Case study Polyunion:

How to deal with turn over and over working time?

Trophée des achats in France 2016

AFMI Price 1st Price 2015
CONTEXT OF CSR IN CHINA

1980’s
- Opening up of economic reform

1990’s
- Code of conduct

2000’s
- Labour Contract law
- Environmental protection law
CONTEXT OF CHINESE SUPPLIERS

• How to improve PRODUCTIVITY AND QUALITY?
• How to reduce the HIGH STAFF TURNOVER RATE?
• How to improve compliance with INTERNATIONAL STANDARDS AND CLIENTS’ REQUIREMENTS IN TERMS OF CSR (including the limitation of overtime) in an economic context where competition is intense?
AMBITON

• Proved that it is possible with patience and determination.

• Showed how to give solutions to the Chinese companies and their clients from their own problems.
  • Productivity / quality
  • Reduction of staff turnover
  • Respect of human rights
  • Decrease of overtime work
  • Improvement of health and safety
CONVINCION

ALL INTERESTS ARE LEGITIMATE

From the clients, the subcontractors, to the workers at the end of the supply-chain.

HUMAN RIGHTS & BUSINESS

Reconcile the human rights at work and the economic interests of companies.

COMPRENDS

REFUSER

AGIR
**ACTORS IN THE PROJECT**

- **French industrial company specialized in products for Caving, Climbing, Mountaineering and work at height.**

- **French Client**

- **RHSF NGO**
  - NGO that promotes the respect of human rights at work in the supply chain.

- **Chinese subcontractor of the French client specialized in the products of weaving, sewing and packaging.**

- **Polyunion Subcontractor**

**Factors影响**

- Health & Safety
- Quality
- Environment
- Working conditions
- Reputation

- Economic crisis
- Labor storage
- Decrease of productivity
- Opportunity
AUDIT AND DIAGNOSIS

Respect the local and international legislations for long-term:

✓ Human rights.
✓ Decrease overtime.
✓ Improving health and safety.

While taking into account:

✓ The culture of the company.
✓ The issues raised by the audit.
✓ The context of China.
THE COMPONENTS OF WORKERS’ WAGE IN THE OLD PAYROLL SYSTEM

Productivity & Quality

Basic Salary 45%

Bonus 7%

Risks of accidents

48% Overtime pay
IMPLEMENTATION OF ACTION PLAN

• NEW PAYROLL SYSTEM

• Skill bonus :
  • Training / Tests
  • Develop skills (Professional and health & safety)
  • Career management – Evolution in the company without discrimination

• Productivity bonus :
  • Work better and efficient
IMPLEMENTATION OF ACTION PLAN

• Health and safety
  • Incluse health and safety in the payroll system
  • Internal control
  • Build a health and safety committee with workers elected

• Internal Communication policy
  • Suggestion box charged by NGO

• Management training

• HR Information System / Social Balanced Scorecard

• Production Management / Cost Control & Management
IMPLEMENTATION OF ACTION PLAN

An immersion in the company:

- Four years of projects with two years 24/7 in the supplier’s to listen, understand, analyze and construct tools.
- The direction of HRWB assume the control and validate the tools with the professors.
- The direction of the supplier understand that they are the promoter of the project.
- To win the confidence of all, train them, support them during the change.
- To convince the partners and to show a concrete and feasible project.
Significant reduction of **staff turnover rate**.
Decrease of over working time, they worked less than 60 hours per week.
• Improvement of health and safety, more controls and less accidents.

• Implementation of Health and Safety Committee.
• Formalisation, transparence and objectivity in the HR process, provide a **real career** for the workers.
Increase of productivity and quality.
SATISFACTION

• Come over difficulties during the project:
  • Communication is the key element
  • Build confidence with the workers and management
  • Implement a real Cost Control and Management system, especially with a good production management who can assess the production time and make predictions
  • ……

• Available methods and tools to share – Book in progress
  • For the implementation
  • For the improvement

rhsf

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CONCRETE ACTION WITH RHSF

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THANK YOU