

Training in Ethical Sourcing

A Report for the Ethical Trading Initiative

Incomes Data Services

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Executive Summary

This report is addressed to the Board of the ETI. It examines the learning needs for employees of ETI corporate members and maps them against the offerings of a range of training providers. Recommendations are made to the Board as to the role that the ETI can play in the provision of training and the improvement of learning more generally.

The authors have been careful not to assume that every learning need has a training solution, and so Chapter 4 of this report examines the importance of effective knowledge management. This has relevance for the ETI itself as well as for ETI members generally

Appendix 1 to this report, *which will be forwarded separately when all provider contributions have been received*, will contain the details of the major training providers operating in this area. This Appendix will form the core of a guidance document that will be addressed to corporate members of the ETI with the aim of assisting them in planning and implementing training programmes on ethical sourcing. As a result recommendations of specific concern to members are not dealt with in this executive summary.

The guidance document will seek to help members identify training and learning needs, including whether knowledge management approaches are an appropriate response, point to appropriate training providers, and offer a number of criteria against which providers can be assessed.

It is intended that the guidance document should be incorporated into the workbook.

Key Learning needs identified in this report

Our research identified a number of learning needs. In the report these are mapped against providers, which yields both a guide to the current offer and highlights scope for developing the ETI's own role.

1. *Strategic planning*. How to carry out a supply chain risk assessment and develop an approach and programme for implementing ethical trading in the supply chain.
2. *Ethical trading awareness*. Short focussed sessions for technologists / buyers etc who have direct contact with suppliers but who do not have formal responsibility for ensuring social compliance.
3. *Business case for ethical trading*. Short courses for staff (including senior management) who do not have direct responsibility for social compliance but whose actions can have an impact on a compliance programme.
4. *Country / region specific issues*. Training or effective knowledge management relating to the legal requirements and prevalent labour practices in specific regions.
5. *Key aspects of core labour standards and the base code*. Training dealing with both the basics of international labour standards and the ETIU base code, and in particular aspects which have been seen as 'difficult' such as freedom of association, sex discrimination and a 'living wage'.
6. *Social auditing*. Advanced monitoring skills, in particular document inspection, and worker interviews.
7. *Supplier training*. Training to help suppliers understand the perspective of ETI corporate members, their expectations of suppliers, and how to co-operate in assuring the constructive conduct of monitoring and verification and the development of improvement programmes.
8. *Employee training*. Training in understanding international labour standards, the standpoint of corporate members, the ETI's tripartite structure and perspectives.

9. *Participatory approaches.* How to build partnerships on the ground and work with all stakeholders to ensure effective inspections and the development of improvement programmes understood and supported locally.
10. *Working for improvements.* How to take the results of factory inspections and use them in instituting a programme of improvement in working practices.

Recommendations for the ETI Board

We suggest a number of areas where input from the ETI would be of help in meeting the learning needs of members, derived in part from member feedback, as ascertained by the questionnaire.

- The ETI should develop a direct training offering to the membership of the ETI.
- Of particular use would be seminars, and possibly training courses, pitched at a practical level for those carrying out workplace inspections. They could be seen as augmenting the social auditor training available on the market. These could deal with:
 - ‘Difficult’ aspects of the base code – such as the living wage, discrimination, etc.
 - Advanced auditing skills – worker interviews, analysing paperwork, getting below the surface.
 - Regional issues – problems in particular areas.
 - *Plus* supplier training – in which the ETI would be able to use its good offices as not being directly employed by a purchaser.
- The ILO has the potential to be a major source of information and learning for ETI members and the ETI should seek to develop its relationship with the ILO accordingly.
- Work needs to be done on building relationships between the various strands of membership within ETI so that all have a better understanding of the role and concerns of the others. Subject to practical constraints, mechanisms – such as more joint meetings – might be developed to promote this.
- Effort should be made to set aside time in the existing schedule of meetings to discuss members’ questions or problems. Those attending should be encouraged to share experiences with colleagues who are present. This would be a very cheap way of improving learning and would also give members an incentive to attend.
- Introduction of a structured induction programme for new members to give them a clear introduction to what resources the office has, what the secretariat can help with – and what they cannot be expected to do.
- Possible development of a mentoring programme under which new members are assigned a ‘buddy’ from the existing membership. The membership will need to outline the requirements and demands of such a role, possibly limiting it to an initial period of membership.
- The ETI should establish a database of interpreters and translators which is available only to ETI members, based on feedback from members and if necessary active search, subject to criteria to be developed by the membership.
- The ETI should develop a knowledge management strategy and draw on best practice to use and augment the existing stock of knowledge held by itself and members. Knowledge management issues for members specifically will be included in the guidance document.

Introduction

This report attempts to analyse the learning needs of corporate members of the ETI with regard to the implementation of ethical trading in general and the ETI Base Code in particular. We seek to map those learning needs against the training that is currently offered in this area by a number of training providers and identify gaps in the current provision, measured against the skills and competencies identified by ETI corporate members via a questionnaire and by other ETI members through interviews and participation in working groups.

We make recommendations about how companies can best take advantage of the training on offer and also suggest a possible role for the ETI.

Methodology

Our research for this project had a number of stages.

We began with a number of scoping meetings with one corporate member, one NGO and a trade union representative. We then developed and sent out a questionnaire to all corporate members of the ETI seeking to find out what their general approach to ethical trading was, what they felt their training needs to be and what training they had so far undertaken, the key competencies they expected of staff engaged in ethical trading, and which organisations they had used. The results of the 17 responses we received are analysed in Chapter 1.

We then undertook a series of interviews with eight corporate members who responded to the questionnaire, exploring their overall approach to training in this area and discussing what sort of training they would find useful. Our conclusions from this stage are set out in Chapter 2.

Next, we had a series of meetings and discussions with the main training providers in this field and reviewed the offering of a number of other organisations. Our analysis of the extent to which training offer meets the needs of ETI members is set out in Chapter 3, with details of the training providers themselves to be found in Appendix 1.

Throughout the project we took into account the importance of gaining input from NGO and trade union members of the ETI.

From the various meetings and discussions that we had, it became clear that the ILO may have a significant role to play in training provision. We felt, however that because there was a potentially important relationship between the ETI and the ILO that had yet to be developed, it would not be appropriate to treat the ILO as simply another training provider. One of the authors therefore went to Geneva for a day of meetings with the ILO, accompanied by the Manager of the ETI Secretariat. The results of that meeting are set out in Appendix 2.

We hope that this report will lead to positive developments and improved learning among ETI members implementing the Base Code in their supply chains. We also hope that the guidance document which will draw upon the information that we have gathered will be of practical use and benefit to those new – and not so new – to this area.

