

Using Grievance Mechanisms

Accessibility, predictability, legitimacy and workers'
complaint experiences in the Electronics Sector

Colleen Freeman & Esther de Haan

Colophon

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Executive Summary

UN Guiding Principles

The UN Protect, Respect and Remedy Framework and its companion instrument, the UN Guiding Principles, state companies have a responsibility to respect human rights. As part of this obligation, companies should provide access to remedies for individuals, workers and/or communities who may be impacted by their activities by establishing a grievance mechanism (GM) to handle complaints. In accordance with Principle 31 of the UN Guiding Principles, GMs should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue.

Shortcomings and merits of GMs

GMs have many shortcomings, not the least of which is the fact that many fail to provide workers' and victims' with genuine access to remedies. There is also growing evidence that GMs may be undermining victims' ability to seek legal remedies as well as the role of trade unions in resolving problems that arise between workers and companies. However, when legal action is not possible, GMs may help to resolve harmful business activities by requiring specific remedies, helping to mediate settlements, generating public awareness and/or persuading decision makers to take corrective actions.

In November 2011, SOMO and its research partners in China, India, Mexico, the Philippines and Thailand set out to evaluate the functioning of factory-level GMs in the electronics sector. The researchers interviewed or surveyed 337 workers from 40 factories. They also contacted 56 factories—including those where workers were interviewed—to determine whether they have hotlines.

With Principle 31 of the UN Guiding Principles providing the appropriate context, this study examined the following: 1) respondents' awareness of complaint channels, 2) how they learned about the GMs, 3) their ability to complain anonymously, 4) their understanding of their factories' GM processes after a complaint is filed, and 5) levels of trust in their factories' GMs. The experiences of the 67 respondents who filed 107 complaints have also been explored, including the correlation between their levels of trust and having their complaints satisfactorily or unsatisfactorily resolved.

The aim of this study is to relate workers' experiences with their factories' GMs and document their recommendations—both for companies as well as civil society—in order to contribute to the existing evidence on the functioning of company-level GMs as well as to promote implementation of the UN Guiding Principles.

Accessibility

In terms of accessibility, the findings suggest that the factories in this study have made some progress in raising workers' awareness of at least one complaint channel. However, if more than one access point to their GM exists, the findings indicate that they need to improve workers' awareness of these additional channels. The findings also suggest that contract workers at some

factories are not being informed adequately about their factories' GMs (or at worst, their access is not genuine) given the contrast between what respondents and companies reported. Furthermore, the use of third-party hotlines does not appear to translate into greater awareness.

The respondents' feedback on how they learned about their factories' complaint channels suggests that they tend to learn from more than one source, but it also appears one channel tends to dominate. In terms of line leaders/supervisors and announcement boards being used to educate workers about GMs, the overall low number of workers who cited these channels suggests most of the companies in this study need to improve their communications through these channels since workers would presumably have daily or almost daily access to them.

Respondents thought anonymous complaints are only allowed to be filed at 6 of the 16 factories when, according to researchers and the companies, they are permitted at 13. A prevailing criticism was that respondents did not believe anonymous complaints would lead to any outcomes or solutions. The workers' ability to complain anonymously is important in ensuring that serious issues are reported, especially given the fact that company-level GMs are not usually independent from management and therefore cannot guarantee confidentiality.

Predictability

With regard to predictability, the overwhelming majority of respondents in this study could not provide any specific details about their factories' GM process and what happens to their complaints once they are filed. While there were some exceptions, their feedback was largely limited to statements that complaints would be forwarded and outcomes would be posted. The findings in Section 3 confirm that the factories in this study are still failing to adequately educate their workers about their GM processes once a complaint has been filed. This conclusion is further supported by the fact that the most cited recommendation for improving their factories' GMs is that the process should be explained in greater detail.

Legitimacy

In terms of legitimacy, a very large majority of respondents in this study also do not trust their factories' GMs, and in only two factories did we find more respondents trusting the process than distrusting it. There are many reasons why, but the top four reasons cited by at least 15% of all respondents include: 1) the process is not impartial, fair and/or genuine; 2) complaints are not resolved; 3) workers fear being punished or fired; and 4) not all outcomes are reported. Only 3 of the 16 factories had no respondents citing the fear of being fired or punished if they complain, and respondents' concerns about video monitoring in Mexico clearly demonstrates more must be done to earn workers' trust. On the other hand, among the three companies where trust was the highest, the reasons provided were 1) line leaders/supervisors who are apparently consistent when resolving workers' grievances, 2) having complaints resolved and the outcomes reported; and 3) having a GM that functions well. The findings in Section 4 show quite conclusively that most of the companies in this study are failing to implement their GM processes in way that engenders workers' trust.

Respondents' complaint experiences

Out of 107 complaints, only 35 were satisfactorily resolved. The complaints that were least likely to be resolved were those involving the canteen and line leaders/management. Complaints about 1) working conditions, health and safety; 2) wages, bonuses, salary increments; 3) welfare, allowances and benefits also had high failure rates of over 60%. The issues that were most likely to be resolved were those concerning 1) involuntary or requested changes of position; and 2) work

pressure/overtime and transportation, but even then, the success rate was only 50%. The correlation between respondents' lack of trust and having a complaint not satisfactorily resolved was more evident. The high failure rate of canteen-related complaints (79%) was striking given this is a rather "low hanging fruit" issue that companies ought to be able to resolve. The findings in Section 5 clearly show that there has been an overall failure by many of the factories to resolve workers' complaints to their satisfaction.

Conclusions

In conclusion, most respondents know how to complain using at least one channel, but at most of the factories, it was not clear if workers were accessing the official GM process or informal channels when they complained. Companies should be doing more to raise awareness about their various GM access points, and more to continuously educate employees about the process through line leaders/supervisors and announcement boards. Workers largely do not know how complaints are handled and a large majority have very little trust in them. The high level of mistrust and the low percentage of satisfactorily resolved complaints demonstrates overall poor GM implementation as well.

In addition, there was a wide gap between what companies communicated with the researchers and what respondents' reported. The companies that responded to SOMO maintained they have well-functioning GMs that are publicised through several channels. While some of the companies in this study may have a good GM process on paper, the respondents' overall lack of understanding of and trust in their factories' GMs strongly suggest a failure to provide workers' accessible, predictable and legitimate GMs.

1. Introduction

The United Nations' (UN) "Protect, Respect and Remedy" framework" and its companion instrument, the UN "Guiding Principles on Business and Human Rights" (UN Guiding Principles), state that companies have a responsibility to respect human rights.

The companies' obligation to respect human rights includes having adequate policies and processes in place, so that affected individuals and communities who believe their rights have been violated can seek a remedy.¹ One such process that companies should implement to ensure they are providing access to remedy is a grievance mechanism (GM).²

A GM is a non-judicial procedure that offers a formalised means through which individuals or groups can raise concerns about the impact an enterprise has on them – including, but not exclusively, on their human rights – and can seek remedy. These mechanisms may use adjudicative, dialogue-based or other processes that are culturally appropriate and rights-compatible.³

About the "Protect, Respect and Remedy" framework" and the "Guiding Principles on Business and Human Rights"

Adopted in 2008 by the United Nations' Human Rights Council, the "Protect, Respect and Remedy" Framework established the following:

- States have a duty to protect against human rights abuses by third parties, including business enterprises, through appropriate policies, regulation and adjudication;
- Corporations have a responsibility to respect human rights, which means that business enterprises should act with due diligence to avoid infringing on the rights of others and to address adverse impacts with which they are involved; and
- Victims need greater access to both effective judicial and non-judicial remedy.⁴

The "Guiding Principles on Business and Human Rights" is a companion instrument to the "Protect, Respect and Remedy" framework that provides further guidance to companies on how they ought to prevent and address the risk of adverse impacts on human rights.

More simply put, a GM is a formal process created to resolve a problem between a company and an individual, worker and/or community or to rectify harm caused by the company. According to Principle 31 in the UN Guiding Principles, GMs should be:

¹ Guiding Principle 15 states: In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including: (a) A policy commitment to meet their responsibility to respect human rights; (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute".

² J. G. Ruggie, "Protect, Respect and Remedy: A Framework for Business and Human Rights. Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, A/HRC/8/5", April 2008, p. 24. "An effective grievance mechanism is part of the corporate responsibility to respect".

³ SOMO, CEDHA and Cividep India, "How to use the UN Guiding Principles on Business and Human Rights in company research and advocacy", November 2012, 8.

⁴ Office of the High Commissioner for Human Rights, "New Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council", press release, accessed 25 November 2013, <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=11164>. "

- ❑ **Legitimate:** enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- ❑ **Accessible:** being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- ❑ **Predictable:** providing a clear and known procedure with an indicative timeframe for each stage, and clarity on the types of processes and outcomes available and means of monitoring implementation;
- ❑ **Equitable:** seeking to ensure that aggrieved parties have reasonable access to sources of the information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- ❑ **Transparent:** keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
- ❑ **Rights-compatible:** ensuring that outcomes and remedies accord with internationally recognised human rights;
- ❑ **A source of continuous learning:** drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;
- ❑ **Based on engagement and dialogue:** consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.⁵

At the company or factory level, complaint boxes and hotlines are the most common and well-known channels (or “access points”) to a company’s GM. Filing a complaint with a company’s GM is different from discussing a problem with a line leader, supervisor, in meetings, etc. These types of interactions are an everyday aspect of work life and tend to be informal whereas a company-level GM is a formal process. In addition, having multiple complaint channels does not necessarily mean a company has a GM. Providing workers with complaint/suggestion/comment boxes, for example, does not mean there is a GM if, by using them, a formal grievance process is not activated.

1.1. Shortcomings and merits of GMs

The shortcomings and merits of GMs has been debated for some time. Critics contend that they are failing to provide genuine access to remedies and many fail to meet the performance criteria of Principle 31 of the UN Guiding Principles. Many organisations, including SOMO, have documented the challenges that exist in the functioning and effectiveness of currently available GMs such as the Organisation for Economic Co-operation and Development’s (OECD) Guidelines for Multinational Enterprises.⁶

The process of filing a complaint with a GM can also be very time-consuming and resource-intensive, and some may take an excessive amount of time to resolve complaints. Others may have too many procedural hurdles for complainants to navigate before their issues are actually addressed. While some have procedures in place to protect complainants against retaliation, many do not. There are also GMs that have confidentiality rules that might limit what issues complainants can discuss publicly if mediation is ongoing.

⁵ J. G. Ruggie, “Protect, Respect and Remedy: A Framework for Business and Human Rights. Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, A/HRC/8/5”, April 2008, p. 26.

⁶ See Human Rights & Grievance Mechanisms at <http://grievancemechanisms.org>.

The effectiveness of many GMs also depends on the willingness of the company to be involved in the process or in the case of company- and factory-level GMs, implementation by the company. Many GMs cannot issue binding recommendations and even fewer have the ability to enforce outcomes. This means that, even after the process concludes, there is no guarantee the company will actually change its behaviour.

Furthermore, there is also growing evidence that GMs could actually be making it more difficult for victims of human rights abuses to access legal forms of remedy. For example, a Canadian watchdog organisation reports that rape victims in Papua New Guinea have been asked to sign waivers that grant Barrick Gold immunity from further legal action before they can receive “remedy” (compensation/benefits packages).⁷ GMs have also been criticised for undermining the roles of trade unions in resolving worker-employer conflicts.

On the other hand, when legal action to stop or remedy harmful corporate behaviour is not possible, filing a complaint with a GM may help to prevent, terminate, mitigate and/or remediate the offending business activities. For example, some GMs can recommend or require specific remedies for the victims, or if it is a problem-solving process, the parties may end up agreeing to a solution.

Some GMs may involve official fact-finding processes and policy compliance reviews such as those carried out by the World Bank’s Inspection Panel or the International Finance Corporations’ Compliance Advisor Ombudsman.

Filing a complaint with a GM will usually take less time than filing a lawsuit, and doing so may help to generate public awareness and media attention, which is often needed to persuade decision makers such as politicians, investors and other key stakeholders to take corrective action.

A successful GM process could also lead to better policies and practices by the company or even set a new standard of best practice for similar projects or sectors.

In countries like China, India, Mexico, the Philippines and Thailand, workers in the electronics sector typically work under hazardous conditions and for long hours with little pay. When their rights are violated, workers are often afraid to speak out due to fear of punishment or termination and it can be very difficult for them to access remedies. GMs are one way workers can improve their working situations and respect for their human rights, so it is very important that these mechanisms are functioning as they should.

1.2. About this study

Following the March 2011 publication of the UN Guiding Principles, in November 2011, SOMO and its research partners in China, India, Mexico, the Philippines and Thailand set out to evaluate the functioning of factory-level GMs in the electronics sector with Principle 31 providing the appropriate context for the research.⁸

The aim of this study is to relate workers’ experiences with their factories’ GMs and document their recommendations—both for companies as well as civil society—in order to contribute to the

⁷ MiningWatch Canada, “Barrick Gold Makes Remedy Victims of Violence and Rape in Papua New Guinea and Tanzania Conditional on Legal Immunity”, 23 February 2014, http://www.miningwatch.ca/feature_block_CSR_in_Canada.

⁸ The UN Guiding Principles also recommend that companies have a GM for surrounding communities that may be impacted by their activities; however, this study only examines workers’ experiences.

existing evidence on the functioning of company-level GMs as well as to promote implementation of the UN Guiding Principles.

In the period from November 2011 to February 2012, 337 workers from 40 companies were interviewed or surveyed in China, India, Mexico, the Philippines and Thailand. When possible, the factories' hotlines were tested. Researchers also contacted 56 factories—including those where workers were interviewed—to determine whether they have hotlines and to learn how they function. The factories include:

- China
 - Foxconn – 20 respondents
 - Foxlink – 20 respondents
 - Johnson Electric – 20 respondents

- India
 - Flextronics – 15 respondents
 - Foxconn – 15 respondents
 - Nokia – 15 respondents
 - Salcomp – 14 respondents
 - Wintek⁹ – 15 respondents

- Mexico
 - Flextronics – 18 respondents
 - Foxconn – 10 respondents
 - Jabil – 20 respondents
 - The Philippines – 59 workers from 24 companies¹⁰

- Thailand
 - Fisher and Paykel – 20 respondents
 - Hoya Glass Disk – 18 respondents
 - LTEC Fujikura – 20 respondents
 - Sony – 18 respondents
 - Toshiba – 20 respondents

SOMO provided its research partners with a questionnaire (Appendix A), and they carried out their work in a manner they deemed most effective. Their work was not conducted using one specific qualitative or quantitative research method. For example, some respondents were interviewed individually, some were interviewed in groups and others completed a written survey. In addition, the factories were not preselected. They were included, because the research partners were able to successfully interview or survey workers at the factories. As the interviews had to be performed by researchers who had no direct access to the factories, the number of workers interviewed per factory is accordingly small. The researchers sought to interview regular workers and contract

⁹ Wintek's factory in India closed in 2012.

¹⁰ American Power Conversion-Schneider, Chiaolin Electronics Philippines Corporation, Emerson Network Power, Glory Philippines Inc., Hayakawa Electronics Philippines Corporation, Hitec, International Precision Assembly Inc., Keo Sung Enterprises Inc., Keyrin Electronics Philippines Inc., Maxim Philippines Operating Corporation, MD Tech Philippines Inc., Mitsuba Philippines Corporation, Mntec Corporation, Mocom Philippines, NT Philippines, Oakwave Philippines Corporation, Philippine Advanced Processing Technology Inc., San Technologies Inc., Sanritsu Great International Corporation, Semitec Electronics Philippines Inc., Star Electronics Parts Inc., Star Sound Electronics, Sunpower Module Manufacturing, and Yujin Optical Electronics.

workers from various departments to obtain a variety of perspectives.

