CASHING IN

THE BUSINESS CASE FOR WOMEN’S EMPOWERMENT IN THE GARMENT INDUSTRY

SUMMARY REPORT
JUNE 2019
ACRONYMS

BGMEA  Bangladesh Garment Manufacturers and Exporters Association
BKMEA  Bangladesh Knitwear Manufacturers and Exporters Association
BNWLA  Bangladesh National Women Lawyers’ Association
CBA    cost-benefit analysis
DIFE   Department of Inspection of Factories and Establishments
EPZ    Export Processing Zone
FGD    focus group discussion
GAA    Girls Advocacy Alliance
GBV    gender-based violence
IFC    International Finance Corporation
ILO    International Labour Organisation
IPA    Innovation for Poverty Action
IPV    intimate partner violence
KII    key informant interview
RMG    ready-made garment
BACKGROUND

Developing and sustaining the vibrant ready-made garment (RMG) industry is vital to Bangladesh’s economy. Bangladesh is the second largest exporter of ready-made garments in the world, and the RMG industry is widely credited for contributing to an improvement in living standards in the country, particularly for women. Though there has been a significant decline in the number of women working in the RMG sector (from 80% to 55-60%), women continuously play a huge role in the RMG workforce in Bangladesh. In fact, 80% of the women working in the country’s manufacturing sector are employed in RMG factories, making female employment highly crucial to the sector. Thus, attracting female workers, maximizing their productivity and reducing their absenteeism, and minimizing female worker turnover are all critical to the continued success and growth of the RMG sector, and for the Bangladeshi economy as a whole.

This report presents a business case for investing in the empowerment of women in the RMG industry in Bangladesh. Specifically, it analyzes the impact of gender-specific and gender-sensitive interventions on worker absenteeism and turnover -- two well-established metrics for measuring business impact. The analysis draws on international best practice, as well as the good practice empowerment interventions already being introduced and/or implemented in factories, to identify the impact on women workers in the sector.

1. BSR, Empowering Female Workers in the Apparel Industry: Three Areas for Business Action, June 2017.
Research Questions

- How are employers empowering women workers, and particularly young women, in their workforce?
- What has incentivized employers to invest in female empowerment?
- What have been the costs and benefits of these good practices to employers themselves?
- How can stakeholders effectively empower women workers in the garment sector?

Selection of Factories

Factories that had good practices of investing in women’s empowerment and those with a reputation for complying with legal requirements were prioritized.

For the first tranche of this research, the factories were selected according to the following criteria:

- Factories have invested on women workers such as various trainings, health-related interventions, etc.
- Community-based programs (school, daycare, hospitals/health centers, special interventions)
- Food facilities
- Vehicle facilities
- Creation of opportunities for career advancement for women (e.g. more women in supervisory or managerial role as well as senior management)
- Award-winning factories (reference from news, reports, etc.)

For the second tranche, the original plan was to conduct the analysis at the four factories that had participated in the qualitative research tranche. However, those factories declined to participate. Therefore, factory selection was made separately based on the expert opinion of the Bangladesh team members, and also depended on the factories’ willingness to participate in the study and the availability of a data management system. All factories produced for the export market.

Research Approach

The research for this business case proceeded in two distinct tranches.

The first tranche utilized a qualitative approach and was conducted at four factories from July to December 2018. The target populations were RMG workers, supervisors, mid-level management, top management, government officials, and CSO representatives to understand the rationale, implementation process and impacts of various good practices in these factories. Purposive sampling technique was used to collect qualitative data. Data were collected through focus group discussions (FGDs), key informant interviews (KIIIs) and observation techniques.

The second tranche was carried out at three additional factories near Dhaka in February-March 2019, and included a quantitative survey and a cost-benefit analysis in addition to FGDs and KIIIs.

For the cost-benefit analysis, factory data were collected in three ways: (1) a data collection sheet, which was shared with the factories prior to the team’s visit; (2) a survey that was administered; and (3) focus group discussions.
Selection of Best Practices

Based on the analysis of international best practices and existing good practices in Bangladesh RMG factories, the following interventions were selected:

- Programs or trainings that provide women with the skills necessary to advance in their career and win promotions;
- Programs that provide support to pregnant women and mothers, including supportive maternity leave, daycare, and breastfeeding support;
- Programs that confront sexual harassment and gender-based violence;
- Factory health clinics; and
- On-site shops.

