

The State of Worker Well-Being 2026

Workforce stability, family support
& business performance





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Introduction

Labor shortages, changing workforce needs, evolving regulatory and market expectations, and supply chain volatility are reshaping how businesses compete.

Focusing on China, Vietnam and Indonesia, this report combines independent research, frontline workforce feedback, and on-the-ground insights to identify the trends shaping worker well-being across supply chains in 2026.

According to the World Trade Organisation, Asia accounts for roughly 40% of global industrial exports. In Southeast Asia alone, more than one in four workers are employed in jobs linked to global supply chains, with manufacturing representing the largest share.

In 2025, the International Labour Organization shared in Eastern Asia, 53% of employers identified talent shortages as a major barrier to business transformation, World Economic Forum research shows 82% of employers in China are investing in recruitment and retention strategies. Manufacturers are facing a new shared challenge: attracting and retaining workers.

At ESCP, we understand that Worker Well-Being can strengthen employee retention and business performance when programs respond to needs identified through consultation with workers and management. Our Worker Well-Being programs are designed to create shared value for workers and employers, and proven return on investment. Program priorities are informed by needs identified through worker feedback, management consultation and local operating experience. Interventions are adapted to the workplace context and are intended to strengthen employee well-being, workforce stability, management capability and long-term business performance.

This insights report draws on trusted bodies of research, as well as frontline worker insights, and data gathered by the Ethical Supply Chain Program, spanning:

- **41,000+ workers** and **45,000+ children** supported through family-friendly programs
- **10.4 million workers** with access to ESCP's confidential **Worker Helpline** since 2010
- **25,000+ workers** participating in Gender Equality programs
- On-the-ground insights from operations across **China, Vietnam** and emerging programs in **Indonesia**.





Five Key Insights for 2026

Global manufacturing is entering a new era. Data gathered through worker feedback, market analysis and on-the-ground reports by the Ethical Supply Chain Program identify five key insights for businesses.



1 Family-friendly workplaces strengthen attraction and retention

Practical support benefits workers and helps employers improve recruitment, engagement and retention.



2 Worker feedback and support channels improve workforce stability

Trusted channels help workers access support and enable management to identify and resolve concerns constructively.



3 Respectful and inclusive workplaces improve operational performance

Equal opportunity and a positive workplace culture strengthen participation, teamwork and retention.



4 Shared workforce priorities across key Asian sourcing markets

Employers in China, Vietnam and Indonesia are responding to locally identified workforce needs to strengthen stability and competitiveness.



5 Worker Well-Being creates value beyond the workplace

Initiatives designed to benefit workers and employers can also contribute positively to families and communities.

The new sourcing equation

Businesses that invest in workforce stability are better positioned to strengthen retention, productivity and their operational resilience.



Cost



Quality



Speed



Stability



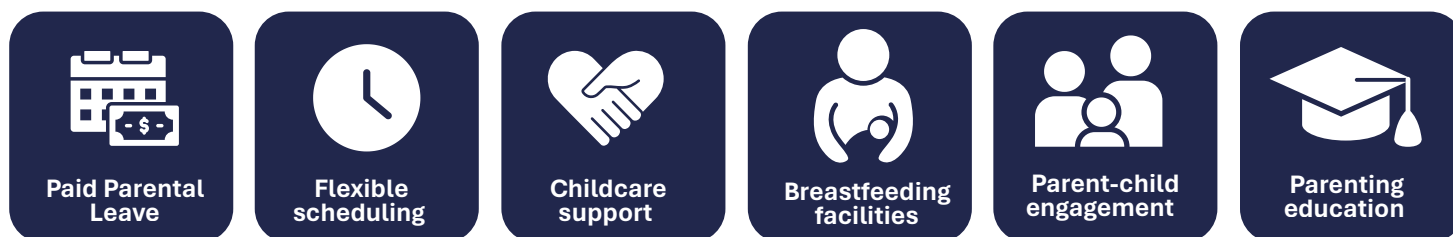
Insight One

Family-friendly workplaces strengthen attraction & retention

One of the strongest findings across ESCP programs is that family-friendly workplaces deliver measurable business value.

Workers balancing production schedules with childcare responsibilities frequently experience stress, absenteeism and difficult decisions between earning an income and caring for family. Factories that respond with practical support see tangible benefits.

