

## **Necessity of Human Resource Management practice to reduce labor unrest in RMG sector of Bangladesh**

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**Abstract:** Bangladesh is gradually shifting its dependency from agricultural sector to manufacturing sector. Among all manufacturing industries Ready-Made-Garments (RMG) industry has the highest contribution to earn foreign exchange. The RMG sector of Bangladesh has experienced disputes and violent protest by the workers in recent times. This study explore the reasons for recent unrest in the garment sector. Since managers are mainly responsible for applying human resource practices, this paper has given particular attention to their views on recent attitude changes of workers. Results show that mutual understanding among workers and managers is absent in the RMG sector. This study also states that high-work load, behavior of line managers, low skills and low wage rates are the notable reasons for high job turnover and social unrest. Poor labor management relationship is the main source of conflict. This study finds that there is growing demand for practicing human resource management in RMG sector to reduce labor unrest. Reducing pay discrimination in different departments, introducing group reward and regular payment of monthly salary have positive influence on workers. At the same time, external factors like trade union influence employees for reducing unrest in the work field.

**Keywords:** *Bangladesh, Readymade garment sector, Labor management, Labor dispute, HRM*

### **Introduction:**

The ready-made Garment (RMG) sector has started its journey in the late 1970s in Bangladesh. However, Bangladesh experienced a real momentum in RMG sector between the mid-1980s and mid-1990s. The first garment factory in Bangladesh (the then East Pakistan) was established in 1960 at Dhaka [29]. Bangladesh started exporting garments in 1976. The first joint venture garment factory in Bangladesh was Desh garment in association with Daewoo, a South Korean company [45]. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) was formed in 1982 to protect the interests of the manufacturers and the exporters of RMG sector. Imposing of "Quota" restrictions on Bangladeshi products by UK, France, Canada and USA in 1985

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was a critical challenge towards the growth of this sector [52]. Following the General Agreement on Tariff and Trade (GATT) introduction of the Multi-fibre Arrangement (MFA) allowed the use of quota restriction [49], which facilitated the growth and expansion of garment industry. Over the years, RMG sector has experienced a remarkable export growth. RMG share in the total export increased from 12.44 percent in 1984-1985 to 60.64 percent in 1992-1993 [49]. At present, RMG sector is the single largest source of earning foreign exchange in Bangladesh.

RMG sector has faced some challenges such as cleaning all internal inefficiencies, managing port effectively, building backward and forward linkages, diversifying product lines and searching for new markets due to the phasing out of MFA in 2005 [41]. One of the weaknesses of the RMG sector in Bangladesh is its heavy dependence on imported raw materials due to inefficient backward linkage [49]. The component of backward linkage includes weaving the fabric, spinning the yarn, and dyeing, printing and finishing operation [49]. The development of backward linkage has been getting high priority in the post-MFA regime for achieving self-sufficiency in the area of input production for reducing cost and lead-time. Developing backward linkage refers to the control over the supply of inputs of RMG industry like fabric, yarn and processing facilities [49]. The ratio of gross export earnings from woven wear and knitwear has increased from 100:34 in FY1997 to 100:98 in FY2007, which ensures the structural change in export earnings [43]. Interestingly, the total export of RMG sector in Bangladesh has increased after the MFA phase out.

#### **Literature Review:**

Human resource management (HRM) deals with people working in an organization [8] by designing and coordinating different employee management activities [32]. HRM is the essential factor for sustainable competitive advantage and success of any organization [31]. Schuler (1990) mentioned that the practice of HRM enables firm to achieve resource optimization and continuous improvement in production. A firm's productivity and quality of its services largely depend on the quality of human resources practices in respective organization [51].

The strategic role of HRM is well recognized and the HR practices have direct connection with employee and organizational performance [26]. There are several reasons behind this positive relationship between HRM practices and firm's productivity.

- i) If the firm invests on human capital it may increase the worker's productivity [8].
- ii) Job enlargement and increasing autonomy of workers will decrease the amount of wastage and the inefficiency rate in production, as the firm takes the advantage of unused skills from non-managerial workers.

