



## Upcoming Events

### Training Courses

The following training courses are offered over the next few months: Labor Law, Quality, Supervisory Skills, Worker Induction, Workplace Cooperation and Worker Training.

For more information, see full Training Schedule on page 6.

## In the News

**Vietnam's National Wage Council (NWC)** was launched on August 8, 2013, marking a transformation from a solely Government-led minimum wage fixing mechanism into a new tripartite body which recognizes the importance of workers and employers' participation.

The work of the NWC with support from the ILO is expected to improve the minimum wage setting mechanism based on data and evidence. At the same time it aims to promote social dialogue and negotiation and reduce industrial disputes.

Find more information at [http://www.ilo.org/hanoi/Informationresources/Publicinformation/WCMS\\_218763/lang--en/index.htm](http://www.ilo.org/hanoi/Informationresources/Publicinformation/WCMS_218763/lang--en/index.htm).

## Making a Difference: A Worker's Contribution

*By Arno Gasteiger, Intern, Better Work Vietnam*

In 2004 at age 22, Cong Nguyen's life took a decisive turn. Born and raised in Ha Tinh province on the north central coast of Vietnam, one of Vietnam's most impoverished provinces, Cong decided to pack his few belongings and set off to a new life in the country's economic centre Ho Chi Minh City. "The first days were quite strange for me," recalls Cong, "I had never been in the south before and both the people and the food were very different from the north. But in time I got used to living here".

Without any prior experience in the textile industry, Cong was offered a job in the Quang Xuan factory's packaging department, located in Cu Chi, just outside Ho Chi Minh City.

Quang Xuan joined the Better Work Vietnam programme in 2009 and set up a Performance Improvement Consultative Committee (PICC) shortly after. Cong is the latest member of this committee that consists of representatives from both factory workers and management, and which



*"I felt very proud when I was elected as PICC member"*

works collaboratively on improving the factory's working environment and production efficiency. "I had heard about the PICC's role and responsibilities before and was very proud when I found out that I had won the elections," says Cong and blushes slightly. "Now I represent roughly 100 workers at the PICC". In April 2013 Cong joined his first PICC meeting, which he describes as a great forum to share ideas, talk about occupational health and safety and the relationship between workers and management.

When asked about the fu-

ture, Cong explains that he has no intention to switch jobs or relocate for the foreseeable future. "I'm satisfied with my job here. The management is supportive of us workers and tries to provide good working conditions. In addition, the factory offers various allowances, such as a bonus before Tet, the Vietnamese New Year holiday." After a short moment of hesitation, Cong adds, "this is a great opportunity to provide my son with a solid education but when I retire I might want to move back to the north. I think I would feel more comfortable spending my older days in my hometown".

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### New requirement for Social Dialogue

Employers are required to organise formal discussions with employees every three months, to discuss production performance, the implementation of labour contracts, collective labour contracts, regulations, commitments and other agreements. Proposals of employees as well as employers can also be brought to the bi-partite discussions. Each party must have at least three representatives at the talks. A functioning Performance Improvement Consultative Committee (PICC) will help a factory come into compliance with this new regulation.

**Decree No. 60/2013/ND-CP** on implementation of Article 63 of the Labour Code, effective 15th August 2013.

### New law on Young Workers

commitments and other agreements. Proposals of employees as well as employers can also be brought to the bi-partite discussions. It is forbidden to employ young workers in the following jobs or under the following conditions:

- where the temperature, noise and dust exceed legal limit
- operating boilers
- operating waste water treatment systems
- silk screen printing
- carrying objects beyond certain defined weights

**Circular 10/2013/TT-BLĐTBXH**, effective 1/8/2013.

## ENTERPRISE ADVISOR COLUMN

### Productive management - worker relationships: A win-win situation

By Hoang Thanh Nga, Enterprise Advisor, Better Work Vietnam

**P**roductive management worker relations help both management and workers achieve their expectations in the employment relationship. As an Enterprise Advisor, it is necessary as well as interesting to observe the diversity of these relationships at my advisory factories. As I look at the different dynamics in factories the question I constantly ask is 'what are the success factors for productive management-worker relationships?' My observation is there need to be at least the following three factors:

**Open management:** An open attitude and management style encourages the same in workers who are more likely to share their concerns and seek resolution through discussion. This manifests itself in different ways. In some of the factories I work with management organises regular meetings with all workers, in another the HR manager is transparent with workers about what he is authorized to make decisions on, as well as the contents of his discussions with top management on working condition and related issues.

