

Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics

Geneva
9–11 December 2014

Points of consensus ¹

Measures taken by enterprises to adapt to fluctuating demands

1. Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry.
2. Companies can adopt a number of options to respond to fluctuating demands. Such options include better buyer–supplier coordination to avoid particularly high peaks in demand, the use of temporary and other forms of employment, as well as improved forecasting mechanisms to anticipate demands.

Effects of a high incidence of temporary and other forms of employment on enterprises

3. The effects of temporary and other forms of employment on enterprises can present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are often a necessity for companies.
4. Benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – creating and retaining jobs.
5. Risks brought by changes in a company’s workforce may include: decreased productivity; possible divulgence of trade secrets and resulting threats to a company’s intellectual property; as well as high costs for hiring and training of temporary workers.

¹ These points of consensus were adopted by the Global Dialogue Forum on 11 December 2014. In accordance with established procedures, they will be submitted to the Governing Body of the ILO for its consideration.

Effects of a high incidence of temporary and other forms of employment on workers

6. A number of challenges are often encountered by workers under temporary contracts. These include a lack of employment security and protection of a work–life balance, less favourable working conditions and difficulties for them to exercise their rights at work. Among temporary workers, those more vulnerable include migrant workers, women workers and young workers.
7. Temporary and other forms of employment, in certain situations, provide flexibility for workers and an opportunity for entrants to find employment and for workers to build up their skills.

Measures to promote decent work and contribute to a more sustainable industry

8. Measures aimed at adapting the electronics industry to fluctuations in demand should strive to balance industry concerns for sustainability and the needs of workers. Social dialogue, which includes collective bargaining, is paramount to promoting decent work and to develop and implement sustainable measures supported by employers as well as workers.
9. These measures should include social protection, occupational safety and health (OSH), cross- and retraining; and they should ensure non-discrimination.
10. If temporary or other forms of employment present challenges, alternative options should be explored, including:
 - (a) annualized hours schemes, under which workers might work more hours during certain periods and be compensated by reduced hours and time off during other periods;
 - (b) multiskilling: workers are trained in multiple disciplines that allow them to perform a larger variety of tasks, thus allowing production to take place with a smaller workforce without creating production bottlenecks.

Other options may be identified through social dialogue to address these issues.

11. Long-lasting employment relationships are to be promoted, where possible, and all employment arrangements should be voluntary. All workers, including temporary workers, should have full access to fundamental principles and rights at work (FPRW). Sharing of available information on market developments and demand forecasts with workers and their representatives is particularly helpful for dealing with temporary and other forms of employment.
12. The respect for FPRW, as well as for the UN Guiding Principles for Business and Human Rights, should be ensured throughout the supply chains in the electronics industry. Corporate social responsibility measures can also play an important role in promoting decent work.
13. Labour inspection is central to workplace compliance. Governments should not only enforce legislation through sanctions, they should also provide corrective, developmental and technical advice and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.

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- 14.** Governments have an important role in creating an enabling environment for sustainable enterprises. Governments could encourage competitiveness and productive employment in the industry by helping companies to prioritize research and development and by the establishment of dual training systems and links between educational and training institutions and enterprises.

Recommendations for future action by the International Labour Organization and its Members

In view of the discussion at the Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics the following future action was recommended.

15. The Office should:

- (a) promote ratification and effective implementation of relevant international labour standards, including the Part-Time Work Convention, 1994 (No. 175), and the Private Employment Agencies Convention, 1997 (No. 181), as well as those Conventions related to FPRW; and promote the Employment Relationship Recommendation, 2006 (No. 198);
- (b) develop tailored training on FPRW specific to the needs in the electronics industry;
- (c) compile and disseminate case studies and good practices on fair measures to adapt to fluctuations in demand jointly developed by workers and employers; develop their capacity to implement such measures at all levels; help the constituents to promote the capacity of gathering quality information in this regard; and
- (d) conduct research on the impact of purchasing practices in the electronics sector on labour rights and temporary and other forms of employment.

16. Governments should:

- (a) engage social partners in improving labour legislation and policies to better meet the needs of companies and workers in the sector;
- (b) build the capacity of social partners to better understand and comply with legislation and respect FPRW;
- (c) encourage public and private investments in education, training and skills development to promote decent work and productive employment;
- (d) share relevant and reliable labour market information with employer and worker organizations on issues such as the use of temporary and other forms of employment;
- (e) improve social protection for workers affected by fluctuating demands, where needed; and
- (f) enforce legislation through sanctions and provide corrective, developmental and technical advice, and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.

17. Employer and worker organizations in the electronics industry should:

- (a) promote equitable treatment for all workers, regardless of their employment status;
- (b) raise awareness and build capacity on FPRW and promote respect of these principles and rights throughout the supply chains;
- (c) jointly explore options in addition to temporary or other forms of employment to respond to fluctuating demands; and
- (d) promote long-lasting employment relationships, where possible.