



COMPANIES: Milliken Company

COUNTRY: United States

ASSESSMENT DATE: 10/24/16

ASSESSOR: Miriam Rodriguez

PRODUCTS: Apparel

NUMBER OF WORKERS: 50

FLA Comments

The FLA conducted a review of the corrective action plan for this assessment. Despite deadline reminders and extensions for submission of a revised corrective action plan, the FLA has not received a response to its recommended revisions. Therefore, the report is posted in its current state and will be updated once a revised corrective action plan has been submitted to the FLA. Upon receipt (and acceptance) of the CAP for this factory, the comment will be removed and the report will be published with the accepted CAP.

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Since the factory does not have a written policy on Recruitment, it does not provide specific training for supervisors or ongoing training for workers on Recruitment. They also do not regularly review and update the Recruitment policy.
2. The factory does not regularly communicate with the general workforce regarding the Recruitment, Hiring & Personnel Development policies and procedures and their possible updates.
3. The factory uses the services of a temporary employment agency for all new hires in the production area. Temporary workers are only eligible to become full-time workers at the factory after having worked 520 hours. During this time, temporary workers are paid by the employment agency, however, the factory does not review the employment agency's payment records to ensure that the agency complies with all legal wage and benefit requirements.
4. The temporary workers' personnel files, including age verification and I-9 forms, are maintained by the temporary agency. The factory only keeps workers' basic information and Health & Safety training files on site and the assessor was not given access to the files kept by the temporary employment agency. As a result, assessors were unable to verify that the factory is in compliance with local law and FLA requirements.
5. The factory has written procedures on performance reviews, however, they do not demonstrate linkages to job grading, prohibit discrimination, or seek workers' feedback in writing. Furthermore, the policies and procedures on performance reviews are not regularly reviewed and updated.
6. The factory's Personnel Development procedures do not include procedures on raising or broadening workers' skills in order to advance in their careers.
7. Workers do not receive written documentation of the outcomes of promotion, demotion, or reassignment decisions. Furthermore, the policies and procedures on promotion, demotion, and job reassignment are not regularly reviewed and updated.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.4, ER.11, ER.17, ER.28, ER.29, and ER.30)

Recommendations for Immediate Action

Work with the temporary employment agency to ensure that temporary workers' age verification documents and I-9 forms are provided to assessors for review.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1)DMS has recruitment policies in the AAP that state we will seek to hire qualified candidates who are minorities, female, veterans, and IWDs. The AAP is updated annually and supervisors are educated on it annually at minimum. The plant does not perform its own recruitment for hourly workers. The 3rd party agency conducts recruitment. Managers are in fact trained on this process. All associates begin work through MAU and therefore understand that we recruit from the pool of candidates MAU provides. For recruitment of management associates we follow the guidelines on Milliken's Talent Acquisition website set forth by corporate HR. The TA team conducts the recruitment or at minimum assists with the process. The TA team consistently updates and reviews their procedures and holds training sessions on them.

2)DMS does communicate with the general workforce regarding hiring and personnel development and their updates. We educate on these at orientation, annual training, after any change/update, and where applicable in weekly meetings. The rating system for job promotion was reviewed in depth in 2016 in plant wide meetings. Additionally the employment cycle including hiring, discipline, development, termination, etc. was reviewed in the FLA education slide deck which served as an aide for explaining these processes.

3)At inception of the co-employment relationship with MAU, the corporate sourcing department completed due diligence to ensure the agency was up to date on legal requirements such as benefits and pay and conducts audits of vendors. These requirements are written into the contract. Pay is reviewed weekly when it is submitted on the invoice. Associates are encouraged to review their pay stub and see the agency or HR for any issues.

4) As the agency is the employer, it is their legal obligation to hold the employee file. HR completes a re-orientation at hire following 90 days with the temp agency and begins the file.

5) Reviews are not linked to wages, as job grading does not exist at Milliken, and all associates in the same classification of job are paid the same following a path of demonstrated skills. Reviews serve as a document to let the associate know where he/she is in regards to attendance, safety, performance. Demonstrated skills are signed off in 3 levels on the CSD in specific allotted time frames, such that all associates are required to reach top rate with the aid of a trainer. The performance review does prohibit discrimination as factual data is used in its grading /ranking (Did the associate complete their safety assignments, how many attendance occurrences exist, what was the production %). This system provides equal pay without discrimination as all associates must reach top pay within the time frame allowed on the training document and demonstrate skills to any on the job trainer and are reviewed on factual data to aid career conversations. The DMS management group did a review on how to use the Milliken performance review form consistently within the plant and how to rank each data point. We emailed out drafts and gathered feedback and agreed on an updated scale.

