



International
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► Strengthening expertise in labour relations and employment policies:

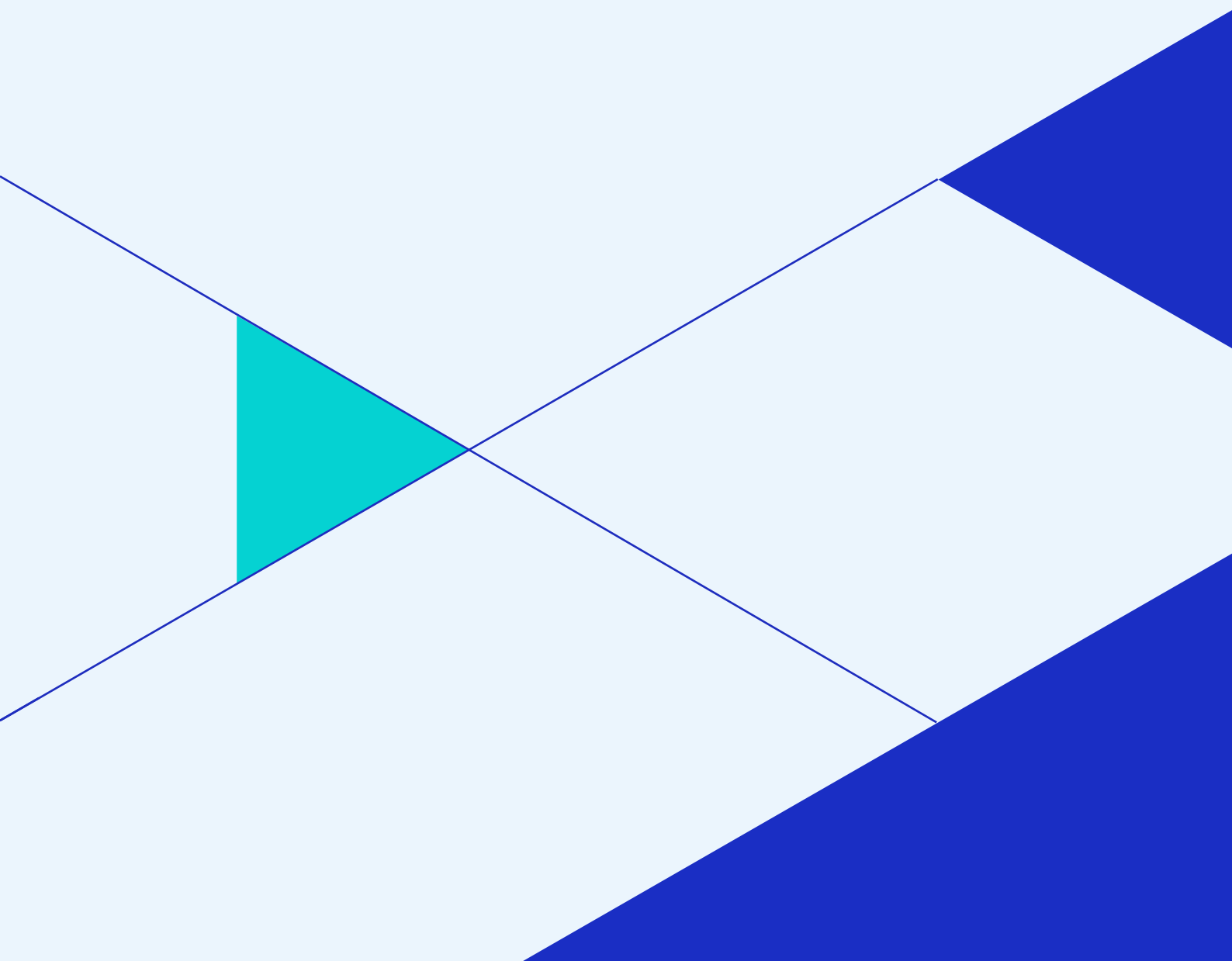
A guide for employer and business membership organizations





► **Strengthening expertise in labour relations and employment policies:**

A guide for employer and business membership organizations



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Foreword

In recent years, labour relations and employment policy have attracted renewed attention and prioritization, driven by the need to address the lasting impacts of the COVID-19 pandemic on the world of work and the acceleration of pre-existing trends like automation and digitalization. As businesses face increasingly complex workforce dynamics, including the emergence of transnational regulatory requirements, employer and business membership organizations, or EBMOs, are being asked to support their members more strategically.

The Arab States and the broader Gulf region are undergoing profound transformation, driven by strategic visions of economic diversification and innovation. Leveraging their abundant natural resources and geographic positioning, these nations are investing in world-class infrastructure, renewable energy and knowledge-based industries. This shift is not only attracting foreign investment and creating new opportunities for citizens but is also positioning the region as a global economic and strategic hub. Governments across the Gulf region are breaking new ground in labour law reform and forward-looking human resources development strategies. Although approaches vary from country to country, common to all is the aspiration to develop a local workforce capable of meeting future social and economic needs while improving national competitiveness through enhanced alignment with the international labour standards. At the same time, the dynamism and openness of the region's economies is becoming attractive for a new generation of workers who are highly educated and eager for forward-looking human capital development strategies.

Against this backdrop and because trade and investment policies are nowadays more integrated with labour and employment policies than at any previous point in history, EBMOs are being challenged to rethink their traditional mandates, organizational structure and alliances. This is particularly the case for national chambers of commerce in the Gulf region, which have tended to focus more on trade and investment policies. The introduction or strengthening of expertise in labour relations and employment policy is becoming critical, with enterprise members calling for support to navigate the new regulatory environment and workforce development needs. Despite the urgency, many EBMOs lack systematic guidance on how to build up or enhance this expertise in a way that supports advocacy, delivers value-added services and contributes to organizational sustainability.

This guide seeks to fill that gap by offering a structured approach to creating or expanding a labour function within an EBMO. Drawing on practical experiences from across regions, it outlines how an EBMO can build up its internal capacity, forge strategic partnerships and position itself as a trusted intermediary between business and labour policy. By embracing this expanded role, EBMOs can enhance their institutional resilience, support inclusive economic growth and contribute meaningfully to the evolving socio-economic landscape of the Arab States and beyond.

This guide does not propose a one-size-fits-all model. Instead, it presents adaptable strategies, good practices and real-world examples that EBMOs can tailor to their unique contexts. The aim is to inspire and equip EBMOs to take practical steps towards reinforcing their labour function in a way that aligns with their mission and strategic goals.

We are grateful to the many EBMO officers who shared their insights and experiences for this publication. Their contributions have enriched this guide and underscore the importance of collaboration and shared learning. We hope this resource will support EBMOs worldwide in enhancing their labour-related work and, in doing so, contribute to more resilient, inclusive and sustainable economies.



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A heartfelt thanks goes to the representatives of employer and business membership organizations who generously shared data, experiences and information on their internal processes. Their contributions were essential to grounding this guide in real-world practice. In-depth interviews were conducted with Matthew Percival from the Confederation of British Industry, Mohammed Touzani from the Confédération Générale des Entreprises du Maroc, El Sayed Torki from the Federation of Egyptian Industries, Maher Al-Mahrouq from the Association of Banks in Jordan, Muhanned Al Asfoor from the Oman Chamber of Commerce and Industry, Khine Khine New from the Union of Myanmar Federation of Chambers of Commerce and Industry and Luca Pignatelli and Massimo Richetti from the Unione Industriali Torino, Italy.

Executive summary

This guide offers a comprehensive road map for establishing and strengthening a labour function within an employer and business membership organization, or EBMO. Developed under the auspices of the International Labour Organization's (ILO) Bureau for Employers' Activities and the International Training Centre of the ILO, it is tailored to addressing the needs of chambers of commerce and similar organizations in the Arab States region. The guidance is based on practical research, empirical data and good practices from EBMOs around the globe. The guide's objective is to support chambers in introducing or enhancing their policy engagement and membership services relative to labour and employment policy – issues that are increasingly central to business competitiveness, regulatory compliance and social responsibility.

The guide is intended for EBMO leaders, board members and staff who are tasked with navigating the complexities of modern labour markets. It is also a useful reference for international partners and donors supporting capacity-building initiatives. By synthesizing real-world experiences from diverse contexts, including Egypt, Italy, Jordan, Morocco, Myanmar, Oman, the United Kingdom and Uruguay, it offers a pragmatic and actionable framework for institutional development.

The guide begins by contextualizing the growing need for EBMOs to develop a dedicated labour function. The introduction highlights the profound transformations reshaping the world of work: globalization, technological advancements, evolving business models and the proliferation of diverse work arrangements. These trends have blurred the lines between product market representation and labour market engagement. Particularly in the Arab States, this is challenging chamber structures, which often lack robust labour-related expertise. There is a pressing need to reposition the labour function, not as a compliance burden but as a strategic opportunity to support business resilience and national development goals.

Following this contextualization, Section 2 delves into the rationale behind the labour function as a strategic response to workforce challenges. Labour shortages, skills mismatches and rising expectations for inclusive and ethical business practices are no longer peripheral concerns but core issues impacting productivity and competitiveness. A dedicated labour function enhances an EBMO's capacity to support its members through practical services, data-driven insights and advocacy efforts. This section stresses the transformative potential of a labour function in bolstering an EBMO's credibility and enabling effective participation in policy dialogues on employment, social protection and workforce development.

Building on this foundation, Section 3 explores how the labour function empowers EBMOs to influence employment and labour policies through credible, evidence-based advocacy. The section outlines the mechanisms of unilateral, bipartite and tripartite engagement, illustrating how EBMOs can shape legislative frameworks and enforcement mechanisms. Practical examples from the Employers Leaders Network and national EBMOs demonstrate how structured internal committees, member consultations and strategic partnerships strengthen advocacy outcomes. The section emphasizes the critical role of labour function staff in preparing policy briefs, coordinating members' inputs and ensuring that EBMO representatives are equipped with consistent, well-substantiated positions in policy forums.

Transitioning from policy influence to service delivery, Section 4 focuses on the value-adding services that the labour function can offer to member companies. These services span legal compliance support, human resources advisory, occupational safety and health, workforce development, and diversity and inclusion initiatives. By addressing the operational challenges that businesses face – especially small and medium-sized enterprises, the labour function enables an EBMO to position itself as a trusted partner in human capital development. Examples from different regions of the world illustrate how tailored services can simultaneously enhance business performance, institutional credibility and financial sustainability. The section also underscores the importance of aligning service offerings with members' needs through needs analysis, clear pricing models and the strategic use of digital platforms to ensure accessibility and efficiency.

Section 5 then addresses the operational requirements and structural considerations essential for the successful implementation of a labour function. Recognizing the diversity of EBMO capacities and contexts, the guide presents a range of structural models, from dedicated departments to lighter structures and outsourced functions. It stresses the importance of strategic alignment, governance clarity and internal coordination to ensure effectiveness. This section highlights that operational success depends on skilled and engaged staff, robust internal processes and the integration of the labour function within the EBMO's broader strategic vision. Additionally, it emphasizes the criticality of leadership commitment and continuous staff development, showcasing how mentoring programmes, technology integration and knowledge management practices contribute to institutional resilience and impact.

Section 6 examines the financial strategies and partnership models necessary to sustain the labour function in the long term. Moving beyond donor dependency, the guide advocates for diversified revenue streams, including fee-based services, membership contributions and sponsorships. It provides practical insights on service pricing, cost management and leveraging digital tools to enhance efficiency and outreach. The section also illustrates how strategic partnerships with public institutions, academia and international organizations can expand resources and amplify impact. By adopting an entrepreneurial mindset and embedding financial planning into operational strategies, EBMOs can ensure the viability and scalability of their labour function.

In its conclusion, the guide offers a structured, evidence-based approach for EBMOs seeking to navigate the complexities of the labour market, enhance their value proposition and contribute to inclusive economic development.

Each section builds upon the previous one, creating a coherent narrative that links the strategic imperative for labour functions with practical pathways for advocacy, service delivery, operational effectiveness and financial sustainability. Through this integrated approach, the guide positions the labour function not as an ancillary activity but as a central pillar of a modern, responsive and impactful EBMO.

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1

Introduction

Employer and business membership organizations, or EBMOs, are foundational institutions in modern economic ecosystems. They are independent and membership-based organizations established to represent, protect and advance the interests of the private sector while providing support and services to their members.

Traditionally, EBMOs in the Arab States have emphasized product market representation, local economic development and an enabling environment for business through policy advocacy, public-private partnerships and services to members. However, in the face of rapid labour market transformation, globalization and increasing regulatory complexity, there is a compelling need for these EBMOs to evolve and strengthen their labour-related function.

