



ACTION TOOLKIT

BUILDING BACK WITH BETTER JOBS

*MAINSTREAMING BUSINESS MODELS
FOR DECENT WORK*

Richard Gilbert, Senior Advisor, Business Fights Poverty.

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FOREWORD

COVID-19 has devastated lives and livelihoods in every corner of the world.

As job losses continue to mount, it is also bringing into sharper focus the consequences of years of declining job quality and security for millions of low-paid workers, who face unpredictable wages, limited social protections and unhealthy workplaces. Many of these workers have played critical roles during the pandemic, keeping essential services running despite the risks to their health.

Among other factors, profound changes to company business models over recent years lie at the heart of increased worker vulnerability, as businesses increasingly chase cost savings and greater commercial flexibility by outsourcing to often opaque supply chains. As a result, risks are disproportionately shifting from companies to workers.

As “Building Back Better” becomes the prevailing theme emerging from global efforts to rebound from the pandemic, there is a need and an opportunity for global leaders to make more decent jobs a top priority. The following guide highlights how lead companies¹

can play a pivotal role by making fundamental changes to their business models² to improve worker job security, equality and health and well-being – without impacting business competitiveness, growth and profitability.

The guide shares numerous examples of how lead companies have made business models for decent work integral to their businesses, delivering value for themselves and their workers. It also identifies four big shifts that need to happen to ensure these examples move from the margins to the mainstream.

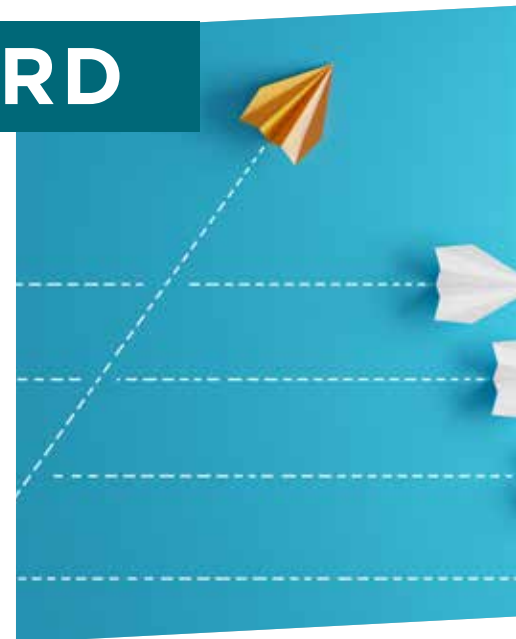
We hope the guide will help to stimulate and inform action in the months and years ahead.

**Zahid Torres-Rahman,
Founder and CEO,
Business Fights Poverty**

¹ A lead company controls the global supply chain and sets the parameters with which other firms in the chain must comply, and is typically responsible for the final sale of the product. Academic literature has shown that they often represent the entry-point to developed country markets, through their global

production network. (ILO Glossary – Decent Work in Global Supply Chains)

² A business model describes how an organisation creates, delivers, and captures value for itself as well as for its customers.



The guide shares numerous examples of how lead companies have made business models for decent work integral to their businesses, delivering value for themselves and their workers. It also identifies four big shifts that need to happen to ensure these examples move from the margins to the mainstream.

This guide has been developed with the technical advice and financial support from the International Labour Organization (ILO).³

GUIDE PURPOSE AND INTENDED AUDIENCE

Business Fights Poverty, with support from the International Labour Organization (ILO), has developed this short guide, which has been informed by a process of research and engagement including an [online discussion](#) with business stakeholders, desk research and expert interviews, to:

- Bring to life what [business models for more decent jobs](#) look like and how they benefit lead companies⁴ and workers;
- Share ideas on how to move business models for more decent jobs from the margins to the mainstream.

The guide is primarily aimed at professionals working in lead companies across a range of commercial and corporate functions with a stake in the well-being of workers in their direct operations and in the supply chain. The guide will be useful for organisations such as government and donors who work with lead companies to advance more decent jobs.⁵

³ The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them. Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

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⁵ More decent jobs encompass principles of job security, equality of opportunity and health and well-being, and are reflected in Goal 8 (Decent Work) of the Sustainable Development Goals (SDGs).

1: THE NEED AND OPPORTUNITY

THE NEED AND OPPORTUNITY TO “BUILD BACK” WITH MORE DECENT JOBS

GLOBAL LEADERS MUST “BUILD BACK” WITH MORE DECENT JOBS.

COVID-19 has taken a huge toll on jobs everywhere. The ILO predicts 1.6 billion informal economy workers could suffer “massive damage” to their livelihoods because of the pandemic, which may also cost the equivalent of 305 million full-time jobs.⁶

According to the World Bank, global poverty rates are going to rise for the first time in twenty years, with an additional 49 million people expected to be pushed into extreme poverty.⁷

Beyond the continuing threat to jobs and livelihoods, COVID-19 is exposing and exacerbating pre-existing declines in the quality and security of jobs and working conditions. Among the drivers of this trend are companies outsourcing services to globalised supply chains in search of lower costs and greater flexibility, and new technology enabled entrants promoting “gig economy” business models.

While more flexible working practices have created job opportunities, they also place a disproportionate amount of risk

According to the World Bank, global poverty rates are going to rise for the first time in twenty years, with an additional 49 million people expected to be pushed into extreme poverty

on low-paid, vulnerable workers in the form of lower and more unpredictable wages, limited or non-existent social protections and a reduction in workplace health and safety standards.⁸

Moreover, low-paid workers in insecure jobs with a key role in ensuring continuity of vital services during the pandemic, often lack basic social protection like sick pay or medical benefits, which are essential if they become ill. Experts fear that insecure work practices will grow in the aftermath of the pandemic, as it did after the 2008 financial crisis.⁹

As global leaders rightly focus on how to replace lost jobs, they also need to pay equal attention to “building back” with more decent jobs. More decent jobs encompass principles of job security, equality of opportunity and health and well-being, and are reflected in Goal 8 (Decent Work) of the Sustainable Development Goals (SDGs).

