



FAIR LABOR  
ASSOCIATION<sup>®</sup>

## Independent External Assessment Report On Workers' Representation and Participation

Conducted for Factory B (Narayangonj, Bangladesh) for  
the FAIR LABOR ASSOCIATION

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## I. Introduction

Commissioned by the Fair Labor Association (FLA), Rebeka Khatun conducted an Independent External Assessment (IEA) on Workers' Representation and Participation for Factory B (Narayangonj, Bangladesh) on 10 October 2010. In this report, findings from the IEA are compared to those from the baseline assessment, which was performed in 2009. This allows identification of improvements and progress of the factory during the capacity building phase.

An Independent External Assessment is an impact assessment that gauges whether the compliance system at a factory is sustainable, identifies the strong and weak factors of a given compliance issue at a factory, analyzes the environment at a factory once a training program has been completed, and provides data on a factory's need for further improvement in identified areas. Regardless of the specific compliance issue covered by the training, the IEA critiques the current worker representation structure and workers' participation in management decisions at factory. The IEA consists of findings from the workers' survey (SCOPE), the Focus Group Discussions, the Management Self-assessment and a documents review.

Factory B is a knit-garments factory mainly manufacturing t-shirts. At the time of the survey, the factory had 603 workers. Based on the gender, job tenure and origin (migrant or local) of the workforce, a stratified sampling was applied to the workers' survey and 148 workers were selected<sup>1</sup>. All of the workers selected in the sample participated in the survey, and all 148 questionnaires were valid. To protect the anonymity of workers, workers did not fill in their names on the questionnaire. Most of the survey workers understood the questionnaires and completed them within 30-45 minutes.

Table 1. Demographic Characteristics, Surveyed Workers, Factory B.

Characteristics	%	Characteristics	%
<b>Gender</b>		<b>Average Value</b>	
Male worker	53.0	Age (Year)	25.01
Female worker	47.0	Length of Service (months)	23.74
<b>Marital status</b>		<b>Educational Background</b>	
Single	59.5	No schooling	27.0
Married	40.5	Primary school	45.3
<b>Children</b>		Middle school	18.2
None	45.3	High school	8.8
One	29.7	University	0.7
Two or more	25.0	<b>Local vs. Migrant</b>	
<b>Home (&lt; 16 years old)</b>		Local	60.8
Big city	3.4	Migrant	39.2
Town	8.8	<b>Living situation</b>	
Small town	13.5	Out side of dormitory	100
Countryside/Village	74.3		

Table 1 presents the demographic characteristics of the surveyed workers at Factory B. The average age is 25.01 years and the average length of service almost two years (23.74 months). The workforce has 47% as females, 60.8% are local workers, 74.3 % worker grew up in the countryside or a village and 100% of the sample workers reside outside of the factory compound.

<sup>1</sup> Sample size was based on (+/-) 7% error range, at 95% confidence level.

## II. Findings from the Workers' Survey (SCOPE 2010)

### Policy and Procedure, Training and Workers' Representation Structures - Descriptive Results

- Policy and Procedure:** Of those surveyed, 78.4% mentioned that they knew of the law and policies regarding the establishment of workers' representation structures at factory. The majority of workers (81.1%) stated that they have the right to create workers' representation structures and almost the same percentage (81.8%) knew that these structures have the right to negotiate with management. A fairly high percentage showed awareness of workers' participation rights in the factory, with 87.8% and 81.1% of respondents reporting that they have right to participate and be elected as a member in workers' representation structures. However, not many workers were familiar with the detailed steps of the procedure. For instance, only 49.3% were aware of the steps to create workers representation structures and about one third (36.5%) knew how to join a workers' representation structure. **It is necessary to enhance workers' knowledge on the operation of the workers' representation structure.**
- Training:** Almost half (42.6%) of surveyed workers said they had never received any training and/or information on how to participate in the worker representation structure. Only a quarter (23.6%) reported receiving training on these topics once, followed by 14.2% who said they had participated in training more than once, and 19.6% who reported regular training. The topics of the trainings are listed in Table 2.<sup>2</sup> The table shows that the majority (74%) of workers who had received training were able to recognize training that covered how to stand for election; and around half of the trained workers reported training topics including how to join workers representation structures and how to communicate with management. Around one-quarter (22%) of the trained workers absolutely understood the training issues and over half (56%) answered that they received written documents. Such findings indicate that training should reach more workers in the factory and training quality needs to be improved. **Management is advised to arrange training for new workers and refresher training for all workers. Meanwhile, they should make training material available to all those who receive training and improve the quality of training by making the training content easy to understand.**
- Workers' Representation Structure:** **The survey results show that all participants were aware of at least one existing workers' representation structure in the factory:** 27% of surveyed workers identified one structure, 59% two, 10% three and 4% four or more. Table 3 lists the different committees identified by workers and the percentage of workers who recognized each committee. Workers were divided on whether worker representation structures contribute to decisions made in factory. Among the total surveyed, 64.9% felt that representatives of workers' representation structures absolutely or largely contributed to the decision-making