According to EBMO leaders from the Arab and Asia-Pacific regions,¹ the business landscape is being reshaped by sectoral and global trends, the rise of new business models and innovations in how and where work is conducted. The proliferation of diverse and more flexible forms of work, driven by both market dynamics and personal choice, has intensified since the global COVID-19 pandemic, thus fundamentally transforming the world of work. In this new reality, the role and *raison d'être* of intermediary bodies representing employers are being tested. To maintain relevance and enhance the value they provide, EBMOs must stay strong on the basics while embracing change and innovation. Reinforcing traditional cornerstones – independence, transparency, separation between governance and management and

¹ See the 2024 ILO report on Lessons from the ILO Employers Leaders Network: A Good Practice Compendium. The ILO-led Employers Leaders Network initiative brings together senior representatives from business associations across the Asia-Pacific region and Arab States. It is a pioneering initiative, aimed at creating space for reflection and ongoing sharing, including an online forum and opportunities for bilateral “twinning” exchanges.

evidence-based advocacy – must go hand in hand with new strategic choices. These include the digitalization of services, innovative funding models, data-driven strategies, support to start-ups and effective representation of self-employed members.

During the pandemic, many EBMOs responded with agility – rethinking their management and financial structures and expanding their mandates to better reflect the emerging needs of the businesses they serve. Chambers of commerce in the Arab States, for instance, improved the accessibility of their services through digitalization, which allowed them to extend their reach to micro-entrepreneurs and new forms of business. Their ability to deliver organizational change at pace, despite the global crisis, stands as a valuable example of adaptability.

Worldwide, EBMOs fall into three broad categories:

- **“Pure” employers’ organizations:** Focused on labour and social policy, they typically take the form of employers’ organizations and are more common in countries in which trade unions have historically had strong membership, influence and a role in labour market governance. Their primary interface is typically the ministry of labour.
- **EBMOs focused on trade and investment:** They appear in many forms, although a chamber of commerce and industry or a sectoral or industry association are among the most common. Chambers represent the commercial interests of businesses, including international trade, investment, market access and reduction of trade barriers. In many countries, a chamber operates under the oversight of the ministry of trade or economics. Depending on the national ecosystem of business representation, some chambers also take on a labour function when specialized employers’ organizations are absent.
- **“Dual” industry associations:** These organizations cover all market interests of business comprehensively, combining trade and labour market functions and often setting industry standards. In some countries, a business association and a chamber have merged to create a comprehensive organization with economy-wide, national-level roles.

Any of these organization types can exist at the national, sectoral or local level, and some may be issue-focused (such as women, youth or indigenous persons). Historically, the diversity of business interests has led to a division between labour and product market representation. This was reflected in the establishment of separate institutions: employers’ organizations to handle industrial relations and chambers of commerce or trade associations to focus on commercial interests. Over time, many EBMOs have evolved to integrate these functions by developing in-house expertise, amalgamating with other EBMOs or forming strategic partnerships and alliances with EBMOs that have this specialization. The increasing overlap between business competitiveness and workforce quality means that separating trade and labour matters is no longer practical. Many organizations globally – particularly in advanced economies – have moved towards comprehensive representation, thus merging the commercial and employment-related mandates. This trend is especially relevant in the context of globalization, which demands that businesses adopt integrated strategies that address productivity and social responsibility. This integration is particularly challenging for chambers of commerce, many of which lack a strong tradition in labour-related advocacy due to undeveloped industrial relations, limited policy engagement or a highly regulated labour market.

In the Arab States region, most EBMOs are a chamber of commerce and industry. They represent enterprises established in their country, many of which are small and medium-sized enterprises. They typically focus on trade promotion, investment facilitation and economic reforms. Many have limited or no labour-related expertise. Nonetheless, the rising international visibility of the Arab economies – coupled with the high reliance on foreign labour, particularly in the Gulf region – has increased scrutiny of labour practices and is driving the need for EBMOs to take on a more active role in shaping employment policy frameworks and supporting their members in developing relevant expertise.

The changing economic context demands this shift. Countries in the Gulf region and the broader Arab region are undertaking major diversification efforts to reduce dependence on oil revenue and build a

knowledge-based economy. This transition requires skilled and adaptable workforces. Additionally, youth unemployment remains high across the region, and new nationalization policies – such as Saudization or Emiratization – are changing the landscape of employment. Simultaneously, global attention to labour rights, inclusion of under-represented groups (especially women and youth) and the international labour standards is pushing businesses to demonstrate ethical and fair practices.

Given these dynamics, it is imperative that chambers in the Arab States recognize the labour function not as a burden but as a strategic opportunity to support business resilience and national development goals. Strengthening the labour function can allow a chamber to position itself as a credible intermediary in the labour policy space, bridge the gap between government regulations and business compliance and help companies manage their workforce effectively.

The objective of this guide is to provide EBMOs, particularly chambers in the Arab States, with a road map to establish or enhance their labour function. Drawing on good practices and real-world examples from around the globe, including Egypt, Italy, Jordan, Morocco, Myanmar, Oman, the United Kingdom and Uruguay, it elaborates on the institutional changes, service models, financial strategies and stakeholder engagement practices needed for success. The guide aims to support EBMOs at different stages of readiness, from those with no existing labour function to those wanting to scale up or diversify their offerings.

The guide is also a useful reference for the ILO Bureau for Employers' Activities and other international partners to design capacity-building programmes, technical assistance and tools tailored to EBMOs' evolving needs. In addition to operational advice, the guide offers structured direction on advocacy, service delivery and sustainable financing.

In summary, this guide makes the case that developing a labour function is not a supplemental activity – it is essential for EBMOs that want to remain relevant, respected and responsive in the face of evolving economic, legal and social landscapes.



2

Why employer and business membership organizations need expertise in labour relations and employment policy

Understanding expertise in labour relations and employment policy

In the context of a federation of chambers, a labour function refers to the established and sustained capacity for representation and advocacy of business interests in labour relations and employment policy. In some EBMOs, this expertise may be embedded within a dedicated policy department or advocacy unit and focused on labour market analysis, social dialogue and employment policy. In others, it may be integrated into a broader service or member engagement team, whereby the emphasis is on delivering practical tools, training or advisory services. In some cases, the labour function is considered part of the legal department portfolio.

The labour function also can be partly outsourced or supported through a partnership with another EBMO already specializing in this area, a research institution or a consultant, especially in a small EBMO with

limited internal capacity. The labour function may be referred to in various ways, such as social policy, labour market, industrial relations, employment services, future of work, people, workforces and human capital development, thus reflecting the focus or tradition of an organization. It can be called a service, unit, department, task force, etc. Regardless of the name and setup, the core purpose remains consistent: to generate credible, evidence-based input that informs advocacy, supports member services and contributes to the organization's positioning as a reliable and proactive voice on labour and social issues.

A means to support an employer and business membership organization's core representation and service functions

Strengthening expertise in labour relations within an EBMO is a timely and strategic response to today's pressing workforce challenges. Labour shortages, evolving worker expectations, new regulatory frameworks and skills mismatches are no longer peripheral concerns – they are core business issues directly affecting productivity, competitiveness and enterprise resilience. A dedicated labour function allows an EBMO to support their members through data-driven insights, reskilling initiatives and practical human resources services. By offering targeted support on hiring, compliance and labour laws, EBMOs can become essential partners in helping businesses adapt to change. Crucially, a dedicated labour function also strengthens an EBMO's institutional credibility by enabling it to interpret legislation, provide practical tools and support companies in navigating an increasingly complex labour market.

In addition to supporting members operationally, a labour function significantly enhances an EBMO's capacity for influence and advocacy. Due to employment-related policies central to national economic strategies, such as Saudi Vision 2030, Qatar National Vision 2030 or Oman Vision 2040, EBMOs need the expertise to shape debates around workforce development, social protection and labour law reform. Those equipped with labour expertise are better positioned to engage in meaningful policymaking. They become critical intermediaries between the private sector and the government, bridging communication gaps and aligning business needs with labour legislation and reforms. This also strengthens their role in social dialogue and tripartite frameworks and builds trust with the government and with workers' organizations.

Beyond advocacy and service delivery, a labour function supports financial and institutional sustainability. By offering high-value, labour-focused services, such as training, legal guidance and human resources consulting, many EBMOs around the globe have diversified their revenue stream and reduced their dependence on membership fees. In countries in which membership in a chamber of commerce is compulsory, the financial pressure may be less stringent. In both cases, however, offering labour services boosts the organization's value proposition while enabling it to remain competitive with professional service providers. Supporting ethical and inclusive employment practices helps EBMOs align with global expectations and international standards. In this way, a robust labour function elevates an EBMO from being a transactional service provider to a strategic actor in building resilient, future-ready economies.

A way to keep responsive in times of change

Driven by economic diversification efforts aimed at reducing reliance on oil and fostering a knowledge-based, competitive economy through a long-term national vision, the Arab States are undergoing significant transformation. An important challenge in the Gulf region is the inefficiency and underperformance of the labour markets, which has led to a persistent mismatch between the domestic supply of workers and the demand for labour. In response, employers are revising their recruitment strategies, enhancing compensation and benefits, investing in staff training and development and restructuring the roles to better attract and utilize national talent. Despite these efforts, the private sector continues to depend on migrant labour to fill specific roles. This reliance not only increases operational costs for enterprises but often comes with limited understanding of the laws, regulations and responsibilities related to employing migrant workers. Combined with weak enforcement of labour laws, this situation has contributed to the deterioration of working conditions. Moreover, the Gulf countries' growing international visibility has led to heightened scrutiny regarding labour rights, working conditions and the integration of migrant workers.

The acceleration of digitalization – spurred by the COVID-19 pandemic – has further driven the emergence of new business models, micro-entrepreneurship and flexible work arrangements and now demands more adaptive and inclusive support systems. Additionally, there is growing pressure to raise labour standards, promote gender equality, fight youth unemployment and ensure the inclusion of under-represented groups, thus aligning private sector practices with global expectations for social responsibility and decent work.

The economic and social context in the Arab States makes the development of labour functions across the region particularly urgent. Rapid economic diversification is creating a demand for a more skilled and adaptable national workforce. As countries implement workforce nationalization policies, such as Saudization and Emiratization, businesses are under pressure to shift recruitment and training strategies. Chambers can assist by helping companies remain compliant and competitive under new regulatory requirements. The ongoing and significant youth unemployment challenge reinforces the importance of programmes that support employability, vocational training and skills matching.

Social inclusion is also becoming a national and international priority. Companies are increasingly required to demonstrate their commitment to gender equality and diversity in the workplace. EBMOs have an opportunity to champion these priorities by offering services that promote fairness, build inclusive policies and support the hiring and integration of women and marginalized groups.

Evolving expectations of consumers and investors in terms of responsible business conduct and sustainability are increasingly shaping the operating environment for businesses in the Arab States, thus reinforcing the imperative for EBMOs to take on labour-related responsibilities.

With the emergence of transnational regulatory requirements, such as supply chain due diligence legislation and incorporation of social clauses and benchmarks in trade agreements, businesses in the Gulf States need to comply with national labour laws as well as international norms, such as those set by the International Labour Organization (ILO). Investors, particularly those guided by environmental, social and governance criteria, are scrutinizing how companies treat workers, manage diversity and inclusion and uphold ethical employment practices. In this context, EBMOs have a crucial role as intermediaries: supporting their members in understanding and meeting these standards, advocating for fair and enabling labour regulations and facilitating capacity-building initiatives. By actively engaging in employment and labour issues, EBMOs help ensure that their members are not only compliant but also competitive and attractive to global partners.

Investing in people has become a strategic imperative. The alignment of human resource management practices with overall business strategy to maximize workforce potential and achieve long-term goals is the way forward. Companies that invest in employee well-being, training and fair employment practices consistently outperform those that treat human capital as merely a cost factor. EBMOs have a crucial role in shifting this mindset by helping businesses understand that investment in labour relations – characterized by positive employer–employee relationships, fair labour practices and effective communication – can boost productivity, reduce conflict and foster a more innovative and adaptable workforce, all of which contribute to enhanced competitiveness.

The Jordan Chamber of Industry highlights that effective human resource management extends beyond basic administrative functions and for example requires a comprehensive, strategic approach. This includes ensuring compliance with occupational safety and health (OSH) standards, meeting mandatory social security contributions and implementing fair and transparent wage structures that align with national labour laws and international good practices.

Why promoting labour expertise among employer and business membership organizations in the Arab States is necessary

A well-functioning labour market is crucial for successful economic diversification because it reduces unemployment and ensures social stability. It also ensures a flexible and skilled workforce, facilitates the reallocation of resources to new sectors and promotes social dialogue, all of which are essential for transitioning away from reliance on a single economic sector.

Several converging trends highlight the importance of EBMOs in the Arab region investing in labour expertise:



Economic shifts:

Gulf countries are advancing economic diversification efforts to reduce reliance on oil, which requires a more skilled and diverse domestic workforce.



New labour policies:

Nationalization initiatives, like Saudization and Emiratization, call for business support in adapting and planning workforce needs.



Expatriate workforce challenges:

Heavy reliance on migrant workers raises issues around rights, compliance and reputational risks.