6)Good performers are given many opportunities to broaden skills. I will work on writing up how the plant administers this. However, as an example, most recently (during January & February of 2017) every trimmer and doffer was ranked based on tenure, safety, attendance, and performance and then each were asked if they would like to train on a press to work toward becoming an operator. By the end of the rotation everyone in an entry-level position was asked and those who accepted began training.

7)Currently workers meet with HR to review the outcomes of promotions. There are so many promotion opportunities, it would be more burdensome to write letters to each candidate and also seems more effective to have a meaningful conversation with the associate as to why they did or did not win that particular promotion. Milliken highly encourages career conversations and holds courses on such.

Company Action Plan Update

- *Will request a payroll report from temporary agency and see if they can provide on a consistent frequency.
- *Will discuss allowing worker written feedback on reviews with corporate team.
- *Will write up how plant broadens skills of workers to maintain as internal procedures.
- *Will seek guidance from legal on allowing written feedback on promotion outcomes

UPDATE:

Most items are readily available in plant (Training record, payrate, hours, and contact information, attendance, any discipline, sign off of all safety policies, etc). Anything else can be requested by fax or email from the agency (such as check stubs for taxes, benefits, or other deductions).

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1.For temporary workers that are converted to full-time workers, the factory does not respect seniority nor provide any fringe benefits (e.g. 401k and leaves such as those covered under the Family and Medical Leave Act) dated from the first day as a temporary worker at the factory. At the time of the assessment, the factory employed twelve temporary workers. In the past year, nine out of 45 temporary workers were converted to full-time workers. The remainder chose not to stay at the factory.

2.Workers only receive ongoing training on open enrollment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.12; Compensation Benchmark C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1) This finding is false as Milliken does in fact honor the 3rd Party worker's starting assignment date in regards to calculation for FMLA and 401(k). This was explained by the HR Admin during the audit interview. Since ALL hourly workers begin through a 3rd party agency, and are converted after 90 days, there are no disparities in wages nor date calculations. Of the 2016 3rd party workers, 59 were hired after fulfilling 90 days of successful assignments and all initial assignment dates were tracked in the system and honored for calculation of FMLA & 401K eligibility.

2) Workers do not only receive ongoing training on open enrollment. Workers receive on-going training that matches the jobs their in which is documented on their CSD, and may undergo further job-related training depending on business needs and corporate requirements. For example, during one's first 90 days, every Monday at 8am is a training class to review all policy, safety, and general plant procedures. There are department meetings every Wednesday morning that a shift is on 1st shift which also includes a safety focus, any new business, policies and procedural updates, plant concerns etc. We use these meetings to give policy refreshers, in addition to our Annual Training day. There are frequent lift truck classes that accommodate those wanting to become certified to drive a lift truck. So far in 2017 we have certified 47 OJT's (on the job trainers). Many departments rotate workers to become back-ups for other positions as schedules allow. We have a back up for every forklift position, every QC position, backwinding. We take volunteers to train at our sister plant some weekends when specific quality issues arise. In sum, workers receive ongoing training regarding safety, policy, and work in many ways.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory does not provide ongoing training to workers or specific training to supervisors on Hours of Work.

2. According to the manufacturing manager, the factory's excessive overtime problem is predominantly due to pressure from clients and not having enough workers during the peak seasons. The seasonal nature of the FLA-affiliate's business causes spikes in production at specific times of the year (typically January and October); the factory has difficulty maintaining the levels of staff necessary to accommodate these fluctuations as they do not want to train temporary workers for operations that require advanced skills.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1 and ER.17; Hours of Work Benchmarks HOW.6)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1) Milliken DMS plant does train associates and supervisors on hours of work. This is typically done on or near Annual Training where we go over the items in our FLA posting and give a general FLA overview. We are due to have a 2017 Manager refresher course that is team taught by the HR Manager and the Plant Leader and we will incorporate FLA and Work Hours into that training seminar. I will incorporate another refresher for associates as well.