Acknowledgement

The authors would like to thank all those members of the ETI, the ETI secretariat, and staff of training providers for their co-operation.

Chapter 1 - Questionnaire results

The 'Training Needs Questionnaire' was developed by IDS in conjunction with the ETI secretariat. It was sent to all corporate members of the ETI. Seventeen responses were received. The companies that responded had turnovers ranging from £8.5 million to £20 billion: most respondents had a turnover below £500 million. Each respondent was asked to identify the sector that they operated in. Most indicated that they were involved in more than one sector. The results were as follows:

Sector	Number of responses
Retail	8
Food/Beverage supply	10
Textile / Clothing manufacture	7
Homewares	7
Other manufactured goods	7
White Goods / Electrical	6
Services	1

Responses to the questionnaire therefore covered most sectors represented in the ETI.

Sourcing arrangements

Section 2 of the questionnaire asked respondents to give details about how the goods and services of the organisation were sourced. The purpose of this section was to determine the relationship of the company to its suppliers and also the range of countries that the company sourced goods from. It was felt that these factors would have some influence over the method by which the company implemented the ETI Base Code and would therefore determine to some extent the training needs that the company would have.

All respondents reported that they used external suppliers. Only three reported that they directly owned some of their suppliers. One of those reported that they owned 90 per cent of their overseas manufacturing suppliers, the other two reported a greater mix of owned and external suppliers. The number of suppliers dealt with by each respondent varied from 10 to almost 4,000, with a fairly even distribution between. Only four respondents reported that they were the sole outlet for their key suppliers.

In terms of geographical spread, all areas identified on the questionnaire contained suppliers for at least one of the respondents. The numbers of respondents sourcing from each location was as follows:

Location	Number of respondents
United Kingdom	15
Western Europe	14
Eastern Europe	12
South-East Europe and Turkey	13
South Asia	14
South-East Asia	14
Middle-East and North Africa	11
South America	12
China	10
Other Africa	10
Central America (inc. Mexico)	9
North America	9
Taiwan	8
Australasia-Oceania	5

It should be noted that these figures do not indicate that the majority of sourcing is done from the UK and Western Europe, merely that 15 and 14 out of 17 respondents source *to some extent* from those areas.

Ethical trading staff

We asked about respondents' job titles, the most senior executive staff responsible for ethical trading, and the number of staff engaged in this activity.

Respondents job titles: the aim here was to get a sense of how this function was regarded (and in which areas located) – but is unscientific inasmuch as who completed the questionnaire was a function of many organisational variables.

The full list was:

Head Technical Policy and Strategy
 Quality Director
 Group Safety and Risk Executive
 Group Standards Business Manager
 Technical Director
 Product Integrity Unit Manager
 Ethical Purchasing Manager
 HR Manager (Overseas) – Internal Auditor (Ethics)
 Ethical Trading Manager
 Product Technologist
 Project Manager – Global Sourcing Principles
 Managing Director
 Group Managing Director
 Technical/Audit Manager
 Head of Quality Assurance
 Technical Director
 Head of Quality and Consumer Care

The questionnaire asked for the job title of the most senior executive in the company responsible for ethical trading. The job titles given were as follows: Technical Director (3 respondents); Chief Executive (2 respondents), Managing Director (2 respondents), Buying and Blending Controller, Company Secretary, Ethical Purchasing Manager, Divisional Director (Procurement), Quality Director, QA and Sourcing Director, General Manager (Retail Brands), Buying Director and Personnel Director.

Respondents were then asked to specify how many staff were wholly engaged in ethical trading issues. Only 11 respondents had any staff engaged solely in ethical trading issues. Five of those employed a manager or policy advisor only. Four respondents employed people they identified as auditors. One employed only one such individual; one employed three, one employed six, and one employed 14 based in the UK, Hong Kong, Thailand India and Singapore.

The key feature to emerge from this part of the questionnaire, however is that most respondents rely on employees who have broader responsibilities for on the ground implementation of the Base Code. *For the most part these employees are buyers or technologists.*

This has important implications for the type, level and amount of training on ethical trading issues that these companies will have.

Monitoring compliance with the Base Code or in-house supplier code

Respondents were asked what systems were used to implementing and check compliance with the Base Code in the supply chain. The results were as follows

System	Number of responses
Inspectors/auditors employed by the company	16
Inspectors/auditors employed by a 3rd party contracted to the company	10
Self-monitoring / reporting by suppliers	10

All but one of the respondents therefore use inspectors / auditors directly employed by the company to some extent backed up by either third party inspection or self-monitoring. However, in most cases 'social auditing' is not the primary professional background of the individual employees concerned.¹

There is a strong emphasis on individuals with the following backgrounds:

- technical occupations related to the product or process,
- quality assurance (of the product),
- health and safety.

Only four respondents had HR or social/economic development backgrounds.

Competencies required for social auditing

The questionnaire asked members to identify the three key competencies required of those charged with implementing ethical trading principles in their organisation. Following are all of the competencies listed, as described by the respondents, grouped by broad subject headings.²

Social Auditing Skills

- Trained and Qualified Social Auditors
- Ability to run an audit in a professional manner
- Knowledge of audit procedure
- Trained and experienced social compliance auditors
- Social audit skills
- Experienced auditor
- Auditing experience
- Accredited auditor training
- Thoroughness / audit skills
- General auditing skills
- Competent in the skills of Lead Auditor including ability to carry out extensive ethical audits in off-shore environments
- Competence at reviewing factory documents and interviewing workers
- Ability to elicit information on social sourcing issues rather than technical.

Local knowledge/cultural fluency

- Local understanding of social and employment issues
- Knowledge of local culture, local law, and local development issues
- Knowledge of country
- Local knowledge

¹ It is difficult to assess the market availability of such staff, although the volume of individuals on training courses offered by the providers covered in this study suggests that a reasonable sized cohort is building up. Some degree of market availability is suggested by the advert by Nike in *The Economist* (15-21 December 2001) for four 'Labour compliance specialists' with '2-3 years of experience' and by positions advertised in *csrjobs bulletin*.

² We reproduce the terms used by respondents, although these often were job titles rather than competencies; we reproduce the list in full to indicate the relative weighting of each heading. Some of these issues are explored in the Guidance Document: for example, criteria for choosing translators.

- Cultural and sector understanding
- An appreciation of and sensitivity to local culture and the process of change in society
- Language of country where auditing
- Speak local language
- Appropriate language skills
- Knowledge of local customs, culture, employment laws and local language
- In depth knowledge/understanding of country specific legislation
- Understanding of the country they are auditing
- Most importantly, the ability to verify what is happening on the ground.