Here more emphasis is given into the high performance HRM practices with “good” HRM policies in order to provide job satisfaction.

- iii) Good HRM practices increase the motivation of workers due to increased job satisfaction [27]. Fourth, good HRM policies reduce the rate of job turnover that consequently trim downs the cost of recruitment and selection, and increases the benefits of investments in human capital [33]. Fifth, higher employee motivation will raise the tendency among the workers to do better job, and it will also increase their commitment towards the organization [27]. Thus, HRM practices bring positive changes in worker’s attitudes in order to increase firm’s productivity. Different HR practices can increase the skill and knowledge of the employees. HRM practices can contribute to superior productivity by improving the quality of employees work Life [26].

Although good practices of HRM increase organizational performance and create a pool of committed work force, insufficient or absence of appropriate HR practices will result in job dissatisfaction, employee turnover and lower productivity [12],[26],[51]&[56]. According to Marchington and Wilkinson (2008), HRM is a distinctive approach of employee management to achieve competitive advantage through job satisfaction and commitment [35]. However, insufficient practice of HRM will reduce employee morale and motivation that creates high job turnover. If the employee turnover rate is high in an organization, it develops negative attitudes among the existing workers and reduces employee work motivation and performance (Holtom et.al., 2005). Organization faces the loss of job specific skill, disruption in production and higher cost of hiring and training of new workers (Hughes and Bozionelos 2007). Taylor (2008) suggests that workers with lower motivation and commitment are always looking for switching the organization. Job dissatisfaction by definition is the unpleasant condition and feeling of the employees that result in lower job performance to withdrawal behaviors as absenteeism or turnover [36]. Job dissatisfaction can arise due to several factors such as inadequate pay and promotion, lack of training and development, absence of effective performance appraisal, high work load, poor relationship between employees and managers, improper working environment, hiring wrong people and lack of psychological contract [12], [35] & [51].

Due to lack of proper HR policies and procedures, labor-intensive manufacturing firms are facing shortage of workers, and high job turnover in developing countries such as Bangladesh [34]. Manufacturers always focus on lower cost of production with minimum wage that brings dissatisfaction among the workers. At the same time, organization faces high job turnover, voluntary absenteeism and tentative lateness due to lower pay and benefits [46]. Besides that poorly functioning human resource department reflects the uncompetitive position of the organization in the market place [9]. Poor HR planning and management is one of the main reasons of labor shortage, and it indicates that human resource strategy is not aligned with organizational goals and objectives. The labor shortage disrupts business operation. It creates higher work load for existing workers and increases work stress and reduces employee motivation [27].

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Apart from job dissatisfaction and turnover, poor HRM practice results in many other problems in the organization. [18] notes that insufficient HRM practices lead to conflict among the workers and affect the relationship between employers and employees. An imbalance between work and family life brings negative changes in employee attitudes and behavior [36]. Work ethics also affected due to the negative attitudes of the workers where there are personality conflict and non-existent of team work [56]. Consequently, workers become reluctant to follow the direction of management. It is found that labor rights are also violated by improper HRM practice that encourages labor movement [24].

#### **Human Resource Management Practices in RMG:**

Garment sector is one of the major sources of industrial employment in Bangladesh. The size of employment was about 2 million in 2007 with a 24 percent yearly growth of employment [43]. Moreover, it has created employment opportunities for millions of women. RMG sector grew by satisfying its clients across the world, including the USA and Europe [44]. Abolition of quota system in 2005 has introduced new competition for Bangladesh from the rest of the world, especially from India and China. India and China have an added comparative advantage over Bangladesh since they have skilled labor forces, advanced technology and more importantly backward linkage support [1]. The key advantage of Bangladesh such as cheap labor force has been offset by other countries through superior productivity of skilled labor forces, modern infrastructure facilities and political stabilities [1]. Bangladesh is further challenged because most of the labors are unskilled with low productivity which results in increased per unit cost of production [13]. A study in RMG sector reported that 20 percent workers in sample enterprise are unskilled, 30 percent workers are semi-skilled, and who mainly are junior operators [43]. Forty-four percent senior operators are skilled of total workers and only 5.7 percent are professional and management staff in the total workforce. The proportion of skilled workers is high in large factories (46-53%) than small and medium factories. The proportion of unskilled workers is high in small and medium enterprises (18-26) than that of large enterprises (16-18). [43].