WOMEN IN THE GARMENT SECTOR

Bangladesh has come a long way in closing the gender gap, from being ranked 91st out of 115 countries on the Global Gender Gap Index in 2006 and climbing to 48th position out of 144 in 2018. Bangladesh is also the top performer in South Asia, with the gender gap closing mainly on the political empowerment component in which Bangladesh ranked number 5 in 2018.

However, women are still underrepresented in leadership positions across all sectors. Bangladesh is performing poorly on economic participation and opportunity -- ranking number 133 out of 149 countries in 2018, and a significant gender gap remains in terms of labor force participation and earned income. Bangladesh scored 0.542 on the Gender Inequality Index for 2017, ranking 134 out of 189 countries, and women’s participation in the workforce is just 33 percent, compared to 79.8 percent for men.

Although the garment sector has brought unprecedented opportunities for women, especially for those from rural areas, women still face discrimination and harassment in the workplace, and occupy the lowest paid positions in RMG factories. The challenges that impede women in the sector are discussed below.

Gendered segregation of work and lack of professional advancement

Professional advancement and promotion are highly gendered: While instances of overt gender discrimination in pay have declined in the RMG sector, women in the sector have limited upward mobility, and supervisory and managerial positions are male dominated. Indeed, despite representing a majority of total workers, women were generally underrepresented in supervisory and management positions. Compared to the other countries where the IFC/ILO Better Work program is active, Bangladesh has, by far, the lowest percentage of women workers in supervisory positions with just 7 percent (see Figure 1).

Not only are women excluded from supervisory and managerial positions, but the jobs in which women RMG workers are concentrated also tend to be the worst paid. The Fair Wear 2018 report found that the majority of helpers and sewing operators are women, while dyeing, washing, and knitting/weaving operators are male-dominated jobs and tend to be better paid.

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5 The Global Gender Gap Index incorporates four sub-indices: economic participation and opportunity, educational attainment, health and survival, and political empowerment.
9 In a review conducted by Fair Wear Foundation, stakeholders reported the decline in overt gender discrimination in pay. Officials at the Department of Inspection of Factories and Establishments (DIFE) interviewed in the context of the Fair Wear Foundation’s review reported that there is equal pay for men and women in 100 percent of the factories, but also that very few women are in management positions. Fair Wear’s own audit of RMG factories did not show big differences between the salaries of male and female workers doing the same job. Fair Wear Foundation, Bangladesh Country Report 2018.
According to the Fair Wear Foundation’s 2018 report, the lack of upward mobility, especially for women, was linked to the absence of an effective performance assessment system as a basis for determining eligibility for promotion or wage increases. Rather, the report found, the informal nature of performance assessment made it prone to favoritism and discrimination - a dynamic that does not favor women and can leave them vulnerable to sexual harassment and exploitation.

Lack of support for pregnant women and mothers

Most women in the Bangladesh garment sector are of child-bearing age -- the average age is 26.6 years, and 74 percent are between the ages of 18 and 29 years -- and 78 percent of women working in the factories are married. Recent amendments to the 2006 Labor Law guarantees financial benefits to new mothers after they give birth. Previously, if a woman had not given notice prior to the birth of her child, if she did so after the birth, she was entitled to maternity leave for a period of up to 8 weeks after giving birth. However, the original law did not stipulate that in this situation, the post-birth leave period would be paid. The amended Act clearly states that the post-birth leave period must be paid along with other benefits. Providing support to pregnant workers is therefore a critical component of RMG business practices, and quality support can attract and retain a talented female workforce.

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11 See section on Sexual Harassment for a more detailed discussion.
12 ILO-UN Women unpublished study, 2018. Data is according to a preliminary study report presented in a UNDP-Dhaka workshop on 10 December 2018, at the UNDP office, Dhaka.
Stakeholders in the 2018 Fair Wear Report indicated that very few RMG factories fully comply with the legal requirement to provide four months paid maternity leave. Some provide half the benefits, or around two months paid leave, while others provide no paid maternity leave. In some cases, the report found, women lose their jobs for being pregnant. In addition, the same report found that at many factories, childcare facilities were not available or were not functional.

Factories in Bangladesh that provide breastfeeding spaces, breaks for women to breastfeed, and breastfeeding support and education for workers who are mothers, have seen turnover rates among new mothers plummet. A breastfeeding program, introduced in 2017 by UNICEF-Bangladesh, the Institute of Public Health and Nutrition (NNS-IPHN) of the Ministry of Health and Family Welfare and implementing partner BRAC, has benefited both factories’ bottom line, and the health of mothers and babies. In 2016, UNICEF research in RMG factories in Dhaka found that the exclusive breastfeeding rate among RMG factory mothers with infants between 2 and 6 months old was just 17 percent, dramatically lower than the national average of 55 percent\(^{14}\).