Legal / ETI/Code knowledge

- Understanding of Relevant legislation
- Understanding of the legal position on labour and social issues of the country
- Understanding of the implications of the industry labour requirements on the social and welfare system
- Knowledge of standards and labour issues
- Understanding ethical trading issues / ETI Base Code
- Knowledge and understanding of the Base Code
- Understanding of ETI base code standards
- In depth knowledge/understanding of relevant Codes of Practice
- Knowledge of the Base Code
- Understanding about poverty and social development
- Awareness and understanding of social sourcing issues.

Personal qualities/skills

- Able to relate to employees on site
- Communication skills
- Communication to sector stakeholders
- Interpersonal skills and knowledge of participatory approaches
- Interview techniques
- Assertiveness
- Observation
- Diplomatic
- Diplomacy.

Business skills / knowledge

- Manufacturing experience
- Industry knowledge
- Organisational and planning ability
- Understanding of company policies and procedures
- An appreciation of the business relationship
- A technical competence on health and safety standards and procedures.

It is significant that of the 17 responses to the questionnaire, only four made no reference to auditing skills in their list of three key competencies in relation to the implementation of the Base Code.

Existing and previous training provision

The questionnaire also asked respondents to identify those areas where they had already provided training to those staff involved in ethical trading. The results were as follows (see over):

Type of training	Number of responses
Health and safety	10
ETI Base ode and ETI process	10
Labour standards and employment regulation	9
Social auditing	7
Report writing and record keeping	7
Interviewing techniques	6
Presentation skills	4
Country-specific knowledge	4
Social and economic development issues	3
Work organisation, job design	1
Cultural and social awareness	1
Language skills	0

Chapter 2 - Learning needs identified in questionnaire and interview

It became clear in talking to ETI members that different companies were at different stages in their implementation of the Base Code. Some could be regarded as leaders in the field of ethical trading. Others had made a commitment to implementing the ETI Base Code but had not yet determined how that could best be done. This has implications for the learning needs identified in the course of discussions.

1. Strategic Planning

When a company has made a commitment to implementing the Base Code in its supply chain it is presented with a range of requirements that its suppliers must meet. All of these are expressed in absolute terms with no priority given to say, the avoidance of child labour over the freedom of association or a maximum 48-hour week, although the Principles of Implementation do refer to 'serious breaches' as opposed to breaches. In reality any given company will have within its supply chain particularly high risks in terms of breaches of the Base Code. Some regions will be more likely to present breaches of the code than others. Some types of business will present more of a risk than others. And some breaches of the Base Code will be easier to remedy than others. On the other hand, some may be so entrenched in local culture (e.g. discrimination on the grounds of sex) that full implementation of the Code would take a great deal of time and effort. In other cases, the Base Code might clash with local statutory provisions or norms (such as freedom of association or gender discrimination). There may also be issues which constitute a clear reputational risk to the employer (or purchaser) and a serious risk to employees without this being easily subsumed under the Base Code.

It was felt by those members who were new to ethical trading that they needed to be able to conduct a risk assessment of their supply chain with a view to making a strategic decision as to how to implement the Base Code. At this stage in the process this could involve acknowledging quite serious abuses of workers' rights: the information gained as a result of such an exercise could, therefore, also be seen as highly sensitive. This makes it difficult to facilitate 'experience sharing' at this level except where there is a high degree of trust and goodwill between individuals and organisations involved.

To conduct such a risk assessment a company needs to know:

- The practical (including human) implications of the Base Code on the ground.
- Key features of the labour market and common labour practices in the supplier company.

While a training course could provide a general methodology for assessing supply chain risk, it would only be general and would not be specific to the company concerned. There may therefore be a need to augment this by more specific learning for technical and ethical trading staff engaged in the initial risk assessment (for example, to move on from obvious health and safety risks to less apparent problems).

Top and senior management also needs to be aware that embarking on such an exercise could itself open the company up to a number of risks and requirements for remedial action: the risks themselves will need managing by sensitising staff, developing new sorts of relationships externally (such as to NGOs and trade unions), and training PR or corporate affairs employees in the relevant issues.

2. Awareness of ethical trading for technologists / buyers etc

It is clear that most ETI members do not operate large teams dedicated to ethical trading. Most companies we spoke to relied on technologists or buyers to conduct audits and inspections. Their needs are considered below. However, all companies acknowledged that there was a key role to play by all employees who visited supplier companies – whether as technologists, buyers or in any other capacity. Employees who are aware of ethical trading issues can alert appropriate members of staff to potential problems of issues that may arise in relation to particular suppliers.

To do this such staff need a general awareness of ethical trading issues and some basic techniques that allow them to identify key areas of concern. For example, many aspects of health and safety are clearly visible – such as blocked fire exits or absent fire extinguishers. Problems with these aspects may well indicate that there are other problems that require more detailed examination.

Any training in this area needs to be highly focused and practical. It needs to be brief, as companies will not be able to afford to give a great deal of time on this subject for employees who are primarily engaged in other areas.

3. Business case for ethical trading for managers: understanding business for auditors

Another related training need is around the ‘business case’ – however defined – for ethical trading. Most of those directly engaged in ethical trading are committed to the principle, and certainly come to realise its relevance for the conduct of the businesses they work in.

Although top management may have decided to commit the company to corporate social responsibility, there is the issue of whether and to what extent senior executives share this commitment and understand it. However the success of implementation depends to a large extent on the principles of implementation being accepted throughout the organisation.

Most organisations have a large number of managers or buyers who are accustomed to seeing the supply chain in terms of the bottom line, and their reward packages and career development may turn on this. To them the principles of ethical trading may be difficult to accept in business terms. Many companies felt that a training course or event which persuaded such managers of the case for ethical trading would be extremely helpful in mainstreaming ethical trading within the company’s approach to doing business.

Such a course would have to be short (a half day at most) and would best be delivered on a customised basis (perhaps organised jointly by the internal team and an external provider) so that the particular corporate approach to ethical trading could be explained, but have this located in a broader context. Acceptance may depend on having such learning included as continuing professional development rather than ‘training’.

Conversely, a number of respondents stated that they felt there was a need for ethical trading staff coming from an NGO or official agency background to understand both general commercial principles as well as the strategy and operation of the business they worked in.

4. Country/region specific issues – for those inspecting, managing and auditing

A number of companies emphasised that ethical trading issues varied from region to region and from country to country. However, most companies entrusted auditing and inspection to UK-based employees. Even those few companies who used regionally based staff had very wide areas covered so that there was considerable variation within each area.

There is a clear need for those involved in ethical trading to be aware of the issues that arise in particular jurisdictions as well as the particular laws (and /or collective provisions) that apply from country to country. The structure, and social and political orientation of trade unions also varies enormously from country to country, and understanding the standing and powers of union and employee representatives and the industrial relations context in which they operate was identified as a crucial issue.