Six High Impact Interventions:



Level the playingfield

Globally, unpaid care disproportionately falls on women. Research shows that without affordable, safe and accessible childcare, women are significantly more likely to:

- reduce paid working hours
- leave their place of employment entirely
- accept lower-paying work
- remain in informal employment



Affordable, quality childcare is one of the single biggest enablers of women's economic participation.

UNICEF

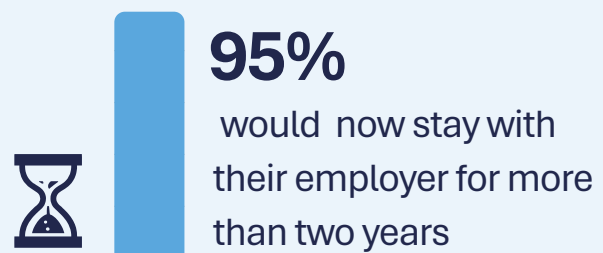


Insight One

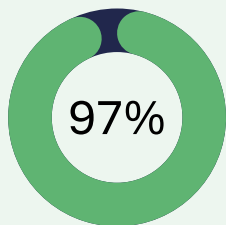
Family-friendly workplaces strengthen attraction & retention

We heard from workers, factory management, and community spaces offering employer-funded childcare in 2025, they reported:

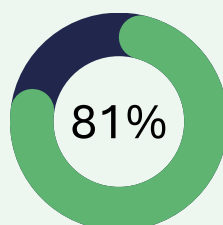
WORKER INSIGHTS



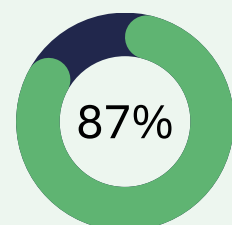
MANAGEMENT INSIGHTS



reported improved
worker satisfaction



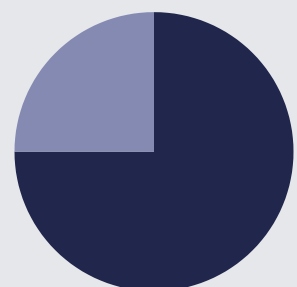
reported lower
employee turnover



reported improved
recruitment

FACTORY INSIGHTS

One long-running participating factory **reduced worker turnover to approximately one-quarter of previous levels**, while also reporting **improvements in productivity, employee satisfaction and product quality**.





Insight Two

Worker feedback and support channels improve workforce stability

Since its launch in 2010, the ESCP Worker Helpline has been made accessible to more than 10.4 million workers across participating workplaces, providing workers with information and support while helping businesses better understand workforce needs and concerns.

Audits and ongoing worker feedback channels provide complementary forms of insight. Together, they can help management understand workplace conditions, identify emerging concerns and respond appropriately.

Trusted worker feedback & support channels can:



Worker Helplines provide practical workplace insights and can help workers and management understand concerns, identify underlying causes and support timely, constructive resolution. This can contribute to stronger communication and harmonious workplace relations.



ESCP's Helpline data indicates that many initial contacts are requests for information or guidance. This highlights the value of an accessible, trusted channel through which workers can seek support and management can better understand workforce needs.

ON-THE-GROUND INSIGHTS



Insight Three

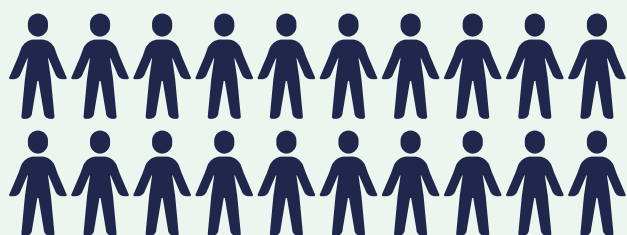
Respectful and inclusive workplaces improve operational performance

Gender equality is increasingly recognised as, not only a societal, but business performance issue. Workplaces that create respectful, inclusive teams experience stronger engagement, improved collaboration and greater workforce stability.

Women perform three-quarters of unpaid care work globally.

Unpaid care work is one of the biggest barriers to gender equality, workforce participation and career progression.

