

DESIGNED TO HELP
 FACTORIES EVALUATE
 AND IMPROVE THEIR
 COMPLIANCE PER-
 FORMANCE



HOURS OF WORK

MANAGING WORKING HOURS AND PREVENTING EXCESSIVE OVERTIME

The Challenge

Factories often find it difficult to adhere to code of conduct and national legal requirements on hours of work. Workers often are willing to work long hours because they earn low wages and want to maximize their income. From the company perspective however, long working hours are often a reflection of poor management, poor employee organization, ineffective communication and the inability to control external factors affecting factory production.

Excessive hours of work often stem not only from a lack of adequate policies and procedures at the factory, but also from problems related to human resource management, for instance high turn over rates and production planning and/or sourcing behavior of clients such as short lead time. They are magnified by inadequate management and communication systems and lack of root-cause analysis. This creates the impression that working hours are unpredictable, and that the factory is powerless to mediate the hours of work.

The Solution

The **FLA Hours of Work Toolbox** focuses on hours of work management including formulating a clear policy, procedure and documentation, production planning and risk management.

FLA surveys have shown that the factories that control hours of work within code limits coupled with a well prepared production plan have higher productivity, efficiency and income. The FLA Hours of Work toolbox provides questions that need to be asked to detect underlying problems related to long working hours and the methods to solve them.

3 Steps to Effective Hours of Work Management

Step 1 Know the needs of your workplace, through:

- Management Self-Assessment
- Workers Survey

Step 2 Conduct Capacity building, via:

- Face-to-Face Courses
- E-courses
- Consultation

Step 3 Evaluate implemented changes by:

- Management Self-Assessment*
- Workers Survey*
- Progress Tracking Charts

*Before and after - analysis



The **Fair Labor Association (FLA)** is a collaborative effort to improve working conditions in factories around the world. By working cooperatively with forward-looking companies, NGOs and universities, the FLA developed a workplace code of conduct based on ILO standards, and created a practical system of monitoring, remediation and verification to achieve these standards. For more information on the FLA, our processes, or the participants, please visit our website at <http://www.fairlabor.org>.



TRAINING COURSE: HOURS OF WORK

Objective

The objective of this training is to reduce excessive working hours in factories. This is achieved by highlighting to participants factors that result in long working hours, explaining why it is in management's interest to address these factors, and showing how working hours can be reduced.

Approach

Too often, attention is given exclusively to increasing total production achieved through excessively long hours of work and massive use of overtime. The result is low productivity levels and the inability to effectively compete on the global market. Rather than massively increasing work hours, attention should be paid to improving productivity (total production divided by the number of hours worked). If productivity is increased, it is possible to maintain high levels of production, or even augment total production, with fewer hours of work and reduced overtime. In seeking higher productivity, management should not put excessive pressure on workers, which will only result in stress and de-motivation.

A different approach envisions a positive-sum game, in which both the company and the workers gain by effec-

tively combining wage levels, productivity and working time. When properly executed, this positive-sum approach may not only increase the capacity of the factory to be competitive on the global market but can also improve the working conditions in the factory, in particular by reducing long hours of work and excessive overtime.

Methodology

The training course is strategic, highly action-oriented and very interactive. Action planning based on root cause analysis transfers classroom learning to the realities of the participants' factories.

Audience

The intended audience for this course is owners of factories or management representatives within the factory who are in positions of authority to take immediate action regarding potential changes in the areas of work organization, human resource management and working time. It is also important that participants in the training are accepting of change, receptive to innovation and open to dialogue during and after the course.

OUTLINE OF THE INSTRUCTIONAL MATERIAL

- ◆ HOW CAN A COMPANY MANAGE TO REDUCE OVERTIME?
- ◆ HOW CAN WORK ORGANIZATION REDUCE WORKING TIME?
 - Through higher-production
 - By involving workers
 - Through the Management Commitment
 - Through a better working environment
- ◆ HOW TO MANAGE EXTERNAL FACTORS TO REDUCE WORK TIME?
- ◆ IDENTIFY MAIN EXTERNAL AND INTERNAL FACTORS
- ◆ RECORDING WORKING HOURS
- ◆ ORGANIZING SHIFTS
- ◆ INVOLVING WORKERS IN THE DESIGN OF WORKING SCHEDULES
- ◆ VISION STATEMENT AND COMPANY POLICY ON WORKING TIME
- ◆ PREPARATION OF A PLAN OF ACTION