Youth and skills

gaps: High youth unemployment and skills mismatches demand stronger vocational training and job placement efforts.



Inclusive growth

goals: There is growing emphasis on integrating women and marginalized groups into the workforce.



International market norms and increasing responsible consumer trends:

Trade, investment and consumer expectations are pushing for responsible business and adherence to labour standards.

These trends necessitate robust labour market policies and institutions to ensure fair and equitable outcomes for workers and businesses alike.

Globally, human capital is emerging as a core business asset. According to experiences from Jordan and the United Kingdom, EBMOs must shift the mindset among business leaders who traditionally prioritize financial and operational efficiencies over employee development. These experiences demonstrate that the companies that invest in their people – through training, fair practices and strong compliance – ultimately experience:

- greater innovation and productivity;
- improved talent attraction and retention;
- enhanced brand reputation and customer loyalty; and
- stronger resilience to technological and regulatory changes.

Adaptability, employee engagement and lifelong learning are essential in today's knowledge economy, in which businesses are shaped by rapid digitalization and globalization. A labour function is critical to helping an EBMO and its member associations and companies meet these needs (box 1).

Box 1. Insight from the ILO's Employers Leaders Network, 2024

Navigating the changing world of work is no easy task. EBMOs have a big role in convening human resources, recruitment and compliance professionals to share their views and approaches. According to participants in the Employers Leaders Network, employers need help in managing the following six workforce challenges.

- **Reviewing outdated hiring procedures:** There is growing recognition that hiring procedures and selection criteria need to be realigned to reflect the changing world of work. A "recruitment revamp" can also accelerate change on inclusion and social mobility.
- **Harnessing artificial intelligence (AI):** As well as driving change in recruitment and selection procedures, there is potential to use AI in a range of other areas, such as performance management. Overall, the focus for most employers is on finding a balance between tech and the human touch.
- **Rebuilding the employee and candidate experience:** In addition to help in recruiting new staff, employers need help in retaining staff. This requires good listening skills and innovative engagement strategies.
- **Managing recruitment risks:** A global and fast-paced world of work makes rigorous screening and vetting procedures more important than ever. This is especially vital in the financial services and health care sectors, where background checks must be a part of the risk management protocols.
- **Measuring performance:** The way that performance is measured will continue to evolve, especially in the brave new world of hybrid working. The focus will shift from hours worked to the outcomes and work packages delivered.
- **Seizing new opportunities:** All change brings opportunities. For human resources, recruitment and compliance professionals, the opportunity is to take on a leadership role in pre-empting, shaping and implementing workforce change. In doing so, EBMOs create a hub for sharing views.

Governance and management considerations

Global experiences demonstrate that successfully convincing an EBMO's leadership or governing board to establish or enhance a labour function requires careful preparation and well-substantiated arguments. Box 2 outlines guidance for deciding when to set up or expand a labour function.

Box 2. When to develop or expand expertise in labour relations and employment policy

EBMOs should consider establishing or expanding their engagement on labour and employment-related issues under the following conditions:

- When businesses face increasing regulatory challenges in this area.
- When members request human resources or workforce development support.
- When external drivers (trade agreements or environmental, social and governance reporting) demand labour compliance.
- When new laws or policies create complexity (wage laws or social security expansion).
- When the government opens consultation processes requiring employer inputs.
- When strong organized labour calls for the presence of a well-prepared and credible business representative body.

How to build internal support

Introducing labour relations expertise may mean developing new services or advocating for specific labour and social reforms. Many EBMOs start by hiring experts and providing services in partnership with another EBMO with specialization in this area or by working with lawyers and consultancy companies to provide services to members. Approaching the board of directors with a proposal for a labour function requires a strong evidence base, strategic framing and a clear plan for implementation. Demonstrating the economic value of such a function, particularly through market research, cost-benefit analysis or pilot initiatives, increases the likelihood of board approval. Experiences from Egypt, Jordan and Uruguay affirm that well-prepared proposals, supported by benchmarking and stakeholder endorsement, lead to the successful institutionalization of a labour function.

Research shows that successful proposals to expand engagement on labour and employment-related issue are framed around five imperatives.

1. The proposal is evidence-based, drawing on market research, member surveys and regulatory impact analyses to clearly demonstrate the need, demand and sustainability for such investment.
2. The proposal is strategically aligned, ensuring that the investment will contribute to the EBMO's broader mission and long-term objectives. In some cases, the mandate of the organization might need to be revised.
3. The proposal is financially sustainable and indicates how the investment can directly and indirectly generate sufficient income to cover costed expenses. This may be through the direct sale of services, through attracting new members or improving membership retention and/or through project partnerships or sponsorship.
4. The proposal is a phased and measurable initiative, starting with a pilot project that includes defined outcomes and performance indicators before scaling up.
5. The proposal is discussed with business leaders, policymakers and international partners to ensure credibility and broad-based support.

Box 3 highlights the main aspects to consider when drafting a proposal based on market research and cost-benefit analysis.

Box 3. Questions to ask when conducting cost-benefit analysis

1. What is the goal and strategic fit of the initiative?

- What problem or opportunity are we addressing?
- How does it align with our mission and priorities?

2. What are the expected benefits and who benefits from them?

- What are the direct and indirect outcomes?
- Who gains: members, the organization or broader stakeholders?

3. Who are the major competitors?

4. What are the total costs and trade-offs?

- What are the direct, indirect and opportunity costs?
- Are there hidden impacts or resource diversions?

5. What is the timeline and how will success be measured?

- When will costs be incurred and benefits realized?
- What metrics will be used to assess outcomes?

6. What are the risks, alternatives and overall value?

- What uncertainties could affect success?
- Are there better approaches?
- Do the benefits justify the costs?

Although some board members may initially perceive advocacy on labour and social issues as their personal responsibility or the domain of a dedicated committee, governance good practice reminds us that board members are there to oversee, not to execute. Their role is fundamentally “eyes on, hands off”: to ensure proper oversight of the EBMO secretariat without replacing its operational mandate.

A professional labour function ensures that members of labour relations and employment policy committees established within an EBMO and the representatives who participate in national tripartite bodies, committees or boards are all equipped with timely, consistent and evidence-based information to advise on policy positions and advocacy strategy on issues of employment, social protection and sustainability. The labour function supports the governance role of the committees by providing structured input, analytical briefings and policy positioning, thus enabling board members to make informed decisions and represent the private sector with credibility and coherence.

The labour function also has a crucial role to enhance the visibility, traceability and accountability of this work in the eyes of the governing board of the chamber. By systematically documenting regulatory developments, consultation inputs and engagement outcomes, the labour function ensures that the chamber’s leadership has a clear view of its contributions to the national labour and social policies. This visibility strengthens internal trust, fosters alignment and showcases the chamber’s leadership in national tripartite dialogue.

Beyond the EBMO's internal structures, this support function adds significant value across a range of governance bodies in which board or committee members act as private sector representatives, including:

- a national council on social and labour matters;
- a national labour advisory council;
- a national social security board or commission in a social security institution or pension fund;
- a national employment council;
- an occupational safety and health national council;
- a minimum wage committee or commission;
- a productivity council;
- a national skills development authority or council and sectoral skills bodies;
- a labour market information and statistics board;
- a national council for industrial relations or social dialogue committee;
- policy platforms on migration and nationalization;
- ad hoc consultations on disability, youth employment, responsible business conduct;
- temporary settings, such as a labour law reform commission or a national council for pension reform; and
- global and regional forums, including the International Labour Conference.

In all these forums, the labour function helps guarantee the quality, consistency and strategic coherence of the EBMO's messages, thus allowing its representatives to speak with authority and unity. Without this dedicated support, efforts often become fragmented, overly reliant on individual bandwidth and reactive rather than proactive.

Additionally, EBMOs might contribute to the development and delivery of value-added services for associations and company members. This ensures alignment with shifting stakeholders' expectations and labour market dynamics.

The proposal to set up or strengthen labour relations expertise must therefore clearly state that it is not a substitute for governance but a critical enabler of it. A capacity within the secretariat to provide expertise on labour relations and employment policy is a means to ensure that the chamber's voice is heard, respected and well-prepared, both in the eyes of its governing board and within the national and international policy arenas. It can help an EBMO move beyond reactive, ad hoc responses towards building long-term institutional capacity to advocate and serve members effectively. This transition will enhance the organization's credibility, resilience and overall impact.

Building up internal staff capacity is crucial for the long-term success and sustainability of a labour function within an EBMO. Experiences from EBMOs around the world consistently highlight that identifying effective ways to strengthen internal expertise is a central factor in making the labour function impactful and resilient. Upskilling staff ensures that the organization can provide high-quality, timely and relevant support to members on increasingly complex labour and social policy issues. Moreover, investing in staff development contributes to greater retention and fosters institutional memory and continuity in advocacy efforts. Without a strategic focus on internal capacity-building, even a well-designed labour function initiative risks stagnation or loss of momentum. Therefore, embedding staff development and knowledge transfer into the design of a labour function is not only beneficial but essential for delivering long-term value and influence.

Box 4. Summary Section 2

Developing or enhancing expertise in labour relations and employment policy at the secretariat level is a strategic imperative for EBMOs seeking to remain relevant in the rapidly transforming economic and regulatory landscape. It will empower an EBMO to support compliance, influence employment policy and offer practical human resources and workforce development services. These functions enable an EBMO to align national reforms with business interests, build up institutional credibility and foster business resilience in a knowledge-driven economy. Crucially, by providing structured expertise, policy analysis and continuity, the labour function enhances the effectiveness and impact of governance bodies, such as a labour committee, an advisory council and national tripartite bodies, thus ensuring that business representatives are well-briefed, consistent and capable of contributing meaningfully to decision-making processes.

3

Advocacy and lobbying on employment and labour topics as a function

A means to becoming a credible intermediary in the labour policy space

Representing members through advocacy is a core function of EBMOs, and the labour dimension is an essential part of this mandate. A national chamber or federation needs to build up the capacity of its various chapters and member associations to engage in advocacy themselves. Through a well-established labour function, EBMOs can influence employment and social protection legislation, labour regulations and national workforce policies. In today's interconnected global economy, employers' voices must be heard on a wide array of labour-related issues, from skills development and workplace safety to social dialogue and diversity. By acting as credible representatives of employers, EBMOs ensure that the voice of the business community is reflected in decisions affecting employment practices, human capital development and workplace conditions (box 5).

EBMOs typically engage in advocacy through unilateral, bipartite and tripartite mechanisms. Unilateral advocacy involves presenting employers' views directly to government authorities and other stakeholders. Bipartite processes facilitate dialogue between employers and worker representatives, often within a sectoral context. Tripartite engagement, by contrast, includes employers, government departments and workers' organizations, typically within formal institutions for social dialogue. Each of these approaches allows an EBMO to shape legislation, influence implementation frameworks and support balanced employment policies.

Box 5. Insights from the ILO's Arab Asia Employers' Leaders Network, 2024

Partnership-building and a collaborative mindset are inherent in effective social dialogue activities. The time for building trust and relationships with a national government and workers' organizations is when the economy is strong and the external environment is stable. This is "money in the bank" when a crisis hits. The COVID-19 pandemic produced myriad examples of effective social dialogue and tripartite activities that built on existing relationships and made a decisive impact on protecting jobs and livelihoods.

Of course, social dialogue is more embedded in some regions and countries than others. A good starting point for progress is building trust and finding some common ground and joint priorities. The urgent need to protect jobs and businesses during the pandemic-related lockdowns was an example of this, with employers' and workers' organizations in some countries presenting joint recommendations for action to the government. Other areas of potential consensus and joint activities include good workforce management, which boosts productivity as well as workers' well-being and employee retention.

Relationship-building activities include a proactive approach to social dialogue and to working with government departments and workers' organizations. This partnership approach is essential to the advocacy and influencing work of EBMOs. Discussions over the course of the Employers Leaders Network initiative have highlighted the importance of a multilayered relationship-building approach with the national government (including being partners in delivering long-term visions, such as Vision 2030 in Saudi Arabia and Vision 2040 in Oman), as well as an enhanced voice in the media and increased presence on social media. This sense of "ramping up" voice and visibility ties into the findings of the 2023 ILO and Arab States and Asia Pacific Employers Leaders Network survey that found an overwhelming share of EBMOs (at 94 per cent) that were leveraging available resources to enhance campaigning and lobbying activities.

EBMOs are well-positioned to influence national labour frameworks because they bring together businesses of all sizes and sectors. Their participation ensures that laws are fair and rights-based as well as economically viable. Effective EBMOs can:

- provide structured feedback on proposed labour legislation;
- influence enforcement mechanisms to ensure practicality;
- advocate for business-friendly approaches to workforce inclusion and protection; and
- push for policies that support productivity, job creation and human capital investment.