However, the RMG firms in Bangladesh have been facing immense pressure from international buyers for compliance with their codes of conduct so that it needs to concentrate on improving the working environment in factories [19]. Workers have limited choice of job environment due to high unemployment rate [47]. Moreover, labor turnover in garment industry is very high as well [47]. A study has found that 74 percent in knit factories, 68 percent in woven enterprises, and 81 percent in sweater factories do not provide appointment letter to the workers [43]. The wage rate in Bangladesh has increased comparing to other competing countries due to shortage of skilled labor force. It finally reduces Bangladesh's competitive advantage in terms of labor costs. The garment industry in Bangladesh is labor intensive, so potential skilled labor force is necessary [3].

The only abundant resource in the RMG sector is pool of human resource and

the workers are reliable, adaptable and responsive to training (Spinagager 2001). Competitiveness in the RMG sector depends on the productivity of RMG workforce [2]. Work environment and job satisfaction are two primary factors that influence the productivity in the RMG sector [1]. RMG manufacturing companies can increase productivity by increasing job satisfaction and by improving work environment. Competitiveness in the RMG industry depends on enhancing workers productivity that also depends on improving working environment and job satisfaction. Job satisfaction increases the employee morale through giving worker's psychological comfort and incentives. Working environment increases the mental motivation. The factories with lower productivity have workers with low job satisfaction and poor working condition. However, job satisfaction has more influence on the productivity of workers compared with working condition [2].

#### **Recent Labor Unrest in RMG Sector: Events and the Possible Reasons**

The RMG sector has economic contribution as well as social contribution in Bangladesh. It has created employment opportunities for about Six million people including young, poor and illiterate women. However, recently the RMG sector is going through severe disturbances. The clashes between garment workers and law enforcers create serious crisis in this industry [28]. In January 11, 2010, the garment workers created violence for getting the facilities such as lunch bills and encashment of casual leaves. Forty workers were injured, production of 30 garment factories were halted. The garment workers had created another aggression on April 28, 2010 for increasing their monthly wage rate from US\$ 25 to US\$ 70. During that incidence, more than 22 RMG factories were affected and 30 peoples were injured [28]. The wage rate (0.25 US\$ hour) is the lowest in Bangladesh compare with other countries like China (0.35), Vietnam (0.40), Pakistan (0.40) and India (0.60) [49]. Overtime allowance is also inadequate in the garment sector in Bangladesh [47].

Another major worker disputes had taken place on May 25, 2010 for low house rent allowance. Thirty five peoples were wounded, a police station was burned down and many roads were blocked for several hours. Another worker unrest took place on June 21, 2010 for implementing minimum wages of US\$ 70 a month. In that clash, two hundred peoples were injured and thirty factories were ransacked [28]. The garment workers had violated at Dhaka on June 30, 2010 for protecting the closure of factories, and more than 40 people were injured. The workers have been engaged in street protest, picketing, or blocked of a manager's office or a factory for expressing their dissatisfaction about their wages and other job related issues.

One of the reasons for this unrest in the garment industry is legal and institutional failures to ensure labor rights [28]. Most of the garment factories in Bangladesh do not follow the labor law and ILO conventions [28]. The Labor Act 2006 (called Labor code) clearly mentions that the wage of a worker must be paid within seven workings days [Section 123 (1)]. Majority factories do not provide appointment letters/contract letters, identity cards and employee

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handbooks. Health safety and security condition in this sector are also insufficient. The workers do not have a clear idea about their rights and labor laws [28]

There are some important causes that reduce productivity in the garment sector. Issues like unresolved labor conflict and poor teamwork result in firm's ineffectiveness, low motivation, boredom for specialized work, rapid technological change and high cost that reduced innovation [4]. The most common reasons of labor unrest in the garment sector are wage rate and unpaid wage. Some garment owners do not pay salaries and overtime allowance to the workers on time [52]. However, owners claim that more than 90 percent factories pay worker's wages within 1st and 2nd week of the month [43]. Political unrest at the national level often influences violence at the RMG sector [52].

