

Social Compliance Factors (SCF) Affecting Employee Productivity (EP): An Empirical Study on RMG Industry in Bangladesh

Mohammad Nurul Alam

PhD Student,
Department of Graduate Business School,
Universiti Tenaga Nasional (UNITEN),
Putrajaya Campus, Jalan IKRAM-UNITEN,
Kajang, Malaysia.

Dr. Rosima Bte. Alias

Senior Lecturer/HOD,
Department of Graduate Business School,
Universiti Tenaga Nasional (UNITEN),
Putrajaya Campus, Jalan IKRAM-UNITEN,
Kajang, Malaysia.

Mohammad Tahlil Azim

Associate Professor,
Department of Business Administration,
Faculty of Economics and Administration,
King Abdulaziz University,
Saudi Arabia.

Abstract

Ready-Made Garment (RMG) industry of Bangladesh has secured the top position for foreign currency earnings today and has created 4 million people's employment opportunities into the country. This sector has grown up exponentially over the last 3 decades. Now, it is considered as lifeblood of the nation's economic progress. Despite its phenomenal success, this industry is facing numerous challenges including two core issues which are low productivity of workers and social compliance. The study aims at identifying the effect of social compliance factors on employee productivity in the garment industry in Bangladesh from garment workers' viewpoint. For doing this, there are 17 social compliance factors were considered which were identified from the literature review. A total of 200 different categories of RMG workers were selected from different department & types of garment factories located at Narayanganj & Dhaka cities. A structured questionnaire was distributed among the workers with the options of strongly disagree, disagree, moderate, agree, and strongly agree. Analysis of these 17 factors indicates that the nine factors i.e. working hours, wages & benefits, discrimination, harassment & abuse, leave & holidays, workplace conditions, forced labour, welfare, and employment relations are most significantly effect on employee productivity followed by four significant factors i.e. health, safety, women's rights, and freedom of association and the remaining four factors i.e. management system, environment, child labour, and OSH management system & training neither positively or negatively effect on employee productivity in RMG sector in Bangladesh. The garment factory owners and the government of Bangladesh should realize and concern to comply these highly impact 9 issues on employee productivity of Bangladeshi RMG industry which will ultimately neutralize the implementation costs of Social Compliance (SC).

Keywords: Social Compliance, Employee Productivity, Bangladesh, Ready-Made Garment, RMG industry, Compliance Factors, Bangladeshi garment workers.

Introduction

The garment industry has arisen as one of the firmest and fastest mounting manufacturing sectors in Bangladesh's economy and this is the biggest export earning business that earns more than \$28 billion in 2016 as a second biggest garment exporter in the globe just next to China (Md. Mohiuddin 2014). The tremendous growth of this sector

starts from the 1970s, and now its export account more than 82% of total exports of Bangladesh which is shown here under in (Table 1).

Table1: RMG export statement compared with country's total export.

Years	Bangladesh's Total Export (US\$ in Million)	RMG Exports (US\$ in Million)	Total Export of RMG (in %)
1983-84	811.00	31.57	3.89
1989-90	1923.70	624.16	32.45
1994-95	3472.56	2228.35	64.17
1999-00	5752.20	4349.41	75.61
2004-05	8654.52	6417.67	74.15
2009-10	16204.65	12496.72	77.12
2015-16	34257.18	28094.16	82.01

Source of Data: Export Promotion Bureau (EPB) Compiled by BGMEA

This industry has become the economic key pillar of Bangladesh as well as working as a catalyst for its economic growth, even not only that this sector has provided the highest number of employment opportunities i.e. over 4 million from whom 80% of workers are women (BGMEA 2016).

Despite its greater prospect than any other industry in Bangladesh in terms of economic development, employment generation, poverty alleviation, backward & forwards business linkages and its ancillary services, this industry is facing tremendous challenges in social compliance issues (Ullah, Sunny, and Rahman 2013). Though (M. Islam and Hossain 2015) has addressed remarkable benefits over complying social compliance such as increase worker morale, improve product quality, enhance productivity of labor, improve global image & recognition, increase government-industry relation, to have consistency in order, to get higher price for products, free from workers unrest, to reduce employee turnover rate etc. But, despite having such benefits (Ahamed 2013) reported that the owners of Bangladeshi garment factories are very reluctant to implement compliance issues that's why buyers have been giving continuous pressure to improve all areas of Social Compliance (SC) like employment conditions, social issues, labour relations, working environment, and compliances with buyers' codes of conduct from the mid 90s. Nevertheless, Bangladeshi exporters fail to realize, that the international RMG market will not depend merely on economic and technical standards but the compliance standards have the similar importance. Likewise, for being export ready-made garments, along with product quality that is important nonetheless of the labor standards. (Zohir et al. 2003a) addressed that most of the global buyers now concern about the compliance of their Code of Conduct (CoC) before or during placing work orders for Bangladeshi garment products. Another very crucial issue is addressed by (Yunus and Yamagata 2012) that Bangladesh garment industry is incompetent with low labor productivity relative

to its competitors like India, China, and Vietnam. (Willem te Velde 2014) also reported that the productivity improvement is essential for sustainable growth of RMG industry in Bangladesh, but how can the country achieve it which is a serious concern for the management.

