

The “Why” of Compliance: It’s about the Workers

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Bringing about change is an amazing process. It usually starts with the idea that if you just do “this,” the desired changes will happen. Reality sets in when you are actually involved in the work of bringing about that change.

What do we want to change by our compliance work? The problems many workers experience in the supply chains that are part of the global economic system – unjust treatment, hazardous working conditions, etc. **Since Gap is part of the global system, the company also faces the challenge of dealing with these problems in the Company’s supply chain.

And why do we want this change? At the heart of all the compliance work is the central purpose, the “Why” of that work: “*It’s about the Workers.*” It’s because of concern for them and their well-being. All compliance work is founded on that original idea, that original passion to bring about positive change for workers, to find, fix and prevent unjust treatment or hazardous working conditions. The hope is that as all of us become more aware of problems in the supply chains, investors, consumers, and brands act out of the same concern for the workers.

So why is this work on the Company’s part necessary for positive change to occur in the places where our products are made? There are many compelling reasons.

The Role of Governments

Supply chains encompass many different countries. In countries where labor is strongly organized and the labor systems work well, the problems workers experience in supply chains today would be resolved through accessing that system. Yet it remains true in many countries that unions or other worker organizations lack the power and authority to really protect their members, the workers.

Even in those countries where a strong labor movement operates, labor unions or organizations can only work where the governing legal system is designed to recognize and protect workers. Governments in many countries lack the laws and regulations to protect their people in the workplace. In countries where protective laws exist, inadequate systems may make

Two questions arise as you read this section.

The first is: Who is the “we” to which the essay refers?

The “we” is any of us and all of who do this work, who are concerned about this work, who have ideas about to improve the work.

Find yourself as you read.

The second is: What is the time frame for the writing. The original independent monitoring began in 1996. In the years since, depending on the part of the world, the particular industry or brand, the work in different factories progresses at different rates.

It is not just that brands evolve their program. It is also that in each factory, each country and each industry, the readiness to participate in that “evolvment” is different.

enforcement of these laws difficult if not impossible. In other cases, the governments may lack the will to enforce the laws, or may be corrupt.

Compliance work continues to be necessary because governments are not doing their job. Something beyond an inadequate or slow moving legal system is needed when workers are systematically treated unjustly. Who besides the government has the power to bring about change in factories around the world to protect the workers?

We have turned to the brands, the corporations, because they have that power. But we must be clear that the real responsibility for protecting workers *should belong* to the government in each country. Until then, we work through the corporations' compliance systems until we find the system that achieves our ultimate goal: to protect the workers.

Dealing with the Problems

Over more than a decade, different models have developed to address the problems in factories. When we first started, we thought that Independent Monitoring by local labor, religious and civil society organizations would be sufficient. Independent Monitoring did find the problems, but then came the challenge of how to fix them.

In the Independent Monitoring systems and then in the compliance systems brands have developed, the monitors or social auditors inspected the factories, found the problems, reported them to management. Then the brands use the power that they have to push, encourage, force (there are all sorts of verbs that can be used depending on the specific factory and situation) the factory owners to fix the problems that had been found.

Finding and Fixing

Everyone assumed that the brands sourcing in the factories have the power to bring about the needed changes. But we have quickly and continuously learned that that was not enough.

A true story:

In 2003, I was in El Salvador on another project when one of our research team returned after a day of doing interviews outside the maquilas (factories). Aida said that the women from one of the factories wanted to talk with me personally. They had recognized my name and that of CREA, our organization, when Aida was introducing herself and why she was doing the interviews.

Aida and I met with the workers outside the maquilas the following day after work. Their request was simple: there was a problem in the factory. They had spoken to the factory management, to the Labor officials, etc. and nothing had changed to fix the problem. What they wanted was simple: Please would I get in touch with Gap and tell them about the problem.

I called Gap and spoke to Dan Henkle, then to Deanna Robinson who intervened on behalf of the workers. Within 48 hours, the problem was fixed.

It was clear who had *the power and the will* to change things for the workers.

situations were pointed out to them. Many of the factory managers came to their positions because of their families or because of the company for which they worked who actually owned the factory. They were appointed to produce the product. Good management skills, often even in that domain of production responsibility, were to be learned on the job. In some cases, the managers came from one country, while the workers came from another. Dealing with cultural differences is an on-going challenge.

Our mantra of “*find* the problems”, through monitoring was quickly expanded to “*find and fix*” the problems. Based on the “*find and fix*” model, more brands joined the work. Codes of compliance were developed and placed in factories, social auditors were employed to do the social audits and corrective action plans were developed to push the factories to make the needed changes. The brands held the factories responsible for the fixing.

While improvements have been documented, permanent change remains illusive. The systems of “finding and fixing” have not resulted in the prevention of the problems that workers face in many factories around the world.

Finding, Fixing, Preventing: The Goal of Sustained Compliance

To prevent, we need to find and fix the causes of the problems where we can. For example, a major problem workers face is demand for excessive overtime. By integrating the work of sourcing with the work of compliance, the brand can more realistically set turn-around time for their orders because they understand the effect they have on the need for overtime work. The business case for compliance deepens.

Similarly, having an integrated database that brings together up to date information from the audits in the factories, trainings, sourcing of products, etc. provides the means to track the effects, and then working backwards, the causes of issues in the factory.

The challenge of bringing about sustained change remains. Part of the problem is the evolution of the huge industry of CSR which often looks to be able to compare companies rather than focusing on the impact on workers and communities on the ground. When a company is asked: “How many instances of human rights abuses have you found?” the workers and communities enduring these abuses are invisible. Plus, brands that actively work to FIND these abuses and problems often are made to seem worse than brands that do little or nothing and so do not find or report them. Even the work towards sustainability and sustainability reporting still needs to answer the core questions: “Sustainability of whom? Sustainability of what?”

Workers in a Factory Community Based Compliance System

As compliance systems developed over time, the involvement of workers as participants in good compliance programs is still a challenge. They have remained just the recipients of the programs’ benefit. The brand, the social auditor and the factory management are usually the participants in the “find and fix” process. Occasionally, in some specific projects – such as the original design for independent monitoring, and in current projects designed to focus on certain

workplace problems or specific issues within an industry - civil society organizations are also part of the work.

But none of these approaches include the workers as partners in the work of compliance.

While many of the programs and projects do improve things *for* the workers, none of them involve the workers in any systematic and systemic way to *find and fix*, and then see what changes are needed to *prevent* the problems. That is the challenge: find, fix and then prevent.

Moving beyond “*Find and Fix*” to “*Find, Fix, Prevent*” will require involving the workers as participants, not just as passive recipients of the compliance process. Workers are the closest to the work. They are part of the factory community. They have the most to gain. Why waste their possible input?

Years ago while I was teaching at the university, all professors received a letter from the Dean asking for our advice on how to improve the registration process.

I went to the students in each of my courses and asked them for their ideas. After all, I did not register for courses; they did.

I assembled their suggestions and submitted them to the Dean with the note that they were my students’ suggestions. The Dean replied that the suggestions were excellent. But he was wondering how I came to ask the students.

Coming Back to the Why

Motivation is always complex: concern for the workers, the business case, the company or factory image, the reality...all are part of the why of compliance work. Yet compliance at its truest and most enduring has as its foundation real human concern for other human beings.

As we said at the beginning: *It’s about the workers.*