

SA 8000: a tool to improve quality of life

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Keywords

Standards, Garment, Overtime, Productivity, Thailand

Abstract

This case study aims to present how SA 8000 was successfully implemented in Thailand. At present, Beauty Essential Co., Ltd is one of very few companies in Thailand who obtained this certificate. As an exporter, the company found that international customers place increasing pressure on producers to demonstrate their commitment to basic human values in the workplace. The president of Beauty Essential views the standard as a way to strengthen and differentiate Thai companies from other cheap labour countries as well as a tool to improve the quality of employees' lives. However, according to Thai law, working up to 84 hours a week is allowed. In order to comply with SA 8000 practice, Beauty Essential has to cut down overtime by 28.57 percent. The challenging question is how to do it. On one hand, working conditions have to be improved in order to achieve a higher productivity rate and at the same time the employees will work less hours with less tiredness.



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Introduction

Business boundaries have changed. Customers are changing their ways of consuming: from a mass consumerism attitude in the 1960s, they evolved in the late 1970s by requiring that purchased products comply to the stated quality, in the 1980s by asking for environmentally friendly products and in the late 1990s by demanding that producers become socially responsible. It is the era of the ethical consumer (Punter and Gangneux, 1998). The notion of "social accountability" is not a new concept. International organisations, trade unions, human rights lobbyists and regulators have long been striving to eliminate the inequities of the workplace. Child labour and prison/forced labour continue to be pivotal issues in many areas of the world. Illegal labour and discriminatory practices are still usual, even in the "developed world" (Curado and Santos, 1999).

Several initiatives have been developed to tackle the issue of ethical business behaviour among the most relevant are:

- Ethical Trading Initiative (ETI) (UK);
- The Apparel Industry Partnership's Code of Conduct (USA);
- Principles for Corporate Global Responsibility (UK, Canada, and USA);
- The International Code of Ethics for Canadian Business;
- Corporate Code of Responsibility for Transnational Companies (New Zealand);
- OECD Guidelines for Multinational Enterprises;
- Social Accountability 8000 (SA 8000).

These principles could be considered as a code of conduct between countries or within industry. Among these principles, SA 8000 is quite widely spread as the first international measurable benchmark applying to

workplace practices. Similarly to ISO 9000 and ISO 14000, SA 8000 is formulated to allow a third-party certification body to audit and certify. The principle of SA 8000 tends to create a supply chain effect, not only being applied internally, but also being used as a tool to manage suppliers.

This paper aims to explain the significant role of SA 8000 for an exporting country and use a success SA 8000 implementation case study in Thailand to explain the role of SA 8000 as a tool to improve employees' quality of life.

Various dimensions of SA 8000

SA 8000 is a product of the New York-based Council on Economic Priorities Accreditation Agency (CEPPA). The development of SA 8000 was not a governmental or sectoral scheme, and not to be dominated by any specific groups. The goal is to publish an auditable international standard for socially responsible business. This standard aims to be applied to organisations worldwide, irrespective of the organisation's size, ownership, or whether it is profit or non-profit. Under SA 8000 guidelines, workplace conditions must conform to the following regulations (CEPAA, 1997):

- Employers must not hire children under the age of 15 years.
- Employers cannot force workers to work against their will.
- Employers must take protective measures to guarantee workers' health and safety.
- Workers must have the freedom to bargain with employers (create and become members of trade union of their choice).
- Racial and other discrimination is forbidden.
- Employers must not use or support the use of disciplinary practices.
- Employees must be paid at least the minimum wage.

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