Capacity building for sustainable supply chain management – HFE contributions

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Introduction

In our globalized world, multinational companies are increasingly forced to take a higher degree of responsibility for the entire supply chain of their products. International standards and guiding principles with regard to corporate social responsibility call, amongst others, for decent working conditions in global value creation chains. Recent issues as the fatal fires at textile firms in Bangladesh, the debate on the suicides at Foxconn plants in China or the use of child labor in the agricultural industry highlight the importance of that subject.

CSR is defined as the responsibility of an enterprise for their impacts on society, encouraging enterprises to “have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders” (European Commission 2011). With regard to globally spread supply chains, special attention is paid to those parts of value creation located in countries with poor social and environmental standards. In this context, the former mainly voluntary character of CSR is more and more flanked by measures of legal (co-)regulation as in the field of conflict minerals (U.S. Government Publishing Office 2010), obligations of sustainability reporting (European Parliament and the Council of the European Union 2014) or by influence through public investments (Mousseau 2012).

As decent working conditions – or more general the design of sustainable work systems along whole supply chains (cp. Fischer and Zink 2012; Kubek, Fischer and Zink 2015) – are one of the main subjects in that discussion the question about the contributions of the HFE discipline arises.

Methodology

The authors of this abstract are working since several years on that issue (Zink and Fischer 2013; Fischer, Hobelsberger and Zink 2009; Zink, Steimle and Fischer 2008) and state that one of the main contributions of our discipline could be the development of adequate capacity building measures which are tailored to specific requirements of different target groups: management and purchasing staff at multinational firms, management and workers on direct suppliers’ sites as well as at subsequent suppliers up to very small enterprises and unregistered businesses.

The presented findings result from different studies the authors conducted in the last years: literature and document analyses (e.g. about purchasing processes and incentive schemes for purchasers and suppliers), about 30 expert interviews with representatives from non-governmental organizations, multinational enterprises, inter-trade organisations and trade unions and through the participation at and organization of several workshops and conference sessions in this field.

Outcomes

In the mentioned context capacity building not only subsumes training and education, but rather comprehensive concepts of macro-ergonomic change management respecting specific cultural constraints in respective countries as well as in the involved corporations and businesses. Up to now, the most common instrument of dealing with poor social and environmental standards in supply chains is the implementation of codes of conduct, claimed by lead buying firms (mainly original equipment manufacturers, OEMs). Of course, this “compliance approach” is not sufficient for real changes towards more sustainability in global supply chains (Locke 2013; Fischer, Hobelsberger and Zink 2009).

Instead, it is on the one hand necessary to promote fundamental organizational, macro-ergonomic changes on supplier sites and provide technical, most notably micro-ergonomic assistance to overcome shortcomings at the workplace level of the suppliers (cp. Locke 2013; Imada 2008; Locke and Romis 2007)

On the other hand, the purchasers at OEMs themselves need to be enabled for a more sustainable buying behaviour. This means, that individual and organizational capabilities and competencies (comprising
corporate culture, individual awareness and know-how as well as adequate management systems) have to be set-up which help to overcome a single-edge focus on cost savings and allow integrating CSR criteria in purchasing processes.

Furthermore, in global supply chains also exist very specific requirements as it is the case in sub-sub-contracted small firms or unregistered “backyard business” with a high degree of low-skilled manual labour and harmful working conditions. They require tailored capacity building approaches at grass root level which could have a very huge impacts on local working and living conditions (Scott 2008; Kawakami and Kogi 2005; Kawakami et al. 2004).

Thus, a very broad field of capacity building requirements for sustainable supply chain management arises and HFE can play a vital role in this context.

In their presentation, the authors will show examples for HFE capacity building measures which contribute to a more sustainable design of work systems in supply chains in the following parts of value creation:

1) Capacity building at purchasing departments of purchasing lead firms (global buyers, OEMs)
2) Capacity building at direct supplier sites (mainly first tiers)
3) Capacity building at small sub-supplier sites, e.g. in the informal sector

References