WORKER INSIGHTS



25,000 workers

participated in ESCP Gender Equality initiatives since 2023

TRAINING INSIGHTS

36%

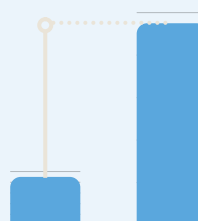


average improvement per workplace

BEFORE

9%

awareness of workplace violence



AFTER

71%

awareness of workplace violence

Participating workplaces also reported:



Reduced Workplace Conflict



Stronger Promotion Pathways



Increased Employee Belonging



Improved Management Credibility



Women are responsible for 76% of all unpaid care and domestic work globally, spending around three times more time on unpaid care than men.

UN WOMEN



Insight Four

Shared workforce priorities across key Asian sourcing markets

Across China, Vietnam and Indonesia, employers are exploring locally appropriate ways to attract and retain skilled workers, strengthen workforce stability and respond to changing family needs.

ESCP research identifies several interconnected workforce priorities. Needs-based family-friendly initiatives can benefit workers while also supporting employers' recruitment, retention and operational objectives.

BUSINESS CHALLENGES & WORKFORCE PRIORITIES



Attracting & Retaining Skilled Workers



Managing Recruitment & Turnover Costs



Responding to Buyer & Market Expectations



Responding to Greater Workforce Mobility



Meeting Evolving Legal & Compliance Expectations



Understanding Employees' Family Support Needs

WORKER CHALLENGES



"I LACK SUFFICIENT TIME WITH FAMILY"

82%
of workers
in **China**

60%
of workers
in **Vietnam**

75%
of workers
in **Indonesia**

"I'M UNABLE TO AFFORD OR USE INFORMAL CHILDCARE ARRANGEMENTS"

63%
of workers
in **China**

31%
of workers
in **Vietnam**

55%
of workers
in **Indonesia**





Insight Five

Worker Well-Being creates value beyond the workplace

The value of worker well-being extends beyond the workplace. When workers have access to childcare support, flexible policies, trusted communication channels and inclusive workplaces, the benefits can also reach children, families and local communities.

Nearly one tenth of the world's workers are classified as 'working poor' by the ILO and 1 in 5 children globally say they have no safe place to play. Poverty, urbanization, and a shortage of safe community spaces continue to limit access. Businesses have an opportunity to support workforce stability while creating wider value for families and communities.

Research consistently shows that investing in worker well-being contributes to:



Increased female workforce participation



Improved child development



Better educational outcomes



Stronger household financial resilience



Healthier communities



More resilient local economies

For companies, this means investing in the workforce creates both business and social value.



An estimated 250 million children and young people remain out of school. Inadequate learning outcomes could cost the global economy US\$10 trillion annually by 2030

UNESCO



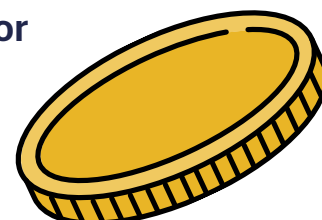
The Return on Investment (ROI) of Worker Well-Being

Factories

Factories achieve tangible ROI through reduced turnover and labor costs plus improved production efficiency.

ESCP consulted 33 participating factories in China & Vietnam that had invested in Worker Well-Being initiatives. Within this sample, reported returns varied by factory, market and length of implementation.

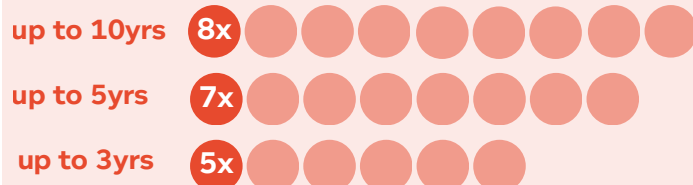
Factories who invested in worker wellbeing programs reported positive ROI ranging from 2.5 x to 14 x their investment. Factories reported ROI through cost savings from reduced labor costs (turnover, absenteeism), reduced compliance costs and improved production efficiency as a result of implementing worker well-being programs.