⁶ ILO Monitor third edition: COVID-19 and the world of work

⁷ Mahler, Daniel Gerszon, Christoph Lakner, R. Andres, Castaneda Aguilar, and Haoyu Wu. 2020. “The impact of COVID-19 (Coronavirus) on global poverty: Why Sub-Saharan Africa might be the region hardest hit.” Data Blog. World Bank Blogs, April 20, 2020. <https://blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest>

⁸ Weil, D. The Fissured Workplace: Why Work became so bad for so many and what can be done to improve it. Cambridge: Harvard University Press, 2014

⁹ ShareAction. July 2020. Insecure Work in Insecure Times – an investor briefing.



BUILDING BACK WITH MORE DECENT JOBS REQUIRES “WIN-WIN” BUSINESS MODELS, WHICH SIMULTANEOUSLY CREATE VALUE FOR BUSINESSES AND WORKERS.

A recent [report](#) by ILO has highlighted the mechanics of business models which improve business practices in ways that are good for businesses and workers.¹⁰

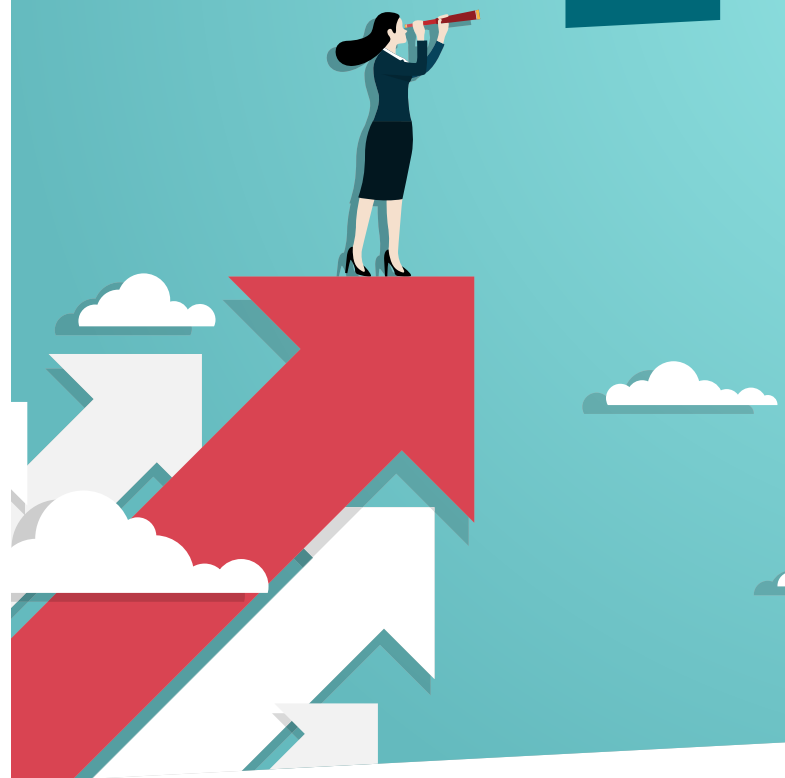
By better understanding which features of the business model create opportunities and risks for workers and by making worker value creation more intrinsic to business practices, lead companies can improve their performance and profitability through:

- **Greater employee productivity and reduced staff turnover:** Workers feel more valued, respected and motivated.
- **Increased customer loyalty:** Stronger relationships can be built with customer companies and consumers who share the same values and priorities on decent jobs and working conditions.
- **More resilient supply chains:** More stable, predictable supply chains ensure greater security of supply and business continuity as supply-side risks associated with poor working conditions and precarious work are mitigated.
- **Enhanced license to operate:** The risks of greater industry regulation and government intervention in relation to workplace rights lessen.¹¹

Making such adjustments to business models can benefit workers by improving:

- **Job security:** More secure, stable and higher-quality jobs, including for people who choose to be self-employed, i.e. predictable hours, income and social security coverage.
- **Equality:** Equal opportunities and treatment, and worker voice.
- **Health and well-being:** A safe work environment, worker development and work-life balance.

A recent report by ILO has highlighted the mechanics of business models which improve business practices in ways that are good for businesses and workers



¹⁰ The Lab / ILO. 2019. Business Models for Decent Work.

¹¹ C. Krekel, G. Ward, J-E. De Neve. 2019. Employee well-being, productivity and firm performance: Evidence from 1.8 million employees. Published: 21 April. <https://voxeu.org/article/employee-wellbeing-productivity-and-firm-performance>

WIN-WIN BUSINESS MODELS FOR MORE DECENT JOBS NEED TO BECOME THE “NEW NORMAL” AND MORE LEAD COMPANIES NEED TO BE IN THE VANGUARD.

This is because lead companies have the most power to recalibrate their business models for more decent work and to influence and incentivise supply chain partners to do the same. To realise these opportunities, a growing number of companies are moving beyond peripheral Corporate Social Responsibility (CSR) approaches¹² and discovering that it is possible to change their core business model to deliver profitable returns and more decent jobs for workers. Some are even beginning to redefine the concept of “value” beyond economic value to the company and shareholders to also encompass value for workers, wider social and the environment.¹³

IMPLEMENTING BUSINESS MODELS FOR MORE DECENT JOBS CAN SOMETIMES BE CHALLENGING FOR LEAD COMPANIES.

Challenges faced can include:

- **Competitive disadvantage:** Improving job security, ensuring equality of opportunity and worker health and well-being can add costs to the business. This can weaken competitive advantage, especially in market environments which lack a level playing field, and unfairly disadvantage companies investing in more decent jobs.