Harassment and violence in the RMG sector

Multiple research projects have demonstrated high levels of harassment and violence in the Bangladesh RMG sector\(^{15}\). Recent work, conducted by icddr,b, with the support of BSR and the South African Medical Research Council in 2016 as part of the What Works to Prevent Violence Global Program, found high levels of violence experienced by female Bangladeshi garment workers in eight factories where data were collected. Overall, three-quarters (74%) of workers interviewed reported experiencing or witnessing workplace violence. The most common form was workers being shouted at (58%), and half (49%) reported experiencing or witnessing workers being called unkind names. Over 1 in 10 reported experiencing or witnessing a worker being pushed or shoved in the past four weeks, and in total 14 percent of workers interviewed experienced or witnessed others experiencing physical violence in the workplace\(^{16}\).

\(^{14}\) The research was conducted in two factory sites in Dhaka among 121 of their women workers with infants aged below 2 years. The national average of 55 percent is for infants from 0 to 6 months. United Nations Children’s Fund, Let’s make it work!: Breastfeeding in the workplace -- Using Communication for Development to Make Breastfeeding Possible Among Working Mothers, UNICEF. New York. April 2018.


\(^{16}\) HERrespect: How Business Can Make A Difference on Violence Against Women and Girls, Program Summary.
Outside the factory, women RMG workers are also experiencing violence. Cross-sectional survey data collected during September-December 2016, from 800 female garment workers randomly selected from lists provided by eight garment factories in and around Dhaka, revealed high levels of intimate partner violence (IPV) by the workers. A third (34%) reported experiencing physical IPV in the past year, and almost half (43%) sexual IPV in the past year.

Similarly, the Fair Wear Report 2018 identified verbal abuse directed at workers by mid-level management as a serious issue, and reported that gender-based violence (GBV) was a relatively common occurrence in the sector. The report also noted that both the perpetrator and the victims often seemed unaware of what qualifies as GBV, and that verbal and psychological abuse towards women in garment sector workplaces remains common.

Other studies, although not conducted in Bangladesh, have found that levels of harassment, including sexual harassment, are higher among female piece-rate workers in RMG factories than among salaried workers. A study conducted by Better Work, for example, found that sexual harassment was more likely to be a concern in factories where garment workers are paid “by the piece”, and more so when their performance was assessed by supervisors who receive a fixed salary. Within this kind of factory pay scheme, power relations are structured such that supervisors were in a position to demand bribes, in the form of sexual favors, in exchange for a positive report or assessment of individual worker performance.

Some studies of the Bangladesh RMG sector have also found that workplace violence and IPV were much lower in factories that work in the Export Processing Zone (EPZ). The study argued that workers at factories in EPZ have more stable jobs (98% of the EPZ workers had an appointment letter to 76% of the non-EPZ workers), and that EPZ workers enjoy better leave policies (all leave requests placed by 91% of the EPZ workers during the last three months were granted, whereas only 64% of non-EPZ workers had all requested leaves granted during the same reference period).

GOOD PRACTICES FROM FACTORIES

Timely Payment of Wages

The current minimum wage for a factory worker is BDT 5,300 (about USD 64) per month\(^2\), and the average salary is between BDT 8,000 and 12,000 per month in the RMG sector, and additional payment for overtime work. This should be applicable to all female and male workers as stipulated by the Bangladesh Labor Act of 2006, which states that, in determining wages or fixing minimum wages for any worker, for work of equal nature or value, the principle of equal wages for female and male workers must be followed and no discrimination should be made based on gender\(^21\).

In September 2018, the government declared a new wage board for the RMG sector and promised to increase the minimum wage for garment workers to BDT 8,000 (USD95) a month, the first such increase since 2013. In January 2019, RMG workers in Dhaka rioted, demanding a raise to at least BDT 16,000 (about US$191) per month\(^22\). At the time this research was carried out, no wage increase had taken effect.

All seven factories involved in this research showed that salaries were paid on time. At the four factories in the first research tranche, key informants, both male and female, also reported the timely payment of salaries was their top priority, and that it attracts workers to jobs at the factory, improves worker productivity, and reduces worker turnover. Similarly, in survey respondents, all respondents reported that salaries were indeed paid on time; however, in some qualitative responses, some respondents reported that salaries for floor staff were sometimes 2-3 days late. Payments that are chronically late -- especially several months late -- can lead to labor unrest.

