

Professionals in
Improving Social
Compliance and
Productivity Efficiency
专业于提高社会责任
和生产效率

Employee Engagement Case Studies

people | planet | profits

brands | factories | workers



Fusion's Employee Suggestion Management System



Fusion Consulting International Ltd implements an Employee Suggestion Management System in all of our factory clients. This is much more than a simple suggestion box on the wall. The system aims to promote and improve business management, stimulate enthusiasm in workers, and enhance cohesion among all members in the factory.

First, we train and educate factory managers in the methodology and reasoning behind the Employee Suggestion Management System. Then, we help them implement the system and monitor its progress. Finally, we assist the factory with analysis and adoption of the suggestions, as well as establish an incentive program for those who have put forth the best suggestions.

Suggestion Success in Shoe Factory Client

Fusion experienced a great amount of success with the Employee Suggestion Management System in a recent DongGuan shoe factory client. Within the first three months after Fusion installed the system, factory management had received 34 suggestions from line leaders and workers in various departments. Of these suggestions, the 12 best were implemented and helped achieved

In addition to the quantitative benefits of decreased costs and increased efficiency due to improved production methods, we also observed a culture shift in the workforce. Workers felt more involved, and thus more satisfied with their jobs when they had an outlet through which to voice their ideas.

Examples of Suggestions and Benefits

Purchasing	Cutting	Production	Warehouse
A worker put forward the suggestion of utilizing the leftover lining material from a completed style in a new style. The suggestion saved about 4,000 RMB per production run.	A line worker suggested adding surface protection for certain leather pieces to be cut. The suggestion saved 0.5 RMB per pair of shoes, or approximately 50,000 RMB per month.	A line leader improved the printing method for the lining of shoes. The improvement saved 20,000 RMB per year.	A worker suggested changing the processing method for a microfiber cloth for one style. This saved 500 RMB in a method that can be replicated in many similar styles.



Turnover Reduction

One important measure of successful implementation of Employee Management Systems is decreased worker turnover. A major problem facing Chinese factories nowadays is recruitment and retention of workers. The reasons behind worker unhappiness are often vastly misunderstood by factory higher management.

In a survey conducted by the Fair Labor Association, senior managers were found to believe that the most important characteristics of a good employer, in the eyes of workers, are High Wages and Job Security. However, workers had labeled that the three most important criteria were (1) Praise for work well done (2) A sense of involvement and (3) Understanding of Personal Issues. Senior managers had not only failed to label these three characteristics as the most important, but had actually ranked these three as the LEAST important.

Fusion's employee management systems training help factories get in touch with their workers and improve communication pipelines. In many factories, this has led to vastly decreased employee turnover.



Reduced Turnover in a Furniture Factory

Fusion improved worker satisfaction in one DongGuan furniture factory well enough to significantly reduce monthly worker turnover. The table below shows the decrease in turnover over 10 months of consulting.

Fusion carried out a productivity and CSR training program that helped the factory improve in many ways. We were able to increase workers' wages by changing the wage system and improving work efficiency through better production planning. We also helped the factory set up a communication system to improve interaction among the workers, managers, and owners of the factory, which raised morale and helped improve efficiency. Finally, Fusion installed an HR system that included continuous training for workers and management.

All of these improvements led to more satisfied workers who worked fewer hours and received higher wages. More importantly, they developed more comfortable relationships with their superiors, and gained a sense of involvement with their work. As we've read above, this was very important to the workers, and improved the culture enough to encourage their loyalty to the factory.

	Sep 2008	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	Mar 2009*	Apr 2009	May 2009	Jun 2009	Jul 2009
Monthly Turnover Rate**	6%	8%	1%	10%	1%	1%	9%	1%	2%	1%	1%

*Mar 2009 is high due to the unavoidable trend of Chinese workers leaving after Chinese New Year Holiday

** Monthly Turnover is calculated as (The monthly total number of employees that quit)/(Total employees)

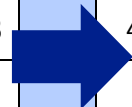
Vastly Lowered Working Hours

One of our factory clients was exclusively contracted to a major international apparel brand, and therefore couldn't increase its annual order quantity. Thus, they were only able to improve profitability through decreased costs. Thus, Fusion entered the factory to help them lower working hours to increase efficiency and lower costs, to improve both compliance and profitability.