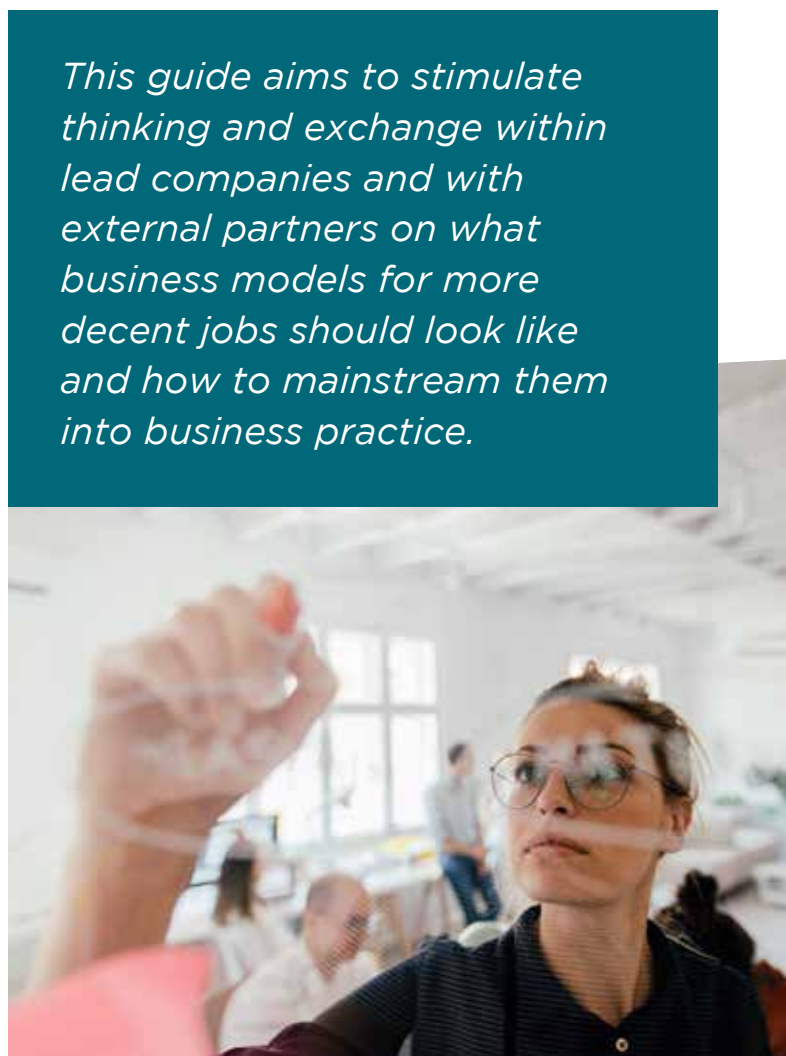
- **Investor pressure:** Lead companies can face investor pressure to maximise short-term profits.
- **Capacity:** Lead companies may lack understanding of how their business model negatively impacts workers beyond their direct operations and the knowledge and capacity to respond effectively.
- **Systemic complexity:** The complex root-causes of worker vulnerability and insecurity means that comprehensive solutions often lie outside the company’s direct sphere of operations and influence.

This guide aims to stimulate thinking and exchange within lead companies and with external partners on what business models for more decent jobs should look like and how to mainstream them into business practice.

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¹² D. Young & M. Reeves. 2020. The quest for sustainable business model innovation. Boston Consulting Group (BCG) Henderson Institute.

¹³ D. Vladimirova. 2019. Building Sustainable Value Propositions for Multiple Stakeholders: A Practical Tool. Vol. 7, No. 1, pp. 1-8.



2: BUSINESS MODELS FOR DECENT JOBS

WHAT DO BUSINESS MODELS FOR MORE DECENT JOBS LOOK LIKE AND HOW DO THEY BENEFIT LEAD COMPANIES AND WORKERS?

In this section, we highlight good practice examples of business models delivering more decent jobs and identify the value they create for lead companies and workers.

We distinguish between examples that highlight **incremental** changes lead companies can make to existing business models and those that show how lead companies and start-ups introducing new business models can make more decent jobs **intrinsic** to business model design from the start.















Most of the currently available examples we have found feature **incremental** changes to existing models and are in the textiles and agricultural sectors. Those with decent job principles **intrinsically** designed in are often found in a pilot programme, or in the business models of mission-driven start-ups.

We distinguish between examples that highlight incremental changes lead companies can make to existing business models and those that show how lead companies and start-ups introducing new business models can make more decent jobs intrinsic to business model design from the start.

