

The Social Accountability Standard -SA8000

Dr. R. Mohanasoundari and Dr. P. Suguna

Abstract: *SA8000's acceptance is growing because companies recognize the benefits of this system, both to workers and to management. A growing number of companies are currently assessing their suppliers' compliance with SA8000 and others are listing it as an alternative to the company code of conduct. International trade unions, consumer campaigns and labor activists consistently recognize SA8000 as a strong and comprehensive standard for dealing with workplace conditions. SA 8000 has more stringent and specific requirements than many alternative codes. In Tirupur there are so many Hosiery Garments organisations functioning with SA8000 certification. Among them five companies have chosen for the study to ascertain the satisfaction level of the workers about the standards of SA 8000 and their awareness about this certification and its contents.*

Keywords: *Tirupur, Garment, Industry, Workers, SA 8000, satisfaction.*

I. Introduction

Labour the most powerful driver of an economy is one of main resources of production. Over a period of time there were huge developments in automation of production by using various technologies. Despite these developments, production in any form viz., Industrial, Agriculture is mainly dependent on a force called Labour. Unfortunately, such a valuable resource has been neglected for a long time. The attitude towards labour has now been evolved, to a great level, so as to give due honour to such a valuable resource. To put it in other words, each and every one is responsible for the well being of the society, whether an Individual or a corporate body. If we look in to this in detail for what in happenings around the world towards these social responsibilities, at Government Level, there are so many laws enacted, at society level there are so many Non Governmental Organization's (NGO) engaged and at Individual organizations level code of conducts, and standards have been followed.

However, there are many federations of Trade Unions supports these initiatives like ITGLWF (International Textile Garment and Leather Workers Federation) which supports Clean Clothes Campaign's code of conduct. Social Accountability International another organization which promotes SA8000 standards another set of code of conducts. Representatives from Trade Unions like ITGWLF, Union Network International are represented in its Governing Board. Similarly Ethical Trade Initiative has representatives from International Union of Food workers, The Trade Union Congress, The International Confederation of Free Trades Unions (ICFTU) and ITGLWF. And Workers Rights Consortium (WRC) has representatives from Union of Needle Trades, Industrial and Textile Employees (UNITE) and other Trade Unions from south in its advisory council.

These recent developments indicate major International Trade Union movements have broadly accepted the principles and policies of social accountability. Besides the issues related to the policy and its effectiveness of codes of conduct. The important labour rights question swings in the minds of activists, researchers and trade union movement is how far these of codes of conducts are instrumental in improving the working conditions in the companies. Also whether those who accepted the codes of conduct monitor the compliance of codes of conduct and how frequently these promoting organizations monitor the compliance of code and conduct.

In the past three decades, the concern for improving the working conditions of workers all over the world has emerged as a key focal point. International concern for better labour conditions often identified alternative actions and programmes. Social labeling and codes of conduct are promoted to address the issues of ethical production and consumption. Such initiatives are frequently confronted by the arguments like codes of conduct are corporate public relations exercise and also codes of conduct are challenging traditional worker's movement by interfering in Trade Union's roles and responsibilities. In fact codes of conduct and standards addressing social accountability has polarized and in some cases driven a wedge between Non – Governmental Organizations and Trade Unions. Many Non- Governmental Organizations have initiated these code of conducts and concepts of social accountability as an effective tool to improve world wide working conditions of workers, while sections of Trade Union movement viewed it skeptically as a corporate ploy and intervention in Trade Union activities.

However, there are many federations of Trade Unions supports these initiatives like ITGLWF (International Textile Garment and Leather Workers Federation) which supports Clean Clothes Campaign's code of conduct. Social Accountability International another organization which promotes SA8000 standards another set of code of conducts. Representatives from Trade Unions like ITGWLF, Union Network International are

represented in its Governing Board. Similarly Ethical Trade Initiative has representatives from International Union of Food workers, The Trade Union Congress, The International Confederation of Free Trades Unions (ICFTU) and ITGLWF. And Workers Rights Consortium (WRC) has representatives from Union of Needle Trades, Industrial and Textile Employees (UNITE) and other Trade Unions from south in its advisory council

1.2 Social Accountability In Tirupur

Today 75% of the total production of cotton knitwear is exported from India is manufactured in Tirupur. In terms of the total domestic production of cotton knitted garments of India, Tirupur accounts for about 35%; secondary centers throughout the country contribute Delhi for 10%, Calcutta for 30% and the rest. Tirupur experienced an unprecedented growth of hosiery goods and became the pride of the India in terms of major foreign exchange earnings. The expansion of the garment industry in Tirupur was mainly due to the structure of the industry. The reason for the growth of garment market is as follows cheap labour, availability of water, cotton and good connections developed by the employers with the buyers of North America and Europe. Developments like growing concern on labour standards have made employers in Tirupur to move in this direction. First companies supplying garments to Europe have shown interest in Clean Clothes Campaign's code of conduct and some companies have accepted its code of conduct. And some other companies are involved in pilot project programme with Swiss and Swedish CCC's to improve the working conditions. Few companies have affiliation to other social labeling.