A combination of behind-the-scenes role and strengthening advocacy's impact

Most EBMOs establish internal committees or commissions with member representatives to guide their work on social affairs, labour market development, employment, diversity and related issues. Although the name of these mechanisms may vary – from a social affairs committee to a labour market working group or task force, they serve a common purpose: helping to shape the EBMO's positions, lead consultations with stakeholders and represent the employers in national or international forums. These groups are typically composed of the human resources directors and senior staff from member companies to ensure that discussions are informed by practical experience and aligned with business needs.

Good Practice

Federation of Saudi Chambers Labour Market Committee

The Federation of Saudi Chambers Labour Market Committee* is tasked with identifying and addressing critical issues in the national labour market, reviewing regulations and proposing policy solutions to improve labour conditions and support economic development. It also promotes research and dialogue to inform decision-making and raise awareness of labour sector priorities. The Committee is composed of business professionals appointed by the Federation, who are selected based on criteria related to sector experience, academic qualification and active commitment. It also includes external experts with relevant expertise. At the start of each term, the Committee defines its strategic goals and elects a chairperson and two vice-chairpersons for a renewable three-year term. It works in coordination with local chambers and other stakeholders to carry out its mandate effectively.

Note: * See <https://fsc.org.sa/>.

EBMO staff working in the labour function have a crucial support role: ensuring the effective operation of all internal committees or commissions on social affairs, employment and labour market issues. These functions are typically responsible for preparing background materials and policy position papers that inform committee discussions and shape the EBMO's official stances. They also assist in organizing and facilitating meetings, including managing logistics, drafting agendas and preparing minutes to ensure clear documentation and follow-up. Additionally, a labour team often coordinates internal consultations, synthesizes inputs from members and provides technical expertise to support evidence-based decision-making. This behind-the-scenes role is essential for enabling committees to function efficiently and represent employers with credibility and consistency in external policy dialogues and forums.

Effective advocacy also depends on data, consultation and clarity. EBMOs must prepare well-researched position papers, conduct surveys among their members and organize consultations to gather evidence and build consensus. Having dedicated staff within the labour function significantly enhances this process by ensuring that research and analysis are systematic, credible and aligned with policy objectives. These staff members can design and implement member surveys, interpret regulatory impacts and synthesize the insights into clear, evidence-based policy positions and data-based products. Their expertise allows the EBMO to respond quickly to emerging issues with substantiated recommendations, thus improving the organization's influence in policymaking processes.

Good Practice

Jordan Chamber of Industry's cost-benefit analysis for localizing the workforce

The Jordan Chamber of Industry* conducted cost-benefit analysis to demonstrate that employing Jordanian workers would be more financially viable than relying on foreign labour when formally employed. The analysis helped change employers' perceptions and supported government initiatives to localize the workforce.

Note: *See <https://jci.org.jo/?l=ar>.

EBMOs also contribute to awareness-raising by conducting campaigns, publishing guides on workplace standards and organizing workshops to educate businesses about their responsibilities and rights. These efforts strengthen public understanding and reinforce the EBMO's credibility as an employers' representative. The labour function is central to designing and delivering these initiatives by identifying priority topics, developing content, coordinating with experts and ensuring outreach to relevant business audiences. They also help tailor messaging to the specific needs of different sectors or company sizes, ensuring that information is both practical and accessible. Egypt's experience is illustrative: the Federation of Egyptian Industries was instrumental in raising awareness of proposed labour law reforms and developed internal capacity through labour committees composed of business leaders, human resources professionals and legal experts.

EBMOs must invest in building up the advocacy skills of their members. The labour function supports this capacity-building by designing tailored training modules, facilitating peer learning sessions and providing technical guidance on policy processes and negotiation techniques. The function also curates relevant resources and ensures that members' representatives are well-prepared with up-to-date information and talking points for engagement in national and international forums. In the United Kingdom, the Confederation of British Industry invests in training business leaders to participate in consultations and in policy shaping. The Confederation's Executive Leadership Programme combines exclusive access to top government officials and business networks with expert insights and practical tools, which enables leaders to engage directly with policymakers shaping today's political and economic landscape. This increases the private sector's influence and credibility in advocacy and consultations.

Capacity-building for effective advocacy

Advocacy is more effective when employers are well-informed and actively involved. EBMOs must therefore build up the capacity of their members to understand policymaking and engage in dialogue. This includes:



leadership development programmes for human resource managers and business owners;



training on labour laws, negotiation and representation; and



resources for understanding international labour standards and national policies.

Collaborating with national and international partners can expand the reach and legitimacy of an EBMO's advocacy. Examples include alliances with other industry associations and employer federations at the regional or sector level; partnerships with development agencies and donors for technical assistance; and engagement with international employers' organizations, like the International Organisation of Employers. The labour function is essential for managing these collaborations because the involved staff identify strategic opportunities, coordinate joint initiatives and align messaging across platforms. They often serve as a technical liaison, contributing expertise on labour and employment matters, drafting joint position papers and representing the chamber in working groups or multi-stakeholder forums. Such coalitions ensure coherent messaging and stronger influence on labour topics while enhancing the chamber's visibility and credibility in the domestic and international policy spaces.

Good Practice

International Organisation of Employers

The International Organisation of Employers,* founded in 1920, represents the interests of employer and business member organizations in international policy platforms, with the aim of promoting a sustainable global economy and fair, free entrepreneurship. As the secretariat for the Employers' Group at the ILO, the International Organisation of Employers ensures employer participation in global labour governance. Its main functions include policy advocacy, technical assistance and capacity-building for its members. It offers strategic guidance on employment and social issues, as well as opportunities for involvement in international policy discussions. It also leads initiatives, such as the Global Apprenticeship Network, the Global Industrial Relations Network and the Global Occupational Safety and Health Network, to address challenges like social dialogue, youth employment and labour migration. The organization's work is organized around six thematic policy groups: business and human rights; responsible business conduct; sustainable development; labour migration; the future of work; and gender equality and diversity.

Note: *See www.ioe-emp.org/.

Beyond influencing policy, EBMOs help foster good industrial relations and prevent labour disputes. In Morocco, for instance, EBMOs are sometimes asked to act as neutral mediators between employers and trade unions, thus providing dispute resolution services and promoting stable industrial relations. In Myanmar, expertise within the Federation of Chambers of Commerce and Industry can be tapped for assistance in establishing a workplace consultative committee. These are examples of services, alongside advisory support on collective bargaining, that can position an EBMO as a reliable institutional partner in promoting fair and productive workplaces. To provide this service requires specific expertise that is not necessarily available in all EBMOs but can be coordinated by internal staff even if performed by an outside expert or member.

Modern advocacy also relies on technology. EBMOs can deploy online platforms for policy updates, consultations and feedback; to launch social media campaigns to build up public and policymaker awareness; and to host webinars and virtual dialogues to reach a broader audience (box 6). The labour function is instrumental in driving this digital advocacy by providing the technical expertise needed to design, manage and operate these tools effectively. The labour function staff help translate complex labour policies into accessible content, moderate online discussions and ensure that digital platforms are user-friendly and inclusive. Building up the digital and communication skills of labour function staff is thus essential to maximize reach, responsiveness and impact. For example, the Damascus Chamber of Industry developed a set of infographics on the main provisions of the labour laws that were then published at regular intervals in different social media channels.

Box 6. Advocacy tools and methods

EBMOs use a range of tools to build up evidence and communicate employer priorities:

- structured policy briefs based on data, legal analysis and business consultations;
- studies on skills needs anticipation and skills gaps;
- direct engagement with member companies to gather feedback on labour policies or proposals;
- forums for dialogue between businesses, government departments and labour stakeholders; and
- communications targeted at the media, the public and government officials to shape discourse.

These tools ensure inclusivity and timely feedback, especially when in-person gatherings are not feasible or too costly.

Good Practice

Federation of Egyptian Industries' Smart National Business Agenda

The Smart National Business Agenda, which the Federation of Egyptian Industries* launched in 2019 in partnership with the Centre for International Private Enterprise,** is a policy advocacy tool aimed at promoting urgent reforms to support industrial growth and attract foreign investment. It is hosted on an online platform and serves as a basis for dialogue between the industrial sector and government institutions to identify obstacles and find solutions that align with Egypt's long-term development goals. Conceived as a living document, the Smart National Business Agenda is regularly updated to reflect changes in the economic context and track progress on previous recommendations. It addresses cross-cutting issues, such as taxation, customs, industrial land access, labour laws and public services, and sector-specific challenges (such as with pharmaceuticals, food processing, agriculture, mining and the automotive industry). For example, the platform has identified such labour challenges as limited representation of business associations in committees, restrictive leave provisions for female workers and ambiguities in labour dispute resolution, and offered recommendations for resolving them.

Note: *See www.fei.org.eg/index.php/ar/. **See the Smart National Business Agenda online platform at <https://fei.cipe-arabia.org/en/Home/Intro>.

Good Practice

Association of Lebanese Industrialists' Skills Anticipation Survey for the Plastics Sector

Developed by the Association of Lebanese Industrialists* in collaboration with the ILO, the Skills Anticipation Survey for the Plastics Sector was a targeted study on the labour needs of the country's plastics industry. It was created in direct response to the needs expressed by employers. Conducted in December 2022, the survey looked for skills gaps and recruitment challenges to support the development of a workforce that is better aligned with the sector's demands. The results revealed a marked shortage of technical skills – particularly in machinery operation and maintenance – among employees and prospective hires. Despite plans for workforce expansion, many companies reported in the survey persistent difficulties in recruitment and retention. Although some companies addressed these gaps through training, others were limited by financial or institutional barriers. The study confirmed a mismatch between the skills provided by training institutions and those required by industry, thus highlighting the need for stronger coordination between employers and training providers. It also emphasized the importance of accessible, targeted training programmes and the integration of gender-sensitive approaches.

Note: *See <https://ali.org.lb/presentation-of-the-key-findings-on-skills-gaps-and-occupations-in-demand-in-the-plastics-sector/>.

Box 7. Summary Section 3

A well-established capacity to engage in advocacy and lobbying on labour relations and employment policy strengthens an EBMO's ability to influence the regulatory environment in ways that benefit members and the broader business community, particularly by improving the ease and cost of doing business. Staff within the labour function have a pivotal role in preparing evidence-based policy positions, managing consultations and equipping members' representatives with the tools and data needed for effective engagement. Their technical expertise ensures that advocacy is timely, credible and responsive to business needs. A labour team not only supports tripartite and bipartite dialogue but also drives unilateral advocacy and lobbying efforts to shape public policy through direct engagement with government bodies, media outreach and legal analysis. By facilitating member input, producing policy briefs, organizing campaigns and managing stakeholder partnerships, labour function staff help elevate an EBMO's role as a proactive and authoritative voice in national and international labour debates. Additionally, the labour function contributes towards keeping members engaged and involved in labour and employment discussions.

4

Delivering value-adding labour and employment services

Delivering high-quality, labour-related services elevates an EBMO from a mere representative body to a trusted partner in human capital development. A well-structured labour function enables an EBMO to address practical business needs by providing advisory, educational and technical services that directly support operational efficiency and workforce management. This role becomes particularly critical in regions undergoing rapid policy reforms, such as the Gulf economies, where labour force nationalization is reshaping the employment dynamics.

These services assist companies in understanding and complying with national and international labour standards and, importantly, help managers adapt their leadership and management practices to meet the demands of an increasingly diverse workforce. In doing so, an EBMO contributes to enhancing business competitiveness and ensuring long-term sustainability.



From legal compliance to workforce development issues

In many countries, EBMOs are increasingly recognized as crucial intermediaries that support businesses to stay legally compliant while managing and developing their workforce effectively in a rapidly evolving labour market. In Jordan, for example, the Chamber of Industry leverages labour market research and members' feedback to inform policy discussions while simultaneously designing services that address their members' needs. These services fall broadly into two categories: ensuring legal compliance with labour regulations and enabling strategic workforce development.

Legal compliance remains a primary concern for businesses, particularly for small and medium-sized enterprises that may lack in-house expertise. EBMOs can help companies navigate complex employment regulations through legal advice, training provision, consulting services and peer support, thereby minimizing the legal risks and promoting better working conditions.

Typical services include:

- Support for employment law and compliance:** EBMOs assist companies, especially small and medium-sized enterprises, in navigating complex national labour regulations to ensure legal compliance, reduce risks and foster sound employment practices. Services can include:
 - Drafting and reviewing employment contracts (permanent, part-time, fixed-term and atypical employment) to ensure legal compliance and operational flexibility.
 - Advising on leave entitlements, wage structures, overtime, equal pay and benefit obligations, in line with national laws.