In December 2013, except for the companies in the Philippines, SOMO called, emailed and completed website forms in order to give the companies' headquarters an opportunity to review the draft findings and to note any factual misunderstandings. The companies were also invited to provide more information about their GMs by completing a questionnaire. As of February 2014, SOMO has received responses from Flextronics, Foxconn, Jabil, Nokia, Salcomp, Sony and Toshiba, while the remaining companies did not respond.

1.3. Structure

This study is structured in the following manner:

- ▣ **Section 2 – Accessibility:** This section examines respondents' awareness of complaint channels, how they learned about the GMs and whether they can complain anonymously. This section also reports briefly on contract workers' experiences, and summarises the results of the researchers' hotline testing.
- ▣ **Section 3 – Predictability:** This section describes respondents' understanding of their factories' GM process after a complaint has been filed.
- ▣ **Section 4 – Legitimacy:** This section examines respondents' levels of trust in their factories' GMs.
- ▣ **Section 5 – Respondents' experiences filing complaints:** This section describes some of the experiences of the 67 respondents who filed 107 complaints, and explores the correlation between their levels of trust and having their complaints either satisfactorily or unresolved/unsatisfactorily resolved. This section also briefly reports on the factories' transparency when reporting complaint outcomes.
- ▣ **Section 6 – Conclusions and recommendations:** This section states the central conclusions based on the study's findings. It also details the respondents' and SOMO's recommendations for improving factory-level GMs, so that they will provide all workers with effective and meaningful access to remedy.

The study's focus on principles of accessibility, predictability, legitimacy is due to the level of detail provided by the respondents on these issues. Transparency is briefly reported on in Section 5.1. Respondents did not provide sufficiently detailed feedback on the questions relating to equitability¹¹ and rights-compatibility¹² to have a thoughtful examination of these issues. While Principle 31 of the UN Guiding Principles provides the context or basis on which to evaluate the functioning of factory-level GMs in the electronics sector, the findings in this study in no way reflect the factories' or companies' success or failure to implement the UN Protect, Respect and Remedy Framework.

¹¹ See Appendix A, Questions 4.4 – 4.7.

¹² See Appendix A, Question 5.1.

2. Accessibility

The UN Guiding Principles state that GMs are accessible when they are known by their targeted stakeholders, and they provide adequate assistance for those who may face particular barriers to access.¹³ To understand the factories' accessibility-related practices, the respondents were asked to identify what complaint/grievance mechanisms they were aware of, how they learned about their factories' GMs and whether they could file a complaint anonymously.¹⁴

2.1. Respondents' awareness of complaint channels

Respondents identified 11 complaint channels.

Table 1: Percentage of respondents citing known complaint channels

Country	Company	Complaint box	Line leader, supervisor	Hotline	HR	Union	Meetings	Other e.g. help desk	Contract agency rep	Email	Complaint forms	Intranet	No response
CHN	Foxconn	20%	10%	100%		15%		5%				15%	
CHN	Foxlink	40%	10%	70%	5%								20%
CHN	Johnson Electric	20%	10%	90%	5%								5%
IND	Flextronics	20%	27%	7%			60%						
IND	Foxconn	100%	27%			7%	7%						
IND	Nokia	100%	33%				7%	73%			7%		
IND	Salcomp	100%	100%										
IND	Wintek	100%	7%	13%	7%		33%						
MEX	Flextronics	39%	61%	11%					56%				
MEX	Foxconn	10%	90%	20%				50%					30%
MEX	Jabil	45%		30%	75%				30%	20%			
PHI	All	37%	25%	7%	10%		12%			17%			5%
THA	Fisher and Paykel	80%	5%			5%							20%
THA	Hoya	61%	11%	17%	11%	6%							28%
THA	LTEC Fujikura	100%	5%	5%	5%								
THA	Sony	100%	44%										
THA	Toshiba	60%	15%	5%	20%	60%	5%						
	All	58%	25%	22%	9%	5%	7%	5%	5%	4%	0%	1%	6%

Shading denotes the channel(s) cited by the most respondents (except for the Philippines, where the average for all companies is indicated). Bold denotes companies with hotlines.

¹³ Respondents were not specifically asked the question, "Does your company provide adequate assistance for those who may face particular barriers to access?" Instead, workers who had filed complaints were asked whether their companies had provided access to information, lawyers, experts and other supportive resources (see Appendix A, Questions 4.5 to 4.7). Most respondents simply answered "no" and many simply did not respond. The workers' replies to these questions were too limited to reliably examine this aspect of accessibility, but their very limited feedback may suggest that the companies in this study are not providing the type of assistance needed in order to prevent barriers to access.

¹⁴ See Appendix A, Questions 2.1-2.5.

In China, hotline awareness was very high at Foxconn (100%) and Johnson Electric (90%) and moderately high at Foxlink (70%), while awareness of complaint boxes was low to moderate (20%, 20% and 40% respectively).

In India, respondents' awareness of complaint boxes at Foxconn, Nokia, Salcomp and Wintek was 100%, but no one mentioned a hotline with the exception of two workers at Wintek.¹⁵

At Flextronics, awareness of complaint boxes was low (20%) while hotline awareness was very low (7%); however, 60% of the respondents cited meetings as a complaint channel. The very low level of hotline awareness among the Flextronics' respondents was surprising given the fact that its hotline, which is operated by US-based Ethics Point, is well developed and accessible by phone toll-free and via the company's website.¹⁶ Flextronics questioned these findings and emphasised how it educates its workers about the EthicsPoint hotline in a number of ways.¹⁷

Interestingly, Foxconn respondents in India gave no indication that a hotline exists (in contrast to 100% in China). Cividep India could not confirm the existence of a hotline either.

None of the Nokia respondents mentioned a hotline either; however, in January 2014, the company reported that it had established one.¹⁸

According to respondents' feedback, Salcomp does not have a hotline, and this was confirmed by the company.¹⁹ Awareness of the line leader/supervisor channel was very high at Salcomp (100%), but the reported awareness for this channel among all the other Indian companies ranged from very low (7%) to low (33%).

In Mexico, the findings suggest that workers rely on other channels such as line leaders/supervisors, HR and contract agency representatives to file their complaints. For example, 75% of Jabil's respondents cited HR, while respondents at Foxconn and Flextronics cited the line leader/supervisor more than other channels (90% and 61% respectively).

Hotline awareness among the Flextronics respondents was very low (11%) and low at Jabil (30%). Like Flextronics, Jabil utilises third-party hotline operator EthicsPoint. According to CEREAL, the Jabil respondents mentioned an internal phone line but not the EthicsPoint line. Jabil responded by saying that it goes "to great lengths to ensure employees have access to a comprehensive explanation—and understanding—of their avenues for dispute resolution" by educating workers about its GMs in several ways such as orientations, roundtable meetings, posters, television programming and anonymous complaint boxes.²⁰

Two of the 10 Foxconn respondents in Mexico mentioned a hotline, but similar to the experience of the Indian researchers, CEREAL could not locate the number.

¹⁵ The workers mentioned Wintek's "emergency" hotline. Wintek's factory in India closed in 2012.

¹⁶ EthicsPoint, "Flextronics", accessed 10 October 2013, <https://secure.ethicspoint.com/domain/media/en/gui/17667/index.html>.

¹⁷ Seb Nardecchia, Flextronics, written response to Esther de Haan, SOMO, 8 January 2014.

¹⁸ Miia Hapuoja, Nokia, email to Esther de Haan, SOMO, 17 January 2014.

¹⁹ Sasikumar Gendham, Salcomp, written response to Esther de Haan, SOMO, 3 January 2014. "Salcomp Chennai does have a hotline via the Salcomp web where employees can place grievances directly into the system... However, if you mean hotlines as a specific telephone number, we don't have this facility".

²⁰ Eric Austermann, Jabil, written response to Esther de Haan, SOMO, 22 January 2014.

In Thailand, awareness of complaint boxes was total at LTEC Fujikura and Sony (100%), high at Fisher and Paykel (80%) and moderate at Hoya (61%) and Toshiba (60%).

Good Electronics Thailand confirmed that three of the five Thai companies have hotlines, but awareness was very low to moderately low. At Fisher and Paykel, the fact that no respondents mentioned a hotline was surprising since the company uses third party, Australia-based Fair Call. Hotline awareness at Sony was also 0%. Even though Hoya has a brochure that explains its grievance process, hotline awareness was only 17%.

At Toshiba, 60% of respondents also cited their union as a complaint channel. One Toshiba respondent said there is a hotline but Good Electronics Thailand could not confirm its existence.

In the Philippines, 41% of the 59 respondents from 24 companies cited the existence of a complaint box and 7% mentioned a hotline. These percentages may suggest that, like in India and Thailand, the use of complaint boxes may be more common than hotlines in the Philippines. However, further study is needed to confirm this inference. It is important to note that most of the respondents in the Philippines were from small subcontractors, which tend to lack the procedures and systems found at larger manufacturers such as Foxconn, Flextronics, Toshiba, Sony, etc.

Contract workers

According to respondents' feedback in China, India, Mexico and Thailand, nearly half (7 out of 16) of the factories treat contract workers unequally when it comes to eligibility for or access to their GMs. These companies include Foxconn (Mexico), Foxlink, Flextronics (India and Mexico), Jabil, Salcomp and Wintek.

- In China, a student worker at Foxlink who asked her supervisor about the complaint box was told she should complain to her teacher.²¹
- Five respondents from Flextronics (India) stated that the company needs to stop differentiating between contract and permanent labourers.²² One worker replied, "We are contract labourers, and we generally complain in a group or else we would end up being dismissed".²³ Another said, "I'm a contract labourer, and the management would dismiss me if I complained".²⁴
- In India, all of Salcomp and Wintek's respondents stated that the companies do not allow contract workers to utilise the GM process.
- In Mexico, contract workers at Foxconn, Flextronics and Jabil said they were told to first complain to their agency representative (known as an "inplant"). If the inplant does not solve the problem they can file a complaint via their company's GMs.²⁵

2.2. How respondents learned about their factories' GMs

Respondents identified 12 channels that informed them about their factories' GMs. The top three channels cited were a visible complaint box (23%), announcement board (15%) and line leader/supervisor (10%).

²¹ Foxlink, Interview 7.

²² Flextronics (India), Interviews 8, 9, 11, 12, 14.

²³ Flextronics (India), Interview 8,

²⁴ Flextronics (India), Interview 14.

²⁵ In Mexico, 23 out of 48 respondents were contract workers.

While orientations or meetings were not among the top three channels overall, these channels were the dominant channel at five companies. Orientation was the dominant channel at Johnson Electric (30%), Nokia (33%) and Salcomp (43%). Meetings were dominant at Flextronics in India (67%) and Wintek (33%).

Table 2: How respondents learn about complaint channels

Country	Company	Announcement board	Line leader/supervisor	Visible complaint box	Orientation	Trainings	Publications	Union	Agency representative	HR	Email	Meetings	Co-workers	Other	Do not know	No response
CHN	Foxconn	5	10	10		5							5	35		55
CHN	Foxlink	10		10		15					5		10			60
CHN	Johnson Electric	5		5	30		15									45
IND	Flextronics	7				7						67			7	13
IND	Foxconn			13								13			60	13
IND	Nokia			27	33							7	7		20	13
IND	Salcomp				43	7									50	
IND	Wintek				13							33			60	
MEX	Flextronics		17	56					22	33			22		6	
MEX	Foxconn															100
MEX	Jabil			60						90			30	25		
PHI	All	12	10		14		10			3		8	3		3	7
THA	Fisher and Paykel	15	10	15				5				5	5			20
THA	Hoya	50	17	22			17	28			11		17			
THA	LTEC Fujikura	15	55	70						5						
THA	Sony	67	28	72				22					11			
THA	Toshiba	50	15	45				5							10	5
	All	15	10	23	8	2	4	3	1	8	1	7	7	4	10	17

Shading denotes the channel cited by the most respondents (except for the Philippines, where the average for all companies is indicated). The percentage symbol (%) has been omitted due to space limitations.

In China, a majority of workers at Foxlink (60%), Foxconn (55%) and Johnson Electric (45%) did not respond to the question of how they learned about their companies GMs. Judging from their anecdotal feedback, however, Foxconn appears to be the most proactive in terms of advertising the existence of its hotlines. For example, one worker said the hotline numbers are printed on their identification cards,²⁶ and another said that there is a notice board along the road with the hotline numbers.²⁷

In India, meetings and orientation were the two most cited channels. Meetings were the most cited at Flextronics (67%), Wintek (33%) and Foxconn (13%). At Salcomp and Nokia, orientations were the most cited (43% and 33% respectively). Many Indian respondents did not remember how they

²⁶ Foxconn (China), Interview 3.

²⁷ Foxconn (China), Interview 1.

learned about their companies GMs, particularly those at Foxconn (60%), Wintek (60%) and Salcomp (50%).

In Mexico, 90% of Jabil's respondents cited HR, which was the highest percentage for any channel among all of the participating companies. Meanwhile, 60% of Jabil's respondents also cited visible complaint boxes and 56% of Flextronics did so as well. None of the Foxconn workers responded to this question.

Four of the five Thai companies scored moderate to high percentages for two complaint channels. For example, 70% of LTEC Fujikura respondents cited visible complaint boxes while 55% cited their line leader/supervisor. At Sony, 67% cited the announcement board and 72% mentioned visible complaint boxes. At Toshiba, 50% cited the announcement board and 45% mentioned visible complaint boxes. Hoya's most cited channel was the announcement board (50%). Only Fisher and Paykel had low percentages for all channels.

The Thai respondents were also the only ones to mention that their union informed them about their factories' GMs. At Hoya, 28% mentioned the union and 22% at Sony. At both Fisher and Paykel and Toshiba, 5% of respondents mentioned their unions.

2.3. Respondents' ability to complain anonymously

According to respondents' feedback, only 6 of the 16 factories in China, India, Mexico and Thailand allow the filing of anonymous complaints. However, based on the researchers' inquiries and the companies' feedback, 13 of the 16 factories allow workers to complain anonymously.²⁸

Table 3: Respondents' ability to complain anonymously

Country	Company	Respondents' feedback	Comments
CHN	Foxconn	Yes, general issues	Company confirmed that anonymous complaints are permitted, although SOMO's research partner was told that anonymous complaints are only allowed on general issues such as the canteen.
CHN	Foxlink	No	Research partner confirmed that anonymous complaints are not permitted.
CHN	Johnson Electric	Opposing views	Research partner confirmed that anonymous complaints are permitted.
IND	Flextronics	No	Research partner and company confirmed that anonymous complaints are permitted.
IND	Foxconn	No	Company confirmed that anonymous complaints are permitted.
IND	Nokia	No	Company reports that the process is confidential "unless in order to adequately investigate matters, there is a need to explain the contents of the employee's grievance to others (as part of investigation)". ²⁹
IND	Salcomp	No	Company reports that anonymous complaints ARE permitted.
IND	Wintek	No	Factory closed in 2012.

²⁸ In the Philippines, 49% stated that anonymous complaints are allowed, 29% said they were not, 15% said they did not know and 8% did not provide a response.

²⁹ Miia Hapuoja, Nokia, email to Esther de Haan, SOMO, 17 January 2014.

