OVERVIEW

Workers are the only actors in the supply chain with a vital and abiding interest in ensuring that their rights are protected. As importantly, only workers are fully aware of the many manifestations of abuse that occur in their workplaces. Indeed, they are the first to know about the vast majority of abuses. Consequently, workers are uniquely situated to be the most effective monitors of their own rights. The WSR model is therefore designed to harness workers’ unique capacity to serve as frontline monitors through each of the following elements:

— Peer-to-peer education on workers’ rights and redress mechanisms under the Code;
— An efficient and accessible worker complaint intake, investigation and resolution procedure, with strict protections against retaliation; and
— A program of comprehensive audits and corrective action measures that assess all relevant aspects of a Participating Supplier’s operation, conducted by a monitoring organization in which the workers have confidence and trust.

Participating Suppliers must fully cooperate with all of these monitoring protocols, which are backed by the market consequences established in the WSR Agreements with Participating Buyers. A violation of transparency or cooperation with any of these protocols could, in and of itself, result in the suspension of a Participating Supplier.

This document addresses the following aspects of a monitoring regime for a WSR Program:

1. Monitoring Organization
2. Complaint Intake, Investigation and Resolution
3. Audits/Inspections and Corrective Actions
4. Information Management and Impact Evaluation

MONITORING ORGANIZATION

WSR Agreements with Participating Buyers should establish that the worker organization or an organization of its choosing will be responsible for monitoring Participating Suppliers’ compliance

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with the Code. The worker organization must then decide whether to keep these technical functions “in house” or to contract with or create a monitoring organization to serve this purpose. There are compelling reasons to consider a standalone monitoring organization, including the specialized skillsets required for drafting reports and corrective plans; securely managing large volumes of sensitive data; and performing financial, legal and other types of compliance analysis. This division of labor also allows the worker organization to focus on the overall development of the WSR Program as well as the peer-to-peer worker education the Program requires. Furthermore, under this arrangement, the worker organization is still able to serve as a quality control backstop to ensure that the monitoring organization is effective. Opportunities for collaboration range from the worker organization sharing its insights into the industry’s workplace dynamics to co-designing audit and complaint investigation methods and reviewing findings and proposed corrective action measures and complaint resolutions. The worker organization may also receive and investigate complaints in collaboration with the monitoring organization.

The monitoring organization should develop extensive expertise in the industry and the Code and offer 24/7 availability for worker complaint intake. Therefore, a for-hire monitoring organization is generally a poor fit for WSR Programs. First, their rate structures render their services cost-prohibitive for anything deeper than perfunctory and infrequent auditing with little follow-up on corrective actions. Second, they generally lack meaningful experience with ongoing Code implementation as well as with the “deep dive” investigative and problem-solving techniques required by WSR. Many of these monitors have developed their experience and business model based on providing services to companies interested in low-cost solutions and motivated largely by fear of bad publicity, and thus do not have expertise in driving sustainable change. Third, their own organizational cultures and ambitions may create conflicts of interest or other tensions within an already complicated landscape of relationships among the worker organization, Participating Suppliers and Participating Buyers.

It must be noted that there are significant start-up costs—in time, money and human resources—for creating a standalone, nonprofit monitoring organization. This should be viewed by the worker organization as a very serious commitment with real opportunity costs. In the final analysis, however, a dedicated monitoring organization—grounded in an objective, fact-finding process and fully attuned to the dynamics of power and partnership that will shape Code implementation—is a tremendous asset to any WSR Program. It is imperative that the monitoring organization be governed by the worker organization and its allies. While some degree of power-sharing may be necessary given the political circumstances of a given case, it is essential to prevent “capture” of the monitoring organization by the Participating Suppliers or Participating Buyers. The integrity of the monitoring organization, and its independence from employer interests, is paramount.