When Fusion began consulting in the factory, weekly working hours totaled more than 50,000 hours per week. This means that initially, each worker spent an average of 66.2 hours per week working. (See chart below.)

After 17 months of consulting, Fusion helped the factory decrease working hours 36% to just more than 30,000 per week. This means the factory saw immense decreases in overhead, especially in energy and mechanical maintenance costs. As the brand's order size and factory output remained the same, average working hours decreased by 30% (to only 50 hours per week).

First 6 Weeks (May-June 2009)						
Hrs/wk Per Worker \ Week	5/4-5/10	5/11-5/17	5/18-5/24	5/25-5/30	6/1-6/7	6/8-6/14
Below 60	199	156	71	576	89	120
61-72	344	443	384	187	457	423
73-80	173	128	266	1	166	171
81 & Above	55	40	47	0	3	10
Workforce	771	767	768	764	715	724
Total Hours	51011	50652	53665	41312	47810	48111



Last 6 Weeks (Aug - Oct 2010)					
8/30-9/5	9/6-9/12	9/13-9/19	9/20-9/26	9/27-10/3	10/4-10/10
179	183	175	651	652	654
477	471	477	1	0	0
0	0	0	0	0	0
0	0	0	0	0	0
656	654	652	652	652	654
40671	40472	40471	32617	32600	32700

As workers began to work fewer hours, the factory was able to pay wages in compliance with local labor law and the brand's Code of Conduct.

However, some workers left the factory throughout the 17 month consulting period, as they *wanted* to work more overtime shifts and could only do so elsewhere. Because of the factory's enormous increase in efficiency of production, they did not have to replace the workers with new hires.