Country	Company	Respondents' feedback	Comments
MEX	Flextronics	No, due to video monitoring of complaint boxes.	Yes, research partner and company confirmed that anonymous complaints are permitted.
MEX	Foxconn	No, due to video monitoring of complaint boxes.	Yes, company confirmed that anonymous complaints are permitted.
MEX	Jabil	No, due to video monitoring of complaint boxes.	Yes, research partner confirmed that anonymous complaints are permitted.
THA	Fisher and Paykel	Yes	Yes
THA	Hoya	Yes	Yes
THA	LTEC Fujikura	Yes	Yes
THA	Sony	Yes	Yes
THA	Toshiba	Yes	Yes

In China, respondents reported that Foxlink does not allow anonymous complaints, Johnson Electric does and Foxconn appears to only allow anonymous complaints on general issues.

At Foxlink, all but one respondent said they could not complain anonymously. One worker said the hotline requires workers to provide an ID number.³⁰ When SOMO's research partner contacted Foxlink's hotline, they were told that anonymous complaints are not recommended even if the complaint is general in nature; one operator claimed that names and ID numbers were necessary.³¹

Most respondents at Foxconn (China) did not answer this question, although one did say a complaint could be filed anonymously about "public problems".³² A second worker said a complaint could be filed anonymously by simply not filling in your name and only filling in the department you work for. He also stated that he and his colleagues continued to file anonymous complaints about excessive overtime, and eventually the workload eased up somewhat.³³ A third respondent said that anonymous complaints are not permitted.³⁴ When SOMO's research partners contacted Foxconn's hotline, one operator told them that anonymous complaints are not permitted. A second operator stated that complaints about personal issues require a worker's ID or department/business group information, but anonymous complaints about general issues such as the canteen are permitted.³⁵ In its response, Foxconn stated that its procedures permit and encourage anonymous complaints.³⁶

At Johnson Electric, most of the participating workers did not respond to this question, and the three who did had conflicting views.³⁷ However, SOMO's research partners learned when they tested the company's hotline that anonymous complaints are allowed unless it affects the Staff Relationship Unit's ability to investigate the issue in which case workers are "ensured protections".³⁸

³⁰ Foxlink (China), Interview 16.

³¹ Three calls were made to Foxlink's hotline in October-November 2011.

³² Foxconn (China), Interview 20.

³³ Foxconn (China), Interview 4.

³⁴ Foxconn (China), Interview 7.

³⁵ Five calls were made to Foxconn's (China) hotline in October-November 2011.

³⁶ Martin Hsing, Foxconn, response to questionnaire to Esther de Haan, SOMO, 7 January 2014.

³⁷ Johnson Electric, Interviews 1-3.

³⁸ Three calls were made to Johnson Electric's hotline in October-November 2011.

In India, all respondents from Flextronics, Foxconn, Salcomp and Wintek said anonymous complaints are not permitted. However, Cividep India contacted Flextronics' EthicsPoint hotline, and confirmed that anonymous complaints are indeed permitted.³⁹ Furthermore, Flextronics' replied that "The notion that anonymous complaints are not permitted at Flextronics is false".⁴⁰

Cividep India could not confirm the existence of hotlines at Foxconn (India), Salcomp or Wintek. As noted above, a Foxconn representative stated that it does permit and encourage anonymous complaints.⁴¹ Salcomp also disputed the finding that anonymous complaints are not permitted, and added that feedback can be provided via its website or complaint boxes anonymously.⁴² As previously noted, Wintek's factory in India closed in 2012.

Six Nokia (India) respondents stated that anonymous complaints are not permitted, three thought otherwise and six did not respond. Nokia's "Grievance Redressal Form" requires workers to indicate their name and employee ID, which led SOMO to conclude anonymous complaints are in fact not permitted. A common response from Nokia workers was that they did not think an anonymous complaint would work or that nothing would happen if they did file a complaint.⁴³ Only one Nokia worker thought that anonymous complaints were permitted, but only for basic issues like bonuses and salary increments.⁴⁴ Nokia did not dispute the finding that anonymous complaints are not permitted, but stated that its GM process is confidential unless there is a need to discuss the issue with others.⁴⁵

In Mexico, respondents from Flextronics, Foxconn and Jabil said their identities could be revealed since the complaint boxes are video monitored. Flextronics' disputed this assertion as well as the aforementioned assertion that anonymous complaints are not permitted.⁴⁶ Again, Foxconn also stated that it permits and encourages anonymous complaints.⁴⁷

Jabil acknowledged the presence of a video camera near a complaint box at its Guadalajara facility, but said the purpose of it was related to security and safety issues and was not installed to monitor workers who file complaints.⁴⁸ When CEREAL arranged for workers to make test calls to Flextronics and Jabil's EthicsPoint hotlines, the workers indicated that they were told by the operators they could complain anonymously.⁴⁹

In Thailand, all five companies allow anonymous complaints according to a majority of respondents. One respondent from Fisher and Paykel, however, pointed out that "Yes, I can file anonymously, but that kind of complaint might not have any outcomes".⁵⁰ This sentiment was echoed by eight other workers as well.⁵¹ Another explained, "The company requires us to put our name and phone number down on our complaint form. If you don't, then the company can see who wrote it on the surveillance camera".⁵²

³⁹ Cividep India called Flextronics' hotline in November 2011.

⁴⁰ Seb Nardecchia, Flextronics, written response to Esther de Haan, SOMO, 8 January 2014.

⁴¹ Martin Hsing, Foxconn, response to questionnaire to Esther de Haan, SOMO, 7 January 2014.

⁴² Sasikumar Gendham, Salcomp, response to questionnaire to Esther de Haan, SOMO, 3 January 2014.

⁴³ Nokia, Interviews 1-6.

⁴⁴ Nokia, Interview 7.

⁴⁵ Miiia Hapuoja, Nokia, written response to Esther de Haan, SOMO, 17 January 2014.

⁴⁶ Seb Nardecchia, Flextronics, written response to Esther de Haan, SOMO, 8 January 2014.

⁴⁷ Martin Hsing, Foxconn, response to questionnaire to Esther de Haan, SOMO, 7 January 2014.

⁴⁸ Eric Austermann, Jabil, written response to Esther de Haan, SOMO, 22 January 2014.

⁴⁹ Two calls were made to both Flextronics and Jabil's EthicsPoint hotlines in October 2013.

⁵⁰ Fisher and Paykel, Interview 20.

⁵¹ Fisher and Paykel, Interviews 1, 3, 8, 9, 11, 13, 14, 16.

⁵² Fisher and Paykel, Interview 4.

A Hoya worker stated, “There have been results for the anonymous complainants, and they will not face any discrimination from their line leader”.⁵³ Another stated, “The union representatives will open the anonymous complaints and this produces verifiable results without consequences for the complainants”.⁵⁴ However, another worker commented, “Most complaints are anonymous, because workers are afraid of retaliation”.⁵⁵ One worker with seven years seniority noted, “Most anonymous complaints will be made through the union because the workers trust the union and believe they can solve issues such as harassment by line leaders”.⁵⁶

Meanwhile, a majority of the LTEC Fujikura workers had positive feedback. One said, “We can make an anonymous complaint on any issue without worrying”.⁵⁷ A worker who had a less positive view, commented: “Some anonymous complaints will be resolved, while others won’t be”.⁵⁸ Another employees observed, “If a worker complains about improving the job, it will get resolved. But if it is a complaint about co-workers or a line leader, they will look at the handwriting to figure out who the complainant was”. This employee also added, “Workers are afraid, and they don’t dare file a complaint”.⁵⁹

All but one⁶⁰ of the Sony respondents said anonymous complaints are permitted⁶¹, however, some did not believe that they would “work”.⁶²

At Toshiba, most of the respondents indicated that they could file anonymous complaints, but some did not view the practice as effective and others fear retribution. For example, one worker commented that “I have never seen an anonymous complaint get a response”.⁶³ A worker with 15 years experience said, “You cannot sign your name, because the line leader will find out. Complaints about line leaders are common. They scold us almost every day. A complaint sometimes effects our annual evaluation and wage increase”. This worker said she would only complain to the union.⁶⁴ Toshiba confirmed that anonymous complaints are indeed permitted.⁶⁵

⁵³ Hoya, Interview 18.

⁵⁴ Hoya, Interview 3.

⁵⁵ Hoya, Interview 2.

⁵⁶ Hoya, Interview 13.

⁵⁷ LTEC, Interview 2.

⁵⁸ LTEC, Interview 11.

⁵⁹ LTEC, Interview 17.

⁶⁰ Sony, Interview 15.

⁶¹ Sony, Interview 11, did not offer a response to this question.

⁶² Sony, Interviews 9, 10, 15, 16.

⁶³ Toshiba, Interview 1.

⁶⁴ Toshiba, Interview 14.

⁶⁵ Tokiko Somo, Toshiba, response to questionnaire to Esther de Haan, SOMO, 26 December 2013.

Hotline testing

The researchers in China, India, Mexico and Thailand attempted 140 contacts via phone calls and emails to 56 companies/factories—including the factories where workers were interviewed—to determine whether they indeed do have hotlines and to learn how they actually function.

Among the 56 companies/factories, 22 had hotlines, 20 did not, 8 could not be reached and 6 were unwilling to answer any questions. Fifteen (15) companies/factories confirmed that anonymous complaints are permitted and five (5) use third-party hotline operators, including Celestica, Fisher and Paykel, Flextronics, Jabil, and Laird (see Appendix B).

Among the companies where workers were interviewed or surveyed, 8 of the 16 companies actually had hotlines. These include Foxconn (China only), Foxlink, Johnson Electric, Flextronics (India, Mexico), Jabil, Hoya, and Sony. Awareness among Chinese respondents was high (70-90%), while awareness among the rest of the companies was very low to low (0-30%).

2.4. Findings and trends

Overall, respondents' awareness of their factories' complaint channels was moderately high to very high, and only 6% did not offer any form of complaint channel. The top three channels cited were complaint boxes (58%), line leader/supervisor (25%) and hotlines (22%). While many workers mentioned their line leaders/supervisors as potential complaint channels, it was not totally clear whether this access point led to an official GM process at the factories. In the case of complaint/suggestion/comment boxes, there may not be an official GM procedure in place that is activated when a worker files a complaint.

At all of the factories (except in the Philippines), one channel was always cited by at least 60% of respondents. However, no factories offered a second channel that was mentioned by at least 60% of the respondents except Salcomp (100% complaint box, 100% line leader/supervisor) and Nokia (100% complaint box, 73% help desk).

These findings suggest that the companies in this study have made some progress in raising workers' awareness about at least one complaint channel, particularly at the seven factories where reported awareness of a channel was 100%. The findings also suggest that companies that have more than one complaint channel should continue in their effort to improve workers' awareness of their availability.

Contract workers at seven companies are reportedly not permitted to use the factories' GMs (or workers have to complain to their agency representative first). However, Foxconn, Flextronics, Nokia and Salcomp all insisted otherwise. The contrast between the reports filed by respondents and companies suggests that contract workers are being inadequately informed about their factories' GMs (or worse, their access is not genuine).

At the eight factories that have confirmed they have hotlines, awareness was low to very low except in the Chinese factories. There also does not appear to be a correlation between employing a third-party hotline operator and increased awareness among workers based on the reported levels of awareness at Flextronics (7% India, 11% Mexico), Jabil (30%) and Fisher and Paykel (0%).

Respondents' feedback on how they became aware of their factories' complaint channels seems to suggest they did so using more than one source. However, it also appears that one channel usually dominates. The exceptions are Jabil, LTEC Fujikura and Sony, which each had at least two channels that were cited by at least 50% of respondents. Toshiba nearly made the cut with 50% for its announcement board and 45% for its visible complaint boxes.

The top three channels that respondents cited were visible complaint boxes (23%), announcement boards (15%) and line leaders/supervisors (10%). It is important to note that visible complaint boxes are not a reliable indication of whether companies are actually informing their employees about their GMs. This is because they are readily visible, do not require companies to provide much information and companies should directly inform their employees about the complaint process. Only Foxconn reported that a grievance "flow" is posted on the side of its suggestion boxes.⁶⁶

As all of the workers would presumably have direct and almost daily contact with their line leader/supervisor and announcement boards, the overall low percentages for these channels (10% line leader/supervisor and 15% announcement boards) suggests that most of the companies in this study need to improve how they inform their employees about their GMs using these channels. Sony (67%), Toshiba (50%) and Hoya (50%) were the top three companies when it came to informing respondents using announcement boards, however, the percentages for all of the other companies was very low (0-15%). The percentages for line leader/supervisor for all of the companies was also very low (0-17%) except at LTEC Fujikura (55%) and Sony (28%).

The anecdotal feedback of the respondents about their ability to complain anonymously was especially instructive because the range of views varied significantly in terms of whether they are permitted and whether these complaints were effective. Indeed, a recurring sentiment expressed by many of the workers is that they did not believe that anonymous complaints produced any demonstrative outcomes or solutions. (Unresolved complaints was overall the second most cited reason for why respondents did not trust their respective factories' GMs.)

Given the fact that company-level GMs are not usually independent of management and therefore cannot guarantee confidentiality, the proper handling of anonymous complaints is an important way to build employee trust.

Foxconn and Flextronics

Foxconn and Flextronics were the only companies in this study where workers were interviewed or surveyed at more than one factory.

- **Foxconn** appears to be doing a good job at raising awareness of at least one complaint channel, but there are also some noticeable inconsistencies in its practices related to accessibility. For example, 100% of the respondents from China mentioned the hotline, 100% from India mentioned the complaint box and 90% in Mexico cited their line leader/supervisor. The figures per factory dropped sharply (i.e., if a high percentage of respondents cited one channel, the next two channels received low to very low response percentages). Furthermore, the respondents in China reported that the hotline numbers were printed on the workers' IDs, while in India and Mexico no respondents reported this detail. Researchers in China were told that anonymous complaints were permitted on general issues, while Indian workers insisted anonymous complaints are not allowed. Moreover, Mexico's Foxconn respondents did not provide feedback on this question. →

⁶⁶ Martin H. J. Hsing, Foxconn, questionnaire to Esther de Haan, SOMO, 7 January 2014.

- **Flextronics** also appears to be doing a moderately good job at raising awareness of at least one complaint channel, but its accessibility practices seem to be inconsistent. In India, 60% cited meetings, while in Mexico, 61% cited their line leader/supervisor. It also appears that awareness raising about the availability of its hotline could be improved. Only one Flextronics respondent (7%) in India and only 11% in Mexico mentioned the hotline. Workers in these two countries said that they were not permitted or did not believe they could file anonymous complaints, which stood in stark contrast to company statements in this regard and what researchers confirmed when they contacted the company's EthicsPoint hotline.

3. Predictability

The UN Guiding Principles state that GMs are predictable if they provide 1) a clear and known procedure with an indicative timeframe for each stage, 2) clarity on the types of process and outcome available; and 3) a means of monitoring implementation. To determine the factories' predictability practices, the respondents in China, India, Mexico and Thailand were asked the following question, "If there is/are complaint mechanisms do you know how they function? Can you describe it?"

3.1. Respondents' understanding of the GM process

A majority of respondents at all of the participating factories stated that they did not understand the process after a complaint was filed with the exception of LTEC Fujikura and Sony in Thailand.