The present paper aims at discovering the most significant social compliant factors on the basis of affecting employee productivity in RMG industry of Bangladesh.

Literature Review

Compliance means fulfilling the requirements of specific standards, accepted practices, prescribed rules, laws & legislations, or the terms and conditions of a contract. In the case of the garment industry, compliance refers to implement the state labor laws, related ILO conventions, Code of Conduct (CoC) of buyers, and rules & regulations of the company. (Baral 2010) addressed that social compliance of garment factories is a basic and key requirement for almost all international garment buyers which ensure labor rights based on buyer's CoC. Garment factories should comply compliance issues just not for profitability but also for human rights protection. (Zohir C.S. et. al. 2003b) reported in their study that most of the garment factories pay very little attention to labor rights and standards, unhealthy working environment, discourage trade union movements, abandon fair labor practices, ineffective labor laws, and limited enforcement of social compliance which are the causes of labor unrest. (Ahamed 2013) found that recently Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA) set compliance standards and according to them, all registered garment factories should have fire equipment, approved factory layout plan from government authority to ensure safe factory building construction, alternative stairs, hygienic sanitation facility, workers' group insurance, first aid appliances, confirming minimum wages, and job flexibility for the employees.

Beside the BGMEA & BKMEA set of standards, many internationally recognized compliance agencies like WRAP, ILO, ETI, ISO 14001, FLA, BSCI, and SAI have their own standards to improve the working environment of this industries.

In the combination of above-mentioned compliance agencies' principles and standards, internationally reputed buyers' COC, prescribed ILO conventions, local labor laws, and BGMEA & BKMEA set of standards can be classified with 17 core areas of social compliance in the ready-made garment industry in Bangladesh. The identified 17 core issues have been discussed under the findings of different studies done by various academicians, and researchers which are as follows;

Wages and Benefits: Bangladesh Government has revised minimum wages for RMG workers time to time by tripartite agreement between government, BGMEA and workers' representatives for various categories of worker. However, many researchers found that a very common picture exists in most of the RMG companies which are irregular, delay (sometimes up to 2 months), half-paid, and even in many companies' employees need to keep one month's wages as depository money for ensuring that employees will not leave the job without information and sometimes workers don't get their money back (N. Ahmed 2006).

Working Hours: As per Bangladesh labor law 2006 daily working hours for RMG worker is 8 hours and additional 2 hours can be employed on the voluntary basis as over time. Over time calculation would be just double of normal working hours (GTZ. 2007). Despite that legal provision (S. Rahman 2004) reported that workers are forced to work more than 10 hours per working day in most of the garment factories. Similarly, (N. Ahmed 2006) found that workers compulsorily work 12 hours daily and OT (overtime) is considered after 12 instead of 8 hours and even workers work beyond the normal schedule during shipment, and more pathetically it's observed that overtime calculation is not following the labor law.

Leave and Holidays: (GTZ. 2007b) reported that as per Bangladeshi labor law 2006, workers are entitled to enjoy 14 days of sick leave, 22 days annual leave, 11 days festival holidays, and 10 days casual leave in a calendar year. But the respondents of this study reported that workers get the sick leave with wages subject to have proof of medical certificate but most of the workers don't know about their festival and earn / annual leave. (Begum N., 2008) in her study found that many RMG factories in Bangladesh very frequently violate the labor law in the case of breaks, working hours, fringe benefits, minimum wages, leave, festival holidays, and even employing workers without giving appointment letter.

Women's Right: According to (Mariam Jamila 2006), RMG industry workers in Bangladesh are free from gender-based discrimination in employment, which is based on skills, job knowledge, experience, competencies, and overall performance though it is also found that there may be few incidence of wage discrimination based on male or female. (GTZ. 2007c) reported that as per Labor Law 2006, women employees are facilitated to get maternity leave for 16 weeks with full pay for those who have completed at least six months of their service but researcher strangely discovered that this law covers only up to two living infants. (Majumder 2009) reported that despite legal provision, women workers will enjoy leaving for maternity during her gravidity but in reality, women workers are sometimes concerned about losing their job & thus, they try to hide their pregnancy and fear to bear children. In many cases, woman workers are dismissed if the owner discovers the pregnancy or the pregnant woman applies for her maternity benefits. Likewise, (Berik, Günseli 2008a) in his study found that women workers quit their job after getting pregnant and seek the new job after delivery as becoming fit for the job.