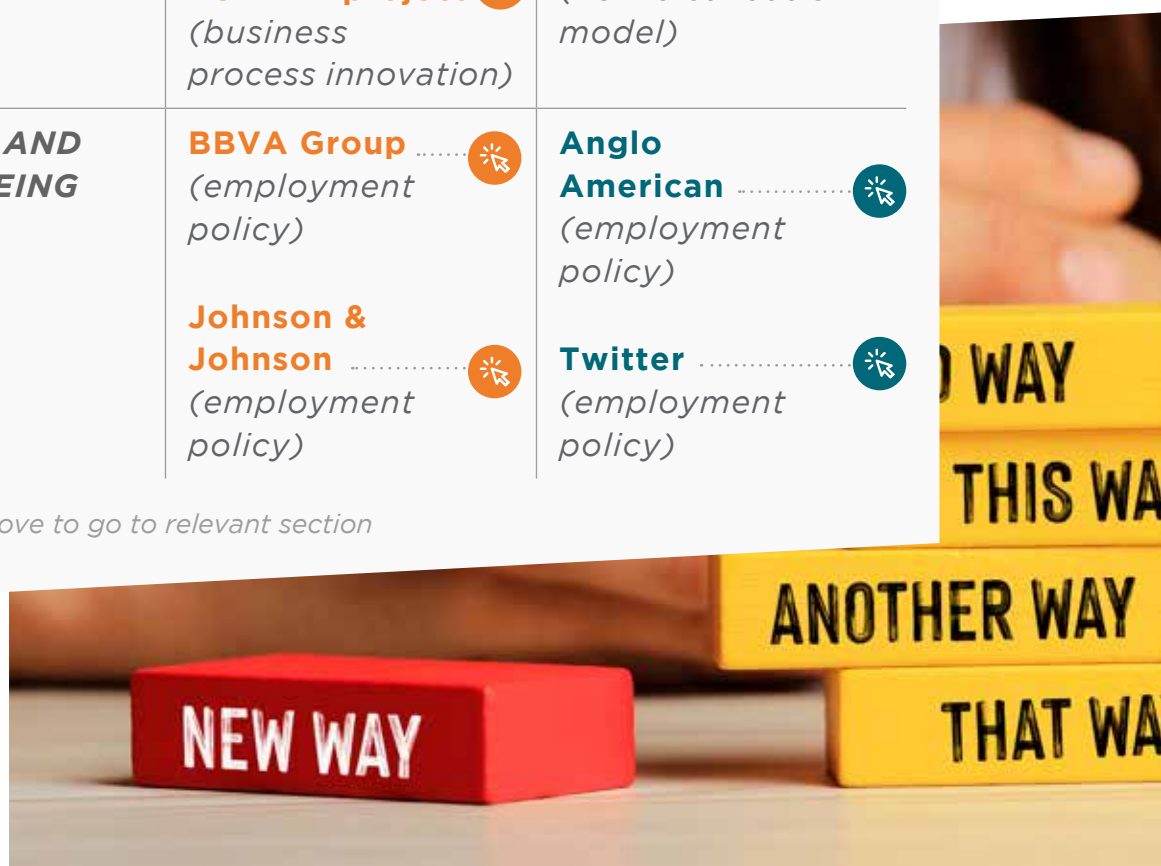
The examples highlight specific business model features that contribute to decent job outcomes. These features include paying suppliers more and investing in building their capacity, which on the one hand can increase production costs, but on the other, can strengthen competitive advantage and supply chain resilience. Other features encompass changes to conventional management, procurement, distribution and sales processes and the adoption of new worker recruitment and employment practices.



SUMMARY OF BUSINESS MODELS FOR MORE DECENT JOB:

DECENT WORK DIMENSION	 INCREMENTAL CHANGES	 INTRINSIC TO BUSINESS
JOB SECURITY	<p>Hermes  (employment policy)</p> <p>Sodexo  (procurement practice)</p>	<p>Tony's Chocolonely  (procurement practice)</p> <p>PanAust  (employment policy)</p>
EQUALITY	<p>Thai Union  (recruitment policy)</p> <p>Levi Strauss & Co., Mastercard and BSR HERproject  (business process innovation)</p>	<p>iMerit  (employment policy)</p> <p>Unilever (Shakti)  (new distribution model)</p>
HEALTH AND WELL-BEING	<p>BBVA Group  (employment policy)</p> <p>Johnson & Johnson  (employment policy)</p>	<p>Anglo American  (employment policy)</p> <p>Twitter  (employment policy)</p>

 Click above to go to relevant section



JOB SECURITY:

Business models that generate secure and quality jobs

INCREMENTAL CHANGES



Lead company: **HERMES**

Business and decent job context:

Hermes is one of the UK's major providers of online delivery solutions for businesses and consumers. The growth of online commerce has seen a significant expansion in parcel delivery firms and courier driver jobs, which are often associated with precarious "gig economy" working practices including zero hours contracts.

Business model features: In 2019, in the first UK deal with a trade union to provide recognition for gig economy workers, Hermes announced it was moving from a self-employed to a "self-employment plus" model and guaranteeing minimum wages and holiday pay for its courier drivers. Under the terms of the agreement, Hermes' 15,000 drivers can continue to be self-employed but also choose

Hermes has won praise for being the first UK courier company to change its working practices to protect worker conditions.

contracts with better workplace conditions including holiday pay and a legal minimum wage. Couriers who want to retain their self-employed status can continue to do so.

Value created for the lead company and workers: Hermes has won praise for being the first UK courier company to change its working practices to protect worker conditions. It now benefits from an improved relationship with its workers and representative union. Courier drivers benefit from more secure and improved working conditions.



Lead company: **SODEXO**

Business and decent job context:

Sodexo, a French food services and facilities management company, operates in 80 countries and serves 75 million consumers each day.¹⁴ Despite the international scale of Sodexo's operations, the company sources from mainly local suppliers. However,

sometimes it can be difficult for local small and medium-sized enterprises (SMEs) to access its value chain. In the past years, though, Sodexo has made concerted efforts to make its supply chain more inclusive.

Business model features: Sodexo's Supply Chain Inclusion program aims to source US\$ 1 billion in goods and services from 5,000 local SMEs by 2020. Local Sodexo supply teams receive training and are incentivised to

¹⁴ R. McFalls, et al. 2016. [Sodexo Local Community Supply Chain Inclusion Program: Impact of Procurement Practices on an SME in Peru](#). ILO, Geneva.

source from local SMEs, while at the same time the accreditation system for SMEs is made easier to navigate and understand. Sodexo subsidiaries provide training to existing and potential SME suppliers so that they can increase their quality standards and become more competitive overall.

Value created for the lead company and workers: For Sodexo, enabling more small local companies to access its supply chain has delivered significant business benefits and helped to diversify risk. For example, the company is better positioned to meet government and local authority procurement requirements and reputation and relationships have been

For Sodexo, enabling more small local companies to access its supply chain has delivered significant business benefits and helped to diversify risk.

strengthened with customer companies that also support supplier inclusion. Conditions for workers improve as supplier companies enhance operating practice to comply with Sodexo standards and offer their workers more predictable livelihood opportunities.