Table 2. Ranking of the training issues

Topics	%
How to stand for election	74
Factory regulations & EPZ law on worker association	61
How to join worker representation structures	55
How to communicate with management	49

Table 3. Workers' Representation Structures Recognized by Workers

Committee	%
Health & Safety Committee	85.5
Welfare Committee	50.0
Workers' Association	34.6
Labor Management Council	14.2
Workers' Council	8.8

<sup>2</sup> The ranking is evaluated through number of times a topic was mentioned (indicated in % in the column, % referring to the percentage of those who had received training). Workers could indicate more than one issue that is why the total percentage exceeds 100%. The higher the percentage, the more workers recalled the topic was covered during training.

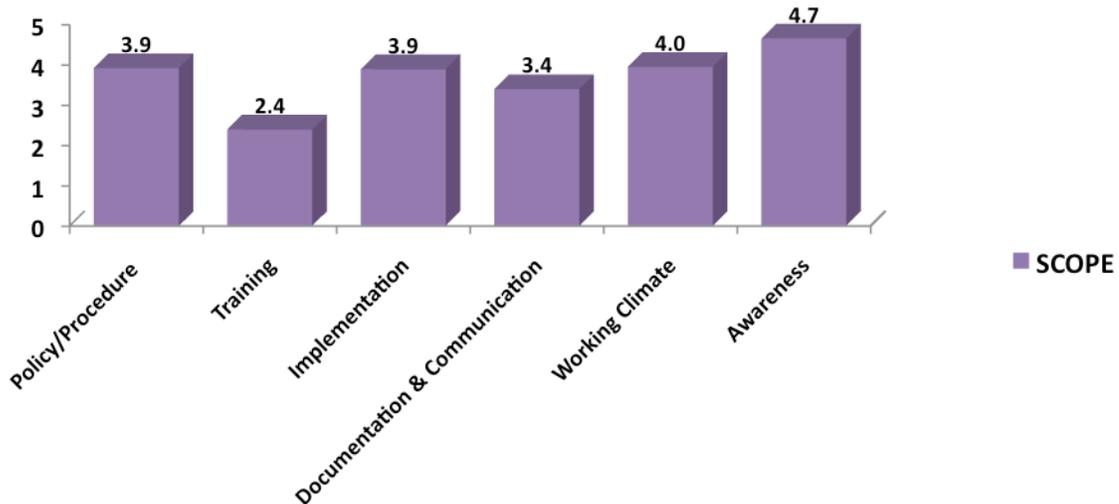
processes at factory, followed by 27.0% who said worker representatives participated to a certain extent and 4.1% who answered that they participated a little bit or did not participate.

### Overview of Factory's Performance on Workers' Participation

Figure 1 shows six factors concerning Factory B's overall performance on workers' representation and participation from the workers' survey. Each factor is measured on a scale of one to five. A score below three indicates insufficiency and a score above four represents a very good performance. **The figure shows that the overall results are positive, with two of six assessed factors scoring a four (4) or above, another two scores very close to four.** The figure implies that the factory has set up policy and procedure for better implementation of workers' representation structure. Also most of the workers have realized the importance of worker representation structure.

