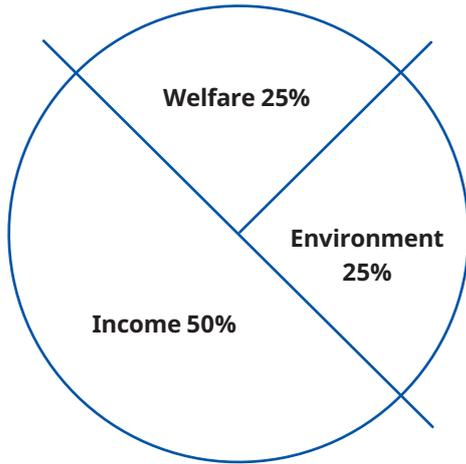
How can we make sure that productivity improvement brings about working conditions improvement?

2. Together, participants discuss: Among the three types of working conditions improvement, which one(s) do you think is/are priorities in your factory and why?

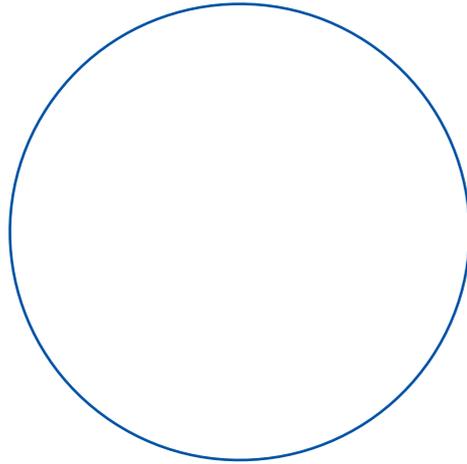
Improvements	Prioritized?	Why
Working environment		
Welfare		
Income		

3. Together, participants look at the “cake” below and discuss. This cake represents the productivity gains allocated to workers at the end of the year. In the context of limited resources, how could this cake be shared between your different priorities?

Example



Your cake



Activity

5b



20 minutes

Improving the working environment

This activity outlines concrete ways in which productivity gains can be leveraged to improve the overall factory working environment (including measures taken for health and safety).



Learning points

Improving the working environment

The working environment refers to the general state of the workplace and how it contributes to employee health and well-being. Improving the working environment means ensuring that it is safe for workers physically, mentally and emotionally and therefore involves not only the way workers are protected from physical danger, but also the way that work is organised and executed. Examples of how work can affect employee health include how labour-intensive, repetitive operations can cause fatigue and muscle strain, and how unsanitary premises can lead to disease spread as well as general stress.

Why improve the working environment?

Every worker has the right to do their job safely. Government regulations can set health and safety standards, but it is up to factories to enforce them. They are required to put measures in place to ensure a safe and healthy environment and to provide necessary protective equipment. Workers are required to comply fully with the health and safety regulations in their factories.

The working environment has the potential to either stifle or boost productivity. In the same way that repetitive, monotonous work can lead to low efficiency and negative attitudes, better-designed work organization and techniques can promote efficiency and productivity.

How to improve the working environment?

Several types of improvements can be made in order to enhance the working environment in the factory.

Five common types of improvements are explained in the table below.

Type	Explanation
Enhancing factory installations	Installations that help workers and managers avoid, react to, or remedy health and safety risks within factory buildings. Examples: Fire alarms, extinguishers, first aid kits, warning signs, etc.
Providing protective equipment	Protective equipment that should be provided to workers when safety and health hazards cannot be eliminated at the source. Examples: Protective glasses, metal mesh cutting gloves, etc.

<p>Improving ergonomics</p>	<p>Ergonomics refers to the position of workers, and how they use tools and equipment at work. Bad ergonomics is a major source of illness and injury.</p> <p>Examples: Good chairs, adequate lighting, lifting aids, etc.</p>
<p>Bettering work methods & organization</p>	<p>Work methods and organization that avoid strain and fatigue due to repetition and intensity. They can be improved through work study and training.</p> <p>Examples: Posture changes, short breaks, rotations between stations, etc.</p>
<p>Improving factory layout and premises</p>	<p>Factory buildings and layout that are clean, well-maintained, and are built in a way that avoids potential injuries and health risks.</p> <p>Examples: Clean toilets, safe storage shelves, staircase ramps, etc.</p>



Learning steps

1. Together, participants discuss the two questions below.

Why is it important to improve the working environment in a factory?