Table 4: Respondents' understanding of their factories' GM process after a complaint is filed. (Excludes the Philippines)

Country	Company	Understand Process	Do not understand process	No response
CHN	Foxconn	10%	5%	85%
CHN	Foxlink	5%	30%	65%
CHN	Johnson Electric	5%	35%	60%
IND	Flextronics	7%	67%	27%
IND	Foxconn		27%	73%
IND	Nokia	13%	87%	
IND	Salcomp	43%	50%	7%
IND	Wintek	13%	87%	
MEX	Flextronics		100%	
MEX	Foxconn		100%	
MEX	Jabil		100%	
THA	Fisher and Paykel	30%	65%	5%
THA	Hoya	33%	50%	6%
THA	LTEC Fujikura	50%	45%	5%
THA	Sony	83%	11%	6%
THA	Toshiba	30%	55%	15%
	All 278 respondents	21%	55%	23%

The few respondents in China who claimed that they understood their factories' GM process did not provide any further details beyond the fact that complaints would be forwarded for processing. A significant number of respondents did not respond, which may suggest many of the workers simply do not understand the GM process, had no opinion or did not understand the question.

One Foxconn respondent said he “thinks complaints are referred back to the internal department, and they will be ignored”.⁶⁷ Another Foxconn respondent commented that she thought it would be referred to HR and the related department for processing.⁶⁸

Only one Foxlink worker said he understood the process, stating, “The line leader will forward complaints to a higher level if they cannot help. If the problem is more difficult, the line leader will tell you to use the complaint box. No one knows how frequently the box is checked”.⁶⁹

One Johnson Electric worker said, “Complaints will be referred to the production line supervisor”,⁷⁰ while another replied that “there is little knowledge of the Staff Relationship Unit”.⁷¹

In India, respondents did not provide any details beyond who they thought handled the complaints, their views on the most likely channel to obtain a solution and whether the GM process was functioning.

For example, a majority of Flextronics’ respondents said they complained to their supervisors,⁷² while another claimed you had to go through supervisors and HR.⁷³

None of the Foxconn respondents stated that they understood the grievance procedures. A recurring response was that “it is not functioning”.⁷⁴ Workers here usually complained to supervisors or HR.⁷⁵ One worker observed: “If we have complaints, we approach the manager or HR; we have no idea about the functioning of these mechanisms”.⁷⁶

Several Nokia respondents said complaints are conveyed to HR,⁷⁷ while several others insisted that the process was not functioning⁷⁸ or only functions regarding some issues.⁷⁹ Several workers mentioned that the help desk would inform HR,⁸⁰ but a third added, “No action is taken. They just listen to workers”.⁸¹

The Salcomp workers who said they understood the process all stated that HR handles their complaints,⁸² although one of them said that the “maximum solution” could be obtained by complaining through a supervisor.⁸³

The feedback from Wintek workers was varied. One said the process is “operated by HR, but we generally complain either to the supervisors or the managers”.⁸⁴ Another noted that “the suggestion

⁶⁷ Foxconn (China), Interview 18.

⁶⁸ Foxconn (China), Interview 20.

⁶⁹ Foxlink, Interview 16.

⁷⁰ Johnson Electric, Interview 6.

⁷¹ Johnson Electric, Interview 5.

⁷² Flextronics (India), Interviews 2, 3, 4, 5, 7, 8, 9, 12.

⁷³ Flextronics (India), Interview 6.

⁷⁴ Foxconn (India), Interviews 3, 4, 9, 10, 11, 12, 13, 14.

⁷⁵ Foxconn (India), Interviews 2, 11, 12, 13.

⁷⁶ Foxconn (India), Interview 2.

⁷⁷ Nokia, Interviews 1, 2, 5, 11, 15.

⁷⁸ Nokia, Interviews 10, 12, 13, 14.

⁷⁹ Nokia, Interviews 7, 10, 13.

⁸⁰ Nokia, Interviews 1, 5.

⁸¹ Nokia, Interview 11.

⁸² Salcomp, Interviews 2, 5, 7, 10, 12, 14.

⁸³ Salcomp, Interview 1.

⁸⁴ Wintek, Interview 2.

box is cleared once a week, and the complainants are called into the manager's office".⁸⁵ Several stated that the GM process was basically non-functional.⁸⁶ One Wintek worker observed that "it happens secretly",⁸⁷ and two pointed out that the GM is only for issues like replacing materials or chemicals.⁸⁸

In Mexico, the respondents said that they knew where the first point of contact for filing a complaint was, for example, their agency representative or HR, but they were unable to explain what happens after they filed a complaint.

Thailand had the most respondents overall who said they understood how their factories' GMs function. The Fisher and Paykel workers who indicated that they understood the process had slightly different descriptions of the process, but essentially they described a two-step process that involves the managing director opening the complaint box and HR handling/investigating the complaint and proposing a solution. If the complainant disagrees with HR's proposed solution, the case will be referred to an executive committee for handling, and the committee's final decision will be announced by the HR manager.

Hoya Glass Disk

Hoya was the only company in this study that had produced a brochure describing its grievance process; however, 50% of the respondents said they did not understand the process with 33% saying they did.



At Hoya, the union plays a role in the handling of complaints. The brochure includes definitions of specific words like "grievance" and "suggestion", and describes the procedure for three types of complaints: general suggestions, general complaints and complaints that relate to management. A flow chart describes the process and states that the labour relations officer handles the case. Depending on the type of complaint, HR posts the outcome on the announcement board. When the complaint relates to management, no announcement is posted.

One Hoya respondent, when asked to describe the process, replied, "I don't know the details, but there are eight committee members, including four employer and four employee representatives".⁸⁹ Another said that "the procedural steps are explained in the brochure".⁹⁰ A third worker noted that "workers can be nominated to be elected to the complaint committee".⁹¹

The LTEC Fujikura respondents were pretty evenly split between those who said they understood the process and those who did not. Among the former, some described how complaints were resolved by the appropriate company staff member.⁹² Among the latter group, the most common response was that they did not know who opened the complaint boxes or who was responsible for the process.⁹³

⁸⁵ Wintek, Interview 6.

⁸⁶ Wintek, Interviews 12, 13, 15.

⁸⁷ Wintek, Interview 7.

⁸⁸ Wintk, Interviews 5, 14.

⁸⁹ Hoya, Interview 16.

⁹⁰ Hoya, Interview 18.

⁹¹ Hoya, Interview 13.

⁹² LTEC Fujikura, Interviews 1, 2, 18,

⁹³ LTEC Fujikura, Interviews 5, 10-17.

Most of the Sony respondents reported that the managing director opened the complaint box, and that urgent complaints would be resolved immediately and that notices announcing resolved complaints would be posted. Two respondents, however, claimed that they only knew they could complain to their leaders.⁹⁴

Toshiba respondents had slightly varying descriptions of the process. But of those who claimed to understand all essentially stated that HR would consider the complaints and send or post a reply. One Toshiba worker stated, "What I know is that there is a complaint box in each division. Every month the HR manager and the production manager opens the box and reads the complaints. After that they post a response on the announcement board".⁹⁵ Another Toshiba worker replied, "I know that you can file a complaint with the HR officer, but when there is a complaint made through the union it is better and faster. The complaint mechanisms that exist in each division do not yield good results".⁹⁶

Companies' responses

SOMO asked the companies to supply information on the complaint mechanisms and the procedures it follows. Five of the six companies provided the following responses:

- **Flextronics** reported that the "complainant starts the process by voicing their grievance/complaint through any of the various methods available (Ethics Point Hotline through Service Now web application, etc.) that are listed above. If the grievance is provided in person or on paper, the grievances are included into the Service Now web app in an anonymous manor (*sic*). All complaints are reviewed by the functional leaders and they need to provide and execute an action plan. The plans, open actions and closed actions are reviewed by human resources on a weekly basis, and at the end of the month a report is published in the bulletin boards".⁹⁷
- **Foxconn** replied, There're (*sic*) several documents on grievance mechanism in our company, for example, '*Suggestion, Consultation and Grievance Management Procedure*', '*Grievance Procedure Flow Chart*' and '*Suggestion Box Management Flow Chart*'.⁹⁸
- **Nokia** stated, "A grievance is an official statement of a complaint over something believed to be wrong or unfair. Nokia encourages employees to discuss and deal with most issues within the course of normal working relationships and employees should feel that their issues and opinions can be discussed freely with their managers. Such an approach can resolve issues before they escalate. If this kind of informal approach is taken, it falls outside formal grievance procedures. If an employee feels that it is not possible to discuss a complaint informally, or if an employee is not satisfied with the result of the informal approach, he or she should consider raising a formal grievance. Depending on local legislation, this usually leads to formulating the grievance in writing and sending a copy of it to his/her manager and/or the next level manager, as well as to Human Resources. Employees also have a right to take the issue to a higher level of management where appropriate and in line with local legislation".⁹⁹ →

⁹⁴ Sony, Interviews 12, 13.

⁹⁵ Toshiba, Interview 1.

⁹⁶ Toshiba, Interview 3.

⁹⁷ Seb Nardecchia, Flextronics, questionnaire to Esther de Haan, SOMO, 21 January 2014.

⁹⁸ Martin H. J. Hsing, Foxconn, questionnaire to Esther de Haan, SOMO, 7 January 2014.

⁹⁹ Miia Hapuoja, Nokia, email to Esther de Haan, SOMO, 17 January 2014.

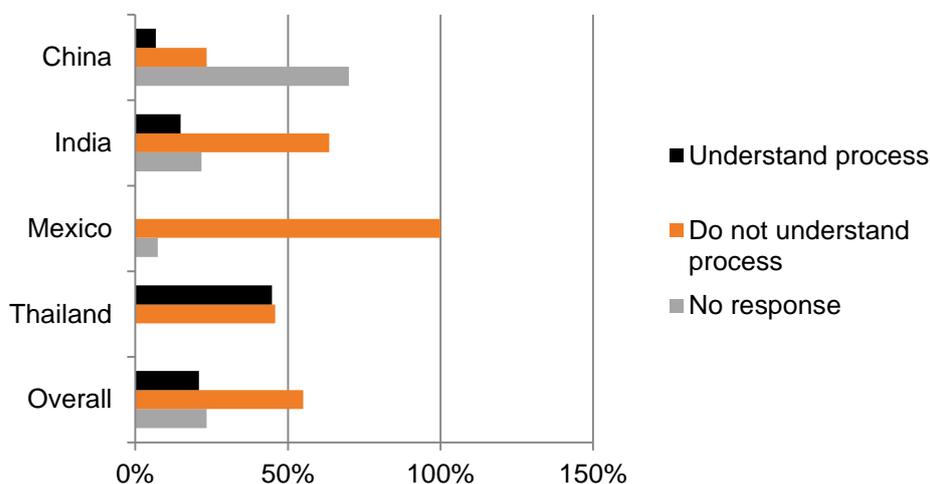
- **Salcomp** indicated, “Any employee can register their individual grievances in the complaint form available. Ex: for Welfare (Blue Color Form), Transport & Canteen (Pink Color Form), Personal & others (Green Color Form). Shift Admin. is appointed in each shift. Their contact numbers are displayed in transport and other areas. Any individual grievance or complaints, it will be first registered with shift admin. either in oral or written. Any complaint or grievance, they will address immediately whichever possible by them. If not, it will be forwarded to welfare officers. Welfare Officer & Asst. Welfare Officers are appointed for this purpose to take of care of the employee grievances. Employees can also give their complaints to Line Leaders or Shift Incharges or their Department Head either orally or in writing. Common grievances are recorded with the Minutes of Meeting and signed by both Employer and Workmen Representatives. Action Plan with responsible person & target date is rolled out for each grievance. Every month, these grievances will be reviewed with worker’s committee”.¹⁰⁰
- **Toshiba** referred SOMO to a webpage that describes the steps required to implement its “Standard of Conduct”.¹⁰¹

3.2. Findings and trends

Overall, 55% of the respondents said they did not understand how complaints were processed after they were submitted, while 21% said they did and 23% did not respond to the question.

In China, the few respondents who said they understood their factories’ GM process (7%) did not provide any details beyond the fact that their complaints would be forwarded for handling.

Figure 1: Respondents' understanding of their factories' GM process after a complaint is filed by country and overall



Respondents in India who claimed they understood (15%) did not provide details beyond who they thought handled complaints. Many workers shared their views on the most likely channel to obtain a solution and whether the GM process was functioning.

¹⁰⁰ Sasikumar Gendham, Salcomp, questionnaire to Esther de Haan, SOMO, 31 December 2013.

¹⁰¹ Tokiko Soma, Toshiba, questionnaire to Esther de Haan, SOMO, 26 December 2013.
<http://www.toshiba.co.jp/csr/en/policy/soc.htm#SOC04>

No Mexican respondents indicated that they understood their companies' GM process after a complaint is filed. The workers did say they knew how to start a complaint, but did not understand what happens after it is filed.

Thailand had the most respondents overall who said they understood how their factories' GMs function (45%). Some of the workers at Fisher and Paykel described an appeals process that involves the company's executive committee when a complainant is not happy with HR's handling of the case.

Some respondents at Hoya mentioned the company's brochure describing the GM process. Hoya is the only company in this study where the union has a formal role in the handling of complaints. Furthermore, it also provides an informational brochure. However, given the fact that only 33% of respondents at Hoya said they understood the process, there does not appear to be a correlation between the brochure's existence and greater understanding. In fact, Sony (83%), LTEC Fujikura (50%) and Salcomp (43%) all had higher levels reported understanding. However, it is not known how the alleged targeting of union members during the downsizing that was occurring during the survey period may have influenced respondents' answers.

At Sony, with the highest percentage of respondents who said they understood the process, the explanation that workers provided was limited to the managing director opening the box and that outcomes were posted on the announcement board. LTEC Fujikura and Toshiba respondents also described how to submit a complaint and then having to wait for an announcement.

These findings confirm that the factories' in this study are still failing to adequately educate their workers' about their GM process once a complaint has been filed. This conclusion is further supported by the fact that the most cited recommendation for improving their factories' GMs is that the process should be explained in detail.¹⁰²

Because the survey did not distinguish between informal complaint channels and GMs when asking workers to identify available complaint channels, their reported lack of understanding of the process could be due to the fact that: 1) a GM does not exist; 2) a GM exists, but respondents do not know about it; or 3) the workers' know about the GM, but do not understand the process. In any case, the large numbers of respondents' who were ignorant of the complaint filing process reveals that companies are dramatically failing to properly inform workers about grievance procedure regardless of whether a legitimate GM exists or not.

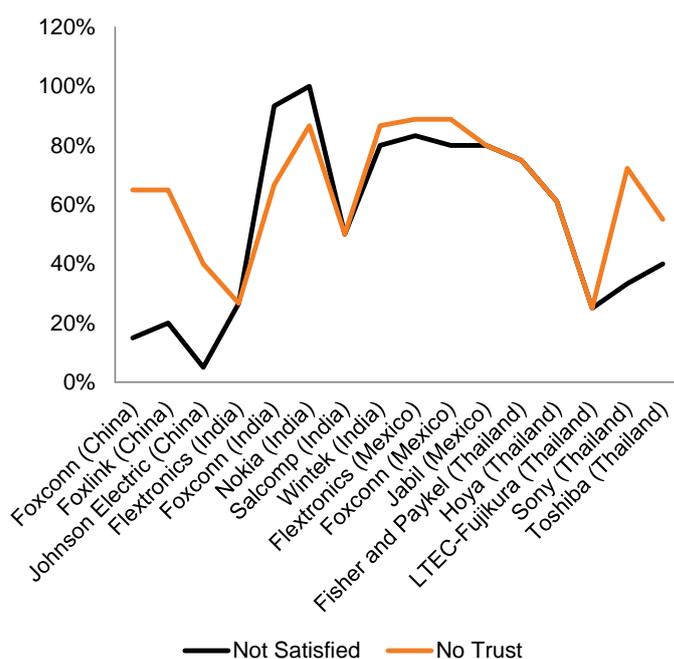
¹⁰² Respondents who filed complaints were asked questions that went into greater detail about the process (Appendix A, Sections 4-5). However, their replies to these questions were quite limited overall, which suggests most of the companies are not providing sufficiently detailed information about the process once a complaint is filed.