\(^{21}\) http://www.ipsnews.net/2018/02/bangladeshs-garment-industry-boom-leaving-workers-behind/


Maternity Support

All seven factories involved in this research provided the full maternity benefits: 112 days of maternity leave with full salary. In addition, the factories provided a range of additional benefits, including free prenatal check-ups, free medicines, iron tablets and other vitamins, calcium, and (if needed) saline during pregnancy. Four factories provided training to pregnant workers on health safety for pregnant mothers and newborn babies, and one factory worked with the International Labour Organisation (ILO) to provide a Care Giving Training on Childcare Methods for pregnant workers and daycare staff. One factory additionally provided counselling to pregnant workers and their husbands, and another provided awareness raising training on pregnancy under a program called Phulki.

All factories provided ambulance service in the event of an emergency. Several of the factories also prioritized pregnant workers’ leave requests by providing a medical certificate via the factory health clinic; requests for leave for workers who presented this certificate were expedited. Pregnant workers were permitted to leave work early if needed, and from the 4th month of pregnancy, workers are automatically permitted to leave work at 5PM with no expectations that they work overtime.

Pregnant workers in all seven factories were also offered the option of lighter work during pregnancy. In four factories, pregnant workers were moved out of machine operations and into positions that required less physical exertion, such as quality control. In three factories, most survey respondents reported that pregnant workers had the option to do lighter work if they wanted, and could use the elevator whenever they wanted.

Several factories also provided pregnant workers with additional food. Four factories reported that they provided pregnant workers with snacks such as bananas and bread cakes; another factory reported that it provides pregnant workers with a snack every day at 11AM.

Daycare

According to the Labor Act of 2006, all establishments with forty or more workers must provide employees with access to child-friendly rooms for their children of age six or below. The law does not provide details on the capacity of daycare facilities or the ratio of care-givers to children, merely stating that the daycare “shall be under the charge of a woman trained or experienced in the care of children and infants”.

\[^{23}\text{Section 94.1, 94.2, 94.3, 94.4, 94.5, 94.6, 94.7, Bangladesh Labor Act, 2006.}\]

\[^{24}\text{Section 94.2, Bangladesh Labor Act, 2006.}\]
All seven factories provided quality daycare services free of charge. One factory worked with the ILO to provide childcare training to daycare staff, and maintained three caregivers for 15-20 children (1:6.7 ratio). At another factory, the daycare facility was staffed with one teacher and five caregivers, caring for 40 children (1:6.7 ratio). At yet another factory, the recently opened daycare facility had two caregivers for six children (1:30 ratio). Several factory daycare facilities provided food, including powdered milk and appropriate food, and some provided clothing for children. For all factories, children enrolled in the daycare facility enjoyed unlimited free access to the factory health clinic. Some factories also provided financial support towards the education of workers’ children.

**Breastfeeding**

The Labor Law 2006 does not mandate breaks for women to breastfeed or the provision of spaces for women to breastfeed their babies. The only mention of breastfeeding in the law stipulates that “at least one chair or equivalent seating accommodation for the use of each mother while she is feeding or attending to her child…”

Factories involved in the research provided breastfeeding spaces for breastfeeding mothers. In survey responses in three factories, workers reported that having the space and time to breastfeed at work was critical to reducing worker absences. Most workers reported that they were allowed two 30-minute breastfeeding breaks plus lunch time. At one factory, workers reported that they were allowed two 30-minute breaks plus an additional 30 minutes at lunch time.

The seven factories that participated in this review all had sexual harassment policies in place, and had set up a variety of mechanisms to address harassment in the workplace, such as complaint boxes, hotlines, and designated support staff. Survey responses in three factories demonstrated very high levels of awareness about the existence of the policy, about ways to report harassment, and about ways to seek redress, and they also had high levels of confidence in the system designed to minimize harassment and support workers who experience it. In this, they stand apart from the majority of RMG factories in Bangladesh. While most RMG factories have a policy against discrimination and sexual harassment, and an anti-harassment committee was in place in more than half of the factories audited for the Fair Wear 2018 Report, very few workers were aware of its existence and activities.

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23 Section 94.7, Bangladesh Labor Act, 2006.
The factories had the following practices:

- A “zero-tolerance” policy towards sexual harassment and a policy of terminating employees who have harassed women workers
- A welfare officer assigned to each production floor, responsible for taking complaints
- Complaint boxes, which are discreetly located to protect anonymity; in some factories have complaint boxes in every washroom, and/or in the factory health clinic
- The Participation Committee is specifically charged with bringing worker complaints to the attention of the management
- A helpline
- Trainings on sexual harassment for workers and management
- Female security guards
- Closed-circuit cameras in strategic places
- Adequate lighting throughout factory grounds.