Sometimes women workers work until 3 o'clock in the morning for meeting their shipment deadlines [30] In most of the factories in the RMG sector, daily working hour is 8.28 hours (excluding overtime working hours) [43]. Women generally choose to work in the RMG sector due to their poor economic condition with little or no control over their income [38]. In fact, women face discriminations at work in terms of wage differentials and gender differences. They are working in poor condition and feel insecurity. [23]. the women workers are living under the poverty line because of their low wage. They cannot maintain their basic cost of living so that they try to increase their income by working overtime [5]. Until 2010, the minimum wage of US\$ 43 per month has not yet implemented. Still they are living below poverty line [14].

### **Research Methodology**

This study has conducted three Focus Group Discussions (FGDs) in a garment factory and a textile mill of AJ International group. The FGDs have taken place between March and April 2011. FGD is a semi-structure data collection method from a selected group of people to discuss issues and concerns listed by a researcher or a facilitator [39] & [42]. It is a qualitative research approach to collect data from target audience. Questions are asked for the interactive group where participants feel free to talk on the issue. FGD becomes popular and important for the research in business and social science, as group discussion discovers the information that other also believe and all those data are less accessible without discussion [21] & [37]. All the data collected through FGD are based on the synergy of group interaction. FGD also enables researchers to gather larger amount of information in a shorter period, and the information can be used at the preliminary or exploratory stage of any study (Powell and Single 1996).

Data collected through FGDs are analysed through systematic and rigorous process where data are coded for key issues [37]. However, the process of data analysis begins during the data collection. According to Rabiee (2004), rich data must be generated by skillfully facilitating the discussion. In this research study, all the FGDs have been tape recorded and all the complements by the

participants have been noted down. Transcripts were made following the tape and notes. Data are then sorted out and interpreted based on the context, internal consistency, frequency and extensiveness of comments. Result has been presented with reference to corresponding participants. For example, F3:8 means 8th participant of the 3rd FGD who is an assistant manager in AJ International group.

### **The Case Study Organization**

AJ International is one of the fastest growing and rapidly diversifying groups of companies in Bangladesh. It was established in 1997. It consisted of AJ International Garments Ltd., At present more than 20 factories are engaged with the work orders of AJ International under his dynamic leadership among which AJ Accessories, MAPS Accessories, Jas Fashions, ABS Global Source Ltd. AJ International Group's product lines include: T-Shirt, Polo Shirt, Tank Top, Shorts, Trousers, Fleece Jacket, Vest and Ladies Dresses. AJ International Group mainly produces Men's, Ladies', Boys', Girls' and Infant's garments. AJ International Group uses modern and updated machineries. AJ International group has 1,350 set of Machines, and their production capacity is 63,000 pcs per day. The company's products are exported to France, Sweden, USA, Germany, UK and Spain. Main buyers of AJ International Group are La Redoute, Ellos, Bryllane, LIDL, S. Oliver, The Outdoor Group, Losan, Regatta, Wal-Mart and Avenue. The production units are equipped with sophisticated equipment imported from USA, UK, China, France, Italy, Taiwan, Thailand and Japan. The Company participates in different trade fairs in home and abroad to explore new markets around the globe. The total number of employees of AJ International Group is 5000. Among the employees, 3,650 are skilled workers and 350 are supervisory managerial staffs. The production team comprises of skilled laborers and around 70 percent of the workforces are women. For motivating the employees, they are giving attendance bonus, efficiency bonus and best employee award at the year end. AJ International group always evaluates workers staying long period with them.