4. Legitimacy

According to the UN Guiding Principles, GMs are legitimate when they are trusted by stakeholders and are accountable for the fair conduct of the process. For this study, “accountable for the fair conduct of the process” has been construed to mean workers believe that their factories’ GMs are functioning satisfactorily. The workers in China, India, Mexico and Thailand were asked if they trust the systems that are in place, and if they are satisfied with the functioning and outcomes of these mechanisms.¹⁰³

SOMO gathered the respondents’ reasons for their lack of trust and satisfaction in order to provide a broader view of their feedback and to reduce repetition. As we see in Figure 2: Comparison of respondents’ lack of trust and satisfaction, when respondents did not trust the GM, he or she, in most cases, would also indicate that they were not satisfied with how their company’s mechanism functions.¹⁰⁴

Figure 2: Comparison of respondents’ lack of trust and satisfaction



¹⁰³ This phrasing was selected rather than using the somewhat vague language of the UNGPs such as, for example, “Do you believe your company is accountable for the fair conduct of the process?”.

¹⁰⁴ The exceptions were the Chinese respondents’ whose lack of trust was significantly higher than their lack of satisfaction because most of the workers chose to only respond to the “trust” question. In the Thai Sony and Toshiba factories, the lack of trust was higher whereas in India’s Foxconn and Nokia factories, lack of satisfaction was higher. The lack of trust at Sony was primarily due to the fact that complaints were not resolved, but some workers said they were satisfied simply because they have the right to complain. Toshiba’s workers who expressed satisfaction provided no explanation of why except for two workers, one who said, “It is a channel and I can tell someone I have a problem” (Interview 11), and another who stated: “The company makes improvements” (Interview 18). At Foxconn (India), not a single worker was satisfied, and almost all of them noted that there were never any satisfactory outcomes. Most of these workers said they also did not trust the GM, but one couple countered by saying that they *did* trust the GM. Most of Nokia’s workers were dissatisfied with the functioning of their GM. Some pointed out that outcomes were rare, slow or unsatisfactory. The situation at Nokia was similar to that at Foxconn: a few claimed that they trusted their GM, but it depended on the issue.

4.1. Respondents' trust in their factories' GMs

Table 5: Respondents' trust in their factories' GMs (Excludes the Philippines).

Country	Company	No Trust	Trust	Somewhat Trust	Neutral or Not Sure	No response
CHN	Foxconn	65%			10%	25%
CHN	Foxlink	65%	5%	5%		25%
CHN	Johnson Electric	40%	30%	15%		25%
IND	Flextronics	27%	67%	7%		
IND	Foxconn	67%	13%	13%	7%	
IND	Nokia	87%		7%		7%
IND	Salcomp	50%	43%			7%
IND	Wintek	87%	13%			
MEX	Flextronics	89%	11%			
MEX	Foxconn	89%	11%			
MEX	Jabil	80%	20%			
THA	Fisher and Paykel	75%	5%	10%	10%	
THA	Hoya	61%		17%	6%	17%
THA	LTEC Fujikura	25%	45%	30%		
THA	Sony	72%	22%			
THA	Toshiba	55%	20%	15%	5%	5%
	All	64%	18%	8%	3%	8%

At China's Foxconn plant, respondents cited their fear of being fired or punished,¹⁰⁵ complaints not being resolved¹⁰⁶ and the fact that the mechanism was neither genuine nor impartial.¹⁰⁷ One worker replied, "I only complain to my supervisor because I do not want trouble".¹⁰⁸ Another believed that "the complaint would just be referred back to the internal department, which would never handle it".¹⁰⁹ A third worker observed, "All workers are treated poorly"¹¹⁰ and another felt that complaining could "make things worse for all workers".¹¹¹

Many Foxlink respondents believed that filing complaints would not resolve problems,¹¹² and they also cited their fear of being punished or fired.¹¹³ One worker pointed out that "the hotline is an empty shell. Even small issues like the catering service will never be changed".¹¹⁴ Another respondent was told she could only file a complaint with her supervisor, and that she could bypass rank. She said when a worker complains, s/he is often verbally abused.¹¹⁵ A third worker said, "The factory is not that humane",¹¹⁶ and a fourth observed, "It is all fake".¹¹⁷ Only one worker trusted

¹⁰⁵ Foxconn (China), Interviews 4, 6, 10, 12, 13, 17.

¹⁰⁶ Foxconn (China), Interviews 7, 15, 18, 19.

¹⁰⁷ Foxconn (China), Interviews 9, 15.

¹⁰⁸ Foxconn (China), Interview 6.

¹⁰⁹ Foxconn (China), Interview 18.

¹¹⁰ Foxconn (China), Interview 11.

¹¹¹ Foxconn (China), Interview 3.

¹¹² Foxlink, Interviews 3, 8, 9, 11, 14, 19.

¹¹³ Foxlink, Interviews 6, 15, 18.

¹¹⁴ Foxlink, Interview 14.

¹¹⁵ Foxlink, Interview 18.

¹¹⁶ Foxlink, Interview 15.

¹¹⁷ Foxlink, Interview 8.

Foxlink's GM because she believes that the situation would improve were she to file a complaint, but she has thus far never filed one.¹¹⁸

Several Johnson Electric workers in China cited the fear of punishment or being fired for their lack of trust.¹¹⁹ One worker said, "If supervisors cannot resolve problems, there is no use in calling the hotline".¹²⁰ Another thought that the Staff Relationship Unit was unreliable mainly because she didn't know how complaints were handled.¹²¹ A third worker thought it would not resolve such deadlock issues as wages and promotions.¹²² The respondents who indicated they somewhat trusted the GM both stated that the Staff Relationship Unit would "more or less resolve problems"¹²³ and "handle minor problems"¹²⁴. Two respondents who trusted the company's GM had had complaints resolved.¹²⁵ One worker believes that "management will handle complaints".¹²⁶ A second believes that the hotline will deal with issues if there is concrete evidence.¹²⁷ A third respondent with generally favourable feedback replied, "The factory has spent a lot to hire people to help with problems".¹²⁸

In India, Flextronics had the highest percentage of trust; however, the workers' favourable feedback on the "trust" question was due to their views on how supervisors handled their problems—not the company's formal GM process. For example, one worker stated, "I have trust, our supervisor has helped us in finding a solution to our problems".¹²⁹ However, another respondent said, "The supervisors never listen to our complaints".¹³⁰ Several respondents said management tells them they should only complain to their supervisors.¹³¹ Another worker stated that "there is no formal system in place. We complain to the supervisors, managers or HR".¹³²

One Foxconn (India) respondent said, "There is no proper system in place to address the grievances, so no question of trust".¹³³ One employee observed, "The system only exists during formal audits or inspections".¹³⁴ Meanwhile, another respondent said that supervisors discouraged them from complaining,¹³⁵ while another thought that grievances were not even looked at.¹³⁶ The two workers who did express some trust in the GM said it depended on the issue, however.¹³⁷ One trusting worker added that "they are very partial".¹³⁸

The top reasons for a lack of trust among Nokia respondents were complaints were not resolved¹³⁹ and that the process was not impartial or genuine.¹⁴⁰ One Nokia worker added, "It is a total waste. I

¹¹⁸ Foxlink, Interview 10.

¹¹⁹ Johnson Electric, Interviews 3, 11, 12.

¹²⁰ Johnson Electric, Interview 6.

¹²¹ Johnson Electric, Interview 9.

¹²² Johnson Electric, Interview 5.

¹²³ Johnson Electric, Interview 10.

¹²⁴ Johnson Electric, Interview 13.

¹²⁵ Johnson Electric, Interviews 14, 19.

¹²⁶ Johnson Electric, Interview 4.

¹²⁷ Johnson Electric, Interview 7.

¹²⁸ Johnson Electric, Interview 17.

¹²⁹ Flextronics (India), Interview 8.

¹³⁰ Flextronics (India), Interview 1.

¹³¹ Flextronics (India), Interviews 6, 7, 11, 13.

¹³² Flextronics (India), Interview 5.

¹³³ Foxconn (India), Interview 2.

¹³⁴ Foxconn (India), Interview 6.

¹³⁵ Foxconn (India), Interview 3.

¹³⁶ Foxconn (India), Interview 10.

¹³⁷ Foxconn (India), Interviews, 1, 15.

¹³⁸ Foxconn (India), Interview 4.

¹³⁹ Nokia, Interview 2, 9, 13.

haven't seen any positive outcomes".¹⁴¹ The lone respondent who indicated some degree of trust said, "Yes, I trust it, but not on all of the issues".

Workers at Salcomp (India), who did not trust their GM were contract workers and were thus not eligible to use the GM.¹⁴² The workers who did trust their GM all essentially replied that Salcomp's GM was functioning well.¹⁴³

Wintek's respondents also stated that the process was not impartial,¹⁴⁴ it did not consider issues that were important to the workers,¹⁴⁵ lack of transparency¹⁴⁶ and the fact that contract workers were ineligible.¹⁴⁷ One worker replied, "I trust my line leader, but this system will not work where the issues deal with salary increments or bonuses".¹⁴⁸ Another Wintek worker stated, "The system is not working towards safeguarding our rights, so I have no trust in the system".¹⁴⁹ One of the two workers who did trust the GM said, "It depends on the issue".¹⁵⁰

In Mexico, most of the workers did not trust their GMs with only two respondents at Flextronics and four at Jabil professing some level of trust in the GM. One of these four had had a transportation complaint resolved.¹⁵¹ All of Foxconn's respondents indicated that they did not trust their GM.

Many of the respondents at these three companies said they did not trust the GM system because the complaint boxes were video monitored. A number of workers stated that if their identities were revealed, they could end up being punished or fired. Jabil did acknowledge that there was a video camera near one complaint box at its Mexican facility, but said it was installed for security reasons and not to monitor who files complaints.¹⁵²

Contract workers in Mexico also said that they were told to first complain to their agency representative (known as an "inplant"). If the inplant cannot solve the problem, the contract workers said they could then file a complaint with the company's GM. Jabil also acknowledged the temporary use of contract workers to meet rising customer demand, but that the company is committed to not using employment agencies.¹⁵³

Respondents at Fisher and Paykel (Thailand) believed that their complaints were neither resolved nor taken seriously¹⁵⁴ and they also feared retribution.¹⁵⁵ One respondent stated that workers were scared of being summoned,¹⁵⁶ while another expressed dissatisfaction with the fact that HR was

¹⁴⁰ Nokia, Interview 3, 6, 11.

¹⁴¹ Nokia, Interview 13.

¹⁴² Salcomp, Interviews 3, 4, 6, 8, 9, 11, 13.

¹⁴³ Salomp, Interviews, 2, 5, 7, 10, 12, 14.

¹⁴⁴ Wintek, Interview 2, 11.

¹⁴⁵ Wintek, Interviews 3.

¹⁴⁶ Wintek, Interview 10.

¹⁴⁷ Wintek, Interviews 8, 14.

¹⁴⁸ Wintek, Interview 7.

¹⁴⁹ Wintek, Interview 5.

¹⁵⁰ Wintek, Interview 9.

¹⁵¹ Jabil, Interview 1.

¹⁵² Eric Austermann, Jabil, written response to Esther de Haan, SOMO, 22 January 2014.

¹⁵³ Eric Austermann, Jabil, written response to Esther de Haan, SOMO, 22 January 2014.

¹⁵⁴ Fisher and Paykel, Interviews 11, 13, 16, 19, 20.

¹⁵⁵ Fisher and Paykel, Interviews 1, 18.

¹⁵⁶ Fisher and Paykel, Interview 4.

handling the GM process.¹⁵⁷ The lone worker who expressed any trust stated, “I trust it because the chairman director is the only one who can open the complaint box”.¹⁵⁸

Hoya’s respondents provided many reasons why they do not trust their GM: fear of retribution,¹⁵⁹ a slow process,¹⁶⁰ lack of transparency,¹⁶¹ they are misunderstood¹⁶² the GM is not impartial,¹⁶³ and complaints were not resolved and/or the GM does not actually resolve issues that are important to the workers.¹⁶⁴ One of the workers who expressed some trust stated, “Worker representatives are involved in the process. Workers trust the union. Some issues are resolved”.¹⁶⁵ Another said, “In some instances, I am satisfied. Some information is kept secret, and some issues are not clearly resolved”.¹⁶⁶

Hoya Glass Disk

The low opinion that Hoya’s employees had for their GM process was undoubtedly affected by the attacks on workers’ freedom of association that occurred just prior to the survey period for this study. Less than two months prior to commencement of this study, in October 2011, Hoya had a relatively well-functioning GM through which issues were discussed on a regular basis within the grievance committee that included union participation.

That began to change in October 2011 when management claimed they had been affected by flooding and needed to downsize. It soon became clear that Hoya’s downsizing process was strongly biased against union leaders and members who were disproportionately targeted for dismissal.

In December 2011, just as this study was getting off the ground, management reportedly tore down the grievance box and cancelled meetings of the grievance committee. This was presumably because many workers had used the grievance box to express their frustration with the ongoing downsizing.

By January 2012, the existing collective bargaining agreement was up for renewal, and the motive behind the downsizing was confirmed as Hoya’s management repeatedly requested that the Ministry of Labour count the number of active members. Management was not satisfied until the last count revealed that the union lacked the membership numbers needed to present and negotiate additional demands.

Had the survey taken place half a year earlier, the research team believes that the results for Hoya would have been markedly more positive.

At LTEC Fujikura, the respondents’ feedback was relatively detailed and varied. Of the nine respondents who indicated trust, only three provided an explanation, however.¹⁶⁷ One worker said he trusted the GM process “because at least the company has responded and solved workers’ problems”.¹⁶⁸ The respondents in the somewhat trusting category said they were satisfied with some aspects of the company’s GM, but not others. For example, one replied, “I’m only satisfied with some issues. If it is a complaint about benefit like welfare, workers never receive a satisfactory

¹⁵⁷ Fisher and Paykel, Interview 20.

¹⁵⁸ Fisher and Paykel, Interview 5.

¹⁵⁹ Hoya, Interview 2.

¹⁶⁰ Hoya, Interviews 4, 8.

¹⁶¹ Hoya, Interviews 7, 10.

¹⁶² Hoya, Interviews 4, 7.

¹⁶³ Hoya, Interview 16.

¹⁶⁴ Hoya, Interviews 1, 2, 5, 15.

¹⁶⁵ Hoya, Interview 13.

¹⁶⁶ Hoya, Interview 17.

¹⁶⁷ LTEC Fujikura, Interviews 4, 15, 20.

¹⁶⁸ LTEC Fujikura, Interview 15.

answer”.¹⁶⁹ Another worker added, “I trust it only a bit, because I don’t know who is responsible and their position”.¹⁷⁰ A third worker was unhappy that a colleague never got a response to a complaint; however, she trusted the system because she is able to file a complaint anonymously.¹⁷¹ One respondent who said he did not trust the GM was “not sure whether the company will consider every complaint”.¹⁷² Another worker replied, “I don’t quite trust it, because I don’t know who is responsible”.¹⁷³ A third stated, “I don’t trust the system, because there are some complaints that management think are unimportant or ridiculous so those complaints won’t even be considered”.¹⁷⁴ A fourth respondent said he didn’t know how the complaint mechanism worked.

