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Implementing Codes of Conduct: How Business Manages Social Performance in Global Supply Chains

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as children are more likely than others to report illness up to five years later.

Notwithstanding a distracting number of typos and errors (which I hope will be corrected in future editions), this book is an important contribution to the child labor literature. Interested readers will gain both from the authors' substantive findings and from their theoretical and empirical methodology.

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Implementing Codes of Conduct: How Business Manages Social Performance in Global Supply Chains. By Ivanka Mamic. Sheffield, U.K.: Greenleaf, 2004. 429 pp. ISBN 1-874719-89-6, \$65.00 (cloth).

The rise of "voluntary" methods to improve labor standards in global supply chains—notably, corporate codes of conduct (CoCs) monitored by corporations themselves or by monitoring organizations—has resulted in a highly polarized debate. On the one hand, critics have argued that these efforts by corporations constitute "window-dressing" or a public opinion management gimmick. Supporters, on the other hand, argue that such efforts are a win-win solution for business and labor, and an effective complement to existing measures for enforcing and improving labor standards.

Implementing Codes of Conduct moves away from the polarity of this debate, and instead focuses on how multinational corporations (MNCs) and the firms in their supply chain manage, implement, monitor, and adjust their corporate CoCs, and how these management systems are linked to each other. Ivanka Mamic draws on extensive fieldwork conducted as part of her role in the International Labor Organisation (ILO) to examine management practices in three interrelated industries: the global sports footwear, apparel, and retail industries. Twenty-two MNCs (and firms in their supply chains) operating in South and Southeast Asia, Latin America, the United Kingdom, Turkey, and the United States are studied.

The study itself is based on a framework developed from prior fieldwork by the ILO. This framework maps interrelated management func-

tions such as creating a shared vision, developing understanding and ability, implementing the code in operations, and encouraging and acting on feedback to improve or remediate the code's implementation. These functions are all underpinned by dialogue between employees, unions, and other stakeholders.

The multilayered analysis in this book is at once a strength and a weakness. The strength is that it offers comprehensive and detailed comparative data that were not easily available before. The weakness is that the complicated analytical structure makes it difficult to present all of the evidence simply.

Chapters 1, 2, and 3 are background chapters detailing the scope of the study, the research methods, and the nature and content of the codes. The next three chapters review the three industries and the management systems of each, including production processes, costs, worker profiles, and how MNCs attempt to implement their codes of conduct. Chapter 7 presents an overview of what actually happens in practice across all countries and industries. This chapter is divided into sections that mirror the content of the codes—freedom of association, safety, child labor, and so on. The final chapter contains a summary of findings, conclusions, and recommendations, followed by a set of terse bullet points presenting the views of management, which makes for fragmented reading.

Structural problems aside, the findings of this study are illuminating. They contribute to our knowledge about code implementation success and weakness, and they help in identifying key policy considerations. The picture that emerges is complex and contradictory. The study highlights the intricacy of regulation mechanisms faced by MNCs and their suppliers. Integrating ILO labor standards into CoCs, for example, is clearly tricky, and Mamic also shows how overlap between the domains defined by CoCs and national laws can expose perplexing legal ambiguities.

Across all three sectors, commitment by top-level management was important to the successful implementation of CoCs. While this commitment was communicated through the supply chain, not all of those in the chain fully appreciated it or understood exactly what the CoC demanded of them, particularly in integrating code issues into the operational structure (Mamic, 2004:339) of the firm. Thus, monitoring, education and training by MNCs was found to be a key determinant of supplier compliance with codes.

The study also finds that there is a move from a "policing" model to a more consultative approach by MNCs working across several sectors. This

approach highlights the importance of dialogue with both workers and other stakeholders. Yet, the research demonstrates that engagement with stakeholders was low, owing mainly to the fear of reputation damage due to negative publicity stemming from the disclosure of harmful working conditions. Here, it is interesting to note that corporate reputation appears to be a powerful mechanism. Public scrutiny has led MNCs such as Nike to strengthen their links to suppliers, and consumer pressure has been instrumental both in deepening these efforts and in ensuring transparency and accountability. Not surprisingly, Mamic finds that trust between MNCs, stakeholders, and suppliers is important to sustaining these initiatives.

This book goes a long way toward filling an information gap on the ways CoCs are managed and providing an impetus for improvement. Furthermore, the findings are particularly significant as they are inclusive of the management systems of local suppliers—an area in which there has been sparse research. Not only did Mamic have unusual access to suppliers and MNCs, but she has been able to present management voices clearly and forcefully. In doing so, she contributes to our understanding of how managers implement policy and the difficulties they face in meeting the challenges of code implementation. She also provides viable recommendations for policy-makers and firms.

This book is of significance for researchers and students. Most important, it has broad implications for firms that are serious about seeing the social and environmental objectives expressed in their corporate codes become a reality at the supplier level.

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International and Comparative Industrial Relations

Unemployment Compensation throughout the World: A Comparative Analysis. By Wayne Vroman and Vera Brusentsev. Kalamazoo, Mich.: W.E. Upjohn Institute for Employment Research, 2005. 273 pp. ISBN 0-88099-323-5, \$41.00 (cloth); 0-88099-322-7, \$20.00 (paper).

In *Unemployment Compensation throughout the World: A Comparative Analysis*, we have an example

of a book whose title clearly states its main theme. At the same time, a title can really only hint at the complete scope of a work as ambitious as this one. Instead, Chapter 1 lays out four principle objectives: to establish a link between macroeconomic performance and the role of unemployment protection, to provide an overview of UC programs, to introduce the concept of actuarial costs, and to examine problem areas.

Before focusing specifically on unemployment compensation (UC) throughout the world, then, in Chapter 2 the authors provide a historical review of macroeconomic performance across six regions of the world, making the point that there is a clear link between performance in product and labor markets. While this chapter is helpful in placing unemployment compensation in context, and its discussion of available data sources provides a useful reference, I think the average reader who is drawn to the book by its title could safely skip ahead to Chapter 3.

This key chapter of the book, on unemployment protection, should satisfy anyone who desires a quick overview of the state of global unemployment programs. The authors first provide a clear discussion of the different types of unemployment protection programs, then focus specifically on UC. Again using a regional framework, they outline the growth and prevalence of UC over the second half of the 20th century. Having documented that higher per capita GDP predicts UC, they then analyze UC generosity. First, costs are broken down into three components: the unemployment rate, the reciprocity rate, and the replacement rate. The product of the reciprocity and replacement rates can be considered an index of generosity, and the authors make clear that generosity varies widely across countries, as either component can be varied. That said, I was not quite sure what I learned from the regression estimates of the generosity index (G), obtained by regressing costs on the unemployment rate. In most cases this estimate is very close to the raw mean, and there is no real discussion of what one should think about the differences between the countries for which the regression performs well versus poorly.

For readers seeking a more in-depth discussion of similarities and differences across the world in UC, in Chapters 4–7, the authors undertake four separate regional analyses: for the OECD-20 countries; for the countries of Central and Eastern Europe and the former Soviet Union; for Asian countries; and for Latin American and Caribbean countries. One important point that comes from the first analysis (Chapter 4) is that the United States is really an outlier among these developed