1.3. Review of Literature

Barrientos and Smith(2006) have provided one of the most extensive studies of producers who have adopted a voluntary code, examining British companies participating in the Ethical Trading Initiative (ETI). The study aims to evaluate the impact of the ETI's Base Code on labor standards (e.g., health and safety standards and compliance with minimum wage laws) and rights of workers to organize and bargain collectively with employers. The ETI Base Code formally prohibits forced labor, child labor, discrimination, harsh or inhuman treatment, and excessive hours of work, and guarantees safe and hygienic conditions, regular employment, a living wage, and freedom of association and the right to collective bargaining. The authors report that greater compliance with the ETI code among suppliers is associated with more proactive management approaches to code implementation among buyers and the leverage held by such buyers (in terms of the percentage of supplier output they account for and the duration of the supply relationship). **Locke, Qin and Brause (2007)** have examined the workplace conditions of Nike's suppliers, all of whom have agreed to comply with Nike's Code of Conduct, which directs them to respect the rights of their employees and to provide them with a safe and healthy work environment. The authors have analyzed the quantitative data on the working conditions among some 800 suppliers in 51 countries, gathered by Nike's own internal auditing system. The data reveal higher audit scores at suppliers that were visited more frequently by Nike production specialists and that were located in countries with stronger regulations and legal institutions. Better working conditions were also associated with smaller plant size and with more formal partnership ties with Nike. The authors also note that data from Nike's separate "compliance rating program" (which assigns simple letter grades to suppliers based on their overall compliance with health, safety, labor, and environmental standards) indicate that working conditions in over 80 percent of the firm's suppliers have either remained the same or fallen over time. A follow-up study by **Locke and Romis (2007)** evidenced the Nike's supplier facilities in Mexico. The authors had chosen two facilities that were very similar in terms of their size, location, product line, and place in Nike's supply chain, but were noticeably different in terms of working conditions (wage levels, work hours, and employee satisfaction). After visiting the facilities and conducting numerous interviews with managers, workers, and representatives of non-governmental groups, the authors attribute this divergence in work conditions to differences in work organization and human resource management. Specifically, they argue that the introduction of lean manufacturing techniques in one factory had led to larger investments in worker training and greater work autonomy, raising productivity and improving working conditions at the same time. In addition to these studies of corporate codes of conduct in the manufacturing sector, several scholars have examined evidence on the impact of Fair Trade certification among selected sets of agricultural producers. **Benbear, Lori S. and Cary Coglianese (2005)** have examined the impact of private monitoring of labor standards by manufacturers in the American garment industry. The program examined in the study is a novel combination of a government regulation (and enforcement power) and private monitoring. The Wage and Hour Division at the U.S. Department of Labor is the government agency in charge of enforcing workplace standards regulations, as enacted in the Fair Labor Standards Act (FLSA). Weil and Mallo study the effect of these monitoring agreements on compliance with minimum wage laws based on data from four Division surveys of around 70 apparel contractors (randomly selected from all manufacturing and contractor firms appearing on the California and New York registration lists between 1998 and 2001). Except among the New York contractors surveyed in 2001, the results indicate that contractors subject to monitoring by manufacturers had substantially higher compliance with minimum wage laws when compared with contractors

not subject to such monitoring.

1.3 Statement of the Problem

The Social Accountability 8000 Standard (SA 8000), along with other types of certification standards and corporate codes of conduct, represents a new form of voluntary “self-governance” of working conditions in the private sector, initiated and implemented by companies, labor unions, and non-governmental activist groups cooperating together. There is an ongoing debate about whether this type of governance represents real and substantial progress or mere symbolism. Advocates promote SA 8000 and similar codes as a necessary tool to improve workplace conditions, especially in nations that lack robust enforcement of regulatory standards. To have a close observatory look at the compliance of SA8000 standards in garment companies in Tirupur and to analyze the employees’ satisfaction on their improved working condition because of social accountability followed in the organization, the study has been undertaken.