Several respondents at Sony (Thailand) believed that the mechanism was not impartial,¹⁷⁵ and did not really resolve problems.¹⁷⁶ On the other hand, two workers did express trust in the company’s GM because the managing director opens the complaint box.¹⁷⁷ One worker who expressed some trust said, “I trust it because there was an announcement about the system”. She also figures she was satisfied about 60% of the time with how Sony’s GM functioned, but added that some cases did not have timely outcomes.¹⁷⁸

Toshiba’s respondents also had a variety of reasons why they did not trust the system including: a compromised system,¹⁷⁹ lack of transparency¹⁸⁰ and its failure to resolve problems.¹⁸¹ Several workers also indicated that they only trust the union to handle complaints.¹⁸² One worker (who had a welfare issue complaint resolved) expressed mistrust, “When we complain about wages, these are very difficult to resolve. The issues most easily solved relate to benefits”.¹⁸³ The workers with the most trust believed that the GM process resolved issues. Respondents who had some trust in the mechanism agreed that the company addressed some issues, but not others.¹⁸⁴

Companies’ responses

SOMO asked the companies located in China, India, Mexico and Thailand how they ensure that their workers can trust in their GMs. SOMO also inquired whether they were measuring levels of workers’ trust. Four of the six companies provided the following responses:

- **Flextronics** replied that it “provides a transparent response by posting the response (mitigation step) on a bulletin board.¹⁸⁵ Of course, the complainants remain completely anonymous. This transparent approach is meant to provide accountability to the company, building trust that the employees’ grievances are being listened to and acted upon”.¹⁸⁶ →

¹⁶⁹ LTEC Fujikura, Interview 13.

¹⁷⁰ LTEC Fujikura, Interview 12.

¹⁷¹ LTEC Fujikura, Interview 8.

¹⁷² LTEC Fujikura, Interview 14.

¹⁷³ LTEC Fujikura, Interview 10.

¹⁷⁴ LTEC Fujikura, Interview 11.

¹⁷⁵ Sony, Interviews, 4, 5, 10, 11.

¹⁷⁶ Sony, Interviews, 2, 3

¹⁷⁷ Sony, Interviews 8, 9. It is unclear from the respondents’ answers if their trust stems from the fact that they know the complaint box is opened and/or the fact that the managing director is the person responsible for opening the complaint box.

¹⁷⁸ Sony, Interview 1.

¹⁷⁹ Toshiba, Interviews 1, 14.

¹⁸⁰ Toshiba, Interviews 3, 9, 10.

¹⁸¹ Toshiba, Interviews 4, 8, 15.

¹⁸² Toshiba, Interviews 3, 5, 6, 20.

¹⁸³ Toshiba, Interview 4.

¹⁸⁴ Toshiba, Interviews 5, 16, 17.

¹⁸⁵ None of the Flextronics’ respondents in India and Mexico mentioned that complaint outcomes were posted on the bulletin board.

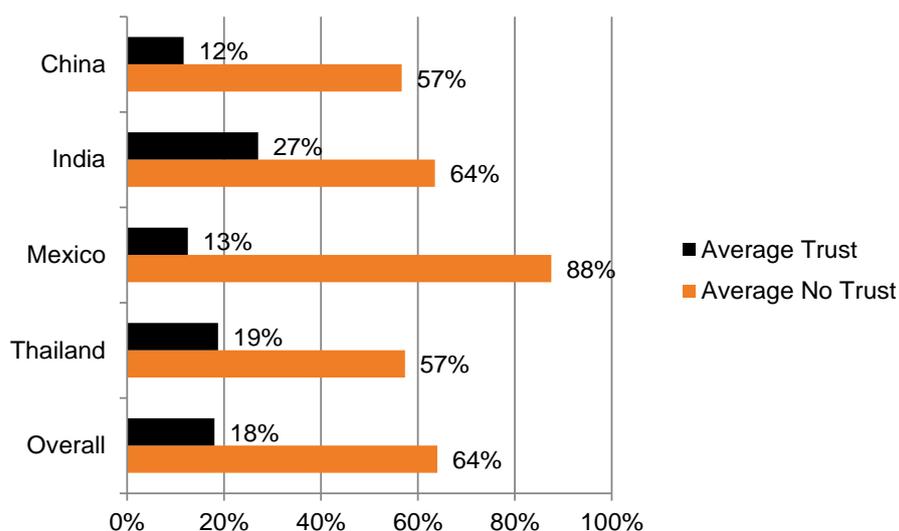
¹⁸⁶ Seb Nardecchia, Flextronics, questionnaire to Esther de Haan, SOMO, 21 January 2014.

- **Foxconn** stated that it conducts a quarterly “satisfaction survey” that includes a question about whether workers “trust or believe a reasonable solution from the company’s grievance mechanism under the confidential commitment and anonymous circumstances”.¹⁸⁷
- **Salcomp’s** response: “Feedback is provided for issues raised [with the] Worker’s Committee. Similarly, feedback is provided for individual complaints [through] Welfare Officers and Shift Admin Executives”.¹⁸⁸
- **Toshiba’s** reply: “Judging by the response from complainants”.¹⁸⁹

4.2. Findings and trends

Overall, 64% of the workers did not trust their GMs, while only 18% expressed their trust in their factories’ GM.¹⁹⁰ Mexico had the highest level of mistrust at 88%, followed by India (64%), China (57%) and Thailand (57%). Meanwhile, India also had the highest level of trust at 27%, followed by Thailand (19%), Mexico (13%) and China (12%).¹⁹¹

Figure 3: Respondents' average trust and no trust, by country (excludes respondents who did not indicate a response).



The top four reasons cited by at least 15% of all respondents as to why they do not trust their companies’ GMs or are dissatisfied with them include:

- Process is not impartial, fair and/or genuine
- Complaints go unresolved
- Workers fear punishment or termination
- Not all outcomes are reported

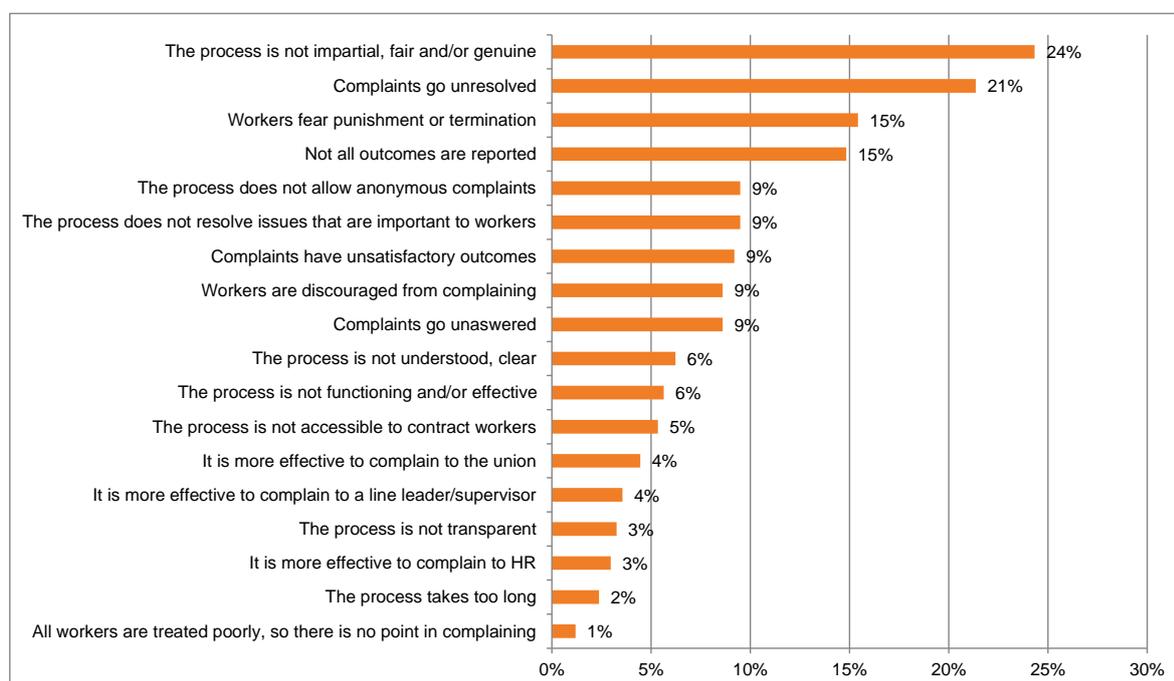
¹⁸⁷ Martin H. J. Hsing, Foxconn, questionnaire to Esther de Haan, SOMO, 7 January 2014.

¹⁸⁸ Sasikumar Gendham, Salcomp, questionnaire to Esther de Haan, SOMO, 31 December 2013.

¹⁸⁹ Tokiko Soma, Toshiba, questionnaire to Esther de Haan, SOMO, 26 December 2013.

¹⁹⁰ Overall, 8% indicated some trust, 7% were neutral or did not know and 21% did not respond.

¹⁹¹ The 59 respondents from the Philippines were asked whether they believed that their company’s GM solved problems. Thirty-seven percent (37%) stated yes (= trust), 12% stated no (= no trust), 25% said they did not know and 25% did not respond.

Figure 4: All reasons respondents' lack trust

Among the eight companies where at least two-thirds of the respondents expressed a lack of trust the top reasons they mentioned repeatedly: 1) complaints went unresolved, 2) workers feared punishment or termination if they complained, 3) the process was not impartial, fair and/or genuine.¹⁹² LTEC Fujikura, Sony and Salcomp were the only factories where no respondents said they feared punishment or termination if they complained (anonymously or otherwise).

Mexican respondents were afraid of being punished or fired if their identities are revealed (due to real or perceived video monitoring), which very clearly demonstrates that these factories and their head offices have a lot of work to do before they earn their workers' trust.¹⁹³

The recurring reasons cited by respondents in the middle third (34-66% indicating no trust) mirrored that of the top third. Furthermore, a lack of transparency was also cited by several workers at two¹⁹⁴ of the six companies.¹⁹⁵

Two companies found in the bottom third (0-33% no trust) were obviously there because a majority of their respondents had a relatively significant amount of trust in their respective GMs. Flextronics (India) had the highest percentages (67%) with LTEC Fujikura (45%) coming in second. The level of reported trust at Flextronics is related to workers' trust in how their supervisors' handle problems. At LTEC Fujikura respondents' comparatively detailed and varied feedback indicated that workers thought that the company's GM was functioning and that some issues were being resolved.

¹⁹² The factories include: Flextronics, Mexico (89%); Foxconn, Mexico (89%); Nokia (87%); Wintek (87%); Jabil (80%), Fisher and Paykel (75%); Sony (72%) and Foxconn, India (67%).

¹⁹³ As previously noted, Foxconn, Flextronics and Jabil disputed the findings that anonymous complaints were not permitted and that complaint boxes were being video monitored – with the exception of one box at Jabil.

¹⁹⁴ Hoya and Toshiba.

¹⁹⁵ These factories include: Foxconn, China (65%); Foxlink (65%), Hoya (61%); Toshiba (55%), Salcomp (50%); and Johnson Electric (40%)

The workers' anecdotal feedback reveals some important insights that the percentages do not necessarily reveal. For example, respondents at Johnson Electric showed a medium level of trust (34-66%). However, the combined number of those with high and medium levels of trust totalled 45%, which was due mostly to their positive views of the company's Staff Relationship Unit.

A closer reading of the Salcomp respondents' feedback, where overall trust was 43%, shows sharp differences between the permanent (high trust) and contract workers (low trust). Permanent employees with high levels of trust all essentially thought that Salcomp's GM was functioning well.

Several workers at Toshiba trusted the union's external GM more than the company's GM.

Judging from the respondents' feedback at Flextronics (India), the presence of line leaders/supervisors who consistently resolve workers' grievances greatly increases workers' trust in the GM. Workers trust the GM more when it resolves complaints and reports the outcomes as is reportedly the case at LTEC Fujikura. The feedback from Salcomp's respondents is somewhat less instructive, however, because they simply reported that the GM was functioning well without providing details.

Overall, a very large majority of respondents continue to *not* trust their GMs. There are many explanations for this (see Figure 4), but the chief conclusion is that the companies are basically failing to implement their GM processes in a manner that engenders workers' trust.

5. Complaint experiences

This section describes some of the experiences of the 67 respondents who filed 107 complaints.¹⁹⁶ The correlation between the respondents' level of trust and having a complaint satisfactorily or unsatisfactorily resolved is also highlighted and explored.

Table 6: Total complaints by issue and outcome

	Wages, Bonuses, Increment	Working Conditions, Health & Safety	Line Leader/ Management	Canteen	Work Pressure, Overtime	Welfare, Allowances, Benefits	Transportation	involuntary or requested changes to position	Vacations, Holidays, Sick Leave	Problem with co-worker	Accommodations	Other: "Department jackpot money"
Satisfactorily resolved	7	5	4	3	2	3	6	2	0	2	1	0
Not satisfactorily resolved	12	11	8	11	2	5	6	2	1	0	0	1
Outcome not indicated	4	2	1	0	1	1	0	1	3	0	0	0
Total complaints by issue	23	18	13	14	5	9	12	5	4	2	1	1

5.1. Satisfactorily resolved

Of the 107 complaints, 35 (33%) were satisfactorily resolved according to the respondents. Of the 25 complainants who had their cases(s) resolved, 44% continued to have no trust in the GM, while 28% expressed their trust and 20% expressed that they had some trust.¹⁹⁷ These percentages do not point to a very strong correlation between a successful resolution and workers' having more trust in their factories' GMs.

Table 7: Satisfactorily resolved complaints

Country	Company	Interview	Channel	Issue	No Trust	Trust	SW Trust	Neutral / Not Sure	Not indicated
IND	Nokia	2	Complaint box	Increment					
IND	Nokia	6	Line leader	Co-worker					
IND	Nokia	7	Complaint box	Increment					
MEX	Flextronics	1	Agency	Co-worker					
MEX	Jabil	2	HR	Line leader Transportation Involuntary change					
THA	Sony	7	Complaint box	Welfare Bonus					

¹⁹⁶ Of the 107 complaints filed, respondents in 13 of the cases failed to indicate whether their cases were satisfactorily resolved, unresolved, unsatisfactorily resolved or not yet addressed.

¹⁹⁷ Eight percent of the respondents indicated that they were neutral or unsure.

Country	Company	Interview	Channel	Issue	No Trust	Trust	SW Trust	Neutral / Not Sure	Not Indicated
				Wages Working conditions Line leader					
THA	Sony	12	Line leader	Health and safety					
THA	Sony	14	Line leader	Transportation Health and safety					
THA	Sony	15	Complaint box	Transportation Canteen Welfare					
THA	Sony	18	Complaint box	Transportation Canteen					
THA	Toshiba	4	Union	Welfare					
CHN	Johnson Electric	14	Hotline	Requested shift change					
THA	LTEC Fujikura	2	Hotline	Work pressure					
THA	LTEC Fujikura	4	Complaint box	Wages					
THA	LTEC Fujikura	17	Complaint box	Work pressure					
THA	Sony	1	Complaint box	Health and safety					
THA	Sony	6	Complaint box	Canteen					
THA	Toshiba	13	Complaint box	Transportation					
CHN	Foxlink	11	Hotline	Line leader					
CHN	Johnson Electric	19	Hotline	Accommodations					
IND	Nokia	8	Complaint box	Bonus					
MEX	Jabil	1	HR	Transportation					
THA	Fisher and Paykel	9	Complaint box	Line leader					
CHN	Foxconn	2	Hotline	Wages					
THA	Fisher and Paykel	12	Complaint box	Working conditions					
				25 complainants	46%	29%	17%	8%	0%

5.1.1. No trust

Two Nokia respondents who indicated they had no trust in their GMs described complaints concerning an increment issue that was finally resolved a year later. One of the respondents pointed out that the union had to intervene before the company would decide on the issue.¹⁹⁸ A third Nokia respondent who did not trust the GM informed her supervisor that a friend was having a problem with a co-worker. She indicated that the company did take action against the worker who was causing problems for her friend. However, she added that Nokia's GM is partial, and it is better to file a complaint with a supervisor or HR.¹⁹⁹

A Jabil respondent who filed three complaints with HR said his lack of trust stems from the fact that one complaint about an involuntary adjustment to his shift required external intervention before it was resolved. The worker had initially complained to scheduler and said he would continue to work the shift as specified in his contract. He was then threatened with termination and was not paid a week's wages. He said he emailed HR three times and after a month of no responses, he

¹⁹⁸ Nokia, Interview 7. Nokia Interview 2 also described a complaint concerning a salary increment that took a full year before it was resolved.