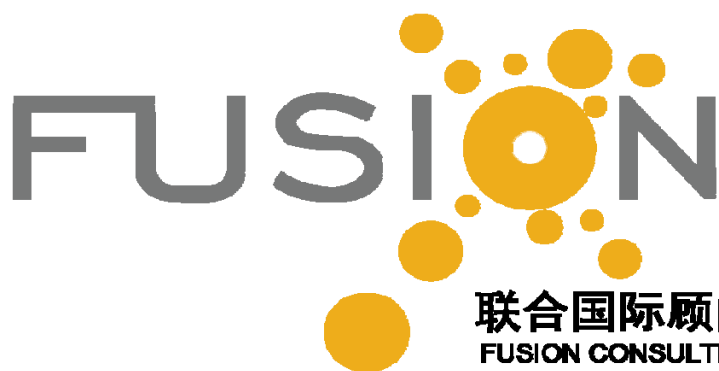
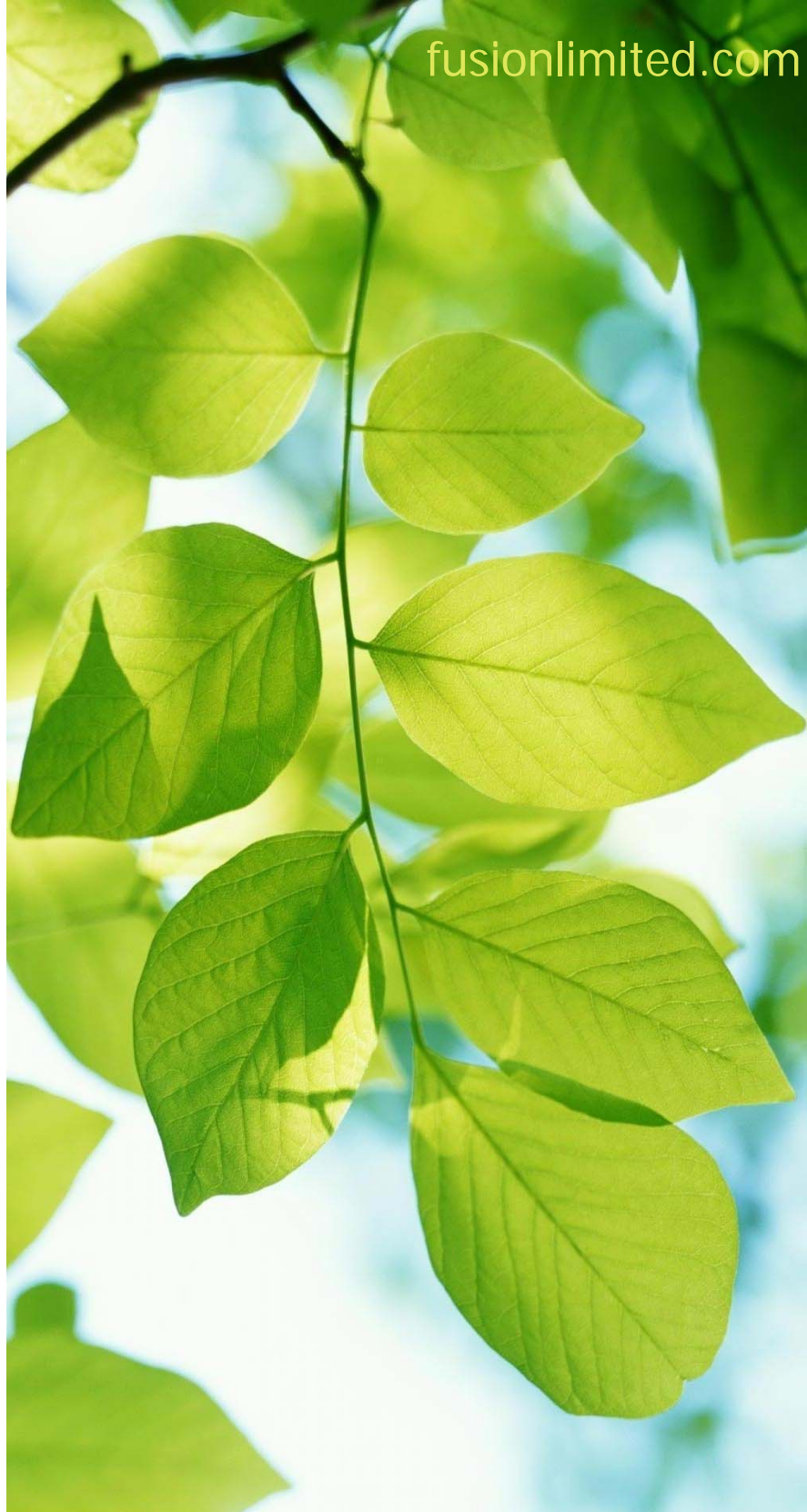
Fusion is a factory management consulting company that primarily operates in the Greater China region. Fusion specializes in providing factories with solutions that focus on Corporate Social Responsibility (CSR) and Productivity. Fusion's entire team is proud of their work that not only improves clients' "bottom line" but also improves the lives of everyone involved. Fusion ultimately strives to help the international business operate under a triple bottom line focus, promoting People, the Planet, and Profits.

Fusion's innovative approach and Strategic Alliances accentuate our three co-founders' more than 35 years of consulting experience. Fusion was founded by some of the original CSR consultants in China – and has extensive experience in cross-cultural understanding, Chinese labor law, local Chinese labor practices, managing Multi-national corporate (MNC) interests, worker and management training, international CSR standards, EHS, and effective conflict resolution techniques.

We are happy to answer any further questions about Fusion. Please feel free to contact Emma Browne, Business Development Manager, at

Emma@FusionLimited.com
Cell: +86-136-3225-9121
Office: +86-20-8333-9156

This document highlights three case studies that occurred in real Fusion clients. For more information about Fusion, please go to www.FusionLimited.com



联合国国际顾问有限公司
FUSION CONSULTING INTERNATIONAL LIMITED

Sales@FusionLimited.com

19-2 Guangwei Rd, #902
Guangzhou, China

中国广东广州市越秀区
广卫路19-2号金科大厦902