- ▶ Supporting companies in fulfilling social security obligations, including employee registration, contributions, pensions and health insurance management.
 - ▶ Guiding the correct application of dismissal procedures, including disciplinary actions, redundancies, retirement and performance-related terminations.
 - ▶ Providing assistance with individual labour disputes through advisory services, mediation and representation where necessary.
 - ▶ Offering guidance on data protection compliance, record-keeping practices and human resources documentation standards.
 - ▶ Addressing emerging issues, such as telework regulation, digital platform employment and challenges linked to the informal economy.
- **OSH compliance and promotion:** EBMOs help businesses develop safe and healthy workplaces by ensuring compliance with OSH regulations and fostering a preventive culture to protect workers and support business continuity. Services can include:
 - ▶ Conducting sector-specific awareness campaigns on OSH risks, prevention strategies and health promotion (ergonomics, disease prevention).
 - ▶ Organizing training sessions on hazard identification, risk assessment, emergency preparedness and compliance with national safety standards.
 - ▶ Assisting enterprises with understanding and implementing OSH legal requirements, including mandatory registers and insurance obligations.
 - ▶ Performing workplace risk assessments, compliance audits and offering tailored recommendations for risk mitigation.
 - ▶ Supporting companies in obtaining OSH certification and aligning with recognized safety standards.
 - ▶ Monitoring legislative developments and providing timely updates on OSH laws and regulations.
 - ▶ Collaborating with social security institutions on occupational accident claims and worker-rehabilitation processes.
 - **Enhancing labour relations and conflict resolution:** EBMOs provide expert support to companies in managing labour relations, fostering constructive social dialogue and resolving workplace disputes to maintain industrial peace and business stability. Services can include:
 - ▶ Advising and assisting in collective bargaining processes, including strategy development, legal compliance and good practices.
 - ▶ Facilitating conflict resolution through mediation services, representation in arbitration and labour court proceedings.
 - ▶ Supporting the development and implementation of workplace policies to prevent violence and harassment and to promote safe working environments.
 - ▶ Providing guidance on managing organizational changes, including restructuring, to minimize disputes and ensure effective employee communication.
 - ▶ Assisting employers in handling strikes, lockouts and related industrial actions, in compliance with legal frameworks.
 - ▶ Representing members in tripartite bodies and social dialogue platforms to influence labour policy.
 - ▶ Offering training and capacity-building on negotiation, dispute resolution and effective labour relations management.

Good Practice

Occupational safety and health services in Uruguay

Since 1995, EBMOS in Uruguay have actively engaged in promoting workplace health and safety through the establishment of a training institute dedicated to occupational safety and vocational education and training. The Chamber of Industries of Uruguay, for example, engages in delivering specialized OSH training tailored to industry needs. The National Chamber of Commerce and Services* emphasizes a preventive approach, conducts on-site company visits to identify risks and recommends practical improvements. OSH remains a central theme in Uruguay's workforce development agenda, particularly in sectors with elevated workplace accident rates and where the integration of safety training and skills development is vital to improving working conditions and productivity.

Note: *See www.cnccs.com.uy/.

Beyond compliance, EBMOS increasingly provide services that help member companies recruit, retain and develop talent in alignment with the demands of a knowledge-driven economy. These services address structural workforce challenges and create pathways for innovation, inclusion and sustainability.

EBMO offerings fostering workforce development include:

- **Skills development:** Needs assessments, skills matching, partnerships with vocational training providers and upskilling initiatives.
- **Recruitment and integration:** Job matching platforms, onboarding services and targeted support for youth and migrant workers.
- **Equality, diversity and inclusion:** Training on anti-discrimination (box 8), support in creating gender-sensitive policies and strategies to promote inclusive workplaces.
- **Market intelligence.** Analysis of main labour and employment data, trends and good practices implemented globally through specific report, country briefs or digital dashboards.

Box 8. Violence and Harassment at Work: A Practical Guide for Employers

The 2022 ILO publication on Violence and Harassment at Work: A Practical Guide for Employers is an important resource for EBMOS aiming to develop and implement effective violence and harassment protocols. Rooted in the principles of the Violence and Harassment Convention, 2019 (No. 190) and the Violence and Harassment Recommendation, 2019 (No. 206), the guide offers step-by-step advice on preventing, identifying and addressing violence and harassment in the workplace. It provides a comprehensive framework that covers policy development, risk assessment, complaint mechanisms and support services while offering adaptable templates and real-world examples. The guide emphasizes a proactive, inclusive and gender-responsive approach, which makes it particularly valuable for EBMOS seeking to align their practices with international labour standards. By leveraging this guide, EBMOS can enhance their capacity to support member enterprises in creating safe and equitable workplaces and fostering a culture of respect, dignity and zero tolerance for violence and harassment.

Note: *See www.ilo.org/publications/violence-and-harassment-work-practical-guide-employers.

Adopting internal women's empowerment and anti-discrimination policies, including specific protocols on violence and harassment, is an example of a good practice that allows EBMOS to reinforce their leadership role in fostering inclusive and innovative workplaces. By implementing comprehensive

protocols that define unacceptable behaviours, establish preventive measures and ensure effective complaint mechanisms, EBMOs can mitigate legal risks, enhance their reputation and strengthen their role as a responsible and progressive employer. These internal measures also enable EBMOs to lead by example, thus influencing their member enterprises and the broader business community to prioritize gender equality and workplace safety, in line with international standards.

Efforts to foster workplace diversity are growing. In Egypt, the Federation of Egyptian Industries has blended corporate social responsibility with advocacy to support inclusive hiring and gender-sensitive policy development. These services both reflect ethical business practices and strengthen companies' appeal to socially conscious investors and consumers. The Federation launched the Human Resources Academy: Strategies and Practical Solutions for Better Human Resources and Gender Policies in 2019. Initially supported by the ILO, this initiative has strengthened the role of the Federation as a provider of human resources expertise. Today, the Academy is a ten-day certification programme focused on human resources compliance and strategic management that has been delivered in different locations across the country. It has proven instrumental in helping enterprises address persistent challenges, such as high labour turnover, the need to professionalize labour relations, improving compliance with national labour legislation and addressing the challenges women face at work. A notable development has been the provision of training of trainers, who were gradually engaged as experts in the Academy and who now reflect growing institutional capacity. The Federation has begun charging participating enterprises for attendance, which is a significant step towards ensuring the Academy's financial sustainability.

Good Practice

General Confederation of Enterprises of Morocco's Social Academy

Launched in 2018 by the General Confederation of Enterprises of Morocco,* the Social Academy delivers specialized training in labour relations, negotiation and social dialogue. More than 200 professionals have participated to date. The programme combines international benchmarking, real-world scenarios and practical support tools that offer lasting value to participating companies. The Academy recently diversified its offerings by introducing a new training cycle on the importance of productivity for businesses and the role it has in establishing collective agreements and maintaining peace in the workplace. The Confederation supports companies by organizing tailor-made training cycles adapted to the specific characteristics of each business and their sector-specific challenges. The Academy has helped raise the visibility of the Confederation as a go-to place for practical solutions to workplace and employment issues.

Note: *See <https://cgem.ma/>.

Recruitment and integration services have also evolved. The Federation of Egyptian Industries, for instance, has implemented apprenticeship-based youth employment programmes that have achieved high success rates and contributed to social inclusion and economic stability. These initiatives, focused on youth economic empowerment, are carried out in collaboration with national banks and private companies to provide structured training pathways leading to employment. According to a Federation official,² approximately 80 per cent of participants have secured a job upon completion of the training. Employers involved in the programme receive additional support from the Federation's Labour Affairs Unit. A portion of the beneficiaries are migrant and refugee youth who, in the absence of such an initiative, would lack access to a formal labour permit. Although their participation promotes integration into the labour market, it also presents challenges related to cultural differences and limited awareness of standard workplace practices.

² In an interview in 2025.

Italy's Unione Industriali Torino launched a vocational school to upskill workers and reintegrate unemployed workers through hands-on training (such as Skillab and Camerana Learning Hub) that addresses business needs and broader labour market challenges. The organization has an Unimpiego unit (for job matching and recruitment), which connects graduates and jobseekers with employers while reducing hiring costs and improving job placement outcomes.

Good Practice

Unione Industriali Torino's Unimpiego

The Unione Industriali Torino* in Italy operates Unimpiego, a service unit dedicated to job matching and recruitment. It maintains a database of qualified candidates, collaborates with universities and helps companies with onboarding and integration. It also supports the reintegration of workers from restructuring businesses. The service is available on a fee basis and can be accessed by member companies and those not affiliated with the association or with Confindustria (a national EBMO). Candidate selection is managed by experienced professionals through individual and group interviews, as well as aptitude and personality assessments that generate detailed profiles aligned with specific job requirements. When needed, recruitment campaigns are strengthened through customized job advertisements, including position analysis, drafting of announcements and coordination with media outlets. The service also supports companies in evaluating existing or newly hired personnel, thus helping to guide internal decisions on reassignment, confirmation after probation or final selection among shortlisted candidates. All services are activated through direct contact with the relevant territory office. The Unimpiego team includes seven professionals working at the city (Torino) and regional (Piemonte) levels.

Note: *See www.ui.torino.it/.

Digital transformation has an enabling role in expanding access to recruitment and integration services. Webinars, e-learning modules and virtual advisory sessions allow EBMOs to reach geographically dispersed members or those with limited time. These digital tools also facilitate timely responses to emerging challenges, such as new labour regulations or skills mismatches. In Egypt, for example, digital platforms are being effectively utilized: The Federation of Egyptian Industries recently organized an online session on new wage regulations that attracted broad participation and clarified critical compliance issues. This example showcases how an EBMO helps businesses avoid penalties, improve workplace safety and strengthen their reputation as a responsible employer.

For labour-related services to succeed, they must be firmly rooted in practical realities: aligned with member demand and designed for long-term sustainability. Before launching any new service, an EBMO should conduct a needs assessment among members, evaluate its own internal capacities and conduct thorough market analysis (box 9). Regular surveys are essential – not only to identify evolving needs but to assess satisfaction with the quality, relevance and impact of services. Such feedback loops are critical to strengthening service delivery and ensuring their relevance.

Box 9. Before launching a service

Before launching a service, an EBMO should evaluate its feasibility using the following questions.

- What specific member need will this service address?
- Is there a sustainable demand?
- What capacity does the chamber have (staff, funding, infrastructure)?
- What is the cost structure and pricing model?
- How does the service align with strategic goals and existing advocacy?
- What are the quality control and feedback mechanisms?

Clear and transparent pricing models are also crucial (see Section 6 for details). Whether services are bundled into membership benefits, offered on a fee-for-service basis or provided through subscription packages, pricing must be well-communicated and aligned with members' perceived value. EBMOs should invest in robust monitoring and evaluation systems to track performance, capture feedback and drive continuous improvement (box 10).

By combining legal guidance, compliance support, training, workforce planning and policy insight, labour-related services enable an EBMO to evolve into a full-spectrum support organization. When designed and implemented strategically, these services enhance business resilience, promote social credibility and deepen member engagement. They also create revenue streams that can sustain an EBMO's operations and expand its influence within the national labour ecosystem (see Section 6 for details). Experiences from EBMOs around the globe consistently underline that the success of any labour function hinges on both the services offered and the ability to build up and retain internal staff capacity to deliver the services with quality and continuity.

Delivering added-value services requires multifaceted expertise

The quality and impact of labour-related services depend heavily on the competencies and engagement of EBMO staff dedicated to the labour function. These professionals are at the forefront of service delivery and are responsible for translating complex legal and policy frameworks into accessible, business-friendly tools and guidance. Their tasks include developing and updating model employment contracts, compliance checklists and human resources templates, as well as providing one-on-one advisory support to member companies, particularly the small and medium-sized enterprises that lack in-house legal or human resources expertise.

The labour function staff must possess a unique combination of technical knowledge, communication skills and business acumen (see Section 5 for details). They need to be well-versed in national labour laws, international labour standards and industry-specific regulations. They must understand the realities that businesses face and be able to translate legal requirements into practical recommendations. Many staff members also must design and deliver training sessions, both in-person and online, which requires strong facilitation and instructional design skills.

In addition to direct service provision, staff in the labour function have a strategic role in gathering intelligence from the field (box 10). Through regular interactions with members, they must identify emerging issues, skills gaps and service needs – insights that are invaluable for both service improvement and policy advocacy. For example, trends observed during human resources advisory sessions or compliance audits can inform an EBMO's policy positions or lead to the development of new training programmes. This feedback loop strengthens the EBMO's responsiveness and relevance.

Box 10. Malaysian Employers Federation's Big Data, Research and Information Department

The Malaysian Employers Federation's Big Data Research and Information Department collects, analyses and publishes comprehensive labour market data through annual salary and benefits surveys. It benchmarks jobs across industries and provides insights on economic and labour issues that support employers in making informed decisions. These surveys are a valuable tool for human resources professionals and policymakers because they generate data on salary benchmarks, bonus structures and other fringe benefits.

The Salary Survey, for example, leads to:

Comprehensive data: The surveys cover a range of industries and job positions, providing detailed information on salaries, increments and bonuses.

Benchmarking: The data help companies benchmark their compensation packages against the market, ensuring competitiveness and attracting talent.