Lead company:

INTRINSIC TO BUSINESS



TONY'S CHOCOLONELY

Business and decent job context:

Tony's is a Dutch chocolate company whose mission is to make '100% slave free' the norm in chocolate. It sells its distinctive chocolate bars in 22 countries and sources its cocoa from 6,624 Fairtrade certified farmers in Ghana and Ivory Coast. Both countries are impacted by high rates of poverty and the use of child labour in cocoa cultivation remains widespread. It is estimated that in Ghana and Ivory Coast, 2.1 million children work the land under illegal conditions because their parents are not able to earn enough from their cocoa harvest.¹⁵

Tony's is a Dutch chocolate company whose mission is to make 100% slave free the norm in chocolate.

Business model features: Tony's Chocolonely's business model is based on five sourcing principles, which are: tracing where all ingredients come from, paying higher prices to farmers, improving farmers' productivity and encouraging them to adopt modern practices and diversify crops, and investing in farm cooperatives to empower farmers.

¹⁵ W. Bertrand & E. de Buhr. 2015. 2013/2014 Survey Research on Child Labor in West African Cocoa Growing Areas. Tulane University, School of Public Health and Tropical Medicine.

Value created for the lead company and workers: Tony's is the number one chocolate brand in the Dutch market and its international sales are growing fast as consumers increasingly seek out ethical brands. 6,624 farmers who produce cocoa for Tony's earn a decent income, representing an increase over time of between 150 and 250%

according to the Farmer Income Lab.¹⁶ More than 9% of the retail price of its bars goes to cocoa farmers, versus the standard of 6% in the industry.¹⁷

¹⁶ Farmer Income Lab. 2019. Boosting farmer income: further in-sights from great cases. Published: 26 September.

¹⁷ Estimated by the Fairtrade Foundation for cocoa farmers producing chocolate bars.



Lead company:
PANAUST (LAOS)

Business and decent job context: PanAust is an Australian-headquartered mid-tier copper and gold producer, operating in Laos, Myanmar and Papua New Guinea. PanAust's Phu Kham mining site in Laos extracts copper concentrate, which totalled over 76,000 tonnes in 2018. The company employs almost 4,000 people. Many large mining companies use contract workers and outsource functions, which makes it harder for them to manage and track worker safety, health and working conditions.

Business model features: PanAust follows a long-term value creation strategy, with social and environmental considerations integrated into their business objectives and activities. In terms of employment practices, this means that, rather than using layers of outsourcing companies, suppliers and contractors, PanAust has brought most functions in-house, training-up and employing a local workforce, even for jobs that might be considered low-skill, including housekeeping, cooking and cleaning.



PanAust follows a long-term value creation strategy, with social and environmental considerations integrated into their business objectives and activities.

Value created for the lead company and workers: PanAust sources from a wide range of local suppliers, creating employment and livelihood opportunities, particularly among local food suppliers. The company employs and trains more than 3,000 staff, 91% of whom are Lao nationals. The business has reduced its operating costs and more effectively implements and tracks operational and safety processes. In 2018 PanAust saw record production performance at its Phu Kham Copper-Gold Operation in Laos.¹⁸

¹⁸ I. Bentchikou, M. Ripley & M. Beamond. 2019. Supply chains and systemic change: The case of a mining multi-national in Laos. The Lab / ILO

EQUALITY:

Business models that support equal opportunities and treatment, and worker voice

INCREMENTAL CHANGES



Lead company: **THAI UNION**

Business and decent work context:

Thai Union is a leading global seafood company and the world's largest producer of shelf-stable tuna products, with a global workforce of over 44,000 people. Exploitative labour conditions in the Thai fish industry has been a source of concern in recent years. Thai Union is committed to providing safe, legal and freely-chosen employment in its facilities and supply chains.

Business model features: High recruitment fees paid by migrant workers are often required to gain access to employment opportunities in the Thai food sector. Thai Union introduced its [Ethical Migrant Recruitment Policy](#) in 2016 to ensure a fair, safe and transparent recruitment process, with the goal of significantly reducing fees for workers. To achieve this, Thai Union worked with recruitment agencies and NGO partners in worker origin countries to ensure they bought into the approach and followed the terms of the company's policy.

Value created for lead company and workers: An independent evaluation in 2019 by ethical trade consultancy *Impactt*¹⁹ found that workers under the Thai Union model paid recruitment costs that were three to four times less than the average recruitment fees

Workers also demonstrated a greater ability to save money each month as a result and reported higher rates of job satisfaction.



paid by other workers during the same time span. Workers also demonstrated a greater ability to save money each month as a result and reported higher rates of job satisfaction. Thai Union has greatly reduced a significant risk in its value chain and, through its leadership, has accelerated wider industry-level change on the issue.

¹⁹ Impactt. 2019. Ethical Recruitment: Translating Policy into Practice.



Lead company:
**LEVI STRAUSS & CO.,
 MASTERCARD AND
 BSR HERPROJECT**

Business and decent work context:

230 million adults globally receive their wages in cash.²⁰ That includes the majority of the Egyptian garment industry's 1.5 million workers, 50% of whom are female.²¹

Disbursing salaries in cash carries risks for employers and employees alike. For the former, there's the chance of theft or fraud during disbursement, not to mention bookkeeping challenges. Digital payments help standardise the process, making it more dependable and easier to track.

For workers, and especially for female workers, cash payments mean time lost standing in line and waiting to receive payment. There are also the risks that come with carrying large amounts of cash. And there can be pressures at home as well, as other family members seek to dictate how money is saved or spent. Digital payments obviate the need to carry cash and can place payments directly into secure bank accounts that the workers themselves control.

Business model features: In 2019, Levi Strauss & Co., Mastercard and BSR's HERproject partnered to pilot gender responsive wage digitisation among workers at Lotus Garments, a clothing manufacturer in Egypt. Through the partnership, managers receive guidance and advice on planning, and digitising their payroll while ensuring the specific needs of female workers are considered.

230 million adults globally receive their wages in cash. That includes the majority of the Egyptian garment industry's 1.5 million workers, 50% of whom are female.

