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Approval: R. Zaid and J. Brookes	SA8000 Interpretive Supplement 1: Working Hours	Effective: May 9, 2019

SA8000 – Interpretive Supplement #1
Auditor Expectations for ‘Working Hours’ Time-Bound Non-Conformities
Jointly released by
Social Accountability International (SAI)
and
Social Accountability Accreditation Services (SAAS)

Purpose:

With the release of **Annex B to Procedure 200 Version 4**, SA8000 auditors are expected to apply the prescribed methodology in scenarios where legal requirements for working hours and general practice are disconnected.

This document has been developed in order to guide auditors in the evaluation of organisational performance, corrective action planning, and meaningful improvement with respect to working hours conformity.

Background and Intent:

Under SA8000, a minimum expectation is that the certified organisation meets the law. However, there are many instances where the law and general practices in the industry or country are not connected. This may be due to lack of legal enforcement, government policy decisions, and/or private action.

Maximum hours worked is an example of this type of scenario. A culture of excessive working hours is often built up over time in a country. Attempts by authorities to affect this culture through legislative caps often don’t change general practice if they do not coincide with effective enforcement, capacity building, and wage increases. In fact, under existing systems in some countries, workers often expect and desire overtime hours as a means of meeting a minimum standard of living.

SA8000 auditors are left in the position of trying to enforce the requirements of the SA8000 Standard, thereby imposing restrictions that do not align with the culture and expectations of workers and/or managers. Understandably, application of SA8000 Section 7.0 Working Hours in these situations has proven challenging for auditors, often lacking transparency and uniformity of approach.

With this complex scenario in mind, SAI wants to recognize certified organisations that genuinely desire to improve their systems so that working hours meet the law and wages meet the expectations of workers. We are hopeful that this time-bound non-conformity structure motivates organisations to be transparent and develop meaningful plans to achieve improvement.

Guidance:

Annex B.02 indicates 5 levels of non-conformity classification. Each level is determined based on the performance of the organisation at the time of the audit. The resulting corrective action and timelines to demonstrate adequate control/monitoring mechanisms are then determined based on the level of the organisation. The time allowed for compliance ranges anywhere from 18 to 36 months. This structure is meant to encourage management transparency about an organisation’s working hours practices and to make achieving compliance with the law a possibility.

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Auditors should communicate the importance of taking a holistic ‘management systems approach’ to any working hours issue. A root-cause analysis must start from a place of complete transparency and acknowledgement of where previous processes have failed.

It is unlikely that organisations can come into compliance with local hours laws without implementing a management systems approach as outlined below. Auditors should look to ensure this approach is being utilized by organisations given this time-bound non-conformity. They should also look for signs that the organisation demonstrates adequate control/monitoring processes. These terms are subjective and will be based on the auditors’ judgement. What is adequate will be based on the initial severity of the issue and the maturity of the systems already in place. If it is clear an organisation is not genuinely interested in improving its systems, *suspension and subsequent withdrawal of the SA8000 certificate is required.*

Management Systems Approach:

An organisation should use its management system and employ a PDCA (plan-do-check-act) cycle specifically to drive improvement in the area of working hours. It is important to involve the Social Performance Team (SPT) and conduct a cross-functional (multi-departmental) analysis that involves worker input. Worker input is important because it helps to identify worker understanding of the issue, as well as potential solutions. Specific evidences auditors can look for when reviewing an organisation’s approach to remedying a time-bound non-conformity in working hours are:

- Using the Social Performance Team (SPT) to identify root causes of excessive working hours:
 - Is it due to buyer’s demands?
 - Is it due to low output capacity?
 - Is it due to lack of (worker/human) resources? Is the organisation understaffed?
 - Do long working hours beyond the national law occur only during certain times of the year?
 - Do workers demand more overtime hours? If so, what alternatives are available to address the root cause(s) of their demand?
- Using the SPT to conduct a risk assessment of working hours to identify the reasons behind the frequency and severity of excessive working hours:
 - Prioritizing areas of actual or potential non-conformity to the Standard and making a management commitment to introduce measures that are reasonably practicable to remove or control these risks.
 - Assessing the relationship of SA8000 2.0 Forced or Compulsory Labor, 3.0 Health and Safety, and 8.0 Remuneration to 7.0 Working Hours.
 - Assessing the gap between the wages earned on a regular work schedule and the living wage calculation. Then assessing the gap between the wages earned on a regular work schedule + overtime and the living wage calculation. What are possible solutions for workers to earn more on the regular schedule without overtime? Are there ways to increase productivity and efficiency to increase output?
- Monitoring working hours to understand fluctuations of hours during low and peak seasons.
- Setting goals and creating corrective action plans to come into compliance, including specific timelines to be in conformance with SA8000 requirements.
- Using the Social Performance Team to facilitate and coordinate the corrective action plan.

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- Formulating policies and procedures for the prompt implementation of corrective and preventive actions.
- Monitoring corrective action plan implementation with routine internal audits.
- Producing reports on the performance and benefits of actions taken to meet the Standard's requirements, including a record of corrective and preventive actions identified.
- Reassessing and revising the plan as necessary taking into consideration monitoring reports.

Conclusions:

We hope this approach makes sense to you as an auditor and can help you audit the SA8000 Standard in a meaningful way when faced with this complex issue. As we continue this process, we hope to share more guidance with you. SAI will also work directly with certified organisations in the form of webinars, workshops, and sharing of tools and best practices.

If you have any questions, currently or in the future, please contact us at SAAS@SAASAccreditation.org. We would also appreciate any feedback on what is working and what is challenging with regards to the TB NC approach to working hours.