Executive and non-executive focus: The surveys cover both executive and non-executive roles, thus offering a holistic view of the compensation landscape.

Fringe benefits: The surveys delve into fringe advantages, such as leave, medical benefits, allowances and retirement benefits.

Industry-specific insights: The surveys allow analysis on industry type, company size and location to provide tailored insights.

Participation perks: Companies participating in the survey often receive perks, like free participation, complimentary training seats and discounts on the full report.

Source: Malaysian Employers Federation.

Good Practice

Chamber of Industries of Uruguay's Salary Survey

The annual Salary Survey, managed by the Chamber of Industries of Uruguay,* provides critical insight on wage trends across sectors. It monitors both real and nominal salary variations and thus offers a comprehensive view of labour cost dynamics over time. The survey enables businesses to benchmark industrywide salary averages against specific job categories, which then supports fair compensation practices and informs human resources decisions. The survey findings are further validated and complemented with data from the National Statistics Institute that enhances the credibility and policy relevance of the information.

Note: *See www.ciu.com.uy/.

Labour function staff are also essential in coordinating partnerships that extend the reach of service delivery. They liaise with vocational training centres, government agencies and international organizations to co-create programmes, secure funding and ensure quality assurance. Their project management skills are vital in implementing initiatives, such as OSH campaigns, job matching platforms or youth employment projects. By maintaining close relationships with external experts and institutions, a labour team enables an EBMO to offer more comprehensive, high-quality services without bearing the full cost internally.

Ultimately, well-equipped and motivated labour function staff contribute to positioning an EBMO as a trusted adviser and service provider in the employment ecosystem. Their work both enhances the effectiveness of member services and reinforces the EBMO's role in promoting fair, productive and

future-ready workplaces. Investing in their continuous development through training, peer exchange and performance monitoring is essential to maintaining service quality and institutional credibility (box 11).

Box 11. Insights from the ILO's Human Resource Management: A Manual for EBMOs on ensuring continuous engagement of staff

Even with limited budgets, EBMOs can create an engaged and high-performing workforce by focusing on thoughtful, people-centred practices. Consistent investment in relationships, recognition and development contributes not only to staff satisfaction but also to the long-term sustainability of the organization. Here is a summary of practical insights and tips tailored to their context.

- 1. Foster a culture of continuous learning and development:** EBMOs can maintain engagement by promoting staff development through affordable, flexible options, such as on-the-job learning, peer mentoring and secondments. Career development planning, even if informal, helps employees envision their future within the organization. Knowledge gained by individuals should be captured and shared to strengthen the organization's collective capabilities.
- 2. Implement recognition and incentive mechanisms:** Recognizing achievements in real time and linking them to desired behaviours can significantly improve morale. Financial bonuses may be limited, but other incentives, such as learning opportunities, leadership roles in projects or flexible work arrangements, can be equally motivating. Non-monetary rewards tailored to staff preferences can have a lasting impact on retention.
- 3. Promote open communication and feedback channels:** Engaging staff in discussions through team meetings or short surveys about workplace changes ensures they feel heard. However, it is crucial to follow up on feedback by communicating what actions will be taken. Visible responsiveness to staff suggestions builds trust and encourages active participation.
- 4. Ensure work-life balance and well-being:** Staff are more committed when their well-being is prioritized. Simple actions, such as flexible schedules, mental health awareness and informal wellness initiatives, can foster a supportive environment. When employees feel physically and emotionally safe, they are more likely to perform at their best and remain with the organization.
- 5. Build up strong relationships and leadership support:** Engagement is closely tied to the quality of relationships with supervisors and colleagues. Training managers in effective communication, empathy and coaching ensures a healthier and more collaborative workplace. When leaders are visible, consistent and aligned with organizational values, they reinforce a culture of trust and shared purpose.
- 6. Align engagement with organizational purpose:** Connecting individual roles to the broader mission of the EBMO enhances meaning and motivation. Staff are more engaged when they understand how their work contributes to the organization's success and to the impact on members or society at large. This sense of purpose is especially powerful in membership-based and advocacy-driven organizations.
- 7. Monitor and adapt:** Using employee surveys, one-on-one check-ins and exit interviews helps EBMOs gather feedback and adjust their strategies. This ensures staff engagement is dynamic. Regular reviews of staff needs, preferences and challenges allow for more responsive and effective human resources practices.

Box 12. Summary Section 4

Expertise in labour relations and employment policy enables EBMOs to deliver concrete and measurable value to their members through tailored services in legal compliance, workforce planning, training and inclusion. These services help address pressing human resources challenges, particularly in countries undergoing profound labour market reforms, such as the Gulf economies. In addition to supporting compliance and workforce effectiveness, these services can enhance member engagement, bolster the institutional credibility of an EBMO and generate revenue when structured appropriately.

To ensure the effectiveness and sustainability of these services, it is crucial to invest in skilled staff, leverage partnerships with other EBMOs and research and consulting institutions and promote the use of digital tools. Continuous member engagement is essential: EBMOs must regularly assess member satisfaction and adapt service offerings to reflect the evolving demands of a dynamic labour market, while members need to accept the obligation of sharing data and insights through participation in the organization's research and consultations.



5

Governance, management and operational structure

A variety of possible approaches

The successful implementation of a labour function within an EBMO depends on the way it is structured and integrated into the organization's overall operations. Choosing the right operational model ensures the sustainability, credibility and strategic impact of labour-related activities. The structure should reflect the EBMO's capacity, membership profile, service ambitions and political context.

Governance and management arrangements

Governance and management arrangements for an EBMO will vary from organization to organization. Common to EBMOs in more advanced economies is the establishment of a designated policy committee (such as an employment policy committee) to provide strategic guidance and oversight to the work on governance and management. The committee is typically chaired by a senior board member (such as the vice president), but its membership extends to influential member companies, member companies with a large share of employment and member companies or other stakeholders with particular expertise in this area.

The involvement of chamber representatives in the national tripartite bodies is also critical, with good practice being for their relationship, role and responsibility to liaise with the committee elaborated in the committee's terms of reference and the agreement to accept that role extended to the representatives.

Under the management of the chief executive officer, designated staff should be appointed as the secretariat to the committee, and all staff engaged in policy advocacy on these issues should attend committee meetings and be available as resource persons to support committee deliberations.

Within the secretariat, arrangements also vary from organization to organization. Larger EBMOs in more advanced economies typically have a policy team specialized in labour relations and employment policy (with other teams focused on other policy issues). But it is more common for a designated staff member or team to be responsible for supporting work across all policy areas and for all staff to be expected to have a generalized understanding of the main issues.

A fundamental step in this process is the identification of labour needs during the development of the organization's strategic plan. Understanding the specific challenges, priorities and expectations of the membership allows an EBMO to design targeted and relevant labour-related initiatives. Alongside market research, this needs assessment forms the basis for setting strategic objectives, allocating resources effectively and ensuring that the labour function aligns with the broader mission of the organization. The ILO has an instrumental role in supporting EBMOs throughout this process by providing technical expertise, facilitating stakeholder consultations, strengthening staff and board members' competencies and offering guidance to ensure that labour issues are adequately addressed and integrated into the organization's strategic vision and implementation plan.

The labour function within an EBMO has a complementary role to board-level oversight or member-led committees. In many cases, labour issues are coordinated directly by a chamber's leadership or through a dedicated working group composed of business representatives from various sectors. These structures provide strategic direction, ensure alignment with members' priorities and lend legitimacy to the EBMO's positions in social dialogue and policy advocacy. The labour function supports these bodies by supplying technical expertise, preparing background research, facilitating consultations and translating committee decisions into actionable services and policy proposals. This collaborative model strengthens internal governance, enhances responsiveness to members' needs and ensures that labour-related initiatives are both representative and evidence-informed.

Board versus management

Relations between the board and EBMO management are critical to an organization's long-term success. Problems can arise when the different roles of the board and management are not defined. Although the board needs to monitor the way the EBMO is being managed to protect its legal and fiduciary responsibilities, the board's role should not cross over into performing management duties or a hands-on role in day-to-day EBMO operations. Given that board members volunteer their time and will be busy operating their own businesses, they cannot be expected to provide constant and proactive management of daily activities. Their involvement in operational matters also increases the risk of real or perceived conflicts of interest.

Insourcing versus outsourcing

EBMOs have employed a variety of structural approaches, each suited to different institutional environments (box 13). A common option is the establishment of a dedicated department focused exclusively on labour and employment issues. This model provides clear leadership and enables deep specialization, making it suitable for large EBMOs with diverse memberships and the resources to hire expert staff. Alternatively, EBMOs may designate a single officer, often referred to as a labour affairs or social policy adviser, to take responsibility for managing related initiatives. This leaner approach is useful for small EBMOs or those just beginning to develop their labour capacity.

Some EBMOs rely on outsourcing to deliver specialized services, such as legal advice, salary benchmarking or training. Even though outsourcing allows access to high-quality expertise, it may weaken the internal capacity of a chamber and reduce strategic coherence. Outsourced services should therefore be coordinated

by in-house staff to maintain alignment with the EBMO's mission and to ensure service consistency. In other cases, board members may be tasked with overseeing labour-related work or representing the chamber in national policy forums.

Box 13. Structural approaches used by employer and business membership organizations around the world

- 1. Dedicated department:** A formal internal unit responsible for all labour-related services and policy work. This model is best suited for large or national EBMOs with significant member demand.
- 2. Designated officer:** A staff member with a specific mandate to cover labour-related responsibilities. This is a lean and focused model suitable for small EBMOs.
- 3. Outsourced function:** Engaging external consultants or organizations to manage part or all of the labour services (training, legal advisory).

Each model presents distinct trade-offs in terms of cost efficiency, operational flexibility, service continuity and the depth of expertise and engagement with members. Choosing the right approach depends on an EBMO's strategic priorities, available resources and the specific needs of its membership base (box 14).

Box 14. Insights from the ILO's Employers Leaders Network, 2024

The Employers Leaders Network initiative has spotlighted the importance of strong internal governance and capacity for EBMOs. Whether through board engagement, leadership renewal, workforce development or structural reform, the message is clear: Strengthening internal foundations is crucial to deliver greater value, influence policy and navigate future challenges effectively.

EBMOs often face the challenge of board members becoming too involved in day-to-day operations. Establishing clear boundaries between strategic oversight and operational management is essential. The mantra "eyes in, hands out" reflects this need for role clarity. For example, the Bahrain Chamber of Commerce and Industry developed a guidebook outlining the board's role and required all new members to commit to its protocols. Induction processes are also a useful moment to set expectations and build strong board relationships from the start.

Good Practice

Bahrain Chamber of Commerce and Industry's Committees Guidebook

The Committees Guidebook that the Bahrain Chamber of Commerce and Industry* produced is a structured manual aimed at standardizing and optimizing the work of its permanent committees. It seeks to enhance collaboration with the private sector, align sectoral development with Bahrain's Economic Vision 2030 and provide a clear operational framework. The Guidebook details the formation, roles and responsibilities of ten sectoral committees, along with governance procedures, meeting protocols, communication rules and performance evaluation methods. It defines membership criteria and ethical expectations and emphasizes strategic planning and reporting. The Guidebook ensures transparency, efficiency and alignment across all activities. It empowers sector representatives to convey recommendations to policymakers through a formal process. Importantly, it delineates the mandates of its Board of Directors and the Chamber's secretariat to ensure structured governance and effective execution. By institutionalizing participation and accountability, it reinforces the Chamber's role as a vital link between business and national decision-making.

Note: *See www.bahrainchamber.bh/en/committees-guidebook.

Ensuring operational effectiveness

Whatever the model, operational effectiveness depends on clear internal procedures. This includes defining roles and responsibilities, standardizing workflows and ensuring coordination between the labour function and other departments, such as legal affairs, communications or training. EBMOs in Morocco, for example, have demonstrated that credibility and legitimacy rest on the knowledge and professionalism of their staff. Personnel must be well-versed in the labour laws, the employment policies and industrial relations and should have the trust of the business community.

Foundational processes of a successful labour function

Regardless of the structure chosen, a successful labour function is built on strong internal processes. These include:



The Jordan Chamber of Industry established several standardized operating procedures to enhance service delivery and policy responses. Created in 2009, the Vocational Training and Employment Unit serves as a specialized technical entity within the Chamber. Its primary objective is to bridge the gap between the industrial sector's workforce requirements and the available labour supply. This is achieved by fostering partnerships with various government agencies, the private sector and international organizations to ensure the provision of qualified, trained and sustainable Jordanian labour for the industrial sector. Through this unit, JCI has developed structured programmes and collaborations that contribute to the standardization of training and employment services. These initiatives aim to enhance the efficiency and responsiveness of the industrial workforce, thereby improving overall service delivery and informing policy decisions within the sector.³

Sustainability within an EBMO hinges on its structure as well as strong leadership and the continuous development of its internal talent. One effective approach to fostering such sustainability is through structured mentoring programmes, whereby experienced staff members guide and coach junior professionals, gradually preparing them to assume greater responsibilities. This process builds institutional memory, reduces dependency on external consultants and promotes long-term capacity from within the organization.