Company Action Plan Update

will work on getting each shift over the next two months and planning the manager refresher course, which is a full day offsite that reviews all policy

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. In the last 12 months, there have been several cases of workers exceeding 60 hours of work per week:
 - a. From October 10-16, 2016, six out of the 30 workers in the mat department worked over 60 hours. Of the six, three workers in the shipping department worked 72, 70, and 65 hours that week. The other three workers worked between 62 and 65 hours. They are in the doffer/trimmer, machine operator, and dye finish machine operators areas.
 - b. From January 11-17, 2016, 12 out of the 31 workers worked more than 60 hours. Of the 12, two were doffer/trimmers, one was a machine operator, six were press operators, and three were in the shipping department.
 - c. All workers on the first shift work more than 60 hours per week. These workers work from 8 AM to 8 PM for seven days (84 hours per week). They then take two days off. After two days off, they return to work from 8 PM to 8 AM for seven days (84 hours per week). That same worker then has five days off.
2. The factory production plan always includes overtime.
 - a. The work schedule in the cutting department is calculated with a regular work week of 50 hours (10 hours of overtime per week). The operators in the cutting department (8 workers) always work 50 hours per week.
 - b. The work schedule for the first shift is calculated with a regular work week of 84 hours (44 hours of overtime per week).
3. Workers on the first shift do not receive one day off in every seven-day period.

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2, and HOW.8)

Recommendations for Immediate Action

1. Do not permit or require workers to work more than 60 hours per week.
2. Do not include overtime in production planning.
3. Provide all workers 24 consecutive hours of rest in every seven day period, regardless of their schedule (including workers on the 21 day schedule). If workers must work on a rest day due to exceptional circumstances, provide an alternative consecutive 24 hours of rest within that seven day period or immediately following.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Due to business demands hours in the mats operation spiked around Sept-Dec. We were hiring as many people every week as possible to safely train during that time. We do not get notice on large orders and associates request as many hours as possible. Also we did not force anyone to work more than 60 hours during that spike, but took volunteers. Part C of this finding is incorrect. There is a misunderstanding in how the rotation works. Week 1 of rotation a worker is off Monday and Tuesday. Week 2, the worker is off from Wed morning to Friday night. Week 3 they are F-Sun. Then the rotation starts over. At the end of January shifts were dropped to their normal rotation hours (which provides an average of 46 hours per week, 40 one week, 50 the next, just due to how the rotation falls within the pay week).

Workers on 1st shift get every single weekend off. 1st shift employees in mats only work M-F, 10 hour days if work is provided.

We have found that when overtime is not planned associates get upset and leave to find more hours. Changing the rotation would not allow as many consecutive off days.

We will implement a request/approval process for excessive hours.

Company Action Plan Update

The previous shift explained is actually now discontinued, due to continual reduced hours in 2017. Now there is a straight 1st shift that is scheduled 40 hours -8a-4p M-F; there is also A Shift & B shift. A & B Rotate each week each 40 hours. When A shift is on days 8a-4p M-F, B shift is on nights Tues- Saturday Midnight-8am. Then they swap. Thus for the last few months no one has been scheduled over 40 hours. The plan is to continue M-F schedules as of now.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The orientation training provided to new workers does not cover Industrial Relations.
2. The factory has not clearly defined the person responsible for Industrial Relations within the factory.
3. The factory has two conflicting policies on Industrial Relations and Freedom of Association. The corporate policy of the company that owns the factory firmly states the company is anti-union: "We do not want unions in our facilities because we firmly believe that a union has nothing constructive to offer. We believe that all of us can make greater progress and provide greater security for ourselves and for our families by working together without the disruptive influence of an outside union." However, the Collegiate Code of Conduct belonging to the company that owns the factory endorses a worker's rights to Freedom of Association and collective bargaining. It is unclear which policy or standard would hold if workers had a sincere interest in unionizing. During an interview, one worker expressed the belief that the factory would not support any union interest or activity.
4. The factory does not have procedures on Industrial Relations.
5. Neither Human Resources nor Senior Management could verify if the factory's owner company's existing corporate policy on Industrial Relations is regularly reviewed and updated. The company's Collegiate Code of Conduct has been reviewed and accepted by the FLA. However, as there is a conflict between the two policies it is unclear if a review and update process exists.
6. The factory does not provide specific training for the relevant supervisors or ongoing training for the general workforce on Industrial Relations.
7. The factory does not communicate with the general workforce regarding the factory's Industrial Relations policies, procedures, and possible updates. It is not known if the factory's owner's corporate policy, which has an anti-union position, is verbally communicated to workers at any point, although it is included in the employee handbook.