Harassment and Abuse: (Berik, Günseli 2008b) states that discrimination, abuse or harassment of employees is more customary in Bangladeshi garment factories than anywhere else. Penalties for mistakes, verbal abuse, and failure to attain production targets are the common harassment problems that are attended by the scarcity of training for managers and supervisors or lack of written policy for disciplinary action. (Md Masum Billah 2004) women garment workers in Bangladesh suffer a duplex strain when it drives to sexual harassment. They are not only susceptible to verbal, sexual, and physical abuse inside the factory premises but also they are recurrently endangered to harassment in public areas as they travel from and to work.

Discrimination: According to Bangladesh Labour Law (BLL) 2006, gender-based discrimination has been strictly prohibited and made non-discriminative provision i.e. "equal pay for equal work irrespective of male or female" followed to the non-discriminative policy of ILO Convention (GTZ. 2007). However, (ICFTU 2006) reported that the implementation of this law is very weak and the legal instruments used to protect gender-based discrimination is not strong as a result women agonize discrimination in a variety of domains. (Paul-Majumder and Begum 2000) addressed that there is greater gender-based wage discrimination in the garment sector in Bangladesh.

Forced Labour: As per BLL 2006, forced labor is prohibited. Nonetheless, the laws are poorly enforcing to the garment industry. Forced labor is prevailing all parts of the country except some large scale companies (ICFTU 2006). Studies on labor rights practices in Bangladesh agreed that it is to be treated a mild form of forced labor if the employer

does not provide appointment letter to their workers which is an enduring problem. The employers of garment industry recruit the workers informally i.e. 70% to 80% and it is also noticeable that only 50% of the large factories recruit the new employees by providing an appointment letter (M. Rahman and Bhattacharya 2008). Another form of forced labor is economic coercion like delayed and irregular wage payments practiced by garment owners to discourage employee turnover that also an ongoing problem (Berik, Günseli 2008).

Freedom of Association and Collective Bargaining: ILO conventions and BLL permits workers to form and join to trade union. However, the owners of the company don't allow trade union activities for the garment workers. Sometimes, RMG employers sack the workers in case of joining trade unions and it is also observed that a total of only 1.2% garment employees are unionized (Kabeer et al. 2004). (Berik et al. 2006) state that with respect to collective bargaining, right to strike, and freedom of association, the government authority has imposed legal constraints, and the enforcement record is very poor. (Murshid et al. 2003) a small percentage of male employees associated with trade union activities and they blame garment owners for their antagonism to their endeavors to unionize employees, but the employers argue with the point that the public sector has a long history of trade unions' disruptive behavior for which they opposed to unionized of workers. Both arguments are vital.

Child Labour: Though child labor was restricted by state law & ILO convention it was a common practice to employ child labor in the garment industry in Bangladesh during the 1990s and about 13% of garment factory workers were children and most of them were girls (N. Ahmed 2006). But continuous pressure and persuasion of buyers, department of labor, ILO, and BGMEA child labor is almost eliminated from garment industry in Bangladesh (ICFTU 2006). At present, Child labor is no more an issue for Bangladeshi garment factories (BGMEA 2016).

Health: (Samaddar 2016) reported that including the high rate of fatigue, body pain, headache, anorexia, weakness, and jaundice about 73% of the RMG workers suffered from contact dermatitis and skin rash, 52% coughing and breathing problems and 33% recurrent fever. (S. Ahmed 2014) his study reveals that most of the women workers faced by the diseases such as abortion complexity, malnutrition, dermatitis, common cold, back pain, problems in bones, pruritus, eye stain, hepatitis, respiratory problems, fatigue, gastric pain, abdomen pain, fever, and helminthiasis. (Berik et al. 2006) found from interviewing owners, managers, and workers that some companies are concerned about various health issues like cleanliness, lighting, toilets, ventilation, drinking water etc. but maintenance of this stuff broadly dependent on buyers'

pressure. In fact, the newly established factories are the relatively improved condition in terms of factory working conditions.

Workplace Conditions: (Mariani and Valenti 2014) addressed that the cheap labor force of Bangladesh has attracted global buyers to invest in RMG sector but the low-priced labor normally represent degraded working conditions and this is undeniable that the working atmosphere in RMG industry is unsatisfactory. This study also found that workers of this industry are undoubtedly exploited and the working conditions are distant to comply with the International Labour Standards (ILS). (Farhana 2015) have found that the government of Bangladesh already fixed the minimum wages for RMG workers for the better standard of living. Although, it is not sufficient the situation is improving. (ILO 2015) A joint tripartite action plan has been introduced by the Government of Bangladesh where ILO is working on improving workplace conditions of the RMG sector. (M. A. Rahman and Hossain 2010) recommended that the regular practice of OHS actions and compliance can improve the workers' morality & productivity with reducing labor unrest.