**HEALTH AND SAFETY**

The Labour Act Amendment 2013 introduced specific provisions on workplace safety, which included the establishment of workplace health centres in workplaces with over 5,000 employees. Other mandates under the amendment included safety committees in factories and establishments with 50 or more workers, safety welfare officers in workplaces with more than 500 workers, compensation for occupational diseases in workplaces with over 500 employees, and revision of death compensation to be provided after two years of work instead of the three years specified in the Labour Act 2006. Amendments have also been made regarding dangerous work for children, emergency exits, access to gangways and stairs for workers, mandatory use of personal safety equipment, notification of competent authority in case of incident, and provisions on social dialogue, trade unions, and dispute resolution.

Although not all seven factories reviewed were legally required to have on-site health clinics (as some factories had fewer than 5,000 employees), all the factories provided this service. Both female and male doctors were on staff at most factories (although one factory had only female doctors). Health clinics provided primary care, care for work-related injuries, birth control including menstrual regulation, vitamins, iron supplements for women, pre and post-natal care, and care for workers children enrolled at the factory’s daycare facility. Some factory health clinics also provided healthcare to the family members of workers. Some factories had on-site laboratory testing facilities. Some factories offered trainings for workers, covering topics such as general health, nutrition, and hygiene, as well as disease specific trainings on dengue, cancer, and sexually transmitted diseases. Women workers at some factories has access to training on breast cancer, ovarian cancer, and reproductive health. Some factories also provided financial support for emergency hospital services and medications, and ambulance service if needed.

**Factory Health Clinic**

The health facilities at the seven factories stand out from the crowd: Fair Wear’s 2018 review found that in-house medical facilities at many RMG factories were insufficient, including at factories that are legally required to provide this service.

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Menstrual Hygiene

Workplaces are not legally bound to provide sanitary napkins to their employees. Yet, six out of the seven factories reviewed provided sanitary napkins to workers (and the seventh has plans to do so), either free or charge, at a reduced price at the health clinic, or at a discounted price at an on-site Fair Trade Store. Factory management reported that worker awareness of menstrual hygiene had been low, that women used old rags during menstruation, got infections due to poor menstrual hygiene, and sometimes performed poorly or missed work as a result.

Factory motivations for introducing sanitary napkins included supporting women workers’ health and reducing absenteeism. In addition, some factories reported that NGOs had introduced their management to sanitary napkin programs, and this provided the impetus for initiating provision at their factory. One particular enterprising factory has begun producing sanitary napkins both for their workforce, and for market.

Factory Profiles

The cost-benefit analysis tranche of this research reviewed three RMG factories near Dhaka. For purposes of discussion, they are described as Factory 1 (F1), Factory 2 (F2), and Factory 3 (F3) from hereon.

FACTORY #1

Factory 1 is one of the oldest and most established RMG factories in Bangladesh. Established in 1998, the factory produces knit composite pieces at a rate of 4.5 million pieces per month on 139 sewing lines.

As of January 2019, F1 employed 8,325 people. The bulk of the workforce (67.5%) was aged 30 or younger, and employees aged 18-24 accounted for the largest share of all employees (35.8% of the workforce). Young people accounted for 70% of helpers in the factory, and were poorly represented in the skilled helper category of sewing helpers.

The majority of employees (54.2%) were men. Male employees dominated higher-level positions, accounting for 96.3% of management and outnumbering women nearly 2 to 1 among operators and among the more highly-compensated piece-rate workers. Women dominated in the lower-paying positions, notably that of helpers. Sewing helpers lack the skills to use the machines that sewing operators use, but can perform all the same skills as operators, with the notable exception of machine use.
Factory 1 provides the following services to employees:

- Daycare center
- Complaints box and hotline for reporting harassment
- Participation Committee
- Health clinic
- Birth control and iron tablets for pregnant women
- Sanitary napkins (**only during emergencies)
- Breastfeeding space and time for breastfeeding
- Skills training
- Fair Price Shop
- Snacks for pregnant women every day at 11AM
- Women-only building with 1,000 employees, all supervisors are women
- Additional BTK 1,000 on top of proscribed Eid bonus; additional BTK 500 at Eid to purchase meat; and BTK 35 per day iftar during the month of Ramadan

Factory 2 started operations in 2008. Its main product is woven bottoms (pants/denim jeans). The factory includes a washing unit, sewing unit, a shed for dry processes, printing, cutting, sewing, finishing, laundry, and packing units, a fabric store, a finished good store, a chemical store, a pump house, and utilities building.