Local Law or Code Requirement

FLA Workplace Code (Employment Relations Benchmarks ER.1, ER.15, ER.17, and ER.25; Freedom of Association Benchmark FOA.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Workers are asked to read and sign the FLA Code of Conduct and this is also shown plant wide annually at a minimum as well as now posted in two places. This Code of Conduct discusses Freedom of Association. Additionally we have an NLRB poster at the associate entrance with information that associates have the right to unionize. We are awaiting guidance from Corporate HR and Legal in order to revise any conflicting information.

UPDATE

NLRA is mentioned in supervisor training but can dedicate more time to the subject. For associates, Milliken will not do more than listed in column F, the required postings and information that is already given regarding Freedom of Association.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

Records of disciplinary actions are not maintained in workers' personnel files. Disciplinary actions are recorded on the back of the worker's performance review sheet. The worker signs off on this form which is kept with the supervisor for one year. Workers have access to this information. After one year, the sheets are filed (by year) in binders.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.3.4)

COMPANY ACTION PLANS

Action Plan no 1.

Description

This finding states that disciplinary actions are recorded on the back of a worker's performance review which is kept by the supervisor for 1 year. The form referenced is a Record of Conversations held by the direct supervisor as well as a record of all attendance occurrences. The form records conversational feedback, both positive and constructive. The form is kept in a binder that the supervisor is required to review each shift, and stored in the supervisor's locked drawer. Milliken believes that this format

encourages frequent feedback from a supervisor to his/her associates, as well as encourages consistent documentation in regards to the attendance system and maintenance of hours. If the supervisor did not keep this form, someone from HR would have to pull the entire shift at the start of each shift and re-file at the end of each shift, which would be very inefficient, and inconsistencies would likely occur. Actual Reprimands are signed by the associate and then recorded in the associate's electronic file. All attendance occurrences are also in the associate's electronic file after each payroll run. Human resources audits these supervisor binders frequently.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Not all workstations can be adjusted to fit individual workers in order to reduce bodily strain. For example, not all stamping and cutting presses are adjustable and the workers chairs are not ergonomically designed.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.17.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The finding states that workers chairs are not ergonomically designed, but the mats production does not include chairs. There were stools near some work stations for a temporary time, but they were not being used and were more of an annoyance and we thus removed near the end of 2016. Jobs are designed for standing and moving, thus the presses, trim tables, and shipping areas are designed to be worked at in the standing position. Due to the nature of these jobs, standing and moving is ideal and sitting would likely increase risk. In the shipping station the keyboard height was readjusted in early 2016 due to workers request. Tools such as carts, pallet jacks, lift tables, dollies, and lift trucks are used whenever possible to move material. The presses have moving conveyers and moving parts and are not made adjustable but are general the perfect height. With an operator or assistant on each side there is not threat of a reaching strain. A Mats Ergonomics Team was constructed and kicked off in November of 2016 as part of a corporate initiative. This team interviews workers on their comfortability of each job, organizes jobs by safety risk factors, and puts engineering or procedure controls in wherever possible. On Mats Press 4 the team replaced pallets with a new system which decreased weight and pushing pressure to aid in ergonomics. A new department audit was updated to observe & audit lifting techniques within the mats department. Another Mats Safety Team designed a custom cart to aid in sliding metal plates off the press rather than lifting these plates. All safety teams deal in safety projects around their jobs and members are asked for new suggestions in weekly meetings. However, the new Ergonomics team went through an intensive training course taught by Liberty Mutual on how to collect data to evaluate and improve ergonomic functions of each job. Additionally, workers in the mats dept get a break every two hours, during that time they are free to walk, sit, stretch, etc. Recently management changed trimming procedures to evade reaching while trimming. Trimmers must now walk to each side of the trim table to trim each side of a mat, rather than reach. All teams remain in continuous study and project mode year-round and will continue to make improvements as risks are found. Management believes that there have been very effective project results in the area of ergonomics even since this finding and there are no obvious strain risks at this time.

Company Action Plan Update

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