**Confident workers:** Workers with confidence can communicate and interact much more closely with their management. At T&A factory the worker members of the PICC actively take on responsibilities in task teams as well as calling for management to take on relevant responsibilities. In a PICC meeting, the worker representatives

can make jokes with or ask direct questions to management on what progress has been made.

**Proactive union:** A dynamic union will ask management to prioritise the requests of the majority of workers, enhancing the workers' position in the relationship with management. Unions become proactive when they are fully aware of their role in representing workers. I have seen a union executive board whose members are young and junior yet take a very mature approach to their union responsibility. For example they frequently put forward workers requests for improved healthcare facilities. In another factory the union was persistent in seeking advice from the upper level union on the issue of a disciplinary dismissal.

Productive management-workers

relations enable constant and effective information exchange, in which workers' concerns are both offered and sought, taken-up by management and discussed and resolved to the satisfaction of both parties. Management concerns over productivity, work stoppages and worker turnover are also met thanks to better working conditions and higher worker satisfaction and loyalty. As an Enterprise Advisor I am greatly encouraged by the commitment of factories that recognize the benefits to both parties of positive dialogue and productive relationships. At BWV we strive to promote the development of such critical relationships through the PICCs and are encouraged by the new legal requirement on Social Dialogue which supports our approach in doing this.



A PICC Meeting at Quang Xuan Factory with representatives from **management and workers**, facilitated by Nga Hoang, Better Work Vietnam Enterprise Advisor

Photo: Piers Birtwistle © ILO/IFC

## New BWV Leaflet Available



Better Work Vietnam has a new leaflet with interesting information on the Vietnam garment industry as well as the approach, goals and impact of the programme.

View and download the leaflet at <http://betterwork.org/vietnam/?p=2293>

## Guidebook to Enhance Workers Knowledge on Law and Life Skills



A guidebook specifically for workers on 'Labour Law and Life Skills', has been produced under a Worker Training Project funded by Levi Strauss Foundation. The law part of the book highlights workers' rights and responsibilities in relation to working conditions and Core Labour Standards, while the Life Skills section contains basic information on reproductive and maternal health, HIV/AIDS and fire safety. Written in Vietnamese, with illustrations and photos, the booklet will be distributed to around 10,000 workers.

Training of Trainers workshops will be provided to give factories ideas on how to introduce the guidebook most effectively (e.g. PICC meetings, one book per line, new worker induction etc.).

## RECENT DEVELOPMENTS

### Better Work Vietnam Factories to Benefit from Short-Term Trade Finance



To learn more about the program, please visit [www.ifc.org](http://www.ifc.org) under the Industries / Financial Markets tab.

To join the GTSF program, please contact Van Thu Phan Ngoc at [VPhanNgoc@ifc.org](mailto:VPhanNgoc@ifc.org) or Nguyen Phuong Hanh at [Nhanh2@ifc.org](mailto:Nhanh2@ifc.org)

*By Eleonore Richardson, Operations Officer, Sustainable Business Advisory, IFC*

**G**armex Saigon Joint Stock Co., is the first Better Work Vietnam factory to join the Global Trade Supplier Finance (GTSF) program of the International Finance Corporation (IFC), a member of the World Bank Group.

The GTSF programme rewards good compliance by providing access to preferential low-cost short term financing to factories, which in turns strengthens

their competitiveness by helping them lower costs.

To qualify for the GTSF program, suppliers must demonstrate that they meet IFC's social compliance requirements. This usually requires a complex process of assessing and approving buyers' compliance assessment mechanisms. However since IFC values the credibility and robustness of BW assessments, BWV factories only need to submit their

BWV assessment report for IFC's approval, thereby streamlining the overall process.

The Global Trade Supplier Finance (GTSF) is a US\$500 million revolving fund established two years ago to deliver payment term financing to suppliers via the purchase of buyer-approved invoices. In addition to financing, IFC provides specialized training on trade services and trade finance to

suppliers enrolled in the programme. Launched in Vietnam in March 2013, the GTSF program has reached 72 suppliers, including 20 BWV participating factories (at various stages in the approval process) and GTSF disbursements totalled US\$10 million in Vietnam by the end of September 2013.

On September 19, IFC hosted two seminar sessions in Ho Chi Minh City to present the program to more BWV factories.