Majority of workers in AJ International group are young. Twenty-five percent of workers are aged between 18 and 23 years, 45 percent are between 24 and 29 years, 20 percent are aged between 30 and 35 years and only 10 percent workers are aged above 36. Nearly 65 percent workers are working with AJ International group for less than 3 years. 25 percent are working for four to six years and only 10 percent of the workers are working with AJ International Group for more than 7 years. Eighty-five percent of workers earn on an average below US\$ 78. Only 15 percent workers earn between US\$ 80 and US\$ 90 dollars. Male-Female ratio in AJ International Group is 40:60. Forty percent of workers have below grade five level of education, 40 percent of workers have below grade ten level of education and 13 percent of workers have passed the school final. Only 7 percent of workers have education above school final level.

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**The list of participants in the FDGs is presented in Table 3.**

SL/Code	Designation	SL/Code	Designation
E:1.1	Sr. Coordinator, Maintenance and Engineering	E:1.2	Technical Manager
E:1.3	Asst. Production Manager	E:1.4	Marketing Manager
E:1.5	Marchandiser	E:1.6	Executive, HR and Compliance
E:2.1	Asst Manager- Work study	E:2.2	Asst Manager- Cutting
E:2.3	Asst Manager- Merchandising and Marketing	E:2.4	Asst Manager Merchandising
E:2.5	Quality control Manager	E:2.6	Finishing Manager
E:2.7	Head of HR	E:2.8	Executive, HR and Compliance
E:3.1	Asst Merchandiser	E:3.2	Finishing Manager
E:3.3	Executive Merchandiser	E:3.4	Asst Manager- Quality Control
E:3.5	Asst Manager- Security	E:3.6	Admin and Compliance
E:3.7	Asst Manager- Work study	E:3.8	Asst. Manager
E:3.9	Department Manager Admin, HR & Compliance	E:3.10	Manager Knitting
E:3.11	Ast. Production Manager	E:3.12	Finishing Manager

**Results**

The following section presents the results of the FGDs with the managers of AJ International Group. Major issues highlighted during FGDs includes the roles of trade union and labour rights, conflicting relationship with first line supervisors, demand for work-life balance, self-respect and participation, job turnover and absenteeism, efficiency and productivity of workers, workers motivational issues, and key reasons for recent unrest in the RMG sector.



### ***1. Role of Trade Union and Labor Rights***

Traditionally, trade unions play critical role in ensuring workers right in a particular industry. Although garment sector in Bangladesh has a history of nearly thirty years, trade union in this sector is fairly a new phenomenon. However, participants claim that garment workers are aware of their employment rights. They often ask for legal support from labor union and agencies. Workers are more aware of their wage details, job termination benefits and the process of ensuring termination benefits through legal action. For example, workers now complain to the wages department if there is any miscalculation in overtime (E2:1). Alongside with trade union, garment workers are also supported by various NGOs such as AWAZ (the most active NGO working for RMG workers) and other legal right agencies. Manager of a human resource department reported that in many cases workers threaten for legal action to the management in different issues, termination benefits for instance (E2: 7). Workers are more aware of their job security, employment rights (E1:6 & E2:1, E3: 8 & 9). However, managers complain that some

workers misuse their opportunity to get access of legal support. For example, in some cases here workers changing their jobs due to a better opportunity, they go to Awaz (legal support agency for labor right) to get their termination benefits and last salary by accusing forceful employment termination (E3:8 & 9).

### ***2. Inconsistent Relationship with First Line Supervisors***

Several participants reported that poor relationship between workers and first line supervisors (FLS) is a common source of conflict. First line supervisors are promoted from workers and they prefer workers to follow the chain of command in every type of communication (E2:7). Supervisors are often accused for failing to ensure fairness in dealing with workers in many issues such as recommending workers holiday, leave and overtime payments (E2:6 & E2:7). First line supervisors react negatively for any direct communication between workers and administration or HR department (E2:7). On the other hand, AJ International group encourages direct communication and follows an open door management policy (E3:7). However, management always asks for details of the incident from supervisors to maintain chain of command in the case of any complain (E2:6 & E2:7). Management prefers to resolve conflict through discussion between both parties (E1:2).

Participants believe that mutual understanding among the workers and supervisors are critical in maintaining sound working condition (E2:6). Supervisor's attention to listen workers' complains is a prerequisite for a better mutual relationship (E1:1 & E1:3). Well-behaved supervisors are reported to be more successful in achieving higher worker productivity (E3:7).