The training and learning implications of this area are diverse. While general issues can be dealt with through appropriate training courses or one-off seminars, the need to understand particular national systems of regulation embraces both hard information (laws, collective agreements) and contextual information which may require 'softer' competencies to be fully appreciated. The latter two issues might be better dealt with by developing appropriate knowledge management mechanisms 1) to hold and update databases of legislation and collective agreements 2) to promote experience sharing and the development of wider political and social skills (including understanding the interrelationship of key institutions, such as industrial relations arrangements).

5. Key aspects of the Base Code

The Base Code is central to ETI members' strategy for achieving ethical trading in their organisations. Familiarity with the Base Code and its implications on the ground was identified as a key competency by many respondents to the questionnaire and acknowledged as key by companies being interviewed. On the surface the Code is straightforward. It is not overly wordy and is firmly rooted in the standards of the International Labour Organisation. There are key areas of the Code, however, that are viewed as ambiguous and unfamiliar by those not acquainted with labour and social issues. Key areas include the requirement to pay a living wage, requirements relating to working hours and forced labour as well as the requirement to eliminate sex discrimination which will raise different challenges in the context of different cultures, and have different implications depending on the socio-economic context.³

There is a clear need for more knowledge of the detailed requirements of the Base Code and the social policy considerations that lie behind it. As has been observed, most of those charged with implementation have a technical rather than a social background. This can lead to a bias in inspections and auditing towards those areas that the individual is most familiar with such as health and safety issues and a neglect of other issues that may have considerable social impact.

6. Social auditing

As has been observed above, the ability to conduct social inspections and audit against the Base Code (or company code established to transpose it) is regarded by ETI members as a key tool in the implementation of the Base Code. There is an ongoing debate about the how wide the scope of such auditing should be in terms of the role of employees and other stakeholders. NGOs in particular would like to see greater emphasis on wider participation, and most of the training providers make some

³ Examples include how to deal with hyper-inflation where wages might be paid in kind, or how to deal with non-monetary aspects of the compensation package.

provision for accommodating multi-stakeholder approaches into the audit process. This debate is discussed in more detail later in this report. However for the purposes of this chapter it should be acknowledged that companies need their social auditing processes to be as effective as possible.

Most companies had ensured that social auditing was done by 'qualified' members of staff. This usually meant that social auditors or other staff engaged in social inspections and monitoring had undergone one of the basic social auditing training courses described in the next chapter.

It was acknowledged by all participants, however, that these courses, whatever their strengths, could provide only a basic introduction to social auditing. Someone who successfully completed a course might acquire a basic auditing methodology and an awareness of key social auditing principles and issues, especially if they had had some previous experience of auditing methodologies in other fields. However, that would not mean that they would be able to effectively identify all areas of non-compliance with the Base Code in supplier companies. Effective social auditing needs a highly advanced set of skills and completion of one of the main training courses should be seen as the start of the learning process and not the end of it.

One area identified in our discussions in which social auditors might need specific training was the inspection and verification of records relating to working time. Aside from the need to inspect a large number of documents in a foreign language, it may also involve the ability to cross check timekeeping records with other sorts of data (such as production figures, and output per machine if appropriate) to see if records made available were an accurate reflection of the hours actually being worked.

7. Worker interviews

Worker interviews are another difficult area. Any effective social audit must obtain relevant and accurate feedback from employees of the supplier if it is to have any credibility. This can be done through one-to-one interviews, focus groups or a mixture of both. Basic social auditing courses will cover the main elements in such interviews but effective interviewing is a difficult skill to acquire and more advanced and intensive training is needed.

This also relates to the underlying audit strategy, and the role of independent agents at particular stages of the audit process where needed to encourage frank disclosure by employees. It also raises the question of language competencies which we also discuss below. Social auditors need to be highly sensitive to the cultural issues that affect how interviewees will respond to questions from a manager of a major customer of their employer. Gender is also an issue, and the reaction of workers to interviewers of different genders needs to be taken into account. Indeed the difficulties surrounding worker interviews are so great that many members simply accept that their own auditors cannot be left to conduct such interviews and that locally based third parties, with a variety of possible backgrounds, need to be brought in for that part of the process. For those who do conduct such interviews, there is a clear need for an advanced level of training on this issue.

In many cases the best way to learn is through experience. This can only be effective if there is effective experience sharing among those conducting the auditing process. For companies where only one or two employees are actually conducting the audits – and this seems to constitute a significant number of ETI members, there are only limited opportunities for experience sharing.

Most current training in social auditing skills concentrates on those aspects of a company's working procedures and practices that can be most easily measured and verified such as health and safety, the payment of wages etc. More complex issues, such as sex discrimination and freedom of association, cannot be accessed without more advanced investigatory techniques which cannot be reduced to 'box ticking'.

8. Participatory approaches

It was clear from the questionnaire and from our discussions with corporate members that by far the most prominent method of implementing the base code was to rely on one-off or regular workplace inspections. Longer-term participatory approaches were not a feature of corporate practice, although most training courses now include a discussion of multi-stakeholding. The more general issues associated with this – such as ‘efficiency vs. effectiveness’ and the need to scale up inspections to embrace a substantial chunk of the supplier base – have been raised in other contexts in the discussions around the pilot projects.

As can be seen in the next chapter, there is a paucity of training currently available on the use of participatory approaches (in which a specific role is envisaged for workers, their communities and possibly suppliers in the monitoring of standards, and setting priorities for improvements). However, it is not clear whether the lack of such approaches is caused to some extent by the lack of available training – or whether the lack of available training is a result of their being little desire on the part of companies to clearly understand and undertake such an approach. Nevertheless, it is clear that there would be a benefit in the greater availability of training in this field so that companies could make a real choice about which approach is best suited to their supply chain. Participatory approaches, which might embrace more employee and supplier training, are also of relevance in the next section, immediately below.

9. Working for improvements

Much of the focus of our discussions with corporate members was on the process of gathering information about compliance or non-compliance in supplier companies. In discussions with NGO members however, a concern emerged about what was done with information once it had been gathered. Were companies actually able to use data collected in the field to bring about real improvements in the working conditions of their suppliers’ employees? In relation to wider stakeholder involvement, how were improvements judged by employees, suppliers, and local agencies? Were the improvements deemed necessary following an inspection the issues around which a local consensus could be mobilised, or where suppliers felt that they had to respond? Or were these seen as only tangential to the real problems on the ground?

To some extent this is a question about the strategic objectives of the companies concerned rather than necessarily a training issue. However, it does have important implications in the training sphere.

