

Complaint –Odlo– Romania

Under remediation

FWF is responsible for setting up a complaints procedure in production countries where FWF is active. The complaints procedure allows third parties to make complaints about the working conditions or the way the Code of Labour Practices is implemented in factories which supply FWF members.

The responsibility of FWF includes investigating the complaint, verifying whether the agreed corrective action plan is implemented and public reporting. This complaint report gives an overview of a complaint filed to FWF, the investigation and agreed corrective action plan as well as how the outcome is verified. For more information on the complaints procedure see the FWF website. FWF also publishes an overview of complaints received in its annual reports.

1. Member company involved

Odlo

2. Accused party

A factory located in Romania supplying Odlo.

3. Date of receiving complaint

February 2017.

4. Filing party

A former employee of the factory.

5. The complaint

The complainant stated that the situation in the factory does not support good working conditions and at times even violates labour rights.

The following points have been raised:

1. Extra tasks are added to the workload of experienced employees without extra time allocation or a wage increase. This causes extra pressure for the skilled workers. Skilled workers are leaving the company because of the increased work pressure.

2. Management is hiring less qualified, lower-paid staff to replace skilled workers who left the company. The training of these new workers is again added to the workload of experienced staff.
3. Romanian middle managers hire family members/friends without proper qualifications to help carry out the related tasks.
4. Workers do not dare register for medical leave as management discouraged workers from doing so. Certain workers whom the management considers 'privileged' are exempt from this practice.
5. Verbal abuse occurs on a daily basis; workers are threatened that they will lose their job if they do not fulfil tasks or if they question the practices outlined in this complaint.

6. Admissibility

FWF decided that the case is admissible. The case is relevant to the following labour standards of FWF's Code of Labour Practices:

- Payment of a living wage (wage discrimination)
- Safe and healthy working conditions
- There is no discrimination in employment

7. Investigation

After discussing the claims further with the complainant and Odlo, FWF decided to conduct an on-site investigation on 30 May 2017. As part of the investigation process, documents were consulted and worker and management interviews were carried out.

The consulted documents include: the CBA signed at unit level, including its annexes; the minutes concluding the social dialogue carried out at unit level in 2017; dossiers of the personnel hired/who left the company in 2017 (including job descriptions); the payslips dated from January 2017 until May 2017; the records of overtime in 2017; the medical leaves recorded in 2017; and some internal production reports. The audit reports and the training reports issued between 2013 and May 2017 formed the document baseline about the working conditions in the company.

The people interviewed inside the factory were: the head of production, the human resources director, and nine elected workers' representatives.

In addition, FWF interviewed several former employees outside of the factory.

8. Findings and conclusions

Findings and conclusions are based on the complaints investigation as mentioned above.

Findings

1. **Extra tasks are added to the workload of experienced employees without extra time allocation or a wage increase. This causes extra pressure for the skilled workers. Skilled workers are leaving the company because of the increased work pressure.**

Increased pressure at work was noticed starting in 2014, when the matrix for polyvalence skills was introduced in the company as a HR tool. At the same time, a technician from another factory started to visit the factory on a regular basis in order to enhance the internal production process.

During the course of the investigation, documents such as the overtime register were consulted, and worker representatives were interviewed. According to the worker representatives, the workloads of the most experienced workers increased after 2014 and have continued to increase.

Conclusions

- A. There were confirmed legal violations regarding the normal working hours, records of performed OT and the weekly rest time. Overtime records did not match statements of worker representatives and factory management. The management team recognised there is a common practice to work till the workloads are finalised in good quality conditions. That means workers must work hours after the normal working hours.

OT hours should be paid 175% between Monday-Friday and double for the worked Saturdays.

About overtime - Art. 119, 120-125, 137-138 from the Labour Code

- B. Increased work pressure was confirmed by the interviews with worker representatives and the consulted documents, not only for the most skilled workers. The new CBA contains more restrictive rules about the personal needs and interests of workers.

Findings

- 2. Management is hiring less qualified, lower-paid staff to replace skilled workers who left the company. The training of these new workers is again added to the workload of experienced staff.**

Some work processes were restructured – a situation that relates to dismissal of workers after the modification of the organisational chart.

In the production orders planned for 2017, there is a noticeable gap in the number of production personnel required to produce the allocated orders from month to month.