Welfare: (Nusrat and Solaiman 2016) addressed that the welfare facility in RMG sector in Bangladesh includes the housing facility, educations for workers' children, allowances, transportation, child care, medical care, recreational facility, hygienic urinals, and toilets facility, insurance, on time bonus, overtime payments, and food etc. It also includes maintaining of industrial harmony by providing proper health care, effective monitoring of working conditions, insurance against diseases, industrial relations, reduce accident, employment facilities for the workers' family members (JetHR 2015). But (ILO 2015) observes the inadequate safety facilities that causing recurrent accidents signifying the substantial volume of risk exists in this industry. In contrary (Nusrat and Solaiman 2016) reported that the worker welfare facilities in RMG sector of Bangladesh seem respectable. The conclusive remarks of the study stated that the garment factories belong to Chittagong city of Bangladesh give various kinds of welfare facilities as per the prescribed rules and regulation of the government though there are some issues like performance incentives, hygiene facilities, adequate medical facilities remained to resolve for long-term sustainability of the company are the concern.

Safety: The significant success and progress of garment industry in Bangladesh has failed to ensure the worker's safety and security into the workplace. A huge number of garment factories are working with poor physical and social compliance that results in more than 2000 workers death by fire incidents in last 10 years. Despite having the state laws and regulations, a significant number of factories continuing business operations without complying the physical safety

requirements (Saha and Mazumder 2015). Consequently, following the recent catastrophic accidents, buyers are putting increasing importance on compliance standards as the concerned authorities of the importing countries are becoming more apprehensive about the work and social environment in the sourcing factories of Bangladesh (CPD 2015).

OSH Management and Training: (Sharif, Islam, and Kabir 2015) reported that workers do not have sufficient knowledge about OHS standards which is needed to improve in garment factories. (ILO 2013) After the catastrophic events of Rana Plaza and Tazreen Fashions in Bangladesh which took more than a 1000 workers lives that brought close collaboration between ILO, Bangladesh government, International buyers and BGMEA who set up Accord and Alliance for important actions in RMG sector in Bangladesh where Industrial Training Centre (ITC) of ILO is contributing in this project as training partners in various areas for OSH training and strengthening labour inspection. Under this Accord and Alliance, ILO is providing training for middle management and workers in the field of OSH, mainly concentrating on fire safety, prevention management, and electrical installation safety. (Samaddar 2016) his study found that in most of the factories absence of using proper safety equipment and workers are not aware of using personal protective equipment (PPE) with necessary education while management has some misconceptions about the application of safety equipment. During the study, it was also observed that most of the factories management does not check and update safe work procedure on time. Health inspection and examination program, as well as proper safety training, are hardly conducted on those factories.

Environment: (S. Chowdhury et. al. 2016) addressed that sustainable environmental practices are needed in order to support the growth of RMG industry in Bangladesh. But the current environmental situation not positive as reported by (M. M. Islam et al. 2011) that the textile industry of Bangladesh utilizes huge water for its production operations but these extremely contaminated toxic waste waters are released to the drains & sewers without treatment. (Stanley 2013) reported that the effluent from the dyeing process can pollute the environment seriously if the waste water not treated correctly. (M. M. Islam et al. 2011) also reported that there are a big number of dyeing and washing factories are running without ETP plant in Bangladesh. (Al-Muti 2016) found the advancement of garment industry is that this sector gradually but steadily progressing toward “going green” by endorsing environment approachable inventions and inspiring entrepreneurs to adopt energy and resource effective manufacturing technology under the new program “Towards Resource Efficient and Environmental Sustainability (TREES)” started in 2014.

Management System: (Zafar 2016) found that the management practices in RMG sector are unsatisfactory except minor exceptions. Some of the poor HRM practices are found in the case of job turn out, absenteeism, job gradation, recruitment and selection, training, performance appraisal. It is also assumed from the study that the garment company maintains HRM but it is bookish in nature and practical application of different areas of HRM is hardly visible. Evidence shows that garment companies which are owned by the non-Bangladeshi citizens are conscious of HRM practices than Bangladeshi citizens owned company. (Chowdhury 2015) observed that the HRM system, working condition, and working environment have been changed significantly with the passage of time. Almost all the garment factories in Bangladesh have established compliance department for implementing, monitoring & follow-up the international and local laws to protect the workers' interest and rights as per buyers' requirements. (Stone 2002) recommended in his study that the management system in RMG factories in Bangladesh can improve by establishing proper HRM units in every company with fair labor practices implementing the principles and theories of Industrial Relations, Socio-Political HRM Practices, Human Resource Development, Trade Union Concepts, Stakeholder Theory, Legitimacy Theory, ILO Monitoring Approach, Citizen Right Concepts, and Natural Rights Concepts.