Among the five types of ways to improve the working environment, which ones do you think are needed in your factory and why?

2. Together, participants discuss: On the scale from 0 to 10 below, how safe do you feel in your working environment?



3. Read aloud the scenario below. Then, participants discuss the two questions below.

In factory X, workers are not given any protective equipment, except for basic items such as paper masks. Inside the building, it is quite dark, so workers often complain of eye strain. Some workers need to carry heavy weights without the help of any tools, which causes back pain overtime. Many workers have slipped on wet floors and hurt themselves. There is no alarm system in case of fire.

Is the working environment safe for workers in factory X?

How could the working environment be improved in factory X?

Activity

5c



20 minutes

Improving welfare

This activity outlines concrete ways that productivity gains can be leveraged to improve welfare in the factory, including by improving facilities and benefits.



Learning points

Improving welfare

Employee welfare is the services, benefits and facilities that the factory provides in order to improve staff wellbeing and promote motivation.

Why improve welfare?

Every worker has the right to work in dignity. During each working day, staff need to drink water, eat meals and snacks, wash their hands and visit the toilet. These activities can be easy, comfortable, and safe, or dangerous, painful, and degrading. They can be a health risk, or an aid to health and nutrition depending on staff welfare quality.

When efforts are made to satisfy workers' needs and managers show an interest in the problems they are facing, a good social climate is fostered and labour productivity increases. For example, establishing allowance schemes can go a long way to motivate workers because if they don't have to worry about retirement, bereavement, and emergencies, they are more likely to devote energy to improving productivity.

How to improve welfare?

Several types of improvements can be made in order to enhance worker's welfare in the factory.

Four common types of improvements are explained in the table below

Type	Explanation
Adding worker facilities	In-factory facilities can be set up or improved in order to render the workplace more welcoming, convenient and comfortable. Example: Canteen, nursing room, drinking water, lockers, etc.
Improving benefits	Additional monetary or non-monetary benefits can be offered or increased to help workers overcome problems confronting them. Example: Pension, paid leave, health insurance, etc.
Offering new services	Services can be offered to workers in order to improve their wellbeing and help them overcome certain problems. Example: Transportation, interest-free loans, medical centre, etc.
Organizing factory events	Celebrating certain events in the factory is a good opportunity to foster team spirit and loyalty or sense of belonging. Example: Factory anniversary, important celebrations or holidays, and so on.



Learning steps

1. Together, participants discuss the two questions below.

Why is it important to improve welfare in a factory?

Among the four types of ways to improve welfare, which ones do you think are most needed in your factory and why?

2. Together, participants discuss: On the scale from 0 to 10 below, how satisfied are you with the quality of welfare in your factory?



3. Together, workers look at the word cloud below and discuss:

- Which welfare services, facilities and benefits would you want your factory to offer? (Select and circle 5-7 items).
- Among those that you selected, which welfare services, facilities and benefits should be prioritized? (Select and circle 3 items).

Welfare services, facilities and benefits			
Canteen	Nursing room	Drinking water	Lockers
Changing rooms	Rest area	Recreational area	Work clothes / uniforms
Pension	Paid annual leave	Paid sick leave	Paid maternity leave
Medical centre	Health insurance	Clean lavatories	Family allowances
Dormitories	Interest-free loans	Educational bursaries	Transportation services (shuttles)
Parking space	Holiday celebrations	Birthday celebration	Factory anniversary

Activity

5d

20 minutes

Improving income

This activity outlines concrete ways in which productivity gains can be leveraged to improve workers' income in the factory.



Learning points

Improving income

Workers' income is the amount of money obtained in compensation for their work and includes both regular wages or irregular payments such as bonuses. Improving income means that one or both of these amounts is increased or that opportunities are given to workers to increase their income through advancement (ie. training and promotion systems).

Why improve income?

Every worker has the right to work in freedom, which means they should receive adequate compensation with which they can sustain themselves and their families. If wages are high and productivity is low, the company will press workers to increase productivity. Adversely, if wages are low in comparison to high productivity, workers will put pressure on the company to increase their wages. Workers also have the right to equal pay for work of equal value. This means that workers' income should not be based on or influenced by their gender, colour, religion, social origin, etc., but on the value of the work they are providing.