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### ***3. Demand for Work-life Balance***

Garment sector workers are becoming more conscious about work-life balance. Workers in the garment sector are reluctant to take extra work-load, avoid long shift, do not prefer to work in the week-end, and even dislike overtime in many cases (E2:6 & E3:9). Financial benefits seem to be no longer much powerful to keep the workers for overtime. For instance, a finishing manager presented a case where a women worker regrets to work overtime after 7 pm so that she can watch schedule TV programme (E2: 6). The garment company with less work pressure and overtime facility attracts more workers (E2:6). Participants argue that higher wages rate, increasing number of working couples and availability of micro loans are drivers for better work-life balance (E2:7; E3:5; & E3:7). On the other hand, employers are providing free food, maternity leave, day care centre for worker's kid and so on to gain the worker's loyalty and commitment towards the organization (E3:2). Moreover, workers do not prefer job sharing and job rotation. For example, workers dislike relocation among different floors (E2:5). They often consider their team as family, often couples/siblings are working together and like to keep self-comfort (E2:2; E2:4; E2:6; E2:7). Managers often allow change in work floor/work line when there is a lack of good relationship among the co-workers and supervisors or as a punishment for poor performance of the respective worker (E2:3).

### ***4. Need for Self-respect and Participation***

A large number of managers observed that sense of self-respect among workers in the garment sector is increasing (E1:1; E1 2; E1:3; E2:5; & E2:6). Supervisors and managers need to show respect and positive attitudes towards the workers to have sound working environment (E2: 6). Comparatively skilled workers are more sensitive to self-respect and often decide to resign from the job if they feel lack of self respect (E1: 3 & E1:8). Unlike the past, workers are no longer can be forced to follow the management decision. Workers feel valued when they are given chance to participate in decision making (E3: 9). Management decision is often altered based upon employee reaction, and employee suggestions (E3:7 & 8). One of the key responsibilities of supervisors is to convince workers about the management decision (E1:3 & E1: 8). In some extreme cases, lack of workers participation in decision making results in either threaten to resign or show reluctant to follow that decision (E3: 8). Unfortunately, some workers consider performance feedback as against self-respect. For instance, an assistant production manager presented a case where a skilled worker has threatened to resign for providing performance feedback.

### ***5. Job Turnover and Absenteeism***

There is a strong relationship exists between the location of the factory and workers absenteeism. Workers who are living far from factory and working at night-shift are tend to be more absent at work (F3: 8). Garment industry is

experiencing high labor turnover which has negative impacts on their productivity. High work-load, poor behavior of the supervisors, lack of required skill, lower wages rate are the notable reasons for high job turnover (E1:3; E2: 4; E2:6; E2:7; E3:10). Interestingly, a worker gets around US\$ 5 to US\$ 10 increment in monthly salary if he or she changes to a new job (E2: 4, 6 & 7). However, there is an adverse relationship between level of education and job turnover. Literate workers are more aware of their rights and job responsibilities (E2:7). Frequent job changing incurs huge opportunity cost for the workers as they lose the option of getting bonus, and other long-term benefits. Getting another job also takes time and they become temporarily unemployed. Most of the workers who switch job frequently are not often aware of their long-term employment benefits. Workers working for many years in the company leave the job by formal notice, and they usually get all the benefits. On the other hand, the frequent job leavers leave the job just after the payment of salary without prior notice and they do not care about their long-term employment benefits and even the salary after their last cut-off day. Workers also get influenced by peer group. If their friends leave the company, they also like to move out (E1:6). Another reason for high job turnover is lack of salary standard for the workers in the garment sector (E2:3).