Employment Relations: According to (Philip L. 2003) industrial relations concept gradually changing which is now progressively known as employee relations or employment relations due to the significance of non-industrial employment relations. (Ubaidullah 2015) addressed that the RMG industry is now in crisis due to repetitive labor unrest. He found that the core problem behind this unrest is the lack of intra-organizational relationship. (Md. Mohiuddin 2014) reported that industrial conflicts in the RMG industries have been resolved through autocratic and unilateral decisions of garment factory owners and due to the dominance of RMG owners there has not been a healthy growth of trade unionism. (Morshed 2007) have brought the example of Cambodian garment sector where labor unions are very active and working as intermediaries between factory owners and employees to resolve grievances and industrial disputes as well as discuss wages and other issues.

Not enough studies have been done on the topic, so the present study will contribute to a better understanding of social compliance and its effect on employee productivity in RMG industry in Bangladesh. Thus, this study constitutes an aid to the researchers, policy makers, and the government for improving various aspects of social compliance which will contribute to the enhancement of workers' productivity.

Research Methodology

There are 17 social compliance variables are selected by detailed study of literature review for testing the effect of that variable on employee productivity in RMG industry in Bangladesh. The variables are tabulated as the draft questionnaire which is consulted with five academic experts in research to assess the contents of the draft questionnaire. After changing and modification of the questionnaire finally prepared it into two main parts where Part-I is related to general and demographic information of the interviewee and Part- II comprises the list of identified variables along with questions and options. The surveyed respondents were requested to answer questions pertaining to their experience and perception regarding different social compliance factors influencing their productivity. A total of 200 workers data was been collected from Narayangonj and Dhaka cities of Bangladesh. The collected data is entered and processed into Statistical Data Analysis Software (SPSS) for data analysis and the frequencies & descriptive data analysis are done where the results are presented through tables & charts.

Demographic Findings

In this survey female respondents are higher than male representation. The male representation is 45.5% which is lesser than female representation i.e. 55.5%. The highest number of sample represented from finishing department i.e. 20% and the lowest percentage from cutting department i.e. 8.5% and other 5 departments' percentage remain in between this two departments. Workers experience from 3 to less than 7 years represented the highest percentage i.e. 54% followed by 33% for less than 3 years and very small representation is from the workers who have more than 12 years' experience i.e. only 2% and the representation of

workers having experience from 7 to 12 years is the second last of percentage i.e. 11%. It seems that the workers have lower experience represents the greater in number than the workers have more experience. The salary of the responded workers that showing all workers is getting minimum wage as per Bangladesh Labour Law which means no workers are paid below 5300 taka. Highest percentage of respondents i.e. 47% workers' wages from 7001 to 8000 followed by 28% from 5300 to 7000 and a significant percentage of respondents getting wages 8001 to 9000 as 21% and finally very negligible amount of respondents' wages above 9000 i.e. 4%. The 43% respondents' age from 25 to less than 35 years followed by 35% whose age less than 25 years and 22% respondents from 35 to 45 and no one is interviewed above 45 years old.

Result Analysis

As regard to the effect of compliance factors on employee productivity within the workplace in RMG factories in Bangladesh it is observed that among the seventeen factors, nine factors are most significant which are working hours, wages & benefits, discrimination, harassment & abuse, leave & holidays, workplace conditions, forced labour, welfare, employment relations, as their mean value in Likert scale in between 4.21 to 4.55 followed by the 4 significant factors as these mean values within 3.70 to 3.98 that are health, safety, women's rights, and freedom of association. The other 4 factors are neither significant or nor insignificant, it's moderate as their mean values in between 3.15 to 3.18 which are management system, environment, child labor, and OSH management system and training (Table 2).

Table 2: Social Compliance Factors affecting Employee Productivity as per Significance of Effect

Descriptive Statistics					
SC Factors	N	Minimu m	Maximu m	Mean	Std. Deviation
Working Hours	200	3.00	5.00	4.5550	.62363
Wages & Benefits	200	1.00	5.00	4.5000	.67993
Discrimination	200	3.00	5.00	4.4600	.56569
Harassment & Abuse	200	3.00	5.00	4.3800	.64629
Leave & Holidays	200	3.00	5.00	4.2500	.65548
Workplace Conditions	200	2.00	5.00	4.2450	.76676
Forced labour	200	3.00	5.00	4.2300	.49834
Welfare	200	3.00	5.00	4.2200	.84568
Employment relations	200	1.00	5.00	4.2100	.59807
Health	200	2.00	5.00	3.9800	.83852
Safety	200	3.00	5.00	3.8900	.76210
Women's Rights	200	3.00	5.00	3.7300	.52772
Freedom of Asso. & Coll. Bar.	200	2.00	5.00	3.7000	.53987
Management System	200	2.00	5.00	3.1800	.50882

Environment	200	1.00	5.00	3.1750	.55309
Child Labour	200	1.00	5.00	3.1750	.55309
OSH Mgt. Sys. & Training	200	2.00	5.00	3.1500	.41029
Valid N (listwise)	200				