¹⁹⁹ Nokia, Interview 6.

requested CEREAL's²⁰⁰ intervention, which helped him keep his original shift hours. The respondent said, "I had to turn to institutions outside the company when it failed to respond to my complaint. Therefore, I have no confidence in the complaints procedures and I think there is much room for improvement".²⁰¹

One Sony respondent who filed multiple complaints using the complaint box said she was satisfied with the outcomes but still did not trust the GM. She felt that it needs to be more transparent, have a clearer timeframe and that the company needs to raise awareness of the GM's procedures.²⁰²

5.1.2. Trust

A Johnson Electric worker who admitted to trusting her employer's GM described a complaint she filed on the hotline after her supervisor denied her request for a switch to a day shift after she learned she was pregnant. She said three days after filing the complaint, her department director changed her shift.²⁰³

Another respondent who indicated that she trusted LTEC Fujikura's GM used the suggestion box to file two complaints. The first was about her line leader who was forcing her team to work overtime and the second concerned her line leader's use of "improper language". After filing the complaint, she reported that only her overtime-related complaint was resolved, stating that workers can refuse to work overtime one day per week. She thought that this decision conformed to international standards.²⁰⁴

A Toshiba employee who complained about a transportation issue said, "I trust it because the company really solves the issues".²⁰⁵

5.1.3. Some trust

A Foxlink worker and his colleagues called the hotline to comment on a line leader's behaviour. The respondent said he would have normally complained to his supervisor but that particular line leader had just been promoted by his supervisor. Even though the workers refused to provide their ID numbers and names to the hotline operator, the supervisor and some of the workers were questioned. The respondent said his supervisor was angry that a complaint had been filed via the hotline rather than approaching him first, but admitted he did not know how to resolve the issue. The respondent said that while the line leader's behaviour improved, he did not think complaints about wages would be resolved. He thought only issues concerning management might be resolved.²⁰⁶

A Johnson Electric respondent who expressed some trust had complained to the hotline about bugs in his mattress when he started working at the factory. After repeatedly calling the hotline with his co-workers, the company first gassed the mattresses with poison, which made the dormitories smell bad. After he filed a few more complaints, the worker said the mattresses were finally

²⁰⁰ El Centro de Reflexión y Acción Laboral (CEREAL) is a project of Fomento Cultural y Educativo A.C. (Cultural and Educational Promotion A.C.). CEREAL provides legal assistance, labour rights training and organisational support for workers' groups; it also carries out research on working conditions in various economic sectors and promotes public awareness campaigns that focus on workers' issues. See cerealgdl.org.

²⁰¹ Jabil, Interview 2.

²⁰² Sony, Interview 7.

²⁰³ Johnson Electric, Interview 14.

²⁰⁴ LTEC Fujikura, Interview 17.

²⁰⁵ Toshiba, Interview 13.

²⁰⁶ Foxlink, Interview 11.

replaced. He stated, “You have to apply some pressure. We were effective only because there were so many of us calling the number”.²⁰⁷

One Nokia employee who said he had some trust in the GM filed a complaint about a bonus issue using the company’s Grievance Redressal Form (complaint box). He said the company decided to give a bonus “to all workers”, and he was satisfied with the outcome, which took about three months. However, he also noted that the process was very slow and his level of trust in the factory’s GM depended on the issue.²⁰⁸

A Sony respondent who used the complaint box to raise an issue about too much smoke in the workplace said she only somewhat trusts her company’s GM, because some complaints are not resolved in a timely manner.²⁰⁹

A Fisher and Paykel respondent who expressed that he somewhat trusted the GM said he complained about his line leader who was not treating workers equally when it came to the annual evaluations. He said his complaint was resolved by the company’s executive committee, but he still thinks the process can be improved. He said, “There should be regular announcements on the progress of a case and all of the relevant people should participate and the solution should be strictly adhered to”.²¹⁰

Transparency

Of the 278 workers from China, Mexico, India and Thailand, only 12% indicated that complaint outcomes were reported, 21% said outcomes were not reported and 51% did not indicate a response. The lack of feedback on this issue suggests transparency on complaint outcomes is indeed lacking. However, some of the factories do appear to report outcomes. These include the following:

- **Foxconn** in China, one respondent pointed out, does follow up on complaints that concern a majority of the employees during mass assemblies. Furthermore supervisors inform complainants in person or by email.²¹¹
- **Hoya** posts the outcomes of complaints on the announcement board.
- **LTEC Fujikura** posts outcomes on the announcement board and line leaders also inform complainants about outcomes.
- **Sony** workers said outcomes are posted on the announcement board.
- **Toshiba** posts outcomes on the announcement board and a few workers said line leaders inform complainants about outcomes directly.

5.2. Unsatisfactorily resolved

Of the 107 complaints, 59 were unsatisfactorily resolved (i.e., unresolved, unanswered or resolved unsatisfactorily) amounting to a 55% failure rate.²¹² Of the 33 complainants who did not have their complaints satisfactorily resolved, 70% indicated they had no trust, 12% said they had trust while

²⁰⁷ Johnson Electric, Interview 19.

²⁰⁸ Nokia, Interview 8.

²⁰⁹ Sony, Interview 1.

²¹⁰ Fisher and Paykel, Interview 9.

²¹¹ Foxconn (China), Interview 6.

²¹² Respondents did not indicate outcomes for 13 of the complaints, including all 7 complaints filed in the Philippines.

15% admitted to having some trust.²¹³ The correlation between respondents' lack of trust and not having a case satisfactorily resolved appears to be more evident.

Table 8: Unsatisfactorily resolved complaints

Country	Company	Interview	Channel	Issue	No Trust	Trust	SW Trust	Neutral / Not Sure	Not indicated
CHN	Foxconn	7.1	Hotline	Wages					
CHN	Foxconn	7.2	Hotline	Line leader					
CHN	Foxconn	20	Not indicated	Wages					
IND	Nokia	3	Complaint box	Canteen					
THA	Hoya	16	Complaint box	Sick leave					
THA	LTEC Fujikura	9	HR	Wages					
THA	LTEC Fujikura	11	Complaint box	Wages					
THA	Toshiba	3	HR	Work pressure					
IND	Nokia	5	Complaint box	Working conditions					
THA	Fisher and Paykel	18	Complaint box	Working conditions Canteen					
THA	Hoya	4	Not indicated	Involuntary change					
CHN	Foxconn	15	Hotline	Involuntary change					
THA	Fisher and Paykel	1	Complaint box	Line leader					
THA	Fisher and Paykel	6	Complaint box	Working conditions Line leader Management					
THA	Fisher and Paykel	8	Complaint box	Welfare Canteen Transportation					
THA	Fisher and Paykel	11	Complaint box	Canteen					
THA	Fisher and Paykel	13	Complaint box	Canteen					
THA	Sony	2	Line leader	Transportation Canteen					
THA	Sony	3	Line leader	Transportation Health and safety Working conditions					
THA	Sony	10	Complaint box	Work pressure					
THA	Sony	16	Line leader	Transportation Working conditions Line leader					
THA	Sony	17	Complaint box	Transportation Welfare					
THA	Toshiba	1	Union	Line leader					
THA	Toshiba	9	Complaint box	Wages					
THA	Fisher and Paykel	5	Complaint box	Transportation					
THA	Sony	8	Line leader	Welfare Health and safety Bonus Wages					

²¹³ Three percent of the respondents indicated they were neutral or unsure.

Country	Company	Interview	Channel	Issue	No Trust	Trust	SW Trust	Neutral / Not Sure	Not Indicated
				Working conditions					
THA	Sony	9	Complaint box	Welfare Health and safety Bonus Wages Working conditions Canteen					
THA	LTEC Fujikura	17	Complaint box	Line leader					
THA	Toshiba	5	Hotline	Canteen Wages					
CHN	Johnson Electric	10	Hotline	Canteen					
IND	Foxconn	1	Complaint box	Canteen					
THA	LTEC Fujikura	20	Complaint box	Working conditions Other					
THA	Toshiba	16	Complaint box	Canteen Allowances Wages Line leader					
CHN	Foxconn	14	Hotline	Wages					
				59 complainants	70%	12%	15%	3%	0%

5.2.1. No trust

A Foxconn worker in China who complained about not receiving his due wages, long hours and management’s bad attitude said she was assured she would receive her missing wages and the HR staff “concluded the matter as a miscommunication between her and the line leader”. However, she said the problems were never resolved.²¹⁴ Another Foxconn China worker also complained about missing wages. He said his case was referred to both HR and management, but the issue was never resolved.²¹⁵

A Nokia worker who expressed no trust in the GM used the suggestion box to file a complaint on behalf of a co-worker who found an insect in his/her food. He said that his manager told him “to not cause any problems” and to not complain about issues that did not affect him. The manager also threatened him by saying, “I will take action against you if you do this again”.²¹⁶

One Fisher and Paykel employee filed a complaint about working conditions, the line leader and the executive committee appointed by the company. It was his understanding the complaint was first forwarded to the line leader, then to HR, and eventually to the committee for further investigation. He said the problems were never resolved, and added: “I was even blamed for having a negative attitude against the company”.²¹⁷

²¹⁴ Foxconn (China), Interview 7.

²¹⁵ Foxconn (China), Interview 20.

²¹⁶ Nokia, Interview 3.

²¹⁷ Fisher and Paykel, Interview 6.

Another Fisher and Paykel respondent said he and his co-workers wrote complaints about several issues, including employees' welfare, transportation, and the canteen. He said the company evaluated the canteen and transportation service providers, which led to a call for new bids. However, he thinks that because the company does not want to spend any more money, the same service providers were retained.²¹⁸

And then yet another Fisher and Paykel worker filed a complaint about damaged toilets, a lack of toilet paper and bad food service. She said the toilets were cleaned up and a bidding process to replace the food service provider was launched, but she never received an actual response. And so when she was asked whether she trusts her company' GM, she said that complaints annoy management workers might eventually be "persecuted".²¹⁹

A Hoya employee said if wasn't for the union she wouldn't know there was a company complaint box. She filed a complaint because Hoya requires a doctor's note if you take sick leave. The complaint was never resolved. She said, "The company has never instilled any faith that complaints will be resolved", and therefore she has no trust in the GM.²²⁰

An LTEC Fujikura worker complained about not receiving her overtime pay by calling HR. She was told she would be compensated, but the wages were not included in her next pay check. She asked her leader why, and he told her that she "had no right to it". She then filed a complaint in the suggestion box. She said, "After that I just waited for my leader to inform me about the solution, but everything remained quiet, meaning that my complaint was never addressed". She added, "I don't trust the system because there are some complaints that management thinks are not important or ridiculous, so those complaints aren't addressed".²²¹

A Toshiba respondent who had no trust in the GM complained to the union about line leaders and supervisors. He noted that the union would take about 1 to 2 days to resolve an issue, whereas it normally takes a month for a response to make it to announcement board after using the complaint box.²²²

Another Toshiba employee who complained to HR about the work pressure observed: "When you file a complaint through the union it is better and faster", but using the complaint boxes "does not yield good results".²²³

The Hoya respondent who complained about an involuntary transfer also criticised the GM for its lack of transparency in how decisions were made.²²⁴

5.2.2. Trust

The Fisher and Paykel employee who expressed his trust in the company's GM once complained that the shuttle bus driver drove too fast. He said that after he complained the situation improved for a short while.²²⁵

²¹⁸ Fisher and Paykel, Interview 8.

²¹⁹ Fisher and Paykel, Interview 18.

²²⁰ Hoya, Interview 16.

²²¹ LTEC Fujikura, Interview 9.

²²² Toshiba, Interview 1.

²²³ Toshiba, Interview 3.

²²⁴ Hoya, Interview 4.

²²⁵ Fisher and Paykel, Interview 5.

Two Sony respondents who said they still trusted the company's GM because the managing director personally opens the complaint box and even though their complaints were not resolved satisfactorily.²²⁶

5.2.3. Some trust

A Johnson Electric respondent who expressed some trust in her company's GM had filed a complaint about the poor choice of food available in the canteen and also that she had found an insect in her food. She said that "the Staff Relationship Unit reacted promptly and gave her new food and recorded the complaint under her name". However, the larger issue of a lack of choice in the canteen has still not been resolved. She believes that the Staff Relationship Unit may be able to help with minor problems, but thinks that major issues should be raised with supervisors.²²⁷

A Foxconn (India) employee used the complaint box to complain about finding insects in her food. She received a call from management about a week later, and was told "not to raise the issue again". She said the quality of food has not improved, and "insects are still being found in the food". This respondent did nevertheless say she trusted Foxconn's GM, but only on some issues.²²⁸

Another Toshiba employee used the complaint box to raise several issues including: the unclean food being served in the canteen, various issues regarding allowances and wages and a line leader's inappropriate language. She said, "I used to write complaints, but I stopped because the complaints I sent were never resolved". The respondent still expressed some trust in the GM, but noted that "the company sometimes does not take action to solve the issues" and that "workers are afraid of the line leaders and don't want to have problems with the company".²²⁹

5.3. Findings and trends

The issues respondents complained about include the following:

- ❑ Wages, including requested increases, miscalculations, non-payments, pay raise evaluations, bonuses and increments.
- ❑ Working conditions/health and safety, including lack of and/or dirty toilets, damaged equipment, air quality, odours, etc.
- ❑ Line leader/management, including discrimination, inappropriate language/behaviour and harassment.
- ❑ Canteen, including cleanliness, quality and availability of food.
- ❑ Welfare and allowances such as food, transportation and other typical benefits.
- ❑ Transportation such as unreliable and insufficient bus service.
- ❑ Involuntary or requested changes such as a transfer to another department or shift.
- ❑ Work pressure such as forced or excessive overtime and performance demands.
- ❑ Vacation, sick and holiday leave, including cancellation of holiday leave, incorrect categorisation of leave and requiring a doctor's note to take sick leave.
- ❑ Cleanliness of accommodations.
- ❑ Problems with co-workers.

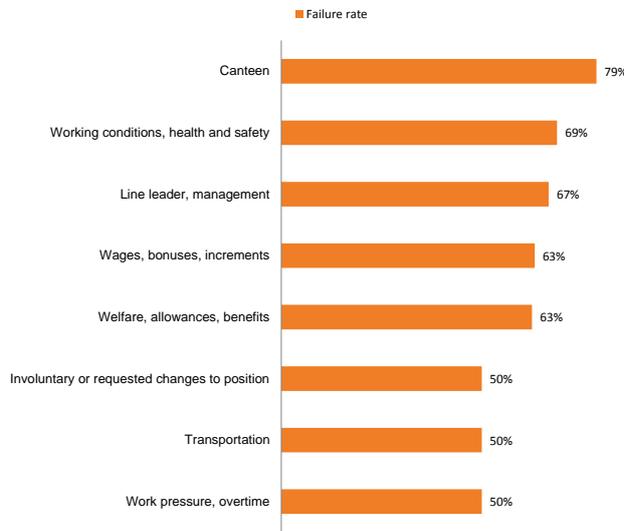
²²⁶ Sony, Interviews 8 and 9.