Many NGO members felt that companies were not good at working with other organisations to achieve on-the-ground improvements. Possible training solutions this problem are considered below.

Not all learning needs are best met by formal training. In Chapter 4 therefore we will therefore consider the importance of knowledge management within companies.

Chapter 3 - The Training Landscape

The function of this chapter is to outline the 'training landscape' confronting ETI member organisations, and break down the training offer available. As we emphasise in the next chapter on 'knowledge management', training may not always be the appropriate answer to an organisation's learning needs - especially where this embraces social competencies and refining the operation of processes. The same considerations apply to organisations' need for local knowledge and perspectives, which may need to be derived from institutions which are not constituted as training providers (such as local NGOs or trade unions).

This chapter should be read with Appendix 1 where we provide an overview of the main training providers operating in this area. Details are given of the training offering of the following organisations:

- SGS
- BVQI
- ITS
- Verité
- University of Warwick Corporate Citizenship Unit
- SAI
- Impactt

This chapter will also refer to other organisations which may provide training in particular areas but whose details are not set out in the appendix as they do not have a formal offering in this area.

This report does not set out to evaluate training organisations. At most we can indicate the training offer for each organisation, highlight any relationship to ETI, include details of faculty and training staff involved, and encourage users of training to provide feedback to the ETI secretariat on what they found helpful or less helpful. We have included some of the feedback from the training needs questionnaire in this section in a generic form.

Training availability

The following sets out the main breakdown of organisations by type of training offered, with references to the organisations represented in each category. There will be an entry or at least contact details for each organisation mentioned in the Appendix.

We have divided the possible areas of training into eight types, encompassing three broad and overlapping areas.

- Corporate social responsibility
- Social auditing
- Awareness of issues for other stakeholders (suppliers, employees).

The eight types of training are as follows.

	Area	Type of organisation	Listing
1.	Corporate social responsibility	Organisations offering formal courses or professional development on broad issues of <i>corporate social responsibility</i> to a range of target employee groups, including top and senior management.	BVQI, Warwick Business School, Impactt, SGS, ILO
2.	Corporate social responsibility	Organisations offering <i>corporate social responsibility</i> as a component of an <i>academic</i> course.	Warwick Business School, University of Surrey
3.	Corporate social responsibility	Organisations offering regular or occasional <i>seminars</i> and/or <i>conferences</i> on <i>corporate social responsibility</i> , and labour rights issues.	International Business Leaders Forum, Middlesex University, Warwick Business School, SAI, ILO
4.	Social auditing	Organisations which deliver general training on <i>social auditing</i> in a broad sense, in some cases with reference to existing standards.	Warwick Business School, SGS, ITS
5.	Social auditing – awareness training	Organisations which offer <i>awareness training</i> to auditors, buyers and technologists on social auditing.	Impactt, BVQI, SGS, ITS
6.	Social auditing - practical implementation	Organisations which deliver ‘ <i>how to</i> ’ training on the conduct of social inspections (monitoring/social accountability auditing) in the field of labour standards.	BVQI, SAI, Impactt, SGS, ITS
7.	Suppliers	Organisations which offer training or awareness courses to <i>suppliers</i> on how to comply with and/or respond to standards required by their customers.	Impactt, SAI, ITS
8.	Employees	Organisations which offer training to <i>employees</i> on labour standards issues.	SAI, ILO, trade unions

When we map the training that is on offer against the broad range of competencies that were identified in the questionnaire, we produce the following matrix (see over):

'Training matrix' of providers and training/competency needs

Organisation	Warwick CCU	Impactt	SAI	BVQI	SGS	ITS	Verité [tbc]	ILO	IBLF	Institute Develop. Studies	ETI
<i>Competency</i>											
Understanding strategic issues in corporate citizenship/ethical trading	✓	✓	✓	✓	✓	✓		✓	✓		
Social auditing skills	✓	✓	✓	✓	✓	✓	✓				
Local knowledge/cultural fluency											
Legal/ETI/Code knowledge			✓	✓	✓	✓		✓			
Personal qualities/skills		✓									
Business skills/knowledge											
Languages and translation skills											
Other		'Buyer awareness' 'Supplier awareness'	Supplier training Worker training			Supplier training				Possible source for participatory & developmental approaches	Seminars on a range of issues, including in-country knowledge

Clearly the majority of training on offer matches the competencies that were most specifically related to the issue of ethical trading. Business skills and knowledge are not represented – but we would not expect them to be from this set of training providers.

As we saw in Chapter 2 these competencies were taken further in the process of interviews with member companies and a number of more specific learning needs identified.

Strategic issues

Our matrix shows that strategic issues are widely covered by the main training providers. As explained in Chapter 2, however, there is a need not just for an awareness of the strategic issues, but for practical guidance for members on how to conduct a risk assessment of their supply chain and put in place an appropriately prioritised programme for the implementation of the Base Code. As we said in Chapter 2 the best approach to this may well be through a mentoring or executive coaching process rather than through a general training course. This would suggest approaching organisations such as the Corporate Citizenship Unit of Warwick Business School or one of the large certification organisations. Those we talked to would be happy to assist companies in such a project – but we did not find a specific track record of providing such a service.

It should also be borne in mind that those organisations who could assist in this area are not specifically focussed on the ETI Base Code but on ethical trading or corporate citizenship more generally. We suggest in Chapter 5, therefore that the ETI can usefully play a role in assisting corporate members in this area.

Awareness training

The need that we identified in Chapter 2 for awareness training is actually well covered by the training providers. Most of the organisations that we spoke to could quite easily put together a briefing session for technologists / buyers etc that would focus on the particular code that the company was implementing. There are even some open courses that may be appropriate to send non-auditing staff on – but we would strongly recommend that companies arrange for bespoke training in this field. This allows a specific message to be delivered to the appropriate staff and since quite a large number of staff will need this training it will actually be more economic to buy the training in rather than send individuals on pre-arranged seminars.

Business case

Training providers do not currently offer a focussed session on the business case for ethical trading. It is also difficult to see how the ETI could promote such a course because there would inevitably be controversy about just what the business case is – and indeed whether there actually is one. It would also not fit in well with the ETI's approach that is based on the need and obligation to improve working conditions per se rather than the benefits to business of such improvements. Nevertheless, companies wishing to provide such training could approach any of the providers who deal with strategic issues (see above) and arrange for a specific course to be delivered.