Discussion

In this study, researchers tried to find out the most significant social compliance factors as per the effect on employee productivity in garment factories in Bangladesh. Working hours have the top position on the effect of employee productivity as per workers' perception. As it is a common scenario in the garment industry in Bangladesh that most of the factories violate the working hour limit. Due to improper planning, mismatch of lead time, strike for political turmoil, long projecting hours, weak bargaining power of workers, the absence of trade unionism, and low/corrupt monitoring system of government that is responsible for longer working hours. When the workers know their entering time to the factory and do not know their time of depart that practice demoralizes and demotivate the workers resulting in the decline in productivity. It is evident that in the beginning productivity remains higher than with the time passing gradually it decreases. If the workers work beyond 10 hours daily that definitely slow down the productivity as it is fact that due to fatigue & monotony workers' productivity diminishes.

The second most significant factor that influence workers' productivity is wages & benefits. It is obvious from motivation theory that if the employees are well paid and get more benefits that bring positive effect on their productivity and not only that well paid workers can maintain balance diet and can intake sufficient calories that help them to preserve sound physical & mental health.

Discrimination is the third top most significant factor that effects on laborers' productivity. It is evident that if the working environment is free from discrimination based on gender, religion, color, ethnicity, area etc. and subsequently promotion, transfer, salary, benefits etc. are being determined by workers' competencies, skills, job knowledge, and responsibility that kind of practices enhance the productivity of labourers.

Harassment & Abuse obtained the fourth position in this study as it is one of the most crucial issues not only in Bangladesh garment sector is the concern but also in all type of industrial working environment. It is evident from different studies that the abusive & physical, mental, and sexually harassed working environment negatively affect employee productivity, and the reverse outcomes are exhibited on opposite working environment.

As per workers perception from this study as well as from other studies, it is discovered that sufficient rest through different kinds of leave like casual leave, sick leave, earned / annual leave, and different festival holidays improve the mental and physical health of the workers. If the workers work with good health that increases productivity and vice versa.

Workplace conditions have a very important role in workers' productivity. The physical conditions of workplace such as space, lighting, ventilation, temperature, humidity, working tools & equipment, amenities, safety, noise, dirt, stress etc. affect the productivity of workers. If these elements controlled positively in favor of workers that have the absolute influence on the productivity of workers.

Forced labor refers to any physical hard work someone is forced to do against his / her will. Workers like in Bangladeshi garment factories are forced to work in the form of compulsory overtime without their consent, beyond legal working hours limit. Management does not provide legal leave to the workers, workers work on weakened & festival holidays etc. that effect on the morale and work motivation of workers.

(Nusrat and Solaiman 2016) have addressed the provision of better welfare facilities like assistance in child care, enough medical care, recreational facility, transportation facility, hygienic sanitary facility, pure drinking water, etc. to the workers gives a high level of employee satisfaction. Workers' welfare is a domain of social welfare that provides a wide area of business sustainability which signifies happiness, satisfaction, human resources development, conservation and a state of well-being. From the current literature, it is evident that the sustainability of business depends on the workers' welfare facility in large extend.

Employment relation means the relationship between management and its employees within the workplace. The harmonious relation is essential for both employees as well as employers for protecting the interests of all stakeholders of production. For maintaining good relationships within the enterprise, the key functions of all organizations should avoid and resolve any dispute or settle it as soon as possible for ensuring higher productivity and industrial peace. Employment relation is concerned with working conditions and determination of wages. Employment relation & human relations are noticeably two key elements in the industry and one depending on other. Excellent employment relations

gives the required contextual for humanoid relations. The criteria for developing a good employment relations is respectable labor policy for securing the finest possible coordination and cooperation among the workers. All workers should be given chance to contribute to his own services simultaneously to be concerned with common efforts by providing innovating works, ideas & suggestions. The rudimentary prerequisites of industrial employees are freedom of choice, security of employment, and freedom from fear. Adequate food, housing, clothing and better health are fundamental requirements of the human being. A working environment is assuring of bright future and fulfilling the basic needs of life that mean an atmosphere of good employment relations. If the management wants to establish industrial peace, it has to ensure workers decent conditions of work, holidays, fair wages, leave facilities and minimum amenities of life. The aim of good employment relations could be developed through democratic approaches, overall well-being, stability, industrial peace, and contentment of the employees. So, industrial harmony is the fruitlet of worthy employment relations that affect most significantly on employee productivity.

