

Utilising improved employment practices to generate value

In 2009, a large UK retailer began funding a program to tackle the complex issue of low wages in Bangladesh by looking to find a sustainable solution to improve wages for workers across its three factories in the area.

Three training programs were set up: worker rights training; HR systems and industrial relations management training for middle management; and HR personnel, and productivity training for industrial engineers and production line management.

In less than six months, the company had trained over 6,000 workers on employee rights – a total of 52,000 hours of training. In addition 130 supervisors and middle managers received 14 hours of training each on HR policies and procedures, industrial relations and behavioural skills.

Key programme achievements:

The results were significant.

- Workers now knew their rights and responsibilities and in particular know how to articulate issues to management and Management were better placed to deal with issues more effectively and efficiently.
- The number of grievances resolved increased dramatically
- There was an 85% reduction in absenteeism
- There has been a 65% reduction in staff turnover
- With better planning and production techniques in place, productivity and efficiency increased significantly, which in turn allowed for an increase in the workers' wages.

Similar results, though perhaps on a smaller scale, can be replicated across businesses of all sectors