Wage is a basic reward. Wage or salary is the remuneration paid or payable to workers for work performed or services provided for employer. Wages or salaries normally do not include other non-cash benefits, such as payment of school fees. Paying workers well and offering rewards linked to performance is an effective way for them to feel motivated to increase productivity, but it must be stressed that everyone's needs are different. Some workers are motivated by a recognition of their worth, while others may be motivated by opportunity for advancement, personal growth and achievement.

How to improve income?

Several types of improvements can be made in order to increase workers' income in the factory. Four common types of improvements are listed and explained in the table.

Incomes	Explanation
Increasing piece rates	Piece rate is a type of wage based on the number of units produced by a worker. Piece rate can be increased to improve workers' income. However, many factories are moving away from this system as it does not encourage quality and team work, and places considerable stress on workers.
Increasing wages	Wages are fixed, regular payments made to workers on a daily or weekly basis in exchange for work. Daily or weekly wages can be increased to improve workers' income.
Providing bonuses & rewards	Sum of money added to a worker's wages as a reward for good individual or group performance (for example, quality, efficiency, etc.). Productivity gains can be re-distributed in the form of bonuses proportional to the productivity improvement made. It encourages team work and cooperation.

Offering advancement opportunities	Opportunities to earn more can be offered to workers in the form of opportunities for advancement (promotion), for instance through training. Advancement opportunities should be clearly linked to performance in order to better reward and motivate workers.
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Learning steps

1. Together, participants discuss the two questions below.

Why is it important to improve income in a factory?

Among the four types of ways to improve incomes, which ones do you think are most needed in your factory and why?

Read the text below. Then, participants discuss the two questions.

To increase productivity, factories are often advised to increase fixed wages and add on proportional bonuses. This allows workers to receive a stable income regularly, while providing added motivation to perform well and help increase productivity. Linking bonuses to group rather than individual performance encourages teamwork and reinforces the notion that everyone is concerned by productivity improvement.

Do you agree with the text above? Why or why not?

Would this system be suitable to your factory? Why or why not?

ILO policies promoting productivity and decent work

At the 341st Session in 2021, the ILO Governing Body (GB) discussed the main drivers of productivity growth and its implications for decent work, employment creation and sustainable enterprise development.¹ *The GB document pointed out that increasing productivity is a shared concern of ILO constituents, who view it as a catalyst for creating decent work, inclusive growth and shared prosperity. Issues relevant to decent work and productivity influenced policy outcomes, including those related to employers' activities, the rural economy, the promotion of sustainable enterprises, the transition to formality, and social protection coverage and adequacy. The GB recognized productivity as an important area of work and interest for the ILO, including the productivity ecosystem model which offered an integrated, holistic approach for the further development of activities. The GB requested the Office to take into account the guidance provided during the discussion on decent work and productivity in the implementation of the ILO's programme and in the follow-up to the ILO Centenary Declaration for the Future of Work.*

Productivity was also highlighted in both the 2019 ILO Centenary Declaration and the 2021 Global Call to Action.

The 2019 ILO Centenary Declaration for the Future of Work highlights the importance of productivity in efforts to create jobs and to ensure the sustainability of enterprises.² The role of sustainable enterprises was clearly amplified in the Preamble, which states that *'Recognizing also the importance of the role of sustainable enterprises as generators of employment and promoters of innovation and decent work'...* *The Conference declares that: In discharging its constitutional mandate, taking into account the profound transformations in the world of work, and further developing its human-centred approach to the future of work, the ILO must direct its efforts to... harnessing the fullest potential of technological progress and productivity growth, including through social dialogue, to achieve decent work and sustainable development, which ensure dignity, self-fulfilment and a just sharing of the benefits for all.*

Furthermore, the 2021 ILO Global Call to Action also emphasised ILO constituents' commitment to *"support business continuity and an enabling environment for innovation, productivity growth and sustainable enterprises, including micro, small and medium-sized enterprises, recognizing the important role of sustainable enterprises as generators of employment and promoters of innovation and decent work;" and for the ILO to strengthen its support of Member States' efforts to "boost productivity through diversification and innovation."*³

The International Labour Conference (11 December, 2021) adopted a resolution concerning skills and lifelong learning:⁴ *The 2030 Agenda for Sustainable Development, the ILO Centenary Declaration for the Future of Work, 2019, and the ILO Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient, 2021, have all highlighted the renewed importance of skills development and lifelong learning as key enablers of human development, full, productive and freely chosen employment and decent work, productivity improvement and sustainable development.*

1 ILO, 2021. Governing Body 341st Session: Second Item on the Agenda: Decent Work and Productivity (GB.341/POL/2), Geneva.