Leadership is central in driving this dynamic (box 15). When senior leaders actively invest in mentoring and staff development, they create a culture of growth, trust and continuity that strengthens the organization. In Egypt, for example, the Federation of Egyptian Industries implemented mentoring initiatives that empower junior staff and contribute to institutional resilience. Additionally, EBMOs can amplify the impact of these efforts by ensuring that staff stay informed about relevant legal reforms and labour market trends and by facilitating exposure to high-level events and networks. Such exposure not only broadens staff perspectives but also enhances their ability to deliver timely, relevant services to members, thus reinforcing the organization's relevance and responsiveness in a constantly evolving environment.

Box 15. Leadership support is essential

Without clear buy-in from an EBMO's executives or board, the labour function risks being underfunded or sidelined. Additionally:

- EBMOs must invest in continuous training for labour function staff;
- younger professionals should be given pathways to grow into expert roles; and
- staff should be involved in updating service offerings and monitoring national regulatory changes.

Technology offers powerful tools to support operational delivery. EBMOs can use AI-driven data systems to survey members, track members' needs, automate administrative processes and personalize service delivery. Customer relationship management systems can help monitor engagement, follow up with clients and evaluate service outcomes. Predictive analytics can support workforce planning and skills forecasting, which will allow an EBMO to anticipate employers' needs and align services accordingly. Additionally, EBMOs, such as Unione Industriali Torino, have reported using AI tools, such as ChatGPT, to enhance daily operations, including summarizing communications (box 16).

³ For more information, see <https://jci.org.jo/Chamber/Services/Sectors/120127>.

Box 16. AI chatbot NaviGate in the Employers Confederation of the Philippines

The International Training Centre of the ILO (ITCILO), in collaboration with the Employers Confederation of the Philippines,* is spearheading the development of an AI-powered chatbot named NaviGate to enhance the dissemination of labour regulations and social policy knowledge. The project aims to streamline interactions between the Confederation's secretariat and its member companies by automating responses to frequently asked questions, thereby addressing delays caused by limited human resources. Leveraging generative AI with retrieval-augmented generation technology, NaviGate ensures accurate, source-backed responses by retrieving information from the Confederation's official documents. This approach minimizes misinformation and enhances accessibility through a user-friendly, 24/7 interface. The chatbot's design prioritizes data security and prevents bias by restricting learning to vetted documentation only. By efficiently handling basic inquiries, NaviGate reduces response times, elevates member satisfaction and reinforces the Confederation's institutional image. The initiative reflects the ITCILO's commitment to innovative knowledge management solutions for EBMOs. Launched in April 2025, the initiative showcases a scalable model for empowering business associations with AI. The initiative promises to bolster the Confederation's role as a reliable knowledge hub, enhancing its service delivery and operational efficiency.

Source: See <https://ecop.org.ph/>.

Ultimately, the operational model chosen must serve the strategic purpose of the labour function. Unione Industriali Torino, for example, reports changes in the labour function in terms of mandate – from collective bargaining to a broader focus on human resource planning and management as well as strategic workforce development – and in terms of structure because flexibility and career agility are increasingly important to ensure retention of younger employees. The chosen operational model will allow the organization to deliver services professionally, represent employers credibly in policy forums and respond flexibly to emerging challenges. By integrating structure, people and technology, an EBMO can build a resilient labour unit that is fit for purpose and future-ready (box 17).

Box 17. Dos and Don'ts when structuring a labour function

Do

- Do secure leadership support before formalizing the unit.
- Do build internal legitimacy through staffing, training and stakeholder engagement.
- Do choose a structure that matches operational capacity and members' needs.

Don't

- Don't isolate the labour function from the EBMO's strategic goals.
- Don't rely solely on temporary structures without continuity planning.
- Don't neglect feedback and continuous adaptation.

Beyond recruitment, EBMOs should prioritize continuous professional development for the labour function staff (box 18). This includes providing access to external training, participation in peer learning platforms and involvement in national or international networks. Internal role clarity is equally important: Job descriptions, reporting lines and coordination mechanisms must be clearly defined to avoid duplication and to ensure accountability. Internal guidelines or operations manuals can help standardize workflows and institutionalize knowledge.

Establishing a dedicated operational structure within EBMOs for employment and labour functions is a strategic decision aimed at strengthening their capacity to engage effectively in labour market issues, support business compliance and deliver employment-related services to members. This structure should allocate staff to ensure a balanced focus on policy engagement, service delivery and technical expertise, thus enabling EBMOs to respond to evolving national labour market developments and the diverse needs of their membership.

Box 18. Model for structuring and staffing a dedicated labour function

This model is based on lessons learned from ILO-supported projects aimed at enhancing EBMOs' capacity to engage in labour market issues, support business compliance and deliver employment-related services in Jordan and Myanmar.*

- **Mandate of the labour market unit**

A labour market unit within an EBMO is responsible for supporting member companies by delivering services and expertise in three core areas: legal consulting and advisory on labour and social security legislation; vocational training, employment and career guidance services; and labour market data collection, analysis and input into policy development. The unit works to bridge gaps between labour supply and demand, improve workforce quality and contribute to national labour and training strategies, in alignment with the private sector's needs.

- **Organigram and staffing structure**

The labour market unit is typically positioned within an EBMO's services or policy department and is led by a manager who reports to senior management. The team includes specialized technical staff, such as a legal researcher, a labour market data researcher and a specialist in training, employment and career guidance. The structure can be adapted to reflect the EBMO's size and capacity – staff may work full time, part time or be seconded through partnerships. Where internal capacity is limited, the EBMO may complement the team with consultants or establish collaboration protocols with external experts. Close coordination with other departments, such as advocacy, member services and communications, is essential to ensure coherence and visibility. Also, research-focused roles, such as legal researcher or labour market data researcher, can be stationed within the research department, provided their mandate is to (partly) support the labour function.

- **Manager of the labour market unit**

The manager oversees the overall functioning and strategic direction of the labour market unit. This includes guiding labour market analysis, workforce planning and skills development strategies, as well as supervising legal and employment advisory services. The manager represents the EBMO in national labour and training policy discussions, tripartite bodies and external consultations. The role also involves managing relationships with public and private partners, overseeing implementation of projects and services, evaluating staff performance and ensuring reporting and internal coordination.

A suitable candidate should have a degree in business, economics, law or a related field and have at least five years of experience in administration or private sector services. Expertise in employment services, training systems, labour market policy and human resources management is essential. The role (in the Arab region) requires strong planning, communication, analytical and team management skills, along with fluency in Arabic and English and proficiency in digital tools.

- **Legal researcher**

The legal researcher provides legal advice and support to member companies on national labour and social security laws. They prepare legal briefs, respond to inquiries and develop

easy-to-use guidance materials on such topics as employment contracts, workplace policies or termination procedures. The role also includes drafting position papers, monitoring proposed legislative changes and contributing to EBMO advocacy by formulating reform proposals and legal recommendations. The legal researcher may also represent the EBMO in consultations with legal authorities and participate in the negotiation or drafting of agreements with institutional partners.

This role requires a degree in law and at least five years of legal experience, preferably in the field of labour law. The candidates should have training in legal drafting, excellent research and writing skills and the ability to translate legal content into practical tools. Fluency in English and digital proficiency is also necessary.

• Labour market data researcher

The labour market data researcher is responsible for collecting, analysing and presenting data relevant to the workforce needs of member companies. This includes identifying skills gaps, employment trends and sector-specific challenges. The researcher maintains a labour market database, develops reports and policy briefs and collaborates with skills councils, research bodies and statistical institutions. Their work provides the EBMO with evidence to support policy engagement and informs the design of employment and training services.

Ideal qualifications include a degree in economics, sociology or administrative sciences, along with at least three years of experience in economic or labour market research. The role requires strong quantitative skills, training in research methods and the ability to produce accessible, data-driven insights for policy and practice. Competency in data tools is essential.

• Specialist in training, employment and career guidance

The specialist in training, employment and career guidance connects jobseekers with employment opportunities and supports companies in identifying and hiring qualified candidates. They help assess training needs across the sector, coordinate with vocational training institutions and develop initiatives, such as job fairs, onboarding programmes or career orientation workshops. The specialist also tracks employment outcomes, provides feedback to improve programmes and represents employers in training and employment policy discussions.

Candidates should have a degree in economics, sociology or a related field, with at least three years of experience in employment services, training programmes or career guidance. Knowledge of national training systems and labour market dynamics is important. The role also requires strong communication, facilitation and organizational skills, along with digital proficiency.

The following outlines other roles that could be prioritized, depending on the services an EBMO wants to provide.

Staff role	Main function and characteristics
 Occupational safety and health adviser	• Provides expert guidance to member companies on workplace safety regulations and good practices. • Conducts risk assessments, safety audits and training sessions on occupational health standards. • Supports the development of sector-specific OSH guidelines and compliance tools. • Engages with regulatory bodies and contributes to national OSH policy discussions. • Requires a degree in occupational health, engineering or related field and three to five years of relevant experience.



Labour relations and industrial dialogue officer

- Supports companies in managing employer–employee relations and collective bargaining processes.
- Facilitates dialogue between employers, unions and government bodies.
- Develops training modules on conflict resolution, negotiation skills and social dialogue mechanisms.
- Monitors industrial disputes and advises on preventive strategies.
- Requires a background in industrial relations, law or human resources and experience in social dialogue practices.



Youth employment and entrepreneurship specialist

- Designs and implements initiatives aimed at boosting youth employment and fostering entrepreneurship.
- Coordinates with business incubators, financial institutions and vocational training centres.
- Organizes mentorship programmes, business plan competitions and start-up support services.
- Tracks programme outcomes and supports advocacy for youth employment policies.
- Requires experience in youth development, entrepreneurship support or small and medium-sized enterprise promotion.



Gender equality and diversity officer

- Promotes gender-responsive policies and inclusive employment practices among member companies.
- Develops toolkits and training programmes on workplace diversity, gender equality and anti-discrimination.
- Supports companies in implementing gender audits and diversity action plans.
- Engages in policy advocacy on gender equality and diversity in the labour market.
- Requires knowledge of gender mainstreaming, social inclusion or diversity management.



Corporate social responsibility and business and human rights adviser

- Assists member companies in aligning with the international labour standards and human rights principles.
- Develops corporate social responsibility strategies, business and human rights due diligence frameworks and sustainability reporting tools.
- Provides capacity-building on responsible business conduct and stakeholder engagement.
- Engages in public–private dialogues on business and human rights policies.
- Requires expertise in corporate social responsibility, human rights or sustainability and three to five years of field experience.



Digital transformation and skills adviser

- Guides member companies on digital skills development and adoption of Industry 4.0 technologies.
- Develops sector-specific digital competency frameworks and e-learning resources.
- Advises on digital inclusion strategies, particularly for small and medium-sized enterprises and vulnerable groups.
- Liaises with tech providers, training institutions and innovation hubs.
- Requires expertise in digital transformation, information and communication technology training or innovation management.

Note: *See www.umfcci.com.mm/.

Operational effectiveness depends on both delivering services and tracking their performance and value. The labour function should establish a monitoring and evaluation framework to assess service use, client satisfaction and policy impact. Key performance indicators can include service uptake, the number of advisory requests handled, policy contributions made or training sessions delivered. Regular reporting helps improve service quality, demonstrate impact to stakeholders and guide future planning.

To ensure long-term sustainability, an EBMO should implement knowledge management practices within the labour function. This includes documenting service models, policy positions and successful case studies. Maintaining a centralized repository of tools, templates and reports enables continuity in the event of staff turnover and supports faster onboarding of new personnel. Involving multiple staff in project delivery and ensuring proper documentation helps avoid over-reliance on a single individual.

Operational success also depends on how well labour functions communicate with members. Clear communication strategies, including regular updates, member newsletters, policy alerts and targeted outreach, help build awareness of available services and foster engagement. Feedback mechanisms, such as satisfaction surveys or focus groups, ensure that services remain relevant and member-driven.

Box 19. Summary Section 5

The success of a labour function hinges on its structural design as well as the commitment of its leadership and the active endorsement of the governing board. Executive buy-in is essential to secure resources, integrate labour priorities into the organization's strategic plan and ensure long-term sustainability. EBMOs can adopt different operational models, from dedicated departments to leaner setups or outsourced services. But each must be supported by a clear mandate, strong internal coordination and alignment with members' needs. Skilled staff, well-defined procedures and continuous communication between the labour function and leadership reinforce effectiveness and accountability. Ultimately, building up a resilient and credible labour function requires embedding it within the EBMO's core governance and operational systems and backing it with political will and a shared vision for institutional growth.