1.4 Objectives of the Study

- To know the socio-economic background of the employees in SA8000 certified garment companies.
- To know the congenial working conditions provided for the employees of SA8000 certified garment companies.
- To find out the satisfaction level of employees about SA8000 standards.

1.5 Scope of the Study

To assess the impact of the certification mainly the working condition of the employees the study has been conducted. With the implementation of codes the organization’s presence of corporate social responsibility can be revealed. The areas where the employees are required to adopt a new working environment can be identified. Once the company/ organization get SOCIAL AUDIT 8000 certificate they can able to follow the international practices in their organization.

1.6 Research Methodology

The study undertaken was analytical in nature as it provides description of the state of affairs, as it exists to study the workers satisfaction on social audit 8000. A sample of 200 employees of five SA8000 certified garment companies has been selected as respondents for the study. Convenient sampling technique has been used for the study.

1.6. Personal Profile of the Respondents

The profile of the 200 surveyed respondent employees (age, gender, marital status, educational status, experience, type, annual turnover) has been depicted in this section of the research work.

Table.no.1. Profile of The Respondents

Personal factors		No of respondents	Percentage
Age	Below 20 years	30	15
	20-30 years	70	35
	30-40 years	55	27.5
	Above 40 years	45	22.5
	TOTAL	200	100
Gender	Male	120	60
	Female	80	40
	TOTAL	200	100
Marital Status	Married	126	63
	Unmarried	74	37
	TOTAL	200	100
Experience	Below 5 years	20	40
	5-10 years	22	44
	10 years and above	8	16
	TOTAL	200	100
Educational Qualification	Illiterate	12	6
	Upto V std	32	16
	Upto XII std	148	74
	Degree Level	8	4
	TOTAL	200	100
Experience	Below 1 year	40	20
	1-3 years	81	40.5
	3-5 years	49	24.5
	Above 5 years	30	15
	TOTAL	200	100

Member of Trade Union	Yes	180	90
	No	20	10

There has been more number of respondents under the age group of 20-30 years than other age groups. The male respondents account for 60% and female 40%. In that 63% were married and 37% were unmarried. 74% of the respondents have completed their higher secondary education. 40.5% of the respondents had 3 years experience, 24.5% of them had 5 years of experience, 20% of the respondents had below 1 year experience and 15% of the respondents had more than 5 years experience in the present job. 90% of the respondents are the members of the trade union others 10% have not joined in any trade union.

1.7. SA 8000 and Working Condition

Implementation of SA8000 in Indian industries is getting momentum in a very fast pace. At this juncture it becomes significant that the impact on the workers and their working condition has really happened or not. The main objective is to ascertain, the satisfaction level of the workers about their working condition and their awareness about this certification and their contents.

To make a congenial working condition for a worker in a factory the SA 8000 has prescribed codes of practice. A key areas have been identified as important for an SA8000 to be certified viz., Child labour, Forced labour, Health and safety, Freedom of association and right to collective bargaining, Discrimination, Disciplinary practices, working hours and remuneration.

The companies which were taken for the study have provided the benefits to the workers viz., hostel facilities, medical services, loans and advances and conveyance etc. ,

Table no.2. Opinion on the Benefits

S.NO	OPINION	NO.OF RESPONDENTS	PERCENTAGE
1	Above industry average	136	68
2	At par	32	16
3	Below Industry average	28	14
4	Not at all	4	2
	TOTAL	200	100

Table reveals 70% of the respondents have received the benefits at above industry average level, 16% of them have received the benefits at par and 14% of the respondents' level of benefit is below the industry average. Only 2% of them have not received any kind of benefits as they may be newly joined to their service.

The companies, bearing in mind the prevailing knowledge of the industry and of any specific hazards, they are providing a safe and healthy working environment and adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. The companies have appointed a senior management representative responsible for the health and safety of all personnel and accountable for the implementation of the Health and Safety elements of this standard. The company shall ensure that all personnel receive regular and recorded health and safety training, and that such training is repeated for new and reassigned personnel. The companies have established systems to detect avoid or respond to potential threats to the health and safety of all personnel. The companies have provided for use by all personnel, clean bathrooms, access to drinkable water and if appropriate, sanitary facilities. The companies have provided dormitory facilities viz., clean and safe (first aid, mask, emergency exit and fire fighting) to meet the basic needs of the personnel.

Table no.3. Opinion on Health and Safety Measures

S.NO	OPINION	NO.OF RESPONDENTS	PERCENTAGE
1	Excellent	42	21
2	Good	117	58.5
3	satisfactory	24	12
	TOTAL	200	100

The above table shows that, the measures provided by their management on health and safety are excellent, 43% of them have opined that it is good, and 11% of them have satisfied with the health and safety measures. None of them have showed a dissatisfied opinion on health and safety measures taken by the organization.