#### ***6. Efficiency and Productivity of Workers***

Participants think that both motivation and procedural punishment for the workers are needed to increase productivity and efficiency (E3:2). Presence of performance based reward and punishment systems helps to increase workers efficiency and thereby productivity. For example, participants advise that a poorly performing worker should get least priority for overtime or if anyone does any unfair means, 7 days unpaid suspension can be issued. However, participants suggest that punishment should be given by following proper procedure. Human Resource manager reported that termination with benefits is cheaper than dealing with disciplinary action (E2:7). To make workers motivated and increase productivity, they should be rewarded for their hard work and punctuality. For example, award for 100% attendance, extra payment for best performer are the catalysts for motivating workers. Work coordination is also important to increase productivity and meet specific production target (E3:9). Participants believe that sound employee behavior and efficiency bonus help to meet the target and increase productivity (E3:8 & E3:11). Residence facility, recreational activities at workplace, free nutritious food for physical strength and good work relation make workers more sincere (E3: 10).

#### ***7. Workers' Motivational Problem***

Motivating workers for higher productivity is the most critical challenge for the managers in garment sector. Traditionally, supervisors used to apply forces to the garment workers for achieving target. Supervisors are no longer allowed to apply any forces or abuse the workers (E1:4). As a result, supervisors need to motivate

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workers to improve their performance (E1: 2). A manager reported that workers often tend to work at a lower capacity so that supervisors cannot measure their actual work capacity during the work-study period. He further added that workers hide their actual capacity to avoid extra work load or to work in a comfortable speed (E1:3). Another participant added that workers work at a lower capacity to avoid future work load (E1:5)

Financial benefits are motivating tool in the RMG sector. Performance based reward, extra payment for additional production and established long term pay plans (pensions or provident fund) for the workers help to improve performance (E1: 6 & E3:1). Efficiency bonus for achieving target is given on group performance in the garment sector. However, workers prefer to be judged by individual performance rather than the group (E1:3 & E1:6). A participant suggests that employees will be motivated towards high performance if front line supervisors identify high performing workers and appropriately reward them (E1:6). Failure to appropriately recognize a high performing worker results in dissatisfaction and in some cases job turnover (E 2:3). Interestingly, money is not sufficient enough to motivate workers to work on the weekend or overtime in the late evening, according to some managers (F2:6). Workers do not prefer to work in a garment factory where working on the weekend or working for overtime in the late evening is too frequent. One participant reported that workers work at very high capacity if they are allowed to leave early at the completion of their current assignment (E3:4). Moreover, though workers get over time payment, extra work target decreases their performance. That means allowing workers to have more time for their personal life motivates them to work at a high performance. Good behavior of managers, competitive employee benefit package, social events (like picnic) have positive impact on worker's commitment and performance (E3:7 & E3:11).

### ***Reasons for Recent Unrest in RMG Sector***

Participants were asked to share their opinions about the causes of recent unrest in the garment sector. Most of the participants believe that influence of external factors is the major reason for current unrest in the garment sector (E1:1; E1: 3; E1:6; E3:1; E2:4). For example, some garments where payment are quite high also experience labor unrest (E1:1; E1: 3; & E1:6). Participants reported that there are some external groups always tries to create rumor about unfair management practices so that workers become restless and create dispute against the garment management. Dispute in a garment factory also have influence on the workers of another garment factory to create further disputes (E3:1 & E1:1). Apart from the external influences, there are antitrust relationships exists between workers and management. The workers believe that they are always exploited by the management. Labor unions are promoting this views (E2:4). Poor relationship among workers and the front line managers (FLMs)/supervisors are reasons of labor unrest in garment industry (E2:3). FLMs or the supervisor's poor behavior makes the workers stubborn and reluctant to work, and it often creates disputes among the workers in garment

factory (E1:1&2). Moreover, if management does not solve worker's problem quickly, it also creates disputes (E3:7). A participant reported that strict supervisors sometimes get support from top management due to their high achievement (E2:7). Prompt and participative management approaches to complain are effective remedy to resolve worker's disputes.