Country or region specific issues

Several of the training providers we talked to have a global presence and are well placed to provide training on specific regions or countries. However companies should be aware that training is not necessarily the best way to tackle this need – in this context the next chapter on knowledge management is of particular importance. We would also recommend that both companies and the ETI explore the potential of the ILO as a source of regionally specific information – see Appendix 2

Key aspects of the Base Code

Most of the training on ethical trading that we have found deals with the content of various labour codes and standards. The ETI Base Code is covered in this but is not the focus for most organisations and is covered less than, for example, SA8000. Inevitably, however, these providers are not in a position to offer an open course on the specific aspects of the Base Code we identified in Chapter 2 – although the larger organisations would happily devise training if a customer commissioned it. As we suggest in Chapter 5, this may be where the ETI can usefully play a role. Certainly the ETI would have a direct interest in the quality of any training being carried out on the Base Code.

Social auditing

This is the area that is currently most comprehensively covered by the training providers. A basic introduction to social auditing is provided by a number of providers identified in this Chapter and in Appendix 1. These courses have been well received by the ETI members that we spoke to and are certainly a useful introduction to the subject. As we identified in Chapter 2, however, there is a need for more advanced social auditing training and that does not currently seem to be available. A number of the larger organisations would be in a position to offer such training – but obviously need to be shown that there is sufficient demand for it. We suggest that companies approach the providers directly to see what can be offered on an in-house basis.

Participatory approaches to workplace inspections

The issue of developing participatory approaches to workplace inspections has arisen frequently during the ETI's pilot projects, and is a concern in particular of NGOs (but not only NGOs) which are eager to ensure that stakeholders in supplier countries can become involved in the monitoring of facilities and, in particular, in the priorities and timetables for improvement plans. However, this concern is not only one which is rooted in a desire to promote the inclusion of southern employees, trade unions, and NGOs but is also related to the effectiveness and independence of monitoring and verification. The importance of this element was revealed in the evidence from the Zimbabwe Pilot, where major human rights and risk issues were identified following direct engagement with employees.

Although a number of the training courses provide for learning about dealing with southern stakeholders and interview techniques for employees – BVQI, SGS and ITS for example all make this claim, and this is part of the SA8000 standard, there was a wish expressed in the training needs assessment to develop this at a more general level. At present, the prime institution identified for working in this area by respondents to the training needs questionnaire is the Institute of Development Studies (IDS – no relation to the authors), University of Sussex: however, IDS does not have a formal offer in this field, but does provide courses in a variety of development issues in response to external need. Some other academic institutions which offer M.A. degrees or other qualifications in development-related subjects might also be able to offer relevant training. Appropriate institutions will be identified in the Guidance Document.

ETI members may also be interested in the work of INTRAC. This is an NGO focused organisation which provides support to organisations involved in international development. Their goal is to improve the performance of NGOs by exploring relevant policy issues and by strengthening NGO management and organisational effectiveness.

Organisations such as IDS and Intrac clearly have a great deal of expertise in the area of development and using local partnerships to improve living standards. However, they do not have a track record of providing training on these areas in the corporate arena. Indeed the very nature of their organisation presents inherent obstacles to the provision of training services to corporate members. Their objectives are related to the achievement of developmental goals rather than commercial goals, and while there is no necessary conflict here, there is at least a tension.

It may be that the best way for participatory approaches to be fostered and encouraged is through the offices of the ETI whose tripartite structure lends itself to the sharing of experiences and learning between the corporate, NGO and trade union sectors.

Language competencies

The question of language competencies was raised in many of the questionnaire responses as a critical competence at many stages of the inspection process. In particular, the issue embraced the need for individuals who had both high-levels of language skills, social skills in interview situations which could aid the process, and an understanding of social auditing terminology and methodology. Again we have not dealt with this in the table above as no institution suggested itself or was mentioned as being competent to train in this area. The authors consider that this is an area in which the ETI itself could make a contribution by drawing up panels of suitable people (with the high level of subject-specific skills needed), making documentary material (such as glossaries) available for language development and so on.

There may also be some merit in raising this issues with other institutions such as:

- Institute for Translation and Interpreting (London) which has counterpart professional bodies outside the UK and in particular knows how to get hold of court interpreters and people with correspondingly high interpretation skills.
- The ILO, or other international agencies which need to work in and out of English in a variety of jurisdictions (see below for further on the ILO).

The Guidance Document includes a checklist for choosing translators and interpreters.

Summary of questionnaire feedback on assessment of training

1. It was noted that in only a few cases would it be possible for an individual to pass through a course and embark on a social inspection, and certainly not in any lead capacity. However, one or two courses - which made some sort of auditing experience a helpful or essential prerequisite for attendance - did state that after completion, students would be able to carry out audits.
2. Organisations will probably have to go to several organisations to have their needs met, unless they are big enough to negotiate or create a customised course. Organisations training to general standards are unlikely to have specific industry knowledge, and this need may need to be met by other means with training in auditing techniques, depending on the background of the auditor.
3. Working with and training suppliers on how to be compliant is emerging as a key issue, once organisations have created initial 'buy side' auditor capacities.
4. Global organisations are only as good as their local presence - although they may have standardised processes and can mobilise resources which can help offset any local weaknesses.
5. In assessing a course, it is vital to take a close look at the faculty involved to gauge whether the course is suitable to meet client needs, especially where providers claim direct practical application.

6. Speaking to previous clients (via the provider or common ETI membership) is also important. Organisations should develop their own desiderata before speaking to a provider or former client of a provider - although priorities might change once decision-makers have been exposed to a course.
7. Capacity and development: does the capacity of the training organisation match your likely needs? Will key faculty be available when (and where) needed? Can you go back for top-up training or to help revise processes?
8. Organisations offering strategic introductions to corporate social responsibility are (provided they have a grounding in core labour standards) good for initial ideas and for sensitising executives to the issues, but cannot realistically be expected to give the practical handle or (where courses are just a day long) the depth to satisfy a deep range of needs.

Chapter 4 - Knowledge management

Knowledge management (KM) is of relevance in the context of ETI members' learning needs as it sets out from the position that 'learning' cannot always be reduced to 'training' given that the sorts of knowledge and competencies that organisations need to acquire and retain in ethical trading are broad and complex. In fact, an overhasty resort to 'training' could be counter-productive (as well as a waste of money) if it deflects organisations from thinking strategically about what their knowledge and learning needs really are.

A KM perspective might help organisations:

- identify those areas suitable for training as a solution,
- identify issues where training needs to be augmented by other learning mechanisms,
- isolate areas where training is unsuitable for meeting knowledge and learning needs,
- pinpoint potential cost-saving opportunities through sharing knowledge and experience.

This affects a number of areas of concern - both within ETI members' own organisations and for the ETI itself. ETI members may already have KM programmes in operation from which ethical trading staff or departments could benefit. And with the development of the Workbook and collation of other experience from the Pilot Projects the ETI has also embarked on its own KM programme.

