BUSINESS ACTION TO TACKLE INEQUALITY

SUPPORT & RESPECT WORKER REPRESENTATION

Giving workers greater ability to affect corporate decision-making about the terms and conditions under which they work

The need for business action

Meaningful worker engagement is key for tackling inequality and distributing value and risk more equitably. When businesses understand the various perspectives and needs of their workers, they are better positioned to drive enhanced and more sustained outcomes for all involved. At the same time, when workers organize and bargain collectively, they have greater influence on the terms and conditions under which they work.

Catalyzing business action

To ensure that they are well positioned to respect and support meaningful worker engagement and representation, businesses can take the following actions:

1. Promoting a culture of worker representation within the organization
   Companies should look to engage with workers’ representative structures in an honest and fair manner, including by agreeing upon an engagement process which works for all parties and considering and responding to their positions.

2. Complementing (and not supplanting) existing worker representation structures with new engagement platforms
   In recent years companies have deployed a range of mechanisms to capture worker perspectives. These provide important avenues for workers to communicate their ideas and grievances to management but should be conducted alongside – and not instead of – good faith engagement with workers’ own representative structures.

3. Supporting worker representation throughout the supply chain
   This includes committing to support worker empowerment throughout the supply chain, by making freedom of association a critical component of contractual agreements with suppliers and executing a robust due diligence process.

The business case

Supporting and respecting worker representation can unlock a number of business benefits, including:

- **Workforce benefits:** When companies respect, support and engage in good faith with workers and their representatives, they can build a more stable and productive workforce.

- **Managing risk:** Workforce representation also enables businesses to better mitigate risk at early stages through clear channels for workers to raise issues.

- **Meeting public expectations:** Public opinion and expectations around worker representation have also begun to change as worker wages have stagnated and inequality has increased.

US$ 200B
Estimated additional income US workers would be earning every year if worker representation had remained at 1979 levels

The Business Commission to Tackle Inequality (BCTI) is a cross-sector, multi-stakeholder coalition of organizations and their leaders with the mission of mobilizing the private sector to tackle inequality and generate shared prosperity for all.

For more information and for details on other key business action areas to tackle inequality see the BCTI’s flagship report – Tackling Inequality: An agenda for business action