Building financial capability for workers, especially women, is a vital part of wage digitisation so they build the knowledge and confidence they need to accept, use and ultimately benefit from their new payroll accounts. Employees receive gender sensitive training including the technical aspects of how to use their new payroll accounts and associated financial services, as well as lessons on financial planning, budgeting savings and discussing finances with their families, designed to help them manage and control their money, building independence and resilience in the process.

Value created for lead companies

and workers: By October 2020, more than 4,250 workers at Lotus Garments were being paid into digital accounts. Lotus reported that they've been able to reduce time spent on payroll administration, while the number of workers in the pilot using savings accounts rose 23%. The number of women in the program who said they were now confident that they could manage a financial emergency rose 10% as well.²²

Going forward, the intent is to scale wage digitization across Lotus Garments, including further support for the most vulnerable female workers to be able to adopt and benefit from payroll accounts.

²⁰ D-K., Asli, L. Klapper, D. Singer, S. Ansar, and J. Hess. 2018. [The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution](#). World Bank, Washington, DC.

²¹ [Sourcing Journal, 2019. A Look at Sourcing Apparel From Egypt and Investing in its Textile Industry. Guest Editorial](#). 5 April.

²² BSR HERproject and Mastercard Center for Inclusive Growth. 2020. [Digitizing for Inclusion: Insights from Wage Digitization in the Garment Sector Report](#).

INTRINSIC TO BUSINESS



Lead company: **IMERIT**

Business and decent work context:

iMerit was founded in 2012 with the vision of bringing a diverse talent pool from underserved backgrounds into the digital workforce. The company delivers highly technical, skilled technology support services in India for global firms advancing Artificial Intelligence (AI) based technologies for a diverse set of applications, including self-driving cars and disease diagnosis and treatment. Currently the company employs 2,600 workers; over half of whom are women, across India, Bhutan and the USA.

Rather than locating itself in urban centres with lots of qualified tech workers, they have chosen to locate themselves primarily in rural India, where they employ and train over 50% women from low income backgrounds.

Business model features: Rather than locating itself in urban centres with lots of qualified tech workers, they have chosen to locate themselves primarily in rural India, where they employ and train over 50% women from low income backgrounds. Often with limited education, they are trained to “train” artificial intelligence software, for example, by undertaking detailed (pixel-level) analysis and data tweaking.



Value created for the lead company and workers:

iMerit can provide innovative, competitively priced services whilst creating opportunities for women to access quality, technical work which they would typically be excluded from without higher education qualifications. By empowering workers with few opportunities and training them up, they have succeeded in creating a stable and motivated workforce with a 95% retention rate. Workers benefit from dramatically increased incomes – up to three times higher. 60% of its employees in India have invested in installing a new sanitation system in their homes. They are also able to access healthcare and insurance.



Lead company: UNILEVER

Business and decent work context:

Unilever is a leading global consumer goods company, which sells its products in 190 countries. 2.5 billion people use its products each day. As part of its Sustainable Living Plan, Unilever promotes 'inclusive distribution' models which create opportunities for people to grow their incomes while helping the company to get its products to more of the estimated three billion rural consumers in emerging markets.

Business model features: The company uses a range of different distribution models depending on the local context to empower and support new entrepreneurs including women, young people, socially excluded groups and the long-term unemployed. For example, the company's Shakti distribution model in India enables women entrepreneurs to sell a range of Unilever products door to door to poor consumers, supporting them with extended credit, marketing, sales and accounting training, and sometimes with equipment.

Value created for the lead company and workers: Around 118,000 women from poor rural communities are now part of our Shakti distribution network in India, selling Unilever brands while generating incomes for themselves and their communities. Shakti now accounts for 5% of Unilever's total revenues in India and has extended the company's reach into rural areas and built its brand among hard to reach consumers.²³



Around 118,000 women from poor rural communities are now part of Unilever's Shakti distribution network in India, selling Unilever brands while generating incomes for themselves and their communities.

A further 14,000 women outside of India – in countries such as Sri Lanka, Pakistan, Nigeria, Colombia, Guatemala and El Salvador have used the Shakti last mile distribution model since 2017.

²³ Unilever. 2020. Empowering small-scale retailers for growth. Web article. <https://www.unilever.com/sustainable-living/enhancing-livelihoods/inclusive-business/empowering-small-scale-retailers-for-growth/>

HEALTH AND WELL-BEING:

Business models that promote a safe work environment, worker development and well-being.



INCREMENTAL CHANGES

Lead company: **BBVA GROUP**

Business and decent work context:

Banco Bilbao Vizcaya Argentaria (BBVA) is a financial services company based in Spain with a presence in both North and South America. The firm recognises that a diverse workforce is good for business and is committed to increasing the representation of women. The company had identified a working culture that favoured men over women with men coming in later, taking longer lunches, and working later where as women were coming in earlier, taking fewer, shorter breaks and leaving earlier to enable them to manage childcare commitments.

Business model features: A key area of focus for the company has been promoting work-life balance and creating a flexible work environment to encourage women to stay and build their careers in the company, as well as to boost productivity. To tackle a long-hours culture that favoured men and office presenteeism deemed essential for career advancement, the company has enforced a shorter, more goal-orientated day, with all working activity having to end by 7pm. A partial teleworking model of 40% across all staff (pre- COVID-19) has also been introduced.

Changes to working practices have levelled the playing field between men and women in the firm. 61% of employees feel their work-life balance has improved since the new measures were adopted.



Value created for the lead company

and workers: Changes to working practices have levelled the playing field between men and women in the firm. 61% of employees feel their work-life balance has improved since the new measures were adopted.²⁴ BBVA benefits from a more stable workforce and is better positioned to retain its talent.

24 We EmPower (WEP). 2020. Women's Empowerment Principles. WEPs in Action. BBVA Case Study. January.



Lead company:
**JOHNSON
& JOHNSON**

Business and decent work context:

Johnson & Johnson is a global consumer healthcare, medical devices and pharmaceutical company. It has committed to helping its 100,000+ employees to be at their personal best when it comes to their health and well-being by 2020, as part of its HealthForce 2020 mission to have the world's healthiest workforce.