As of January 1st 2019, the factory employed 3,455 people. The analysis by age shows that the workforce is overwhelmingly in the 18-24 year old bracket (dominating nearly all of the processes), with the one exception of finishing helpers where those in the 25-30 age bracket dominate (40.1%). Youth aged 18-24 are particularly well represented among all operators, especially sewing operators (75.4%).

The analysis of employees by gender shows that the workforce is primarily female and women represented in helper and operator positions, in numbers that reflect their proportion in the workforce (~65%). In more highly remunerated positions, and positions of authority, however, women are poorly represented. For example, washing is the highest paid non-management position, and in 2019, 85% of washers were men. Among management, just 2.8% of staff are women (2019). An analysis of recruitment in 2018 also shows that women are being recruited at a higher rate than men. However, as noted above, women appear to mainly be recruited for comparatively poorer paying positions of less authority than men.

Factory data shows an average 6-month absenteeism rate of 4.13% between August 2018 and January 2019. It also shows that male employees were nearly twice as likely to be absent from work as female employees. Key informants in management at this factory reported that women workers are more responsible and also more “grateful” to have work, they take their work more seriously than male workers, and are therefore less likely to be absent without obtaining prior permission.
Factory 2 provides the following services to employees:
- Daycare center (with a maximum of 25 children)
- Breastfeeding space and time for breastfeeding
- Complaints box and/or hotline for reporting of harassment
- Health clinic
- Birth control is available at the factory clinic (however, doctor is not trained in birth control measures)
- Sanitary Napkins (available at the Fair Price Store with 10% discount and is also given free in emergency situations)
- Medical Insurance
- Transportation (36 buses to transport workers to and from the factory -- free of charge)
- Skills training (provided to new workers)
- Fair Price Store (provides workers with credit up to 30% of their salary)

FACTORY #3

Factory 3 specializes in knitwear and as of January 2019, it has employed 2,844 people.

The analysis by age shows that employees are concentrated in the 25-30 age bracket (40%), followed closely by those in the 18-24 year old age bracket (34%). People in the 25-30 age bracket dominated sewing helpers (51.5%) and sewing operators (42.3%), although for people in the 18-24 age bracket (40.6%), the highest concentration were working as sewing operators.

Between 2016 and 2019, the percentage of overall employees who are female has decreased, the percentage of management positions occupied by women declined, the percentage of operator positions occupied by women also declined, and the number of helper positions occupied by women increased. No explanation for these trends was forthcoming from the factory.

Factory 3 has made very significant progress in reducing absenteeism. From a high of 11.3% in April 2016 - the first month for which absenteeism data was available – the rate dropped to 5.4% in January 2019.

Factory 3 provides the following services to employees:
- Daycare center (with a maximum capacity for 6 children)
- Breastfeeding space and time for breastfeeding
- Complaints box and/or hotline for reporting of harassment
- Transportation (11 buses to transport workers to and from the factory)
- Health clinic
- Menstrual Hygiene Program
- Sanitary Napkins (available at a lower market rate)
- Birth control (provided for free -- male condoms, the pill, and injection)
- Vocational Skills training
- Female Empowerment Programs -- Better Work modules and guidelines
- Efficiency Incentives – monthly bonuses to workers who perform well
How are employers empowering women workers in their workforce?

The factories involved in this research have employed different measures to support women workers. These include the provision of skills training to support upward mobility; provision of maternity leave and support, daycare facilities, and breastfeeding spaces; strong anti-sexual harassment policy, complaints box and hotline; and provisions for health and safety, such as health clinics and menstrual hygiene support. While these measures have evidently contributed to reducing staff turnover and absenteeism, and increased worker productivity and motivation at work, assessing the impact on women outside the factory was not possible. This can be an area of further study.

The issue of upward mobility and representation in leadership positions remains a challenge. In several participating factories, women’s representation in leadership positions has eroded over time. In Factory 1, for example, women made up only 4 percent of management positions despite accounting for nearly 46 percent of the total workforce. In Factory 2, while women made up nearly two-thirds of the workforce, just 2.8 percent were in management positions and only 15 percent were in the washing section, which was the highest paid non-management position in the factory. In Factory 3, between 2016 and 2019, the percentage of overall female employees were reduced from 14 percent to 12 percent with female operator positions reporting a decline from 73 percent to 65 percent.

What have been the costs and benefits of these good practices to the best practices themselves?

