

SMART Factories Case Study No.2

Seo Ho International Co. Ltd :
Enhancing Workplace Grievance Mechanisms

The Challenge

Seo Ho International Co. Ltd, a garment factory located in Hlegu, established in 2015, faced significant challenges with its workplace grievance mechanisms. Seo Ho garment factory is 100% foreign direct investment from Korea with over 1,137 workers, including 866 females and 271 males across 18 sewing lines. Despite these metrics, the factory struggled with an inefficient grievance-handling system. Workers had limited awareness of grievance channels, and no suggestion letters had been reported by employees in the past, indicating a lack of trust and communication between the workforce and management.





Prior to engaging in SMART Factories Programme, we faced constraints in implementing an effective workplace grievance system," commented the social compliance manager.

The Action / Recommendation

Recognizing the critical need for improvement, the factory management decided to collaborate with the MADE's SMART Factories Social Compliance Programme to establish a systematic grievance system. This initiative was driven by the management's desire to expand their business with European orders and their ownership of the factory compounds, allowing for more significant investments in infrastructure and processes.



The following actions were recommended and implemented:

- Establishment of a Grievance Handling Process: A structured grievance system was set up, including suggestion boxes and a Workplace Coordinating Committee (WCC).
- Training and Awareness: Workers were educated about the available grievance channels and the importance of utilizing them.
- Regular Monitoring and Feedback: Weekly sessions were conducted to review grievances, involving key factory personnel from HR and WCC. Feedback mechanisms were also improved to ensure transparency.

" I preferred to use the suggestion box as my first choice of grievance channel as it allowed me to raise complaints anonymously," stated a sewing operator.



The Solution / Result

The implementation of the grievance system led to remarkable improvements in workplace harmony and employee satisfaction. Workers began to utilize the grievance channels more frequently, and issues were resolved more efficiently. The WCC held regular meetings and addressed various workplace concerns, from facility-related issues to interpersonal conflicts.

Key results included:



Increased use of grievance channels by workers.



More timely and mutually agreed-upon resolutions to grievances.



Enhanced communication and trust between employees and management.



I will definitely communicate with the worker representative from WCC as my first choice of grievance channel. They resolve concerns more quickly," shared a sewing operator.

Key Learnings

The case study highlights several key learnings:

- Importance of Structured Grievance Systems: Establishing a clear, accessible grievance process is crucial for maintaining a positive work environment.
- Employee Awareness and Training: Educating employees about their rights and the available grievance mechanisms fosters a culture of openness and trust.
- Regular Feedback and Monitoring: Continuous monitoring and feedback ensure that grievances are addressed promptly and effectively.



After SMART's assessment, the factory was able to build a systematic grievance system. Worker representatives are now equipped with knowledge about worker entitlements," noted the social compliance manager.

In conclusion, by addressing grievances promptly and fairly, Seo Ho International Co. Ltd has created a more harmonious workplace, leading to improved employee morale and productivity. The factory's commitment to continuous improvement in its grievance-handling processes demonstrates the significant impact of effective workplace management on overall organizational success.

Factory perform on environmental health and safety improved by

23%

The factory perform are labour right improved by

17%

Workers highlighted several satisfaction points including a good workplace environment, effective communication, care from management, job security, early salary payments, easy leave application, and improved water supply and toilet conditions.

With regards to the freedom of association and grievance handling

76%

of all recommendations were successfully implemented by the end of the programme.

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Workers were previously unaware of the available grievance systems. After undergoing awareness and training sessions, their utilization of these mechanisms has significantly increased," remarked a workers' representative of WCC.