Business model features: As part of its employment terms, employees have on-site access to behaviour modification tools and education on topics like nutrition, mental health and stress management. Employees can earn discounts on health insurance by taking a health risk assessment, tracking physical activity or scheduling preventive screenings. The company also has full-service health clinics staffed by doctors and nurses across the globe.

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Value created for the business and workers:

By helping employees stop smoking (a two-thirds reduction in the past 15 years) and through other wellness programmes, the company has saved \$250 million on health care costs, a return of \$2.71 for every dollar spent on wellness from 2002 to 2008. Johnson & Johnson has benefited from a more present and productive workforce.²⁵ The company's health stats on obesity and hypertension rates consistently beat national averages.

25 A. Bartz. 2018. [This Healthcare Company Is Determined to Have the Healthiest Employees in the World. Johnson & Johnson Web Article.](#)



INTRINSIC TO BUSINESS

Lead company:
ANGLO AMERICAN

Business and decent work context:

Anglo American, one of the world's largest mining companies, launched an HIV/AIDS workplace program in 2002 in response to the devastating impact of HIV/AIDS on its workforce in southern Africa.

Business model features: Anglo American was one of the first companies to introduce free antiretroviral therapy (ART) to all its employees and dependents at a time when access to treatment was a remote possibility for many people. The company has recognised the importance of sustaining its efforts. People who are HIV positive may enter its workforce and existing employees may change their status



at any time. Its workplace program includes voluntary counselling, testing and treatment along with care and support. Achieving HIV testing targets is included in the performance targets of senior managers, and one year the CEO forgone part of his bonus because testing targets were not achieved.

Value created for the lead company and workers: Mortality and morbidity rates have dropped significantly in its operations in southern Africa, which were severely impacted by the AIDS epidemic. 76,000 members of Anglo American's workforce in southern Africa including contractors participated in testing in 2017. 90%

Anglo American was one of the first companies to introduce free antiretroviral therapy (ART) to all its employees and dependents at a time when access to treatment was a remote possibility for many people.

of employees in southern Africa knew their HIV status in 2019.²⁶

²⁶ AngloAmerican. 2020. [HIV/AIDS Policy and Workplace Programmes. Web Page.](#)



Lead company: **TWITTER**

Business and decent work context: Founded in 2006, Twitter provides online social networking and microblogging services. The company offers users the ability to follow other users' activity, read, and post tweets. Twitter serves customers from 35 offices worldwide and employs 4,600 people. The company is regularly voted among the best places to work.

Business model features: Twitter's employment contracts cover all of an employee's healthcare premiums, in addition to paying for dental, vision, prescription drug subsidies and mental healthcare. It offers a flexible and generous vacation policy, catered breakfast and lunch at its headquarters, paid maternity and paternity leave, gym membership reimbursement, in-office yoga and pilates classes. Employees can also benefit from a Zipcar discount and a wireless discount.

Twitter's employment contracts cover all of an employee's healthcare premiums, in addition to paying for dental, vision, prescription drug subsidies and mental healthcare.

Value created for the lead company and workers: Approximately 93% of Twitter employees that submitted a review to employment firm Glassdoor approved of their CEO, roughly 85% had a positive outlook on the business' future, and around 82% of respondents would recommend the company to a friend.²⁷

²⁷ Q. Plummer. 2014. [Twitter rules as top place to work, perks galore big reason. 22 August. Tech Times. Web Article](#)



3. IMPLEMENTATION

HOW CAN WE MOVE BUSINESS MODELS FOR MORE DECENT JOBS FROM THE MARGINS TO THE MAINSTREAM?

Despite the promising examples in the previous section, still few companies to date have attempted to systematically understand the limits and potential of their current business models to drive more decent jobs.

Through our research and engagement, we have identified Four Big Shifts that lead companies need to make to remove barriers highlighted in Section 1

Through our research and engagement, we have identified **Four Big Shifts** that lead companies need to make to remove barriers highlighted in Section 1 and move [business models for more decent jobs](#) from the

margins to the mainstream. We also briefly explore how other players including investors, governments and civil society can support lead companies through this process.



FOUR BIG SHIFTS TO MAINSTREAM BUSINESS MODELS FOR DECENT JOBS:

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1. CHANGE MINDSETS FROM COMPLIANCE TO OPPORTUNITY
- 

2. MAKE DECENT JOB PRINCIPLES INTEGRAL TO HOW THE BUSINESS DOES BUSINESS
- 

3. SCALE UP COLLECTIVE ACTION AT A VALUE CHAIN AND INDUSTRY LEVEL
- 

4. THINK AND ACT MORE SYSTEMICALLY

1. CHANGE MINDSETS FROM COMPLIANCE TO OPPORTUNITY

The current mindset in many companies is to address working conditions as a risk mitigation and compliance issue rather than also seeing the opportunities presented by investing in business models for more decent jobs.

To capture the “win – win” opportunities, lead companies can define, embed and incentivise a culture of decent work across all aspects of their operations and in their commercial relationships with their suppliers beyond the minimum requirements established for the industry.

This often starts with business leaders reframing what business model success looks like, focusing on how more decent jobs can drive commercial success by, for example, strengthening competitive advantage and supply chain resilience and enhancing brand perception and social license to operate.

Roles for external partners:

Investors have an important role to play in influencing the mindsets and actions of business leaders. They can ask questions that force companies to scrutinise the risks and opportunities to workers arising from the business model. They can select companies to invest in that already offer improved working conditions and they can amplify the voices of sustainability experts within companies.

Business models for more decent jobs become a reality when commercial and decent job incentives are fully aligned and embedded within the lead company and across the supply chain.