6

Financial strategy and partnerships

Identifying a sustainable financial strategy

Sustaining a labour function requires a well-planned financial strategy and the cultivation of meaningful partnerships. Some EBMOs may receive initial support from donors or internal reallocations, but the long-term viability of labour-related activities depends on generating stable, diverse and self-sustaining revenue streams. Effective financial planning ensures that services remain available, relevant and responsive to members' needs without placing undue strain on the organization's core operations. A pillar of financial sustainability is a well-designed fee-setting strategy for services that enables an EBMO to balance its financial viability with broad accessibility while delivering concrete value to its members.

EBMOs typically rely on a mix of funding sources to establish and expand their labour functions. One important source is internal budget allocation, whereby part of the organization's general funding is set aside to launch services or pilot programmes. Over time, however, reliance on internal funds must be complemented by income generated directly through service provision. Many EBMOs introduce fee-based models, through which they charge for legal consultations, customized training, human resource audits, job matching or policy briefings. These services can be bundled into premium membership packages, offered through subscription models or provided on a pay-per-use basis.

Core funding models

EBMOs around the world use various funding mechanisms to establish and sustain their labour functions. These include:

Internal budget

allocation: Dedicate part of the general budget to labour-related activities.

Membership-based

contributions: Introduce tiered membership fees or labour function-specific add-ons to fund services.

Fee-based services:

Charge for services, such as business registration, issuing certificates, legal advice, compliance audits, publications, human resources training and job matching.

Donor and project

funding: Secure grants from international organizations, bilateral donors or development finance institutions to pilot or scale up specific initiatives.

Sponsorships and

event-based revenue:

Organize conferences, training sessions and campaigns that attract business or public sponsorships.

Membership-based contributions remain an important source of revenue. In EBMOs with voluntary membership, membership fees generally represent between 40 per cent and 70 per cent of their total revenue, structured through flat-rate, graduated or sector-specific models. A prevalent approach is the tiered service model, wherein basic consultations are included in membership benefits while advanced, customized or time-intensive services incur additional charges to maintain competitiveness with private consultancy firms.

This way, EBMOs can adjust membership tiers to reflect access to labour services or introduce optional labour-support packages. This model links funding directly to service use and reinforces the principle that high-value services require sustainable financing. EBMOs typically calibrate their service pricing based on the cost of service delivery, market competition, member affordability and the availability of external funding or subsidies to ensure sustainability and accessibility. Donor funding, particularly from international organizations or development agencies, have a critical role during the start-up phase. Grants can be used to build up staff capacity, pilot innovations or develop tools, such as compliance guides or digital platforms. However, it is important that donor support be designed with an exit strategy to ensure a smooth transition towards locally funded operations.

Good Practice

Innovative revenue models in employer and business membership organizations

In Egypt, EBMOs have successfully generated income through event sponsorships. Large-scale conferences on corporate social responsibility that have featured prominent public and private sector speakers have attracted funding while simultaneously raising the EBMOs' profile and reinforcing its advocacy messages. These events also serve as platforms to promote labour services and demonstrate impact.

In Myanmar, the introduction of a specific subscription model allowed the Federation of Chambers of Commerce and Industry to rely on more predictable income streams for the labour function while offering tailored packages for different business sizes.

In Uruguay, the annual Salary Survey sponsored by member companies of the Chamber of Industries has become a core service that supports both revenue generation and policy influence.

Building long-term financial sustainability

Building long-term financial sustainability can benefit from the following five approaches:



Leveraging partnerships and adopting an entrepreneurial approach

Strategic partnerships are vital to building up both the resource base and the operational capacity of the labour function. EBMOs can form:

- public-private partnerships, such as collaborations with ministries of labour, education or social protection to co-fund training or awareness-raising campaigns;

- academic partnerships, such as with universities and vocational training institutions, in curriculum design or internship pipelines; and
- partnerships with international donors and non-government organizations, such as when services can be aligned with funded development programmes on employment, inclusion or migration.

Such partnerships expand resource availability while increasing the legitimacy and reach of an EBMO's activities.

Cost management is equally important. EBMOs can minimize operational expenses by adopting lean staffing models, sharing infrastructure across departments and using digital platforms to reach more members at lower cost. For instance, webinars and virtual consultations reduce travel and logistics costs, while AI-enabled systems can automate service scheduling, document generation and feedback collection. In the United Kingdom, the Confederation of British Industry uses the customer relationship management platforms and AI tools to personalize member engagement and track labour-related service delivery. This practice has reduced operational costs and ensured data-driven decision-making.

Evaluation mechanisms help EBMOs ensure financial efficiency. Tracking usage rates, member satisfaction and cost-recovery ratios allows leaders to adjust the service offerings and pricing models. Services that consistently underperform can be revised, merged or discontinued while successful initiatives can be scaled up or expanded.

To remain financially resilient, EBMOs must adopt a proactive and entrepreneurial approach (box 20). This means continuously scanning for funding opportunities, investing in high-demand services and demonstrating return on investment to members and partners. It also means positioning the labour function not as a cost centre but as a value generator – one that supports employers, improves the functioning of the labour market and contributes to inclusive economic growth.

Box 20. Dos and don'ts for financing the labour function

Do

- Do diversify revenue streams from the beginning.
- Do pilot services with donor support, but transition to member-funded models.
- Do track return on investment and adapt pricing based on market response.
- Do engage partners aligned with member priorities.

Don't

- Don't depend on a single source of funding.
- Don't offer free services indefinitely unless supported by other income.
- Don't delay financial planning until after launch.

EBMOs should adopt basic financial planning tools, such as cost-recovery analysis, break-even projections and revenue forecasting, to support decision-making around labour services. Introducing service-specific budgeting helps track the financial performance of different offerings and ensures that each service line is aligned with both demand and sustainability targets. Forecasting demand for key services, such as compliance training or human resources audits, helps EBMO leaders anticipate staffing needs, manage costs and set realistic revenue goals.

Where the labour function staff contribute to multiple activities (policy, services, events), an EBMO should establish internal mechanisms for tracking time and allocating costs accordingly. Time-based cost allocation helps clarify the real cost of service delivery, identify under-resourced areas and justify

future investments or the reallocation of resources. This is especially important when managing donor grants, wherein clear cost attribution supports compliance and reporting.

To ensure long-term sustainability, labour functions should be included in the EBMO's broader financial monitoring and reporting systems. This includes tracking expenditures and revenue as well as metrics, such as service profitability, funding diversification and grant dependency. Regular financial reviews help ensure transparency, inform strategic decisions and support communication with stakeholders (box 21).

Box 21. Insight from the ILO's Navigating Employer and Business Membership Organizations (EBMOs) Financial Challenges, 2024

Financial challenges

- 1. Limited innovation and scale:** Services such as legal compliance and workforce management are commonly offered, particularly in areas like training, legal advisory and human resources. However, entrepreneurial or high-revenue service models are rare and generally small in scale. Most EBMOs have not developed transformative “cash cow” services, and the pace of service innovation remains modest.
- 2. Operational and market pressures:** Offering services in a competitive environment, particularly those requiring professional expertise like legal compliance or human resources, demands significant internal capacity and staff investment. EBMOs often struggle with balancing costs and quality, especially where there are public or private competitors. Additionally, services must continually evolve to remain relevant, placing further strain on resources.
- 3. Financial vulnerability of small EBMOs:** Small or financially constrained EBMOs may lack sufficient reserves or the ability to take financial risks when developing or expanding these services. For these organizations, even modest deficits in service delivery can jeopardize their overall financial health.

Financial opportunities

- 1. Revenue potential from paid services:** Paid services, especially those related to navigating labour laws, human resources compliance and workforce development, are the second-most important income stream, after membership dues. They average around 25 per cent of total EBMO income globally. In some regions, such as Latin America and Asia, this figure is even higher, reaching more than 30 per cent.
- 2. Diversification strategy:** These services are viewed as part of a broader income diversification strategy, which helps reduce dependence on volatile or externally funded income sources, like subsidies or projects. By expanding high-quality, in-demand services, EBMOs can stabilize their income base while offering direct value to members.
- 3. Digital transformation and service reach:** Digitalization, such as customer relationship management systems, AI tools and cloud services, are useful ways to extend service delivery, reduce unit costs and improve member engagement. Legal advisory and human resources-related webinars, e-learning and online consultation can significantly broaden access, particularly for small and medium-sized enterprises and remote members.
- 4. Staff investment and value proposition:** Although staff costs are the largest expense item (often 50 per cent or more), investing in skilled staff to deliver services is considered essential to an EBMO's value proposition and is not seen as a burden. Labour law and workplace services depend on professional expertise, and retaining knowledgeable staff is key to building long-term credibility and financial returns.

Box 22. Summary Section 6

The long-term sustainability of the labour function requires diversified revenue, lean operations and strategic partnerships. EBMOs must blend internal funding with paid services, donor support and sponsorships while using such tools as customer relationship management systems to improve their efficiency and outreach. Financial planning should be embedded from the outset to link pricing models to service value and then the impact must be tracked. By treating labour services as value-generating assets, EBMOs can reduce dependency, scale up their innovation and reinforce their role as essential contributors to economic and social progress.

Conclusion

A dedicated and well-structured labour function is no longer a luxury for EBMOs – it is a strategic necessity. In the face of growing labour market complexity, evolving regulatory environments and increased scrutiny from governments, consumers and investors, EBMOs that fail to address labour-related issues risk becoming obsolete or irrelevant to their members.

The integration of a labour function allows an EBMO to:

- provide services that directly support businesses in navigating employment law, workforce planning and compliance;
- influence national labour and employment policy by credibly representing employers' interests in dialogue with the government and trade unions; and
- generate value-added services that enhance their relevance, financial sustainability and reputation as comprehensive support institutions.

The experiences highlighted in this guide, from Morocco's Social Academy to Egypt's Human Resources Academy and from Uruguay's salary benchmarking services to Italy's recruitment services, demonstrate that EBMOs can have a transformative role in shaping national labour market systems.

In the Arab region, this transformation is both urgent and achievable. Chambers must reposition themselves as modern, responsive actors capable of supporting businesses across both the commercial and social dimensions of enterprise development.

To do this, EBMOs need not reinvent the wheel. They can build on existing models, adapt lessons learned from successful peers and leverage partnerships with the government, academia and the international community. Above all, they must begin with a clear understanding of members' needs, political will within their leadership and a willingness to invest in people – within their organization and across the business community.

To realize this transformation, the decision to establish or strengthen a labour function must be embraced at the highest level – as a strategic choice made by the EBMO leaders and governing board. This is not a supplemental initiative, but a foundational investment that will determine whether an organization remains relevant, respected and responsive in the years ahead.

There are five concrete building blocks that should influence that choice.

- Labour functions are essential to navigating the complexities of workforce transformation, labour market policies and rising expectations around inclusion and compliance. By supporting members in adapting to these pressures, EBMOs reaffirm their value as practical allies in business resilience and national development.
- Credible advocacy, whether through unilateral, bipartite or tripartite means, requires internal expertise. Labour function staff are the backbone of an EBMO's influence, equipping it with the data, positioning and capacity to represent business interests effectively and shape national employment frameworks.
- Service delivery can transform an EBMO from a representative body into a solution provider. Labour-related services, such as compliance support, human resources training and inclusive hiring programmes, offer tangible value to members while reinforcing the organization's visibility and financial sustainability.
- Success depends on more than structure. It demands strong leadership, staff capacity and clear internal processes. Commitment from the board and executive team is vital to ensure that the labour function is prioritized, well-resourced and embedded into the EBMO's strategic operations.
- Sustainable financing and partnerships are crucial. Establishing a labour function is not a one-off initiative but a long-term institutional investment. A blend of internal funding, service-based revenues, donor support and strategic alliances is key to viability and impact.

Box 21. Main takeaways from this guide

- **Treat the labour function as a strategic investment:** It supports compliance, competitiveness and corporate reputation.
- **Start with high-impact, low-cost initiatives:** Use pilot programmes to demonstrate value before scaling up.
- **Embed services into your organizational strategy:** Align your labour function with your EBMO's mission and advocacy priorities.
- **Build up internal capacity:** Hire or train staff with real expertise in employment law, industrial relations and human resources.
- **Leverage partnerships:** Work with donors, the government, education institutions and non-government organizations to expand resources and reach.
- **Diversify revenue:** Move from donor dependency to sustainable models using membership fees, service charges and subscriptions.
- **Use data and technology:** Invest in customer relationship management tools and AI and online platforms to enhance service delivery and member engagement.
- **Engage members continuously:** Convene focus groups, conduct surveys and ensure feedback loops to keep your services relevant and impactful.
- **Position your EBMO as a credible policy voice:** Participate in national dialogues, submit evidence-based proposals and help shape the future of work.

By implementing the structures, tools and strategies outlined in this guide, EBMOs can ensure that they remain relevant in the evolving labour landscape while leading the way in building resilient, inclusive and future-ready labour markets.

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