Although vulnerable to the charge of being yet another managerialist fad, 'knowledge management' would appear to embrace a number of approaches and processes which make good sense for any organisation or group of organisations seeking to share, concentrate, and disseminate knowledge, technique and experience. While tackling KM as such is beyond the remit of this report, the authors felt that it might be helpful to look briefly at some of the issues involved.

Thinking about knowledge management issues can culminate in a 'knowledge management' programme and appointment of relevant staff ('CKOs', 'CIOs' and 'CLOs')¹. Aside from the cost and impracticality of such an approach for the ETI itself, such a step would also seem to subvert the need for broadening out the thinking and learning around these issues.² In member organisations of ETI the degree to which ethical trading is a stand-alone department or integrated with other functions also varies considerably, making it difficult to formulate a standardised approach.

However, despite these reservations, it may be worthwhile identifying or designating individuals within the ethical trading function (or cluster of related functions) as having some central knowledge management responsibilities ('knowledge brokers') or at least to think more generally about flows of knowledge in an organisation.

Who sees what information?

Who decides whether information has a value – and should be acted on?

Who decides how information is codified and stored?

Who decides how information should be disseminated?

If information arrives at many different points and is of a widely varying character, is there a clearing mechanism?

¹ Chief Knowledge Officers, Chief Information Officers, and Chief Learning Officers.

² There is also an evident asymmetry between the ETI bureau, which is a small and fairly informal organisation, and the large organisations which are its members.

Organisational dimensions

It is possible to think of a number of circuits for knowledge within and its management in and around the ETI:

- KM inside ETI members (e.g. creation of appropriate channels and clearing-houses),
- KM within the ETI (e.g. putting together and maintaining databases, the Workbook),
- linking member-organisation KM with the ETI (report backs, direct input to ETI databases),
- linking the ETI and outside organisations, such as the ILO (knowledge sharing).

Set in the framework used by knowledge management, the issues identified by the learning needs questionnaire and NGO/TU feedback can be broken down into three basic categories:

1. data and information,
2. 'embedded' knowledge,
3. tacit or implicit knowledge.

Data and information³

Concrete information (sometimes dubbed 'represented knowledge' or 'explicit knowledge' in KM), possibly involving the structuring of individual pieces of data into meaningful form.

Examples:

- in-country information (law, collective agreements, social and economic data, industry data),
- supplier information and profiles (which becomes leverageable knowledge when we know share of ETI member purchases in total supplier output),
- NGO and trade union contacts,
- lists of outside experts,
- lists of competent interpreters,
- applicable codes and standards (texts).

Data/information can be fairly readily codified and retrieved to aid in decision making, provided those handling data are trained to understand the issues and given selection criteria. Communication of data/information via formalised training is less suitable, but the ability to evaluate information can be (and is a core competence of library science). In many instances, however, ad hoc seminars may be used to cover particular information deficits (such as country specific knowledge, knowledge of ILO conventions and other standards), as already organised by the ETI. In practice, such information is usually richly larded with evaluations and judgements.

Dealing with a lot of this information might be open to technical solutions developed between the ETI and its member organisations: for example, intranets, password protected areas, sharing links with other organisations, groupware. In-country information, for example, could be set up as a database, with scope for adding notes or comments in an attached area between formal updates.

There could also be implications for the management of paper-based information, and how this flows through the ETI and is held and made available. The issue may be converting and organising documentary data into a form which enables it to serve as information .

³ The KM literature uses a variety of terms to characterise different forms of 'knowledge'; these have been eclectically drawn on here. KM specialists may have other designations or object to this threefold division.

'Embedded' knowledge

This category embraces technique and knowledge 'embedded' in organisations' processes. As such it has an objective character, and represents accumulated knowledge. It may be subjectively understood by individuals as 'experience', 'know how', 'professional competence', or just 'doing their job': the value-adding part is how the individual operations are integrated into a process. (It may also be the case that processes are outdated and valuable knowledge submerged in a sea of redundant steps).

Examples:

- An auditing and verification process, steps for developing an improvement plan, and procedures for responding where difficulties have occurred.
- As 'know how': basic auditing techniques set out in a manual (how to do document reconciliation, when and who to interview).

Many elements of this are amenable to communication via formalised and standardised training in 1) company processes and the roles required of employees ('This is how we do it here'), 2) buying in an externally set standard approach. Maintaining the effectiveness of such processes may entail capturing and storing information, and training staff to go beyond basic recording in some cases (see below).

For example:

Are key conclusions of company inspections or visits summarised in a generic form?

Are the assumptions and main steps of the auditing process expressly set out in a document and reviewed from time to time?

Has the audit process been reviewed by an outside organisation?

'Implicit' or 'tacit' knowledge

This is the category on which KM often focuses: 'implicit' or 'tacit' knowledge means a range of information, understandings, intuitions, feelings and assumptions which individuals unconsciously refer to in themselves (or make reference to tacitly when speaking with others) and which form a foundation for any type of discourse or sound judgement.

The term can cover individuals but also approximate to organisational cultures and be reflected in organisations' ability to perform certain tasks: for example, how to 'do' the politics of multi-stakeholder approaches in the UK. It also embraces many of the competencies identified in the training needs questionnaire. Some of this knowledge will flow back into process improvements, and hence become 'embedded knowledge' in the organisation.

Its lack is visible in organisations that are unable to execute certain tasks appropriately because of cultural problems which may derive from clashes of values and priorities, or because those attempting to execute tasks consider that all they need is data/information in order to make decisions and underestimate other skills.

Examples:

- The reasons why our organisation has committed itself to corporate social responsibility.
- Applicable codes ('Where do they come from? What do they mean to other organisations and in other cultures?')

- How to interview staff?
- How to work with local NGOs.
- Multi-cultural competencies: what are the norms and expectations of employees, trade unions, suppliers, and officials in countries in which we work? How do we talk and negotiate with trade unionists or government officials in countries that host our suppliers?
- What do our suppliers think of us – how can we talk about and implement improvement plans?

This area is possibly of significance for the ETI, inasmuch as the ETI consists of a number of organisations which differing cultures, priorities and approaches. Although it is probably fair to say that there has been a degree of convergence over the past decade or so in terms of attitudes to the management of organisations internally, important differences remain in terms of objectives, approaches and priorities.

This sort of knowledge can only be communicated to a limited degree via standardised training packages. Seminars, possibly customised for the organisation, and other learning opportunities which create scope for dialogue may be more suitable.

The 'ETI process' itself is possibly one of the most effective mechanisms for building implicit knowledge in the cohort of individuals which has established and developed the ETI: it is evident in such issues as greater mutual trust and confidence (testified to by sharing information about suppliers between member companies), and understanding the priorities of each of the ETI's component groups. The scope for the ETI to develop this role is set out under 'Role of ETI' below.