**Discussion:**

Ready Made Garments sector is the largest source of foreign exchange earning in Bangladesh and a large number of people is employed by this sector [49]. However, it is evident that workers are frequently creating unrest in this sector. Poor labour management such as lower wage rate [4] & [14], late payment of wage, inadequate overtime allowance, low house rent allowance [31], gender discrimination [19], lack of training, inadequate promotion, high work load, absence of effective performance appraisal, poor relationship between workers and supervisors, insufficient safety and security condition, relocation among different floors, lack of self-respect, lack of workers participation in decision making, and forcing workers to achieve target in some garment factories are contributing to this unrest. Some other factors such as low literacy rate [19], availability of semiskilled workers, lack of awareness about labour rights and labour laws and wrong practice of various NGOs and legal agencies are also found liable for poor working condition in the RMG sector [14]. This study also reveals that adherence of workers to rumour about unfair management practices and influences of peer group are significant sources of unrest.

It has been uncovered that the overall status of HRM practices in RMG sector is moderately low [24]. RMG factories in Bangladesh face high rate of temporary labour crisis, as turnover and absenteeism rate are very high. This study also states that high work-load, poor behavior of line managers, low skills and low wage rates are the notable reasons for high job turnover. Turnover, on the other hand, results in disruption in production. Sometimes existing workers face extra work-load due to the shortage of labour, and this ultimately reduces the job satisfaction. From this study, it has been found that the efficiency rate of workers is relatively low where there is a high work-load. This study finds that there is also high demand of employee's work life balance in the RMG sector. At present, RMG workers in Bangladesh are reluctant to do over time, work at the weekend and long shift, as they need time off for friends, family and entertainment. Results of this study depict that organization without flexibility in work schedule and target, health and safety, holiday package and friendly work environment cannot attract potential workers. Organization must consider employee's work life balance in order to retain skilled workers and increase job satisfaction[36]. At present, garment workers are aware about their employment rights, wages, working hours, incentives and other benefits related with their employment [43]. Workers expect to get respect from their supervisors and managers. Poor relationship between workers and supervisors is the source of conflict and sometimes workers are reluctant to work because of the poor relationship. Rewards based on individual performance motivate workers.

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This study also finds out that there is a change in employee attitudes and behavior in the RMG sectors of Bangladesh and the sense of self-respect among the workers is increasing. Workers often negotiate with management when there is any change in production planning and process. Line managers need to show respect and motivate the workers as skilled workers are generally more sensitive to self-respect. Unfortunately, the line managers in the RMG sector of Bangladesh are not well trained on labor management and they have regular conflict with workers [44]. Poor relationship between employers and employees is a source of conflict and encourages employees to leave the organization [20]. This study finds that line managers react negatively in the case of any direct communication between workers and higher authority, as they take it as break in chain of command. Mutual understanding among workers and managers is also absent in the RMG sector. Worker's motivation also reduces due to the insufficient pay and incentives in the RMG sector. From the analysis it is clear that workers are not satisfied with their pay even though employers paying standard salary; workers believe that it is not sufficient enough to motivate them for higher productivity. Pay discrimination in different departments, group reward and delay in paying monthly salary have negative influence on workers. At the same time, external factors like trade union influence employees for unrest.

#### **Conclusion**

In summary, this study offers several suggestions in order to resolve the problems of labor unrest and conflict in the RMG sector of Bangladesh. This unrest needs a solution to reduce cost of production and to attract and retain international buyers. The RMG are requiring to compliance with labour law, ensuring appropriate financial benefit plans, improving working environment, providing training to semiskilled workers, removing gender discrimination, improving mutual understanding among workers and supervisors, providing maternity leave, removing relocation among different floors, providing residence facility, arranging recreational activities and introducing individual performance based reward and participative management system in the garment sector.

Line managers can also play an important role to remove the anti-trust and misunderstanding from the workers. They can have regular discussion with the workers regarding performance, development and learning needs. Presence for an effective communication channel to remove the conflicts is becoming essential. There is a need for participative management between workers and supervisors. Compensation and other benefits should be based on individual performance, and organizations must have human resource planning and long-term employment benefit package to prevent labour crisis. This study has been conducted in only one group. Further study is needed to include more garment factories to explore the causes and remedies of labour unrest in the RMG sector of Bangladesh. Moreover, results of this study may be further cross validating with using different research methodology such as questionnaire survey or in-depth interview.

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