2. MAKE DECENT JOB PRINCIPLES INTEGRAL TO HOW THE BUSINESS DOES BUSINESS

Business models for more decent jobs become a reality when commercial and decent job incentives are fully aligned and embedded within the lead company and across the supply chain. To achieve this, companies need to:

- Understand what critical features of the business model (value proposition, revenue model, sourcing strategy) can create an opportunity or a problem for workers and then take steps to further unlock the opportunity or mitigate the risk. Lead companies should commit to a detailed analysis of the impact of their business model on workers, applying a lens of vulnerability to identify people most at risk.²⁸
- Start with action on a specific business model, product or country to build momentum but the aspiration needs to be that more decent jobs become integral to how the whole company does business. It is better to be realistic in what can be achieved in the short term and begin with feasible changes

²⁸ This can be done using the ILO's Multi-National Enterprises Declaration, which provides direct guidance to enterprises on social policy and inclusive, responsible and sustainable workplace practices. <https://www.ilo.org/empent/areas/mne-declaration/lang--en/index.htm>



and expand them over time.

- Incentivise cross-functional cooperation and ensure teams accountable for working conditions, including procurement, commercial and sustainability functions, work together rather than in parallel.
- Support and incentivise key suppliers to implement decent work practices, for example, by committing to longer-term contracts and more equitable sharing of commercial risks to give suppliers the confidence to invest in workers over the long-term.
- Take steps to maximise transparency along the supply chain and ensure accountability by sharing findings on decent work risks and progress made in tackling them.

Roles for external partners:

Civil society can use their expertise and understanding of vulnerable workers to both support lead companies to take action and to hold them accountable.



Business leaders grappling with the impact of the pandemic need to use this moment to improve the quality and security of jobs.

3. SCALE UP COLLECTIVE ACTION AT A VALUE CHAIN AND INDUSTRY LEVEL

Acting alone to improve working conditions or labour laws can be hard for companies. To overcome competitive and level playing field challenges, more pre-competitive collaboration is needed between lead companies within sectors to drive towards a “new normal” for the industry. As business models for more decent jobs are highly sector specific, industry level collaboration between firms can facilitate replication and scale up.

Thus, more and deeper business-to-business (B2B) partnerships are needed between buyers and suppliers along the value chain. There is a growing number of multi-stakeholder, value chain collaborations that are achieving results,²⁹ but they are highly concentrated in the agriculture and textile sectors. More work is required to ensure these approaches move beyond pilot initiatives between companies to become a standard component of buying relationships with Tier 1 suppliers and beyond, and extend to other sectors with vulnerable workers, including construction, retail and transportation.

29 For example, ACT (Action, Collaboration, Transformation) brings together global brands and retailers and trade unions to transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices.

4. THINK AND ACT MORE SYSTEMICALLY

Many of the root causes of precarious work, including poverty and inequality, can lie beyond the direct reach and influence of lead companies. These issues cannot be tackled effectively in siloes.

Lead companies should be encouraged to step beyond their direct operations and co-develop and advocate for solutions with a wider range of players in the ecosystem, whose actions – or inaction – can also impact workers, including other companies outside their direct supply chain, national and local governments, government donors and civil society organisations.

Roles for external partners:

National governments can take the lead in establishing effective [policy frameworks and regulatory regimes](#) for more decent jobs and bring together businesses within sectors to galvanise an industry level response.

Government donors can use their convening power to mobilise multi-stakeholder coalitions to tackle entrenched [systemic challenges](#) that contribute to precarious work.

Business leaders grappling with the impact of the pandemic need to use this moment to improve the quality and security of jobs. Limited progress can be made however without companies taking steps to fundamentally re-calibrate the mechanics of their business models in ways that reduce risks and share greater value with workers. As the examples in this guide show, business models for more decent jobs can be realised, but a new level of business leadership and multi-sectoral collaboration will be required to ensure they move from the margins to the mainstream.



APPENDIX USEFUL RESOURCES

REPORTS

Business model innovation

- [Business Models for Decent Work](#), The Lab / ILO, 2019
- [The Quest for Sustainable Business Model Innovation](#), BCG Henderson Institute, March 2020
- [Barriers and drivers to sustainable business model innovation](#): Organization design and dynamic capabilities. Nancy M.P. Bocken and Thijs H.J. Geradts. Long Range Planning. August 2020

Business models and Decent Work

- [Getting Beyond Tier 1](#): Using a systems approach to improve working conditions in global supply chains, ILO The Lab 2020.
- [A Systemic Approach to Creating More and Better Jobs](#), ILO The Lab 2019.
- [Child's Play](#). The case for developing childcare services to boost women's economic empowerment, ILO The Lab 2020
- [Doing more business and less aid](#): The journey of a market system development project in Afghanistan, ILO The Lab 2019

- [Business Models and Labour Standards](#): Making the Connection, Juliane Reinecke, Jimmy Donaghey, Nancy Bocken & Lucas Lauriano, Ethical Trading Initiative, London, 2019
- [Insecure Work in Insecure Times - An investor briefing](#), Martin Buttle, ShareAction, July 2020
- [Respecting Trade Union Rights in Global Value Chains](#), Practical Approaches for Businesses, Shift, New York. September 2012
- [Getting Africa's youth working](#). Taking a systems approach to create more & better jobs for young people in sub-Saharan Africa. ILO, July 2020

Business models and COVID-19

- [Leveraging Inclusive Business Models to Support the Base of the Pyramid during COVID-19](#). Alexis Geaneotes and Kathleen Mignano, IFC, May 2020
- [Making Rights-Respecting Business Decisions in a COVID-19 World](#), Shift, May 2020
- [Business and COVID-19 - Supporting Micro, Small and Medium Sized Enterprises \(MSMEs\)](#) - Action Toolkit, Business Fights Poverty, April 2020

Business models and equality

- [Women's Empowerment Principles and Resources](#), UN Women and UN Global Compact

TOOLS

- [V Building Sustainable Value Propositions for Multiple Stakeholders](#): A Practical Tool. Vladimirova, Doroteya, 2019
- [Business Model Red Flags](#), Is Your Business Wired in Ways that Put People at Risk?, Shift