The companies have respected the right of all personnel to form and join trade unions of their choice and to bargain collectively. The companies have ensured that representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace.

Table no.4. Methods of Grievance Redressal

S.NO	GRIEVANCE REDRESSAL	NO.OF RESPONDENTS	PERCENTAGE
1	By arranging meeting	21	10.5
2	Through Committee	42	21
3	Through Trade union	104	52
4	By Management	33	16.5
	TOTAL	200	100

The above table reveals that 52% of the respondents have been redressed their grievance through trade union, 21% of the respondents have done through committee. Management has taken necessary measures to redress the grievances of 16.5% of the respondents. 10.5% of the respondents have been getting solution to their grievances by arranging meeting.

The companies have not engaged in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.

Table no.5. Opinion on Discrimination

S.NO	OPINION	NO.OFRESPONDENTS	PERCENTAGE
1	No Discrimination	176	88
2	Some Times	16	8
3	Always	8	4
	TOTAL	200	100

The above table shows that 92% of the respondents have opined that there were treated without any discrimination, 8% of respondents have said that in some cases they have treated with discrimination. 2% of them have complained that their management always showed discrimination in termination.

Table no.6. Awareness on Social Audit Conducted

S.NO	SOCIAL AUDIT	NO.OFRESPONDENTS	PERCENTAGE
1	Aware of the audit	58	29
2	Not aware of the audit	72	36
3	Interviewed by the auditors	42	21
4	Interviewed but not aware of the purpose	28	14
	TOTAL	200	100

The above table reveals that 36% of the respondents have not been aware of the audit conducted in their organisation, 29% of the respondents have been aware of the audit, 21% of the respondents have been interviewed by the auditors and 14% of the respondents have been interviewed by the auditors but they were not aware of the purpose.

Table no.7. Satisfaction Level Of Employees About SA8000

S.NO	PARTICULARS	TOTAL POINT	MEAN VALUE
1	Good working condition	718	3.59
2	Freedom of association	673	3.365
3	Disciplinary practices	634	3.17
4	Protection of employee interest	669	3.345
5	Adequate compensation	607	3.035
6	Management system	449	2.245

The above table shows that, calculated total points is (3.59, 3.365, 3.17, 3.345, 3.035) greater than the normal mean value 3. Hence the respondents are satisfied with the good working condition, freedom of association, disciplinary practices, protection of employee interest and adequate compensation. With regard to Management system the respondents are not satisfied (mean value is less than 3 i.e., 2.245).

Suggestions

The workers have to be educated on the benefits they are enjoying due to SA8000 certification. Leave benefits and break time shall be increased in order to have adequate rest for better health. While introducing welfare measures representatives of the workers shall be involved while framing such measures. HR professionals shall be given exposure to SA 8000 certification process and to be engaged in implementation widely. There should be an automatic mechanism for getting feedback from the workers about their concerns. SA 8000 certification shall be considered as a social responsibility rather than a marketing tool.

II. Conclusion

Since it has become necessary for a company having market in European countries to get SA 8000 certification, very few exporters have got SA 8000 certification. Those who are having a very good reputation in the market within India have still not resorted to getting this certification. Awareness among the general public or intervention of the Government may drive this to the next level. Emergence of more social audit 8000 certified companies is not too far.

References

- [1]. Benneer, Lori S. and Cary Coglianese (2005) Measuring Progress: Program Evaluation of Environmental Policies. *Environment* 47(2):22-39.
- [2]. Barrientos and Smith (2006) The ETI Code of Labour Practice: Do Workers Really Benefit? *Institute of Development Studies* university of Sussex, Brighton.
- [3]. Locke, Qin, and Brause (2007) Does Monitoring Improve Labor Standards? Lessons from Nike. *Industrial and Labor Relations Review* 61(1): 3-31.
- [4]. Locke and Romis (2007) Beyond Corporate Codes of Conduct: Work Organization and Labour Standards at Nike's Suppliers *International Labour Review* 146(1-2): 21-40.
- [5]. David Weil (2008) ,A strategic approach to labour inspection, *International Labour Review*, Vol. 147
- [6]. Nelson, Martin and Ewert (2007) The Impacts of Codes of Practice on Worker Livelihoods: Empirical Evidence from the South African Wine and KenyanCut Flower Industries.
- [7]. social Accountability 8000 retrieved from <http://www.sa8000.info/sa8000doc/2001StdEnglish.pdf>