

A Chinese company faced with the Covid crisis19 :  
" the responsible HR project led by RHSF  
has played a positive role"

RHSF questioned Darren Li, the general manager of Polyunion, a Chinese factory with more than 1000 employees, about his management of workers in the face of the coronavirus crisis. In 2015, RHSF's support for this company, which was awarded two international prizes, had proved that it is possible to improve both working conditions and economic performance. Five years later, the system put in place today enables Polyunion to better manage the coronavirus crisis.



***What is Polyunion's current production situation?***

Our company gradually resumed work from 17 February. On 20 April, the company had returned to work in its entirety.

Our order book has decreased by more than 50% in recent months, and we expect an overall reduction of 30 to 40% in 2020. Major customers have closed, resulting in a shortage of orders.

***Have workers in your factory been affected by coronavirus?***

No, no one was touched.

***What are the Chinese government's health and safety requirements for companies?  
How does it monitor compliance with these requirements?***

The government's requirements are still relatively easy to achieve. The company must provide its employees with preventive equipment (masks, disinfectants) and regularly disinfect the plant. It must also measure and record the temperature of employees on a daily basis. Business travel is controlled by a digital application.

Workers must also do a nucleic acid test at the hospital when they return to Shenzhen .

The occupational safety inspectorate carries out regular visits to confirm that the company has implemented the appropriate measures (checking that masks are worn, etc.). It also distributes meals to employees during their 14 days of confinement.

***Does the local government provide any assistance to the company?***

The government grants certain aids and subsidies:

- Reduction of the social security contribution rate,
- Exemption of the company's electricity and water bill for the month of February,
- Incentives for landlords to reduce business rents (at least 15 days),
- Subsidy of 50% for exceeding the minimum wage.

Polyunion is entitled to these subsidies.

***Has the responsible HR project set up with RHSF in your factory had a positive effect in the face of the epidemic?***

Yes, he played a positive role.

We learned how to talk to employee representatives, which enabled us to exchange views on working conditions and prevention measures during the epidemic, and we also communicated a lot with our workers. During the epidemic, prevention and control measures were understood and supported by our workers, and there were no conflicts [Editor's note: strikes took place in other factories in the same region].

On the other hand, thanks to the multi-skilled worker training system set up with RHSF, some of the multi-skilled workers are able to change jobs if there is a shortage of staff in certain positions. This allows for a more flexible division of labour and avoids job losses when the workload is reduced in these workers' original positions.

***Are you still able to limit excessive overtime in the current context?***

Between February and mid-March, the workers worked overtime to make up for the time lost during the epidemic and to deliver the products on time. But today, orders have decreased so much that the production departments work 40 hours a week without overtime. Some departments have already started to provide training during working hours.

Faced with a reduction in orders, our company does not make redundancies: we reduce overtime or use overtime to train our employees. If the situation worsens,

we will resort to paid holidays or short-time working. But I don't think we will lay off any workers.

***Did the remuneration system put in place in the project with RHSF play a positive role during the epidemic?***

Yes, we have rolled out this compensation system throughout the plant, and it has played a positive role.

Our employees understood what we were doing and had no problems with the payroll.

For example, because of the epidemic, the production department does not work overtime, but workers still receive skill and production bonuses. This reduces the impact of reduced overtime on their wages and allows workers to earn more than the minimum wage that is paid in many factories. In addition, skill bonuses encourage our workers to learn new skills. They can be promoted, leading to higher bonuses. It is easier to motivate our workers to train.

At the same time, our company gave each employee 500 yuan in aid. The workers in the neighbouring factory, who no longer had overtime, asked their employer to do the same. Faced with the refusal of this company, the neighbouring workers went on strike.

*Interview by Hui Chen, President of RHSF Consulting, end of May 2020*