2 ILO, 2019 "ILO Centenary Declaration for the Future of Work".

3 ILO, 2021. "Global call to action for a human-centered recovery from the COVID-19 crisis that is inclusive, sustainable and resilient". Available at: Texts adopted - Resolution I: Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (ilo.org).

4 ILO, 2021. "Resolution concerning skills and lifelong learning". Available at: Resolution XVII (ilo.org).

Session 5

► Wrap up



Before taking a break, participants should review the key learnings



5 minutes



Learning manual, pens, markers and poster paper

Key learnings:

- Productivity improvement does not automatically translate into improved working conditions. It is necessary to establish a system to determine how to equitably share productivity gains.
- The sharing of productivity gains should be negotiated and determined by both workers and managers using consultation, negotiation and joint decision-making mechanisms.
- A gain-sharing plan should be drafted, outlining how gains should be shared, and how gains are to be re-invested into improving working conditions.
- Gains can be used to improve the working environment, welfare, and/or incomes, based on needs, priorities and resource availability.
- By improving working conditions, these improvements have the potential to boost productivity.
- Increasing productivity is a shared concern of ILO constituents, who view it as a catalyst for creating decent work, inclusive growth and shared prosperity.

Time for a break!

Fourth break: 15 minutes



► 6

Session 6

Conclusions

Session overview

In this session, participants summarize their new learnings and reflect on their own working situation. In Activity 6a, participants take a quiz together, and revise key learnings. In Activity 6b, participants evaluate their own readiness and willingness to contribute to productivity and working conditions improvement, and discuss the next step for becoming more involved.

Session 6

Review 1 – Looking back

Together, participants take the quiz below by selecting the correct answer.

1. Productivity is...
 - a. How fast you can get your work done.
 - b. How efficiently resources are used for production.

2. Productivity and working conditions.
 - a. Have nothing to do with each other.
 - b. Reinforce each other.

3. Productivity can only be improved when.
 - a. Working conditions and industrial relations are good.
 - b. The factory has enough funds.

4. There are two preconditions to build harmonious industrial relations.
 - a. High productivity and high efficiency.
 - b. Social dialogue and labour standards compliance.

5. Freedom of association and collective bargaining are:
 - a. Two Fundamental Rights at Work.
 - b. Two instruments of social dialogue.

6. To contribute to productivity improvement, workers must be.
 - a. Trained to understand productivity concepts and measurement.
 - b. Told to work faster and harder.

7. To allow workers to contribute to productivity improvement, the factory must.
 - a. Keep important information to itself.
 - b. Set up information-sharing, consultation and joint decision-making mechanisms.

8. To improve working conditions, productivity gains must be.

- a. Kept by management.
- b. Shared equitably.

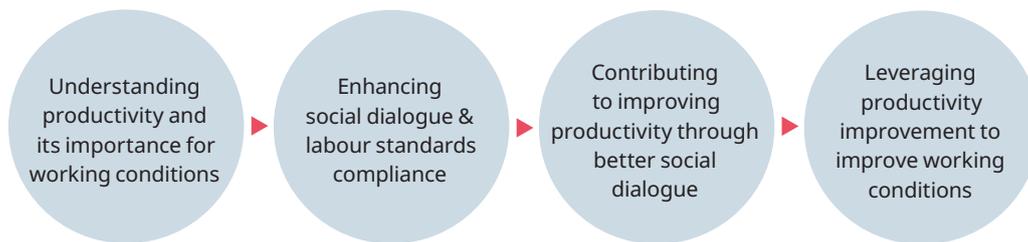
9. Productivity gains can be used to improve.

- a. Wages only.
- b. The working environment, welfare and incomes.

10. Improving working conditions also helps improve.

- a. Productivity levels.
- b. Productivity measurement.

After taking the quiz, participants revise the key learnings in the text box below.



Key learnings:

► Productivity.