For member organisations, there may be other issues. For example:

Is the 'first generation' confident that what they have learned will be passed to those who succeed them?

Are the 'political' understandings and other aspects of tacit knowledge passed to operational staff, and how, when ethical sourcing gets devolved from an original high-level 'champion' in the organisation to a department or middle-manager?

What mechanisms are in place to train and socialise newly-appointed staff?

Key issues for ETI members in this area would include mechanisms to ensure the capture, holding and sharing of this sort of knowledge, which is less easily reducible to paper-based or electronic systems.

Role of technology - need for people-centred systems

Some KM issues can undoubtedly be tackled by the application of technology and access and structuring of fairly hard information.⁴ However, one of the main findings of KM is that technical applications and 'process improvements' may prove detrimental to experience sharing, and lower net efficiency, if they reduce the scope for human interaction. Specifically, it may be necessary to create opportunities for such interaction to complement electronic- or paper-based information.

For example: one competency listed as important by corporate members for social auditing staff was an understanding of the business and business issues, and of the supply chain. While there are some external opportunities for training or professional development in this area, companies themselves

⁴ In-country information is likely to be one of these: the key issues will be choice as to the number of jurisdictions to be covered and the desired extent of information.

might be able to create platforms for enabling this mixture of hard and soft information to be communicated. For example:

What opportunities are there for buyers/technologists to meet ethical trading staff - in which 'tacit' and explicit knowledge of the business can flow in one direction, and social auditing understandings in other?

What would be the material and organisational prerequisites for such opportunities – such as finding space and time, and having meetings facilitated?

Is there scope for ethical trading staff to participate in commercial or technical employees' induction programmes – possibly to the benefit of both sides?

Chapter 5 - Role of ETI

Part of our remit was to identify what role if any could be played by the ETI in the provision of training for ETI members.

Our starting point was an appreciation that the ETI secretariat was already considerably stretched and so there was limited scope for undertaking wholesale training activities on current resource levels. Another consideration is that the ETI is understandably unwilling to be seen as endorsing any one training provider by working closely with them in the provision of a training event. However, it was clear from talking to member companies that there are things that the ETI can do that would assist learning for those charged with implementing the Base Code or carrying out workplace inspections.

Experience sharing

As has been noted elsewhere in this report, the skills of those who carry out successful workplace inspections are not acquired overnight as a result of attending a training course. Rather, they are the result of extensive experience of actually carrying out workplace inspections themselves and learning from that process.

It is clear that any opportunities that can be developed for those who carry out inspections to meet others in the same field and share experiences and problems with will be of great value. A number of people we spoke to had gained valuable learning from meeting others involved in the ETI; however, some felt that the opportunities for this were not exploited fully.

There were essentially two barriers identified to using contacts within the ETI as a means of sharing learning. The first was that meetings tended to have a lengthy and full agenda that was sent out in advance. While this is a reflection of the ETI seeking to involve members in all areas of the work that was going on it did not leave members with time to discuss issues that may have been concerning them.

Another barrier to effective learning was the worry expressed by some members that the ETI did not provide a 'safe space' to share problems and concerns. If, for example, a member was concerned that one of their suppliers was using child labour, but was unsure about how to verify this or did not know how best to remedy the situation, a meeting at the ETI may not seem a good place to mention that concern. Some members felt that in such a situation they would be more likely to be condemned for sharing such information than given the help that they needed. This concern partly reflected the view that corporate members took of the agenda pursued by NGO or trade union members, but also partly reflected the fact that many of the other corporate members of the ETI would be direct competitors.

Such concerns are obviously a worry. Mistrust of how colleagues will react to any problems that may be identified can seriously impede discussion about important issues. We would suggest that work needs to be done on building relationships between the various stands of membership within ETI so that all have a better understanding of the role and concerns of the others.

We would also suggest that effort is made to set aside time in meetings to discuss particular issues or problems that members have and that those attending be encouraged to share their experiences with the colleagues who are present. This would be a very cheap way of improving learning and would also give members a better incentive to attend and participate in meetings if they felt that their particular concerns of the day could be discussed.

Induction and mentoring

Another step that the ETI could take would be to introduce a structured induction programme for new members. Many members are simply unaware of how best to use their ETI membership to improve their knowledge and skills. They could use a clear introduction to what resources the office has, what the secretariat can help with – and what they cannot be expected to do. An introduction to the other organisations involved would mean that new members would be better orientated and better able to make use of the information available.

The ETI may also consider supporting a mentoring programme under which new members are assigned a 'buddy' from the existing membership to support and advise them as they embark upon ethical sourcing. This is potentially a very valuable process but depends upon the 'mentor' being able to give quality time to the new member. Another key success factor is that the two companies are able to share learning effectively despite the fact that they may be in direct competition with each other. This may be difficult if part of the knowledge to be shared about particular problems in supply chains, for example could be regarded as commercially sensitive.

Information provision

The ETI website has great potential for providing some of the key knowledge that members told us that they needed. Summaries of employment law requirements in supplier countries would be useful as well as papers and research on key areas of the Base Code. A number of members already used the website to good effect and it is to be hoped that as more information emerges from pilot projects, the results of these can be made available on-line.

The workbook in particular is much anticipated by members and it is to be hoped that this is made available soon.

Language competencies

We have raised the issue of language competence within the social audit process several times in this report. It is not necessary to rehearse how fundamental this is to the successful implementation of a compliance and improvement regime.

There is a vacuum here which the ETI might be able to fill by running a database of individuals with the appropriate skills (language, subject knowledge, social skills etc.) with great scope for saving on transaction costs, in the best case, and botched inspections, in the worse case, for all ETI members.

Seminars and training

So there is much that the ETI can do without engaging in formal training provision. In this report we have tried wherever possible to stress that the meeting of learning needs is not always best done by the provision of a training course.

On the other hand, seminars are a useful way of disseminating information. Particularly when the speakers can draw on their own practical experience and respond to questions from delegates. We recommend that the ETI organises a programme of half or one-day seminars. These can deal with:

- 'Difficult' aspects of the base code – such as the living wage, discrimination, etc
- Advanced auditing skills – worker interviews, analysing paperwork, getting below the surface

- Regional issues – common problems in particular areas such as freedom of association in China, child labour in South-East Asia

We would particularly recommend that these seminars be pitched at a practical level for those who would actually be carrying out workplace inspections rather than at a strategic or theoretical level. Theoretical seminars have an important role but there is a particular need for training on these areas for operational staff and the ETI can potentially fill an important gap here.