**\$1 invested
could yield
\$2.50 – \$14.00
in return, while
improving well-
being**

Return on Investment over time

CHINA



Highest reported ROI in China = 23x

Highest reported ROI in Vietnam = 46x

VIETNAM



Methodology

The sample was purposive and was not designed to be nationally representative. Results reflect information reported by participating factories and were not independently audited. Comparisons between countries should be treated as directional only. These findings describe the experience of participating factories and are not representative of all factories in China or Vietnam. They illustrate the potential business value of needs-based Worker Well-Being programs, but actual results depend on workplace needs, program design, implementation quality and operating context.

ESCP collected, collated and analysed data and information from factories that have participated in ESCP's worker well-being programs (WWBPs) since 2016 to develop a robust ROI calculation method taking into consideration all possible costs and benefits, labor scenarios and program participation lengths.

- Data from a total of 33 factories, 24 Chinese factories where WWBPs were run at least for 3 years going up to 10 years, and 9 Vietnamese factories where WWBPs were run for up to two years, were analysed to calculate ROIs
- The data sets are not statistically significant given the small sample size that contributed the data, and the figures can only be used as case study analysis to illustrate the ROIs for sellers
- To calculate total investment, the cost of all WWBPs was added for each year over the period of time those were run in the sellers' factories
- To calculate total benefits/returns, four key metrics were used; Turnover rate, Absentee Rate, training/on-barding costs, Annual Injury Rate (total injury case /total no. of staff)
- Using a detailed stepwise calculation, ROI for different time periods were calculated; up to 3 years, up to 5 years, up to 10 years



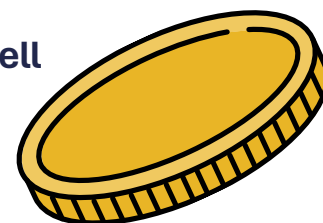
The Return on Investment (ROI) of Worker Well-Being

Buyers

Buyers can achieve meaningful ROI from direct cost savings as well as upstream impacts of worker well-being, such as brand value.

ESCP developed two models to calculate the potential return on investment for buyers through avoiding common costs accrued due to supply chain worker well-being. These models, developed using published evidence, case studies, trade reports and cost-benefit models, showed that investments in upstream worker well-being programs can yield 1.3 - 4.7x ROIs.

Both models showed that meaningful ROIs could be produced with \$10-\$15 per worker investments. The models are most applicable for textiles and apparel sectors but may be rationally extrapolated to other labor-intensive sectors.



**\$1 invested
could yield
\$1.30 – \$4.70
in return, while
improving well-
being**

Independent research indicates that the estimated ROI of Worker Well-Being initiatives can vary by sector, type of intervention and implementation period.

Potential Return on Investment by sector in the short & long-term

Sector	Short Term (1-2yrs)	Long Term (5-10yrs)	Sector	Short Term (1-2yrs)	Long Term (5-10yrs)
 Apparel & Textiles	1.05 - 1.10x	3.0 - 6.0x	 Chemicals & Plastics	1.02 - 1.05x	2.0 - 3.0x
 Agriculture & Food Processing	1.06 - 1.10x	3.0 - 5.0x	 Construction & Building Materials	1.04 - 1.08x	3.0 - 5.0x
 Electronics & Tech Hardware	1.04 - 1.08x	3.0 - 5.0x	 Renewable Energy (Solar/Wind)	1.04x - 1.08x	3.0 - 5.0x
 Logistics, Warehousing & Gig Economy	1.08 - 1.12x	4.0 - 6.0x	 Consumer Goods, Toys & Homeware	1.05 - 1.09x	3.0 - 5.0x
 Mining & Extractives	1.03 - 1.07x	2.0 - 4.0x	 Maritime & Shipping	1.03 - 1.07x	2.0 - 4.0x
 Automotive & EV Manufacturing	1.03 - 1.06x	2.0 - 4.0x	 Aerospace & Defense Manufacturing	1.02 - 1.04x	2.0 - 3.0x
 Pharmaceuticals & Healthcare Goods	1.02 - 1.05x	2.0 - 3.0x	 Seafood & Aquaculture	1.05 - 1.10x	3.0 - 5.0x

NOTE: The figures have been derived using a ROI model developed by Impact One Million/ESCP based on NYU Stern's ROSI™ methodology that identifies, quantifies, and monetises the financial value created by sustainability actions by linking specific social outcomes to measurable business drivers. Contact us for more information and appendices.



Contact us

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Learn more

www.workerwellbeing.org