- a. Is the relationship between the outputs generated by a production process and the inputs provided to create this output?
- b. Rises when an increase in output occurs with a less than proportionate increase in inputs, or when the same output is produced with fewer inputs.
- c. Can help improve working conditions (labour standards compliance, incomes and the working environment), and create more and better employment.

- ▶ Productivity can only be improved in a context of harmonious industrial relations. For this, three conditions are needed – decent working conditions, social dialogue and labour standards.
 - a. Social dialogue describes all negotiations, consultations or information exchanges between representatives of employers and workers, on issues of common interest.
 - b. International labour standards (ILS) lay down minimum standards and set targets for development in fields such as basic human rights and freedom of association.
 - c. ILS include freedom of association (the right to voluntarily establish and join groups for the promotion and defense of occupational interests, and to bargain collectively).

- ▶ It is in everyone's best interest for workers to contribute actively to productivity improvement.
 - a. For workers to contribute actively to productivity improvement.
 - b. First, a transparent system for measuring productivity must be established, and workers capacitated to understand productivity concepts and measurement results.
 - c. Then, management should share productivity-related information with workers clearly and systematically and consult workers on how to improve productivity to ensure active contribution, two-way communication and the building of mutual trust.
 - d. Then, joint decision-making mechanisms should be set up to allow workers and managers to reach binding agreements through negotiation and cooperation.

- ▶ Productivity improvement does not automatically translate into improved working conditions. For this to happen:
 - a. A system to determine how to equitably share productivity gains must be set up.
 - b. The sharing of productivity gains should be negotiated and determined by both workers and managers using consultation and joint decision-making mechanisms.
 - c. Gains can be re-invested into improving the working environment, welfare, and/or incomes, based on needs, priorities and resource availability.
 - d. These improvements to working conditions have the potential to boost productivity.

Session 6

Review 2 – Taking action

Together or individually, participants fill in the readiness questionnaire below.

Questions	Yes	No
1. I understand the concepts of productivity and productivity improvement.		
2. I understand the relationship between productivity and working conditions.		
3. I understand the importance of harmonious industrial relations.		
4. I understand the concept of social dialogue and its importance.		
5. I understand information-sharing, consultation and joint decision-making.		
6. I understand the importance of complying with labour standards.		
7. I understand what freedom of association and collective bargaining are.		
8. I understand how workers can contribute to improving productivity.		
9. I understand how productivity gains can improve working conditions.		
10. I understand the concept of sharing productivity gains fairly.		

Together, participants discuss the three questions below.

1. After taking this training, would you like to take an active part in improving productivity and working conditions in your factory? Why or why not?

2. Is there anything else that you need to learn or better understand in order to do so?

3. What could be the next steps to improve productivity and working conditions in your factory?

End of the training - Thank you for your participation!

► Solutions

Session 2

Activity 2a

Questions:

1. What are the inputs and the outputs for both factories in this scenario?
 - Inputs: Employees, fabric.
 - Outputs: Shirts.
2. Which factory is the most productive?

Factory A is the most productive. It produces more outputs (shirts) with less inputs (fabric).

Situation 1 & 2 describe a productivity increase.

- Situation 1: The factory produces more outputs with the same amount of inputs.
- Situation 2: The factory produces more outputs, with a less than proportional increase in inputs.
- Situation 3: The factory produces less outputs with the same amount of inputs.

Activity 2b

Sentence	True	False
1. When the required preconditions are met (social dialogue and labour standards), workers become more productive.	x	
2. Productivity is only important for senior factory managers, and workers should not preoccupy themselves with it.		x
3. Productivity increases can be used as a legitimate basis to improve working conditions in the factory.	x	
4. All workers have the right to working in freedom, safety and dignity.	x	
5. Productivity gains can be used to increase wages for workers and provide them with a safer, healthier working environment.	x	
6. When factories improve productivity, they can improve working conditions as well.		x

Session 3

Activity 3a

Situation	Yes	No
1. Management does not address workers' problems or complaints when they are voiced.		x
2. Management consults workers before making decisions or implementing changes that will impact them.	x	
3. Workers share information with managers so that problems can be solved as fast as possible.	x	
4. Workers know how to improve productivity in the factory but do not share their ideas with management.		x
5. Management consults workers to understand how to improve working conditions and productivity in the factory.	x	
6. When they are dissatisfied or unhappy with a new measure or decision, workers do not say anything to management.		x