²²⁷ Johnson Electric, Interview 10.

²²⁸ Foxconn (India), Interview 1.

²²⁹ Toshiba, Interview 16.

Figure 5: Failure rate by issue

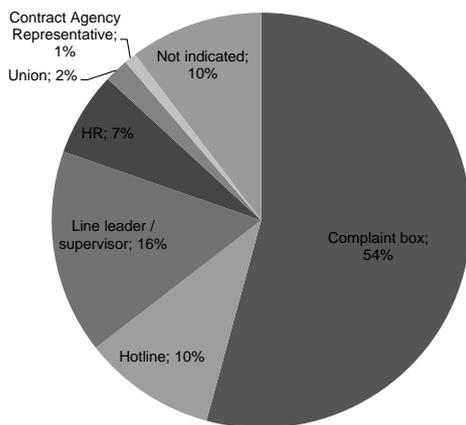


When four or more complaints were filed, the issue that was least likely to be resolved were complaints about the canteen. The high failure rate (79%) was striking given that many respondents in this study thought simple and/or general issues were more likely to be resolved by their factories' GMs. Canteen-related complaints are a rather "low hanging fruit" issue that companies ought to be able to resolve.

According to the outcomes reported in this study, the complaints that were most likely to be resolved were those concerning involuntary or requested changes to position, work pressure/ overtime and transportation—all 50%.

As previously noted, of the 107 complaints, 34 (32%) were resolved, while 60 (56%) went unresolved/ unsatisfactorily resolved.²³⁰ The correlation between respondents' having trust in their factories' GMs and having a complaint resolved was not particularly obvious. However, the correlation is more evident among those who did not have a complaint resolved or resolved satisfactorily given the high percentage of reported mistrust.²³¹

Figure 6: Channels respondents used to complain



Only 12% of the respondents stated that the outcomes were being reported by their companies. The exceptions were the four Thai factories (Hoya, LTEC Fujikura, Sony and Toshiba) where respondents said outcomes were reported on announcement boards.

As noted in the Introduction, complaint boxes and hotlines are the most common and well-known channels (or "access points") to a company's GM. Line leaders, supervisors, human resources, etc. can also be access points, but employees must understand the difference between filing a complaint with the company's GM through these channels versus raising an issue informally with them.

The respondents were not asked specifically whether they understood if they were complaining through informal channels or a formal GM process when complaining to their line leader/supervisor

²³⁰ Respondents did not indicate an outcome for 13 of the complaints (12%).

²³¹ As previously noted, lack of trust among respondents who had unresolved complaints was 58%. Lack of trust among respondents with unanswered complaints was 75% and for unsatisfactory outcomes it was 73%.

or HR. It is therefore not known whether the 16% of cases raised through line leaders/supervisors and the 7% filed with HR were handled within the company's GM process or more informally. With this in mind, given the reported use of complaint boxes (54%) and hotlines (10%) by the complainants in this study, it appears that many may have indeed understood the distinction between GM access points and informal channels.

6. Conclusions and recommendations

GMs are one way for workers to get their problems heard and remediated. There are other ways such as through negotiations between trade unions and companies or through legal action; however, often workers do not have access to these options. When a GM is dysfunctional, unfamiliar to workers and/or is unreliable, many workers have no other recourse for resolving work-related issues.

According to Principle 31 of the UN Guiding Principles, companies' GMs should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue. In our research, we focused on legitimacy, accessibility, predictability and workers' complaint experiences.

We can conclude with some certainty that most of the respondents are aware of how to file a complaint using at least one channel. However, it was unclear at most of the factories whether workers were filing complaints via the official GM or going through informal channels. Companies should be doing more to raise awareness about their various GM access points and more to continuously educate employees about the process using line leaders/supervisors and announcement boards. Most workers are unaware of how complaints are handled and a large majority have very little trust in the process. The high level of mistrust and the low percentage of satisfactorily resolved complaints demonstrates an overall poor performance regarding GM implementation.

Furthermore, there was a wide gap between what companies said to the researchers and what the respondents said. The companies that responded to SOMO maintained that they have well-functioning GMs that are publicised through various channels. While some of the companies in this study may have a good GM process on paper, the respondents' overall lack of understanding of and trust in their factories' GMs strongly suggest the companies' overall failure to provide workers' accessible, predictable and legitimate GMs.

Drawing from the research findings and, in particular respondents' feedback, SOMO recommends that companies improve their GMs by taking into account the following recommendations:

Accessibility

- GMs should be accessible through more than one channel or access point such as hotlines, emails, complaint boxes, etc., and filing a complaint should be easy. Workers should also be aware that they are indeed accessing the company's official GM as opposed to an unofficial and informal channel.
- GMs should be accessible to all workers, including temporary and contract workers.
- Companies must ensure that workers are informed about their GMs through multiple channels such as line leaders, announcement boards, social media, meetings, pamphlets, orientations, trainings, etc.
- The awareness raising that companies offer should be ongoing and should not be limited to new employee orientations when information about GMs may be easily forgotten or overshadowed by other information that may be more relevant to a new employee.

Predictability

- Companies should explain every step of their GM process in detail, including the timeframe and the person(s) responsible for handling complaints by issue.
- All complaints should be acknowledged as received, and workers should be given an estimated timeframe if the processing period is expected to deviate from the established timeframe.

Legitimacy

- Workers should have access to transparent, well-functioning GMs that they trust will deal with their grievances in a fair and impartial manner.
- Companies should build workers' trust by being 1) transparent about the complaints that have been received and resolved, 2) allowing anonymous complaints and 3) communicating that complainants will not be punished or dismissed.
- Companies should involve workers, trade unions and workers' representatives in the complaint mechanism as a mean to increase the legitimacy of their GM such as establishing a committee that handles all complaints.
- GMs should have an oversight body that involves workers, trade unions and workers' representatives that handles appeals and conducts regular performance assessments. As the UN Guiding Principles recommend, "The stakeholder groups for whose use it is intended should be consulted on its design and performance".
- Ideally, companies should provide access to an independent third-party complaint mechanism (not simply a third-party hotline operator), which also involves workers, trade unions and workers' representatives.
- Companies should view their GMs as an important channel that deals with problems before they escalate, rather than as a measure of last resort.

Complaints

- All complaints should be handled and outcomes should be reported directly to the complainant and the entire workforce in a way that protects workers' confidentiality, if appropriate.
- If a complaint cannot be resolved to a workers' satisfaction, the reason why should be explained, and workers should have the option to appeal to an oversight body that includes the participation of workers, trade unions and workers' representatives.
- Workers should have the ability to follow-up on their complaints to see how the process is going, and companies should provide progress reports if the complaint is going to take more than 12-14 days to resolve.

The above recommendations largely echo the following respondents' recommendations.

Table 9: Respondents' recommendations for improving their factories' GMs

Respondents' recommendations	Percentage of respondents citing recommendation
The process should be explained in detail, including who handles complaints	25.82%
The company should raise awareness of how to file a complaint	22.55%
All complaints should be resolved	21.07%
All results are publicised and reported to complainant, including when complaints are unresolved	20.18%
All complaints should be taken seriously and considered	19.88%
The process should resolve complaints quickly	19.88%
The company should guarantee complainants will not be fired or punished	18.69%
The process should be impartial, fair and genuine	18.40%
The process should resolve issues that are important to workers	11.87%
The process should be managed and/or supervised by a trusted party	8.61%
The company should encourage workers to complain	8.61%
The process should be accessible to contract workers	5.64%
The company should provide information on workers' rights and benefits they are entitled to receive	5.04%
The process should allow anonymous complaints	4.15%
The process should be transparent	3.26%
There should be more complaint boxes available and they should not be monitored	2.37%
The process should provide regular progress reports	2.37%
Workers should know when complaint boxes are opened and by whom	1.78%
Process should involve factory upper or home country management	1.78%
The company should encourage worker feedback on the functioning of the process	1.78%
Company should allow joint complaints from a group of workers or a department	1.19%
The company should provide sample complaints	0.59%
The company should allow in-person complaints	0.59%
The process should involve all parties to the complaint	0.30%
The company should allow community members to file complaints	0.30%

Appendix A: Interview questions

1. Personal information

- 1.1. Age, gender, work profile, employment duration, contractual basis (permanent/temporary worker) and place of residence of the interviewee.
- 1.2. General information on the working conditions, ask the employee to talk about working conditions: hours of work, payment, management systems, etc.

2. Presence of / satisfaction with grievance mechanisms

- 2.1. Are there any workers' (or communities) complaint/grievance mechanisms in place that you know of, such as a complain box, email address, hotline, or official procedure?
- 2.2. How did you learn about these procedures? Are they posted, for example?
- 2.3. Does management inform workers (or does management inform communities) procedures for filing complaints, e.g., approach the manager, etc.
- 2.4. Is/are there complaint mechanism(s) in place? Do you know how they function? Can you describe this?
- 2.5. Can you file an anonymous complaint? How would that work?
- 2.6. Are you satisfied with the functioning and the outcomes of these mechanisms?
- 2.7. Do you trust the system(s) that is/are in place? Why or why not?
- 2.8. What would be essential for you in a complaint mechanism to give you enough trust to file a complaint (when necessary)? (This could be more than one thing).
- 2.9. If there was a well-functioning system in place where you could file a personal or an anonymous complaint (depending on what you think would be best for you) would you consider filing a complaint? What would you complain about?
- 2.10. What information would have to be provided to the workers and communities about complaint mechanisms to make you want to use the mechanisms?
- 2.11. How can the information about the existence and the workings of complaint mechanisms be best brought to the attention of workers/communities?
- 2.12. What improvements would need to be made before the complaint mechanisms would meet your expectations?

3. Questions about complaints filed

- 3.1. Has the current mechanism been used to file complaints? By yourself? Or do you know others who have used or wanted to use this mechanism.
- 3.2. What was the complaint about?

4. Questions about complaint procedure

- 4.1. Was there sufficient information about the mechanism, the procedures, the processes, and the possible outcomes (at the time of filing the complaint)? Or did you need more information? About what?
- 4.2. How was the complaint handled? Can you describe the complaint procedure from beginning to end (if there was any paperwork, please provide thorough documentation if possible)? Did the company provide adequate information regarding their procedures? The process involved in resolving the issue? About possible outcomes?

- 4.3. What was the timeframe of the procedure (and the various steps in the process)? Was there a fixed timeframe that the company followed? Did the company provide information on the timeframe? Did the company announce how long it would take per step?
- 4.4. How was the complaint handled by the company? By company staff? (In some cases) by a lawyer? Did the company seek legal advice? Did it hire external experts?
- 4.5. Is the company ensuring that complainants have access to sources of information (e.g., attendance records or other company records)? Can you explain which sources of information you received?
- 4.6. Does the company guarantee that complainants have access to lawyers and experts when necessary?
- 4.7. Is the company allocating resources for complainants to seek support?

5. Questions on the outcome and follow up of a complaint

- 5.1. What was the outcome of the complaint—can you elaborate. Do you know where the outcome conforms to internationally recognised standards?
- 5.2. How did you assess the outcome? Were you satisfied? Did you consider the outcome fair (why or why not?). Did the company evaluate the complaint process with the complainant?
- 5.3. Was the company willing to engage in a dialogue to learn more about the complaint mechanism process?
- 5.4. Do you trust the complaint mechanism? Why or why not?
- 5.5. How can the mechanisms be improved?

Appendix B: Hotline testing

Country	Company	Person(s) responding to researcher	Number of attempted contacts	Hotline exists	No hotline	Company unwilling to provide information	No answer	Anonymous complaints allowed	Third-party operator
CHN	Astec Power	Hotline operator	11						
CHN	Chicony	Hotline operator	3						
CHN	Flextronics	Hotline operator	3						
CHN	Foxconn	Hotline operator	5						
CHN	Foxlink	Hotline operator	3						
CHN	Johnson Electric	Hotline operator	3						
CHN	Laird	Hotline operator	3						Expolink
CHN	Sanmina	Hotline operator	2						
CHN	Zeny	Hotline operator	4						
IND	Flextronics	Hotline operator	2						EthicsPoint
MEX	Flextronics	Hotline operator	2						EthicsPoint
MEX	Jabil	Hotline operator	2						EthicsPoint
THA	Celestica, Chonburi	HR, Ethics Point	3						EthicsPoint
THA	Donaldson, Rayong	HR	1						
THA	Electrolux, Rayong	HR, Call centre staff	2						
THA	Fisher and Paykel	HR, Hotline operator	3						Fair Call
THA	Hewlett Packard (Thailand) Ltd.	Company staff in "complaint section"	2						
THA	Hi-Tech Apparel	Company staff	1						
THA	Hoya Glass Disk	HR staff (with limited knowledge)	1						
THA	Mektec Manufacturing, Ayutthaya	HR, hotline	1						
THA	Ricoh, Thailand	Company staff at "complaint centre"	3						
THA	Sony	Hotline operator	4						Sony Global
CHN	Ricoh	Trade union president	2						
THA	Bridgestone	HR	1						
THA	Daikin Industries (Thailand) Ltd.	HR, email	2						
THA	General Motors	HR	1						
THA	Hitachi Global Storage Technologies	HR, Company staff, email	6						
THA	IBM, Thailand	Company staff	1						
THA	Isuzu Engine Manufacturing, Bangkok	Public relations staff, trade union president	2						
THA	Kyocera Kinsiki	HR	1						

Country	Company	Person(s) responding to researcher	Number of attempted contacts	Hotline exists	No hotline	Company unwilling to provide information	No answer	Anonymous complaints allowed	Third-party operator
THA	Kyocera MITA	Company lawyer	1						
THA	Lamphun Shindengen Co. Ltd	HR	1						
THA	LG Electronics	Company staff, email	4						
THA	Minebea, Ayutthaya	HR	1						
THA	Murata Electronic (Thailand) Ltd.	HR, email	2						
THA	Nan Yang Textile Group	Company staff	1						
THA	NEC Corporation (Thailand) Ltd.	Call centre staff, company staff	3						
THA	NEC Infrontia	HR	1						
THA	NXP Semiconductors	Company Manager	1						
THA	Panasonic, Samutprakan	Manager	2						
THA	Paragon Electronics, Pathumtani	HR	1						
THA	Samsung Electronics	HR	4						
THA	AGC Micro Glass	Compliance officer, email	2						
THA	Cal comp Electronic Ltd.	Company staff, email	4						
THA	LTEC (Fujikura Electronic, Thailand)	HR	4						
THA	Namiki Precision	HR, email	2						
THA	Seagate Technology, Samut Prakarn	HR	4						
THA	Sony, Chonburi	Call centre staff, HR	3						
THA	AGC Electronics, Ayutthaya		1						
THA	Benchmark Electronics, Ayutthaya		3						
THA	BMW Manufacturing, Rayong		2						
THA	MMI Precision, Pathumtani and Nakhon Ratchasima		3						
THA	Nidec Precision, Ayutthaya		5						
THA	NXP Manufacturing (Thailand) Ltd.		2						
THA	Toshiba, Pathumtani		2						
THA	Western Digital-WD, Pathumtani and Ayutthaya		4						
			140	22	20	6	8	15	