All seven factories reported business benefits from the interventions that have been introduced to workers. The identified good practices demonstrated contributions not only to reducing absenteeism and staff turnover, but also to improve a factory’s reputation, which attracts skilled workers and buyers. (See Table 1)

At the three factories involved in the cost-benefit analysis, reduced absenteeism and staff turnover reported monetary benefits as well. From highs of 7-9%, absenteeism has been reduced to 4-5% at the endline. Similarly, staff turnover rates declined from 12-24% to 3-5% at the endline. These have yielded savings for the factories that range from over USD 400,000 to USD 1.7 million annually. The tables below provide more details. (See Tables 2, 3 and 4)

Return on Investment to Factories

To measure the “value for money” of the good practices to factories, this research also calculated the return on investment (ROI) for the three factories. ROI is calculated by dividing the savings accrued from reduced absenteeism and staff turnover by the cost of investment(s). (See Table 5)

At two of the three factories, the cost-benefit analysis found an approximate 1:3 return on investment associated with providing gender-specific and gender-sensitive services for female workers. The 1:3 ratio is in line with previous cost-benefit analyses conducted in the Bangladesh RMG sector.

At one factory, the cost-benefit analysis found a 1:15 return on investment. One possible explanation for this outlier may be the relatively high value of the products it produces. The research did not have access to data to verify whether this explanation was accurate.
Supervisors and managers must stay at the factory after regular working hours to settle accounts (e.g. daily targets, quantity of inputs used to produce them). If there is any risk of harassment, women workers will not seek promotion.

USAID, Effects of Workplace Health Programs on Absenteeism, Turnover, and Worker Attitudes in a Bangladesh Garment Factory, April 2007.

A proxy of 7% was used from desk review since baseline data was not available.

**Table 1: Business Benefits of Good Practices in the RMG Sector**

<table>
<thead>
<tr>
<th>INTERVENTION</th>
<th>REPORT BUSINESS PROFIT</th>
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| Maternity support                                | • Increased worker retention and decreased turnover  
• Improved factory reputation with buyers, and contributing to attracting new buyers and orders                                                                                                                                                                                                                                                |
| Daycare facilities                                | • Increased worker productivity and decreased turnover and absenteeism  
• Improved worker well-being (respondents claim their lives would be very difficult without the daycare services in the factory)                                                                                                                                                                               |
| Breastfeeding                                     | • Reduced absenteeism and staff retention                                                                                                                                                                                                                                                                                                                |
| Anti-sexual harassment practices                  | • Low to non-existent levels of sexual harassment at factories  
• Increased productivity of women workers  
• Greater numbers of job seekers due to having a reputation of being harassment-free  
• Increased retention rates and decreased turnover and absenteeism rates  
• Improved worker motivation and well-being  
• Women encouraged to seek promotion\(^\text{27}\)                                                                                                                                                                                                                                           |
| On-site health clinic                             | • Reduced absenteeism and staff turnover  
• Documented return of investment (2.4:1 in existing literature)\(^\text{28}\)  
• Reduced turnover among pregnant factory workers due to access to pre- and post-natal care                                                                                                                                                                                                     |
| Menstrual hygiene, including sanitary napkins     | • Reduced absenteeism  
• Improved factory’s reputation, improving their standing with buyers and attracting new skilled female labor                                                                                                                                                                                                                           |

\(^{27}\) Supervisors and managers must stay at the factory after regular working hours to settle accounts (e.g. daily targets, quantity of inputs used to produce them). If there is any risk of harassment, women workers will not seek promotion.

\(^{28}\) USAID, Effects of Workplace Health Programs on Absenteeism, Turnover, and Worker Attitudes in a Bangladesh Garment Factory, April 2007.

\(^{29}\) A proxy of 7% was used from desk review since baseline data was not available.

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**Table 2: Savings from Reduced Absenteeism in the Participating Factories**

<table>
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<tr>
<th></th>
<th>Baseline AR</th>
<th>Cost</th>
<th>Endline AR</th>
<th>Cost</th>
<th>Savings from Reduced AR per day</th>
<th>Savings from Reduced AR per year</th>
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<tr>
<td></td>
<td></td>
<td>In US$</td>
<td>In US$</td>
<td>In US$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F1</td>
<td>7%(^{29})</td>
<td>2,747 per day</td>
<td>4.33%</td>
<td>1,699 per day</td>
<td>1,048</td>
<td>304,968</td>
</tr>
<tr>
<td>F2</td>
<td>7%(^{30})</td>
<td>1,014,560 per year</td>
<td>4.13%</td>
<td>598,560 per year</td>
<td>-</td>
<td>416,000</td>
</tr>
<tr>
<td>F3</td>
<td>9.1%</td>
<td>286,344 per year</td>
<td>5.4%</td>
<td>169,994 per year</td>
<td>-</td>
<td>116,350</td>
</tr>
</tbody>
</table>
“If workers get the facility of day care center at our factory, they don’t need to remain absent and can work with full concentration.”