Activity 3b

Is this a Fundamental Right at Work?	Yes	No
The right to freely establish and join workers' organizations for the promotion and defense of your occupational interests.	x	
The right to bargain (negotiate) freely with employers without being restricted or penalized.	x	
The right to work without being forced and with timely pay (right to work in freedom).	x	
The right to equality of treatment and opportunity (the prohibition of discrimination in access to employment and training on the grounds of race, colour, sex, religion, political opinion, social origin, etc.).	x	
The right to equal pay and benefits for work of equal value (the prohibition of discrimination in compensation on the grounds of race, colour, sex, religion, political opinion, social origin, etc.).	x	
The prohibition of being admitted to employment below 15 years of age, in protection of children's rights.	x	

All of the above are Fundamental Rights at Work, enshrined in the ILO's Declaration on Fundamental Principles and Rights at Work, adopted by its member states in 1998.

Activity 3c

Sentences	True	False
Collective bargaining is an important element of freedom of association.	x	
Through collective bargaining, workers share information with management but cannot negotiate freely.		x
The goal of collective bargaining is to reach an agreement that is acceptable for all parties through discussion rather than confrontation.	x	
Collective bargaining talks typically only focus on the issue of wage increases.		x
Agreements reached through collective bargaining are never legally binding.		x
Collective bargaining helps generate trust and mutual understanding between workers and management.	x	

Session 4

Activity 4a

Situation	Committee or working group?
Factory A wants to improve productivity in the sewing lines. To do so, it sets up a team of line operators, supervisors, and managers. Together, they identify opportunities for improvement, prepare an improvement plan, then implement improvement measures. They report results to their department.	Working group
Factory B wants to improve productivity in the sewing lines. To do so, a group of workers' and managers' representatives meets to discuss productivity issues and exchange ideas. Then, they agree on several measures, and relay these decisions to workers and management.	Committee

Session 6

Activity 6a

(1) b); (2) b); (3) a); (4) b); (5) a); (6) a); (7) b); (8) b); (9) b); (10) a).

▶ Additional resources

- ▶ Asia Productivity Organization (APO). 2020. *Building Industry 4.0 Capacity: Need Analysis Six APO Economics*. Available at: <https://www.apo-tokyo.org>
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- ▶ _____. 2015. *Productivity Improvement and the Role of Trade Unions: A workers' Education Manual*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_425982.pdf.
- ▶ _____. 2015. *Research Brief: Working Conditions, Productivity and Profitability Evidence from Better Work Viet Nam*.

ILO Labour standards on productivity

- ▶ C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- ▶ C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- ▶ C029 - Forced Labour Convention, 1930 (No. 29)
- ▶ P029 - Protocol of 2014 to the Forced Labour Convention, 1930
- ▶ C105 - Abolition of Forced Labour Convention, 1957 (No. 105)
- ▶ C100 - Equal Remuneration Convention, 1951 (No. 100) (ilo.org).
- ▶ C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ▶ C138 - Minimum Age Convention, 1973 (No. 138)
- ▶ C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)
- ▶ C155 - Occupational Safety and Health Convention, 1981 (No. 155)
- ▶ P155 - Protocol of 2002 to the Occupational Safety and Health Convention, 1981

- ▶ C187 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)
 - ▶ Better Work – The ILO’s flagship programme for improving working conditions in the garment sector: Available at: <https://betterwork.org>
 - ▶ Better Work resources. Available at: <https://betterwork.org/our-work/resources>.
 - ▶ Better Work trainings. Available at: <https://betterwork.org/our-work/training>.
 - ▶ ILO. 2015. *Research Brief: Working Conditions, Productivity and Profitability: Evidence from Better Work Viet Nam*. Available at: <https://www.betterwork.org - ILO-1513-Research-Brief-for-DP-No.-17-Are-Sweatshops-Profit-Maximizing.pdf>.
 - ▶ Nordic Council of Ministers. 2014. *Working Environment and Productivity: A Register-Based Analysis of Nordic Enterprises*.

Productivity and decent work: A workers' manual

This manual aims to guide worker-oriented training in the Asian garment sector on how productivity improvements can support decent work through enhanced social dialogue, compliance with labour standards and improved working conditions.



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