Conclusion & Recommendations

Out of seventeen Social Compliance Factors (SCF) there are nine factors i.e. working hours, wages and benefits, discrimination, harassment, and abuse, leave and holidays, workplace conditions, forced labor, welfare, and employment relations are most significantly influence the productivity of RMG workers in Bangladesh. Since the readymade garment is very vital and emerging sector, so all stakeholders should pay their thoughtful concentration to the compliance issues and the productivity of the workers. This sector remains inefficient in productivity due to workers' work with dissatisfaction, lack of workers professional skills and scarcity of trained mid-level management. All of these challenges can be faced through proper implementation of labour law, infrastructural improvement, stable political situation and proper enactment of social compliance issues i.e. workers under profit sharing scheme, promotional policy, the increment policy, leave and holiday policy for the worker, proper compensation facility, child care facility, legal and reasonable working hours, appropriate appointment policy, job security of employees, recreation facility of employees, social acceptance of readymade garments workers, to ensure minimum living standard, safety and healthy working environment, adequate welfare facility, harmonious employment relations, free from harassment, abuse and discrimination, providing women's rights, workers participation in decision making process, proper management system, environment free from pollution & hazardous substances and adequate training for workers' skills development as well as occupational safety and health

training. If the above constraint of the RMG sector can be removed, this industry will gain global branding for Bangladesh. On the same way, workers' morale, motivation, efficiency, productivity, and commitment will be increased simultaneously dissatisfaction will be reduced, workers livelihood will be better, the country will earn more foreign currency from this sector that will ultimately improve the socio-economic condition of Bangladesh.

References

- Ahamed, Ferdous. 2013. "Could Monitoring and Surveillance Be Useful to Establish Social Compliance in the Ready-Made Garment (RMG) Industry of Bangladesh?" *International Journal of Management and Business Studies* 3(3): 88–100.
- Ahmed, Nazneen. 2006. "Bangladesh Apparel Industry and Its Workers in a Changing World Economy." Wageningen University, Netherlands.
- Ahmed, Shaheen. 2014. "Health Status of the Female Workers in the Garment Sector of Bangladesh." *Journal of the Faculty of Economics and Administrative Science* 4(1): 43–58.
- Al-Muti, Syed A. 2016. "Can Bangladesh's Ready-Made Garment Industry Lead in Green Growth?" <http://asiafoundation.org/2016/04/20/can-bangladeshs-ready-made-garment-industry-lead-green-growth/>.
- Baral, Lal Mohan. 2010. "Comparative Study of Compliant & Non- Compliant RMG Factories in Bangladesh Abstract? 2. 1 Compliance in Bangladeshi RMG?" *International Journal of Engineering & Technology IJET-IJENS* 10(2): 119–31.
- Berik, Günseli, Yana van der Meulen Rodgers. 2008. "The Debate on Labor Standards and International Trade: Lessons from Cambodia and Bangladesh." Department of Economics, The University of Utah, Salt Lake City.
- BGMEA. 2016. Bangladesh Garment Manufacturers and Exporters Association (BGMEA). <http://www.bgmea.com.bd/home/pages/TradeInformation>.
- Chowdhury, Sabbir Hassan. 2015. "The Necessities of HR Practices in RMG Sector of Bangladesh." *Global Disclosure of Economics and Business* 4(2729).
- Dr. Wasel Bin Shadat, Md. Tariqur Rahman, Kazi Mahmudur Rahman, Alamgir Hawlader et.al. 2016. Bangladesh Priorities, Copenhagen Consensus Center, 2016. License: Creative Commons Attribution CC BY 4.0 COST BENEFIT ANALYSIS OF RMG COMPLIANCE TO AND NEW SPECIALIZED RMG INDUSTRY ZONE.