The management team believes workloads did not increase; instead more responsibility was given to different categories of production personnel. The managers declared that they would like to hire only qualified employees in order to replace the missing staff, but that's not possible, because there are not enough qualified workers available in the country.

Conclusions

- A. The restructuring of the company was not discussed with worker representatives during meetings.
- B. The company does not retain any formal documentation/plan to describe the steps to be implemented in order to reach 250 active employees by the end of 2017. The job descriptions remained unaltered.
- C. There were confirmed legal violations regarding communication and consultation with the employees and regarding the occupational health status.

Findings

- 3. Romanian middle managers hire family members/friends without proper qualifications to help carry out the related tasks.**

This was not confirmed by the studied documents and the interviews with the workers.

- 4. Workers do not dare register for medical leave as management discouraged workers from doing so. Certain workers whom the management considers 'privileged' are exempt from this practice.**

The rest leave of the employees is not planned according to legislation, which imposes collective and individual negotiations, but is set by the employer in general terms and in certain periods considered to be low seasons.

The rest leave is decided only by the management, without consultations with the WR/workers. In 2017 the unpaid leave was reduced to maximum 5 days, with prior information of the management of 30 days before the unpaid days off application. The only manner for workers to have some personal time for themselves remained the medical leave. The new appendix of the CBA stated that the anniversary bonus shall be applied only to workers who did not “benefit” of medical leave of certain kind.

Records are kept of the medical leaves. An average of 7% of medical leaves from the total number of employees occurs on monthly basis. Adding the suspended contracts due to maternity leaves, it was observed that a mode of 15% from the total workforce is not active in the company each month.

Conclusions

- A. Some of the normal employees’ needs that are protected by the labour legislation are not being respected, but discouraged by internal rules. Internal rules are in conflict with the right to negotiate for the rest leave, the right to be granted 48 consecutive hours as weekly rest, the right to have unpaid days off within reasonable terms

Findings

5. **Verbal abuse occurs on a daily basis; workers are threatened that they will lose their job if they do not fulfil tasks or if they question the practices outlined in this complaint.**

All interviewed employees spoke openly about the essential problems in their company. There are two key problems from the workers’ point of view: to have open, transparent, respectful communication and to have their workloads recalculated.

Worker representatives confirmed workers are threatened they would lose their jobs if they don’t fulfill the workloads.

The managers listened to the accusation and responded that they do not understand why workers are afraid to talk directly to the management. The managers explained that workloads were not increased, but individualised this year. They added that, overall, on each production line the workloads remained the same.

Conclusions

- A. Stress is confirmed and internal communication is not functional. There is a major risk of demotivation and progressive loss of productivity if the current approach is maintained.
- B. The standard related to health and safe working conditions is not being respected and that may lead to serious health problems and increase risk of work accidents.

9. Remediation

FWF recommends Odlo to create an overview of the findings and discusses measures with factory management to improve the situation based on timelines.

FWF recommends the following remediation points:

1. The administrator should consult with the WR about each action to be taken regarding this complaint and agree on the monitoring steps for its remediation. On request, FWF can mediate the meeting.

Art. 142 para 1) from the Law regarding the social dialogue no. 62/2011, republished

2. The administrator to elaborate the intended organisational chart, with a timeframe for implementing the restructuring measures. Workers' representatives (WR) have to be informed about the future objectives of the company. (collective dismissal)

Art. 69 and Art. 40, para 2), letters a)-e) from the Labour Code

3. The administrator should organise a meeting with all employees and explain the present and the future situation of their workplace.

Law no. 467/2006 regarding the general framework for communication and consultation with the employees

4. The factory must set up a functional internal communication and grievance mechanisms and communicate the procedures to workers, including how complaints will be addressed. This could include setting up more complaint boxes and locate these in the eating area and in the locker room in order to encourage employees to open up about their fears, workloads, etc. under the protection of anonymity and confidentiality.

(workloads) Art. 132 from the Labour Code

5. The administrator to consider organising an exchange of experiences with the homologue factory in Portugal for some interested employees in order to compare the workloads; an alternative solution would be to find an independent technologist who may recalculate workloads in the company.

6. Verification

The case is under remediation. A verification audit will be planned in 2018 to verify the complaint.

7. Evaluation by the complainant

The case is still under remediation.