- Factory Compliance Officer, KII
### Table 3: Savings from Reduced Staff Turnover in the Participating Factories

<table>
<thead>
<tr>
<th></th>
<th>Baseline ST</th>
<th>Daily Cost</th>
<th>Endline ST</th>
<th>Cost</th>
<th>Savings from Reduced ST per day</th>
<th>Savings from Reduced ST per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>12%</td>
<td>768 per day</td>
<td>5.42%</td>
<td>347 per day</td>
<td>421</td>
<td>121,511</td>
</tr>
<tr>
<td>F2</td>
<td>12%</td>
<td>1,660,000 per year</td>
<td>4.24%</td>
<td>584,000 per year</td>
<td>-</td>
<td>1,076,000</td>
</tr>
<tr>
<td>F3</td>
<td>24%</td>
<td>1,844,100 per year</td>
<td>3%</td>
<td>229,500 per year</td>
<td>-</td>
<td>1,614,600</td>
</tr>
</tbody>
</table>

### Table 4: Total Savings from Reduced Absenteeism and Staff Turnover

<table>
<thead>
<tr>
<th></th>
<th>Reduced Absenteeism + Staff Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>US$ 427,479</td>
</tr>
<tr>
<td>F2</td>
<td>US$ 1,492,000</td>
</tr>
<tr>
<td>F3</td>
<td>US$ 1,730,950</td>
</tr>
</tbody>
</table>

### Table 5: Return on Investment on Factories

<table>
<thead>
<tr>
<th></th>
<th>Total Savings in US$</th>
<th>Total Costs of Good Practices in US$</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>427,479</td>
<td>136,692</td>
<td>3.13</td>
</tr>
<tr>
<td>F2</td>
<td>1,492,000</td>
<td>59,175</td>
<td>15.2</td>
</tr>
<tr>
<td>F3</td>
<td>1,730,950</td>
<td>500,773</td>
<td>3.46</td>
</tr>
</tbody>
</table>
“If there is no gender discrimination or harassment in a factory, workers concentrate on their skills to get promotion and get equal opportunity. Everyone feels that they have equal opportunity to get promoted.”

- Female Respondent, FGD
RECOMMENDATIONS

- Address data gaps and inconsistencies in data collection approaches and methodologies in factories. Quality and updated data are crucial to decision-making. The cost-benefit analysis found that there was no standard collection approach, and therefore data was inconsistent across factories. For example, some factories conflated absenteeism with approved leave and did not collect this data separately.

- Promote female workers to supervisory and management positions, and address underlying issues around upward mobility and female leadership. The lack of female leadership and weak opportunities for career advancement remain major challenges in the RMG sector. Respondents in all the participating factories echoed this concern as reason for turnover. The gender analysis showed that even when absenteeism and turnover are falling, the percentage of women in leadership positions has not grown, and in some instances, has declined. Factories should consider setting up training programs and systems intended that are intended to improve female promotion rates, promote female leadership in non-traditional occupations; and fostering a safe work environment for women to be encouraged to stay after work hours. There was also a demand for increased representation of women among the factory guards.

- Provide more sanitary napkins and access to birth control. Sanitary napkins were on high demand. Workers, management and the health clinics all reported that women missed work due to having their periods and that having sanitary napkins are available on-site reduced absenteeism. Sanitary napkins should be provided in multiple discrete locations, not only at the health clinic and the Fair Trade Store. Birth control was also identified as an important factor contributing to reduced absenteeism and staff turnover. Factories should consider expanding the options they provide women beyond male condoms, the pill, and injectables.

- Extend access to the on-site health clinic for the children of workers, including those who are not enrolled in the factory daycare center.

- Some factories have set up medical insurance packages for workers. This is a good practice that should be shared and adopted more widely.

- Daycare facilities were appreciated by female workers and were identified as important in reducing absenteeism. However, the daycare center should have increased capacity to accommodate more children, and have clear guidelines about access to these facilities. At some factories, female employees, including those with children, were confused about the age at which the factory daycare center accepts children. Moreover, survey respondents reported that there was a gap between the end of their maternity and the age at which they could enrol their baby in daycare. Those who reported this gap called on family members to provide childcare during the gap period. Management at one of the factories reported that women tended to quit immediately after their maternity leave ended, and lack of access to childcare may be one reason.
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