## 5 Steps to Becoming More Efficient Through Kaizen and 5S



Piers Birtwistle © ILO/IFC

*Kaizen is a continuous improvement model in which 5S is an important component that focuses on how to create a clean and organised working environment, reduce redundancies, improve productivity and promote motivation and responsibility from all employees.*

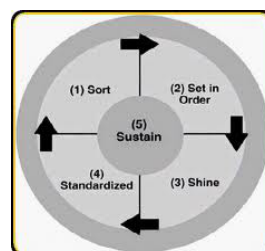
Sixty participants from 42 BWV participating factories attended a late July workshop on 'Application of Kaizen and 5S for Sustainable Business Development.' Organised by BWV, in collaboration with the Vietnam Chamber of Commerce and Industry (VCCI) and Japan International Cooperation Agency (JICA) the workshop covered both theory and practice. Mr. Itsuno Susumu - expert from JICA presented case studies of applying the model in Japanese factories while Hoa Sen and Viet Think factory's explained their own experience.

The session highlighted both the benefits and challenges of the model and participants and experts came up with some useful tips:

- Successful application of 5S requires full participation of all employees. Workers in all sections and divisions

must be aware that they play an important role in making their own working environment better and they must do it every day.

- Successful application of 5S requires high commitment from the top management. To sustain 5S the management needs to provide human, time and financial and resources as well as developing clear plans and assigning responsibilities.
- 5S is not expensive if is applied correctly. Try to do it yourself (rather than outsourcing) to increase creativity, productivity and responsibility of staff.



## Exchanging Information and Experience on the New Labour Law

Participants were lively in sharing experience on implementing the new labour law, during the 5th BWV Shared Learning Seminars held in Ho Chi Minh City, Binh Duong and Dong Nai Provinces. Held in July, the seminars attracted 134 representatives from 75 BWV participating factories.

Updates on the main changes in Occupational Safety and Health, Child Labor and Discrimination were followed by group discussions on changes in Compensation, Working Time, Contracts, Social Dialogue and Collective Bargaining. With many implementation decrees and circulars yet to be issued, participants also shared their challenges particularly on the implementation of payment

for working on public holidays, the exchange of rest days and the process of social dialogue. BWV is working with the Project Advisory Committee (which includes representatives of MOLISA) to provide consistent advice on grey areas pending official confirmation. BWV has also raised with buyers the need for factories to get consistent messages on interpretation. BWV will hold another public training course on the new labour law on October 17th.

The topic in the Seminar Series is 'Preventing Harassment in the Workplace' to be held on 26th September Dong Nai, 30th September Binh Duong and 2nd October Ho Chi Minh City.



Piers Birtwistle © ILO/IFC

*Any factory or buyer with skills or experience on preventing harassment and who is willing to share with BWV staff and/or factories, please contact [tutruong@betterwork.org](mailto:tutruong@betterwork.org)*

## Updating Buyers



Piers Birtwistle © ILO/IFC

Around 60 participants from over 20 companies joined the Better Work Vietnam Annual Buyers' Forum (in conjunction with Better Factories Cambodia) in Phnom Penh on the 5th September. The Forum updated buyers and sought their input on future plans. Sessions covered the new labour law, buyer collaboration at the factory level, innovation in worker communications, a revised BW model and the future of the Forums

themselves. Input from buyers will feed into the Global Buyers Forum in San Francisco on 4th November 2013.



*Buyer representatives at annual buyers' forum*

## RECENT EVENTS

### Irish Donors Visit Nobland to See Better Work Vietnam in Action



**O**n Aug 16 2013, Brendan Rogers, Director General of Irish Aid, together with Damien Cole, the Irish Ambassador to Vietnam, visited BWV and joined a visit to Nobland Co Ltd, to see how factories benefit from the programme. Mr. C.K Lee, General Manager of Nobland Vietnam took the visitors on a tour of the premises and briefed them on the company's growth since joining BWV. Mr Lee also highlighted the impact of BWV's assessment and advisory services, and

particularly the PICC, in improving compliance.

"Thanks to the BWV programme, and particularly the PICC, our factory has improved tremendously bringing better conditions to our workers. Balancing the business needs and improving workers lives is not easy but we are striving to find a win-win situation" said Mr C.K Lee, General Manager, Nobland Vietnam Co Ltd.

## RECENT UPDATES

### Human Resource Training Course: Phase Two

**F**ollowing the success of the 1st Phase of Human Resource Management Training (HRM), the 2nd Phase of the pilot project funded by PUMA has been implemented in 5 factories since August 2013. Alliance One, Shillabags, Vision, Sao Viet, and Pouyuen were selected by PUMA to participate in the course.

The 2nd Phase comprised of five modules including (1) HRM Overview and Strategic HRM, (2) Workplace Cooperation, (3) HRM Planning and Recruitment, (4) Performance and Staff Development and (5) Compensation and Benefit Management. The course consists of both theory and practical application with classroom and in-factory training and Action-Planning.