COMPLAINT INTAKE, INVESTIGATION AND RESOLUTION

When workers encounter a potential Code violation, WSR provides them protected access—with strict consequences for retaliation—to a fast, effective and proven complaint process. The complaint procedure is essential to managing risks before they become bigger problems, and suppliers who truly embrace WSR understand this benefit. Traditional audits are, at best, a snapshot of working conditions during a brief window of time, while an effective complaint resolution mechanism functions like a continuous video feed from the workplace, providing an open channel for workers (and sometimes sympathetic supervisors) to bring code violations to the attention of investigators without fear of retaliation. An effective complaint system not only serves to identify and remedy violations
after the fact, but to prevent abuses before they happen as well, as employers who would violate their workers’ rights are made aware that violations will not go undetected and their consequences may well be greater that any possible benefits they might derive from the abuse.

A best practice is for the monitoring organization to staff a toll-free hotline that is answered by a trained and culturally and linguistically competent investigator, 24 hours a day, 7 days a week. This ensures that workers who are bringing forward complaints, often with initial reticence, speak with individuals who have deep knowledge of the Code, industry actors and practices, and proper complaint intake techniques. (This stands in sharp contrast to the generally ineffective outsourced call center model used for most company whistleblower services.) Complaints are then investigated and resolved by the monitoring organization, normally in collaboration with the Participating Supplier and with an emphasis on risk prevention. Both the monitoring organization and Participating Suppliers should be required to report all complaints received to each other, with the monitoring organization protecting the worker’s confidentiality when possible. The monitoring organization should assess and, if necessary, prescribe corrective action measures to improve Participating Suppliers’ internal complaint procedure to ensure that workers can effectively report complaints and receive prompt and adequate resolutions through internal procedures.

The peer-to-peer education provided by the worker organization can build awareness of and encourage workers to utilize the complaint procedure. However, a WSR complaint procedure is ultimately judged by workers based on the speed and efficacy of its resolutions and by the Program’s ability to protect workers from retaliation. The need for prompt resolutions is an often-overlooked aspect of a successful system, because resolutions that linger for weeks or months, even if ultimately favorable, may leave workers feeling powerless in the interim, thus undermining the system itself. Whenever possible and appropriate, complaint resolutions include an educational component, consisting of meetings with relevant supervisors, so that workers can see that complaints are heard and addressed, without retaliation, and supervisor conduct can be effectively modified. All steps in the complaint process should be documented in the monitoring organization’s database, resulting in an invaluable compilation of information on the conduct of individuals and company practices.

**AUDITS/INSPECTIONS AND CORRECTIVE ACTIONS**

When combined with effective worker education and a protected complaint procedure, independent audits and inspections can identify and address code violations that take place outside the workers’ direct experience. To be effective, WSR audits must go well beyond the generally superficial methods commonly used in corporate social responsibility programs and instead include meaningful interviews of a percentage of workers sufficient to establish a comprehensive picture of workplace dynamics, as well as unfettered access to management personnel and documents.

The monitoring organization must design an audit program that assesses the implementation of each provision of the Code, not just a handful of high-level standards. Baseline audit tools should then be developed to help guide worker, supervisor and management interviews; these tools are custom-

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audit program means that the monitoring organization must be able to secure financial resources sufficient to the level of staffing required. Furthermore, auditors and complaint investigators must be trained on proper investigative techniques, including interviews, documentation and recognition of fact patterns to ensure that the monitoring organization maintains credibility and objectivity in its findings.

**INFORMATION MANAGEMENT AND IMPACT EVALUATION**

Over time, the monitoring organization will develop a specialized and continuously deepening information base concerning relevant industry actors and practices. Gathered through audits and the complaint process, this empowers investigators with the information they need to do their job effectively. This also requires the monitoring organization to create effective information management systems for record-keeping that can safeguard confidential information. An integrated database, for example, can generate a variety of invaluable reports on the complaint procedure, including breakdowns by Code provision, outcome, time elapsed until resolution, etc. Uses for this data can range from tracking a company’s or supervisor’s violation history to internal, macro-level evaluations of the monitoring organization itself. This data is also necessary for the generation of public-facing annual or biannual reports on the state of the Program. Furthermore, tracking complaints from outside the Program (i.e., from workers at a non-Participating Supplier) may help inform and provide a factual basis and context for the future expansion of the Program to those other suppliers.