**The score for Awareness is the highest (4.7) among all assessed factors.** In other words, a large percentage of surveyed workers recognize the benefits and importance of workers' representation structure. This indicates good communication and dialogue between workers and the workers' representation

**Fig 1 Scales: SCOPE Workers' Representation Structure and Participation, 2010**



structure at factory. At the same time, training received the lowest score (2.4). Given the fact that nearly half of the surveyed workers did not receive any training on this area, the high level of awareness displayed here is more likely an outcome of the dynamic communication system between workers and workers' representation structure at factory. **The score for Working Climate is second highest (4.0) among all, which shows that a positive atmosphere exists in the workplace.** For example, very few (4.1%) workers got nervous when management observed them at their job, and when asked about the quality of factory products, the majority (81.8%) of workers expressed that the quality of the factory's products were excellent. A good relationship between workers and management provides a strong foundation for a sustainable worker participation mechanism.

**The scores for Policy and Procedure and Implementation are also good, at 3.9 and 3.9 respectively while the scores of Documentation and Communication are relatively low (3.4).** About half of the surveyed workers did not receive written information on the existing workers' representation structures and one third (31.1%) of respondents had never received updates or written information on any outcome and achievement of the workers' representation structure. Having transparent and systematic documentation in place contributes to efficient implementation and furthermore, sharing information with workers on a regular basis shows tangible results and achievements of workers' representation structure to workers.

Management is advised to review the documentation system and make information on the activities of workers' representation structures accessible to workers.

### **Factors related to workers' participation**

Highlighting possible relationships between the different factors assessed shows the general trends in the survey data and suggests areas for further improvement. The key findings are as follows:

- Policy and Procedure, Implementation and Awareness are positively correlated with Training.<sup>3</sup> Workers who were more satisfied with the training they received on workers' representation also demonstrated a better knowledge of the rights of the workers' representation structure, were more familiar with the structures and activities of the workers' representation structures and showed a higher level of awareness of the role of the workers' representation structure in problem solving.
- Policy and Procedure, Documentation, Communication, and Awareness are positively correlated with Implementation.<sup>4</sup> Workers who know more about the policy and procedures regarding workers' participation, those who felt better informed about the activities and achievements of the workers' representation structure and those who identified with the rationale behind promoting workers' participation, also displayed that they were more aware of the structures and activities of the workers' representation structures than others.
- Awareness is positively correlated with Working Climate.<sup>5</sup> Workers who demonstrated a higher level of awareness of the positive role of workers' participation also felt more integrated into the factory, they were proud of the working place and the quality of the factory's products.

## **III. Findings from Focus Group Discussions and Document Review**

### **Focus Group Discussions**

Two focus groups sought to gather qualitative information on the workers' representation structure and participation. One group consisted of four staff from middle management and another of the same number of workers' representation structure members. Middle management included a Compliance Officer, Production Officer, Worker Participation Committee's (WPC) Officer and a floor supervisor of the swing section. The other group consisted of three general members and the convener of the worker representation structures.

Middle Management: According to middle management, the factory enjoyed a sound working environment, along with an active worker representation structure. A compliance officer is the liaison between the workers' representation structure and workers. A worker's officer communicates with workers about their work schedule, sharing positive and negative feedback with management. Also they mentioned that substantial change in the relationship and communication between workers and management took place after training under the PREPARE project. The training had different impact and outcomes including that the workers are confident when going to their compliance officer or direct supervisor to bring forward their issues or problems, the number of suggestions/complains submitted to the suggestion box has increased and workplace cleanliness has improved. Meanwhile, managers also felt that problems are being solved more quickly and easily. Good relations between workers and management help achieve the target production plan. Those who had participated in training (under PREPARE) recommended that training should be given

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<sup>3</sup> Correlation coefficient between policy & procedure and Training is .412 (Correlation is significant at the 0.01 level ); correlation coefficient between implementation and training is .175 (statistically significant at 0.05 level); correlation coefficient between awareness and training is .208 (statistically significant at 0.05 level).