### Subsidised Supervisory Skill Training Supported by the Walt Disney

**W**ith support from the Walt Disney Company, BWV will be offering Supervisory Skills Training at 20% of the normal cost between January 2014 -December 2015. The programme aims to target supervisors, potential supervisors and supervisory trainers with in-house trainings, training of trainers and networking meetings.

Roughly 1,300 people will be trained over the next two years. Registration will open in November.

### Assessing the Impact of our Training to Improve Services

**B**etter Work Vietnam is applying new tools to measure the impact of both public and in-house training courses. As well as the usual evaluation form all participants complete at the end of each course, BWV now has questionnaires tailored to the audience (e.g. managers, supervisors, workers etc.) which are used with a small group of participants both before and after the training.

Better Work Vietnam will be using these tools for all courses over the next 9 months. The results of these evaluations will be shared in late 2014.

### Supervisory Skills Training Available in Chinese

**A**t the request of adidas, BWV recently provided Supervisory Skills Training (SST) in Chinese for 30 managers. The SST course in Chinese has proved popular with both factories and buyers. Pitched at Chinese managers from any department (production, administration, HR, Team Leaders etc) the training covers how to be an effective and professional manager and approaches for effective workplace cooperation. Tailored to the context, the training also focuses on how foreigners can work cooperatively with the local workforce.

*The SST in Chinese was organised at BWV Office on 13&14th Sep with adidas representative-Ms. Lan Phuong.*

### BETTER WORK VIETNAM NEW PROGRAMME MANAGER

Better Work Vietnam welcomes new Programme Manager Ms. Nguyen Hong Ha. Ms. Ha who is currently Deputy Director General of the Vietnam Chamber of Commerce and Industry (VCCI), will officially take up her position in mid October 2013.

Ms. Ha brings expertise at both the national and international levels to help the program move to its next stage of evolution, continuing to focus on core service delivery, but also putting even greater attention on further integration and collaboration with the social partners and looking for an expanded set of ways that the programme can have an impact on the policy levels beyond Better Work Vietnam factories.



## TRAINING SCHEDULE

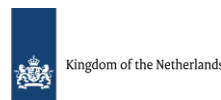
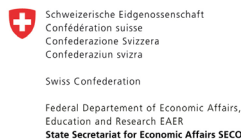
Better Work Vietnam offers a range of targeted training programs to managers, supervisors and workers, both in the classroom and at the factory. Our upcoming public training courses are scheduled as follows:

OCTOBER			Public	In-house	
17th	New Labor Law Training	1 day	DOLISA Inspector	US\$ 25/pax	US\$ 600/course
18-19th	Quality	2 days	Mr. Thanh Binh	US\$ 50/pax	US\$ 1.250/course
Upon request	Worker Training	1hr/episode	BWV	US\$ 300/episode	
NOVEMBER			Public	In-house	
8-9th & 16th	Supervisory Skills Training	3 days	Ms. Thanh Thuy	US\$ 70/pax	US\$ 1.700/course
22-23rd	Worker Induction Training	2 days	Ms. Kim Hoan	US\$ 100/pax	US\$ 2.500/course
Upon request	Worker Training	1hr/episode	BWV	US\$ 300/episode	
DECEMBER			Public	In-house	
13-14th	Workplace Cooperation	2 days	Ms. Kim Hoan	US\$ 50/pax	US\$ 1.250/course
Upon request	Worker Training	1hr/episode	BWV	US\$ 300/episode	



Photo: Piers Birtwistle © ILO/IFC

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The Better Work global program is supported by the following (in alphabetical order):

- Australian Government
- Netherlands Ministry of Foreign Affairs
- State Secretariat for Economic Affairs, Switzerland (SECO)
- Levi Strauss Foundation
- United States Council Foundation, Inc. (funds provided by Gap Inc., Nike and Walmart)

## Newly Participating Enterprises and Buyers

At the end of September 2013, there were 195 factories registered with Better Work Vietnam assessment and advisory services, while 51 buyers subscribed to view factory reports and engaged with the program.

Better Work Vietnam would like to welcome the following enterprises and buyers who have recently joined the program:

### Enterprises:

Yesum Vina  
Hue Phong  
Chi Hung  
Fuh Luh  
Phuong Dong

### Buyers:

The Children's Place

For regularly updated and complete list of all participating factories and buyers, please visit:

<http://www.BetterWork.org/sites/VietNam/English/ourpartners/Pages/index.aspx> (under Partners)

## Contact us

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