ONLINE TOOLKIT: HOURS OF WORK

Objective

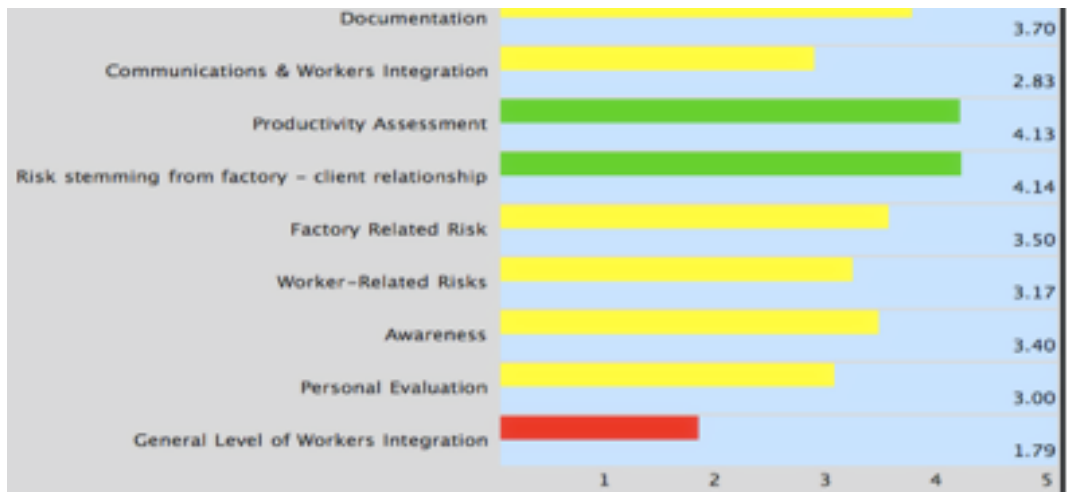
Similar to face to face training, the Hours of Work online toolkit shows how factories can control internal and external factors that contribute to excessive hours of work, and how to design working hour schedules and policies that contribute to the achievement of an organization's business objectives, both at the factory and institutional levels.

Content

The online toolkit covers productivity in relation to working hours, conditions that influence working hour management, working time arrangements, and integrating workers' into the decision-making process.

The Hours of Work online toolkit can be accessed by all FLA members on the training portal.

SUSTAINABLE COMPLIANCE ASSESSMENT TOOLS



Management Self-Assessment Tool

The Management Self-Assessment tool on Hours of Work looks at the managing hours of work - having a clear policy, procedure and documentation - and other issues that affect the amount and schedule of working time, such as production planning and risk management. Assessing factors such as policy, procedure, training, implementation, communication, documentation, workers integration and awareness, this tool captures all of the important elements when mapping a comprehensive picture of a factory's compliance performance. The risk of noncompliance is higher if one or more of these factors are missing or incomplete. A score below three (on a 5-point scale) indicates substantive problems and a serious risk of noncompliance.

Methodology

The Management Self-Assessment tool on Grievance Procedures is a quantitative tool consisting of a range of multiple-choice questions. The answers to the questions either support or reveal the weaknesses of a factory's compliance. The data generated by the Self-Assessment juxtaposes a factory's compliance score with the basics of the Grievance Procedures.

Sincerity, Support, Progress

Management Self-Assessment tools are embedded in a comprehensive problem solving process. This process starts with an analysis of needs, then offers capacity building tools to address those needs, and subsequently communicates measurements of progress. Measurement of progress is only possible if the baseline is correctly and candidly identified. After an average 12 months of capacity building, the Self-Assessment is repeated to gauge the impact. The results of the Self-Assessment can be compared to those of the workers surveys to verify the integrity of the data.

SCOPE Workers' Survey:

The views of workers are essential to ensure the consistency and sustainability of compliance. Workers' perspectives, gathered through the Sustainable Compliance Workers' Perspectives Survey (SCOPE), are a part of the baseline study. Workers should also be involved in capacity building. Their experience and perception of change is essential criterion when measuring impact.

Method & Organization of Interviews

SCOPE is a standardized quantitative survey. Workers complete a questionnaire comprised mainly of multiple-choice questions. All workers' interviews are anonymous, and the FLA ensures participating workers' protection.

Sample

Workers participating in SCOPE are chosen randomly from a list of factory workers. The sample size correlates with the size of the factory's workforce. The survey instrument covers Grievance Procedures from a workers' perspective (e.g., have workers ever used a complaints channel, complained through other means, what was the follow-up, have workers been integrated into the procedure, etc.).

Comprehensive Picture

Whenever possible, the SCOPE topics mirror the Management Self-Assessment tool (e.g., policy, procedure, training, etc.) to collect comparable data. Each of these factors is measured through 5 to 10 questions (items) that add up to a final score. The results are then directly compared to those from the Management Self-Assessment. The SCOPE survey and the Self-Assessment can be repeated after a period of time to explore a factory's progress.

Progress Tracking Charts

Indicators measure a factory's progress during the capacity building phase. They show if what was learned during capacity building translates to implementation on the factory floor. Factories collect the necessary indicator data monthly and provide periodic reports on progress and any issues during the project.

Factors measured

- ✦ Policies & procedures that manage working hours
- ✦ Training
- ✦ Implementation
- ✦ Documentation of hours worked
- ✦ Communication & Workers' Integration
- ✦ Production Assessment
- ✦ Management of internal and external risks and factors
- ✦ Worker and management awareness of the consequences of excessive working hours

For more information please visit the

FLA TRAINING PORTAL

tp.fairlabor.org

FLA ASSESSMENT PORTAL

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