<sup>4</sup>Correlation coefficient between policy/procedure and implementation is .230 (statistically significant at 0.01 level ); correlation coefficient between documentation and implementation is 0.149; correlation coefficient between awareness and implementation is .355 (statistically significant at 0.01 level ).

<sup>5</sup> Correlation coefficient between awareness and working climate is .330 (statistically significant at 0.01 level);

to all staff and workers, as well as provide follow up training to consolidate the positive outcomes. **Management is advised to invest resources in developing the factory's own training program to share the positive experiences and outcomes gained through PREPARE project with more workers in the factory.**

Worker Participation Committee's (WPC) members: Workers felt that the work environment was positive. After the PREPARE training, members gained a good understanding of policies like allowed leave, benefits, health and safety, and workers' representation. Each worker and staff followed a 'chain of command' to maintain communication between management and staff and in general, workers maintained personal contact with the HRM, the Compliance Manager, Worker Officer and Supervisor. The group felt that the level of worker integration and the relationship between management and workers had improved. The factory now supported a worker representative to join in the problem solving process of daily operations and workers were able to perform their tasks before schedule while maintaining quality. As there was no follow up training organized for workers by the factory, the group felt that a refresher training would reinforce the skills and knowledge gained through previous program. It was also mentioned that, after the PREPARE project, workers were more likely to communicate with management and supervisors. WPC members encouraged workers to go to responsible personnel to solve their daily operational problems, and they explained to workers that there were no negative consequences to doing this.

### **Document review**

The factory provided copies of a written policy for the Worker Participation Committee (WPC). This policy clearly stated the objectives of the committee, the committee formulation process, who can be a member of the committee, procedures and actions. It also clearly stated that WPC member will be elected from workers of different sections/departments, but it did not define how members will be elected. This was echoed with early findings from the workers survey that workers were not clear on how to join the worker representation structure. Furthermore, the existing policy did not ensure any provision of facility and resources for the WPC to function well nor was there a clear guarantee defined in the policy that workers will not face any retaliation because of participation in the WPC. According to the policy, a meeting for worker representation structures shall be held bimonthly and decisions, conclusions and resolutions of the meeting should be documented, but there was no clear statement with regard to dissemination of meeting decisions. Meanwhile, it is worth noting that the policy defines that a complain box will be open once in a month in the presence of HR Manager, Factory/Admin, Manager and members of the WPC. If a complaint or grievance from a worker simmers for one month, it may turn into a more serious problem than if it had been attended to in time. Therefore, **the factory should open the complain box once a week instead of a month and update the Policy for the complain box accordingly. Furthermore, management should shorten the interval of time between meetings of the worker representation structure. Management is also advised to clearly define the voting system, the resources for the worker representation structure, and the dissemination of meeting decisions in the written policy and procedure.**

The factory also submitted the Progress Tracking Charts (PTC) associated with the PREPARE program for review. Progress Tracking Charts used key performance indicators (KPIs) to illustrate the progress and impact of the factory's capacity building measures. Both management and a worker representative from the WPC filled in the PTCs on a monthly basis. PTCs from December-2009 to March-2010 were collected. Table 3 presents a snapshot of the issues consulted with workers during this period, drawing from the PTCs filled by management and worker representative.

Based on the records in the management PTCs, factory management consulted with workers regarding Training and the Working Conditions of factory at least once a month within the mentioned period. It is observed that the number of issues documented by management is more than that of the worker representative. It is important for management to make sure that such consultation with workers has effectively involved workers/worker representatives and has been recognized by workers. Progress Tracking Charts also contain a 'Capacity Building' sheet to capture information on the capacity building activities undertaken in the factory. Management and the workers both indicated that the worker representative

Table 3. Issues Management Consulted with Workers, December 2009 - March 2010

Issue	Number of Issues	
	From Management	From Worker Representative
1. Working conditions (e.g. health and safety issues, problems with assignments, working positions, denied leave)	4	2
2. Workers integration (e.g. committees, representatives, unions)	2	3
3. Communication channels in the factory	2	1
4. Training of workers	4	2
5. Disciplinary regulations/rules of the factory	3	-

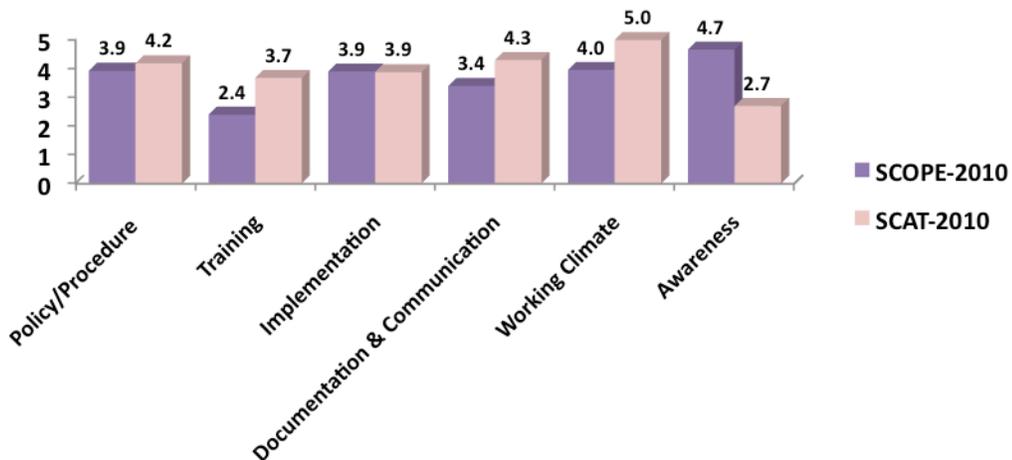
structure members were elected through a secret voting system and that workers were responsible for choosing the topics of the training sessions offered at the factory. Workers' attendance at their duties had increased due to effective communication, and there were many administrative and quality-of-life issues that were resolved by the worker representative structure. However, some documented answers were not fully relevant to the given questions. Management needs to follow the instructions for the progress tracking charts and use this tool to keep track of the activities and development of worker integration in the factory. Management is also recommended to review and improve documentation of issues relevant to worker integration, as sound documentation is integral to a well functioning procedure.

#### IV. The Management Self-Assessment vs. the Workers' Survey (2010)

Comparing the Management Self-Assessment 2010 (SCAT 2010) and Workers' Survey 2010 (SCOPE 2010) further illustrates the factory's status in the area of workers' representation and participation. In this case, Figure 2 shows the disparities between Management Self-Assessment (SCAT 2010) and Workers' Survey (SCOPE 2010) results, giving a complete picture of the prevailing attitudes towards the existing worker representation structure at factory. The management scored each factor higher than the workers overall, with the exception of Awareness where it was much lower, and Implementation where it matched workers' opinions.

The graph shows that the score of Working Climate for both workers and management scores above four. In

Figure 2: Comparison Between SCOPE-2010 and SCAT-2010

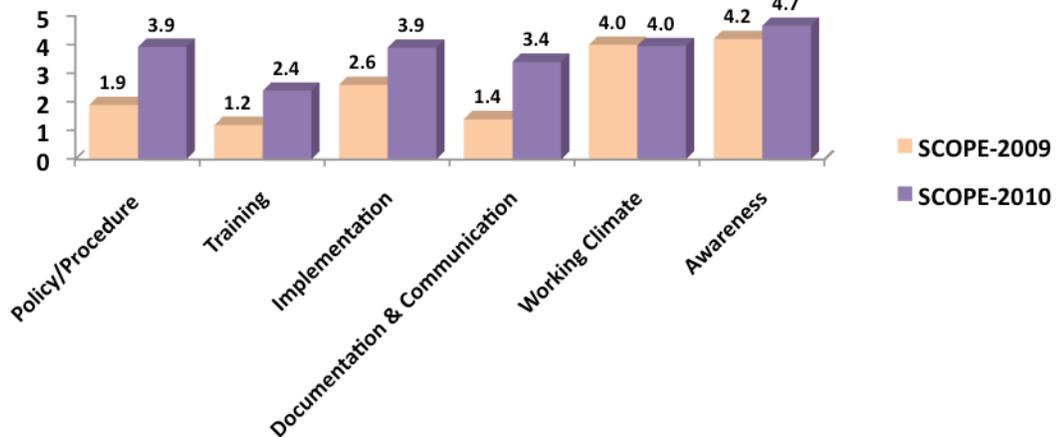


the other words, from both workers' and management's perspective, a good relationship exists between them and they both are highly satisfied with factory products, which is a positive sign for a sound workplace environment at factory. The management scored Documentation and Communication higher than workers did. Management should review if documentation is effective, it should be accessible to workers as well; if it is not effective, management should work towards to address it. **Based on the self-assessment, management demonstrated a relatively low level of Awareness of the rationale behind promoting worker integration (2.7).** Efforts to improve management's awareness of the positive roles of workers' participation in the problem solving process should be made with no further delays. In order to make the consultation, communication and dialogue systems self-sustainable, support from management, and especially executive management, is crucial.

## V. Comparison between SCOPE 2009 (Baseline Assessment) and SCOPE 2010 (Impact Assessment)

A comparison between the baseline and impact assessment results from the workers' survey is shown in Figure 3. **The impact assessment score of each factor has increased from the baseline assessment except in 'Working Climate' where it remained stable.** The significant changes are seen in Policy and Procedure, from 1.9 to 3.9, and in Documentation and Communication, from 1.4 to 3.4. Such findings indicate that communication between the workers and management improved at the factory, along with the

**Figure 3: Comparison Between SCOPE 2009 and SCOPE 2010 Results**



workers' knowledge of the existence and importance of the worker representative structure. The scores of Training and Implementation increased from 1.2 to 2.4 and 2.6 to 3.9 respectively. Although a certain level of progress was seen in Training area, SCOPE 2010 implied that there is further room for improvement. To maintain a strong record for all factors measured, management should increase the number of trainings and increase the level of worker integration into factory politics and communication in factory.

## VI. Summary and Recommendations

This report presented the findings from Factory B's impact assessment on workers' representation and participation, drawing results and observation from management self-assessment, workers survey, focus group discussions and documentation review. Below is our conclusion of key findings and recommendations:

- In comparison to 2009, progress has been seen in different areas, with the most obvious improvement in Policy and Procedure, and Documentation and Communication. The majority of the surveyed workers knew about the workers' representation structures but a large portion of respondents lacked knowledge regarding the steps to create the worker representation structures and how to join such a group. There are some weaknesses seen, such as the facility and security of the members of WPC as well as important documentation details not mentioned in the policy.

**Recommendation:** It is necessary to enhance workers' knowledge on the operation of the workers' representation structure. The policy ought to include security and facilities of the WPC members and a declaration regarding the communication of the meeting minutes.

- The low score of Training reflects that training on workers' representation and participation did not reach to the entire workforce and the training content and method were not effective to workers.

**Recommendation:** Management should arrange training/orientation for new workers and refresher training for all workers. Meanwhile, they should make training material available to all those who receive training and improve the quality of training by making the training content easy to understand and applying interactive training methods.

- Management is also advised to invest resources in developing the factory's own training program to share the positive experiences and outcomes gained through PREPARE project with more workers and staff in the factory.

- The survey results suggest a sound work environment at factory. To make continuous progress in worker integration, the factory should maintain this strength while making efforts to address its weak areas. There is room for improvement in Implementation.

**Recommendation:** A suggestion/complaint box is available once a month and the workers' representative structure meets bi-monthly at the factory. If a complaint from a worker simmers for an entire month, it may become a larger problem than if it had been addressed immediately. The factory should make the complaint box available once a week and update the Policy for the complaint box accordingly. Also management should shorten the interval of time between meetings of the worker representative structure.

- Despite the progress achieved in Documentation and Communication, these are still relatively weak areas. A considerable portion of the surveyed workers did not receive updates and written information on the outcomes and achievements of the worker representative structures.

**Recommendation:** Management should review and improve documentation of issues relevant to worker integration, as sound documentation is integral to a well-functioning procedure.

- Management's perception of the importance of worker integration and the positive contribution of worker integration at factory needs to be improved. If management fails to realize the importance of workers' integration, it is not possible to implement and sustain a compliance system at factory.