- Farhana, Kaniz. 2015. "Present Status of Workers in Ready-Made Garments Industries in Bangladesh." *European Scientific Journal* 11(7): 564–74.
- Gahan. 2014. "Workplace Safety Improves Business Productivity." *The Melbourne Newsroom*. <http://newsroom.melbourne.edu/news/workplace-safety-improves-business-productivity>.
- ICFTU. 2006. *Internationally-Recognised Core Labour Standards in Bangladesh*.
- Islam, Mainul, and Shahadat Hossain. 2015. "Impact of Compliance Issues on RMG Factories in Bangladesh? A Comparative Study." *NU Journal of Humanities, Social Sciences & Business Studies* 1(2).
- Islam, Md Montasir, Kashif Mahmud, Omer Faruk, and Solaiman Billah. 2011. "Assessment of Environmental Impacts for Textile Dyeing Industries in Bangladesh." *Proceedings of the International Conference on Green Technology and Environmental Conservation, GTEC-2011: 173–81*.
- K.A.S., Murshid, Milford Zohir C.S., and A. A. and Wiig. 2003a. *Chr. Michelsen Institute Development Studies and Human Rights Experience from Bangladesh with Ethical Trading Initiatives*. CMI Reports Chr. Michelsen Institute. www.cmi.no/public/public.htm.
- 2003b. *Chr. Michelsen Institute Development Studies and Human Rights Experience from Bangladesh with Ethical Trading Initiatives*. www.cmi.no/public/public.htm.
- Mariam Jamila, Bakhtear Uddin, and Salma Ahmed. 2006. "Wage Discrimination in the Garments Sector of Bangladesh." *South East University Journal of Business Studies* 2: 221–30.
- Mariani, Riccardo David, and Fabrizio Valenti. 2014. "Working Conditions in the Bangladeshi Garment Sector: Social Dialogue and Compliance 1." *Delft University of Technology*.
- Md. Mohiuddin. 2014. "Labor Management Relations Following the Labor Laws of Ready Made Garments in Bangladesh: The Present Perspective." *IOSR Journal of Business and Management (IOSR-JBM)* 16(3): 32–36. <http://www.iosrjournals.org/iosr-jbm/papers/Vol16-issue3/Version-4/E016343236.pdf>.
- Md Masum Billah, AKM Riaz Uddin. 2004. *65 CPD Dialogue Report Workplace Environment for Women? Issues of Harassment and Need for Interventions*. <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN021437.pdf>.
- Morshed, M. Monjur. 2007. *University of Wollongong Thesis Collection University, Master Thesis "A Study on Labour Rights Implementation in Readymade Garment (RMG) Industry in Bangladesh? Bridging the Gap between Theory and Practice."* The University of Wollongong. <http://ro.uow.edu.au/theses/40>.
- Nusrat, Mansura, and Mohammad Solaiman. 2016. "A Study of Employee Welfare Leading to Corporate Sustainability in Garments Industries of Bangladesh." *Asian Business Review* 6(13).
- Paul-Majumder, Pratima, and Anwara Begum. 2000. *Gender and Development The Gender Imbalances in the Export Oriented Garment Industry in Bangladesh*.
- Rahman, Md. Arifur, and Mir Sohrab Hossain. 2010. "Compliance Practices in Garment." *Journal of Business and Technology (Dhaka)* 5(2).
- Rahman, Mustafizur, and Debapriya Bhattacharya. 2008. *Bangladesh Apparel Sector in Post MFA Era*. Dhaka.
- Rahman, Shahidur. 2004. "Global Shift: Bangladesh Garment Industry in Perspective." *Asian Affairs* 26(1):75–91. <http://arrow.monash.edu.au/vital/access/manager/Repository/monash:62210>.
- S. Chowdhury, Dr. Mohammad, Dr. Zahurul Alam, and Mizanur R. Chowdhury. 2016. "RELATIONSHIP BETWEEN SUSTAINABLE ENVIRONMENTAL PRACTICES AND SUSTAINABLE VALUE CREATION? A CONCEPTUAL STUDY ON READY- ISSN No? 2349-5677." *International Journal of Business Quantitative Economics and Applied Management Research* 3(7): 85–94.
- Saha, Prosanjit, and Sumon Mazumder. 2015. "Impact of Working Environment on Less Productivity in RMG Industries: A Study on Bangladesh RMG Sector." *Global Journal of Management and Business Research: G Interdisciplinary* 15(2).
- Samaddar, Kallol Kumar. 2016. "Occupational Health And Safety Management In RMG Sector Of Bangladesh." *International Journal of Scientific & Technology Research* 5(12).
- Sharif, Parvez Ahmed, Md. Ekramul Islam, and Redwan Ahamed Kabir. 2015. "A Study on Occupational Health & Safety Practices in RMG Factories of Bangladesh in Accordance with Compliance after

- Rana Plaza Incident.” *The International Journal Of Business & Management* 3(5): 214–27.
- Stanley, Morgan. 2013. *Bangladesh Ready-Made Garments Industry? Moving towards Sustainability – Executive Summary*.
- Ubaidullah, Md. Raihan. 2015. *Challenges and Prospects of Industrial Relations in the RMG Sectors of Bangladesh*.
- Ullah, Nazim, Misfar Abdulla Sunny, and Habibur Rahman. 2013. “Compliance Management Practices on Readymade Garment Industry in Bangladesh? An Exclusive Study.” In *9th Asian Business Research Conference*, BIAM Foundation, Dhaka, Bangladesh, 1–9.
- Willem te Velde, Dirk. 2014. *The DFID-ESRC Growth Research Programme event Enhancing Productivity in Bangladesh’s Garment Sector: Current Policy and Research Debates*. <http://degrp.squarespace.com/degrppublications/2014/9/16/enhancing-productivity-in-bangladeshs-garment-sector>.
- Yunus, M, and T Yamagata. 2012. “The Garment Industry in Bangladesh.” *The experience of Asia and Africa* (June): 1–28. papers://941fa284-6a3f-4661-b517-cb0b4edbed82/Paper/p1819.
- Zafar, Abu, Mahmudul Haq, and D Ph. 2016. "Human Resource Management Practice of a Ready-Made Garment Industry in Bangladesh." *Journal of Studies in Management and Planning* 2(4): 130–40. <http://edupediapublications.org/journals/index.php/JSMaP/%0Ae-ISSN>: