Employee’s View on Job Satisfaction: A Study on Garments Industry in Bangladesh

SSM Sadrul Huda¹, Nargis Akhtar² and Afsana Akhtar³

ABSTRACT

Purpose: This paper focuses on the job satisfaction of the employees of the ready-made garment industry in Bangladesh. Introduction: Almost every country irrespective of its stage of development is engaged in garment manufacturing and trading. This industry migrates from high-wage to low-wage countries like a “flying goose”. Almost, without any exception, historically, the readymade industry was the first industry a country was able to introduce, which eventually led to the development of other industries. Literature review: Literature review shows that after the liberation industrial base here in Bangladesh had to face a sudden vacuum of the entrepreneurs (who were mainly from West Pakistan). However, towards 1980’s a new industrial venture namely garments manufacturing factories started to grow with some favorable policy support from the Government and preferential treatment of major apparel importing countries by guaranteed share of their market. Methods: The data collection method is primary survey on employees of garment industry and experts of the same industry supported by secondary research on previous research, industry report, government paper, and interview of resource persons. Percentage analysis, hypothesis tests are the primary tools used for the data analysis. Conclusions: The findings show that garment workers are unhappy with their working environment and about pay package.

JEL. Classification: M51; M52; M54; M55

Keywords: Readymade garments, Job, Satisfaction, Employees, Working, Environment

1. INTRODUCTION

1.1 Background of the Study

Almost every country irrespective of its stage of development, is engaged in garment manufacturing and trading and almost, without any exception, historically, the readymade industry was the first industry a country was able to introduce which eventually led to the development of other industries. This industry migrates from high-wage to low-wage countries like a “flying goose” (Siddiqi 2005).

After the liberation, industrial base here in Bangladesh had to face a sudden vacuum of the entrepreneurs (who were mainly from West Pakistan). 

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By SSM Sadrul Huda, N.Akhtar and A. Akhtar
Nevertheless, towards 1980’s a new industrial venture, namely, garments manufacturing factories started to grow with some favorable policy support from the Government and preferential treatment of major apparel importing countries by guaranteed share of their market. Although traditionally jute industry dominated the industrial sector of the country until 1970s, but from early 1980s the Readymade Garments (RMG) industry emerged as an important economic sector of the country and gradually replaced the jute industry.

There has been a steady growth in RMG exports during the last three decades (Haider 2007). RMG industries enjoyed a dramatic rise from 30 enterprises in 1980 to about 4740 in 2007-2008 fiscal years. According to one statistics whereas in 1983-84 RMG sector employed 0.040 million workers, in 2007-08 this figure increased to 2.500 million (BGMEA 2009). Gross foreign exchange earnings from RMG exports and their contribution to the total export earnings have increased significantly over time. The sector’s earnings stood US$ 7.9 billion from US$ 3.36 million in fiscal year 1981 and in 2007, 77.4% of total export earnings of Bangladesh came from RMG sector. The sector’s earnings grew to total GDP became 13.1 in FY 2006 compared with 0.16% in FY 1984. It is important that 80% of the total workers of RMG sector are women (Khatun, Rahman, Bhattacharya and Moazzem 2008).

In this study, researchers tried to find out what is the lacking of the owners of the RMG sectors towards the performance enhancements of our garments industry. We found out that the workers are the key success factors of that industry. The garments industry contributes the highest portion of our country’s GDP. So enhancing the performance of that industry in terms of diminishing the dissatisfactory factors of the workers may drive our country from developing to a developed one.

The broad objective of research is to: “Identify the employee’s job satisfaction affecting job enhancement of the RMG sector in Bangladesh”.

Organization of remaining paper is as below: section two details literature review. Section three details about methodology adopted during research and hypotheses testing. Section four gives results of the tests. Section five shows discussions and finally section six concludes the study.

2. LITERATURE REVIEW

The most frequently used definition of job satisfaction has been given by Locke (1976), who defined it as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences”. There seems general consensus that job satisfaction has obtained a recognized position in the literature of industrial and organizational psychology (Maanen and Katz 1976).

Harter, Schmidt and Hayes (2002) mentioned that 7,855 articles having being published between 1976 and 2000, on job satisfaction. Cole and Cole (www.teammax.) in their study mentioned that majority of the research examining the employee satisfaction-performance relationship has been conducted on the micro-level of analysis and a handful of studies have explored the relationship between aggregated employee job satisfaction attitudes and organizational (unit level) performance (Ostroff 1992; Ryan, Schmitt and Jonson 1996; Harter, et.al 2002; Schnieder, Hanges, Smith and Salvaggio 2003; Bowen and Ostroff 2004; Wright, Dunfold, and Snell 2001; Wright, Gardner, Moynihan and Allen 2005). Cole and Cole mentioned that the current understanding of how aggregated employee attitudes influence and are influenced by important business outcomes is limited and they based on the evidence to date) concluded that employee satisfaction is related to meaningful business outcomes and these relationships generalize across companies (and industries). They have also mentioned at their study that there is potential for longitudinal research in the area of aggregated employee satisfaction and this longitudinal study would suggest not only some directionality from employee attitudes to business outcomes (as well as the reverse) but a reciprocal relationship in some cases.
Khan (2001) in his study mentioned that there is deliberate feminization of the workforce of the garment industry in Bangladesh and there are three reasons behind this deliberate feminization. These are: (1) Garment factory owners perceived that like the poor women workers of other Asian NICs who had been socially and economically oppressed for so long and who have low aspirations wages, teen age girls and young women from rural areas of Bangladesh have low aspiration wages. so, they appointed mainly unskilled teen age girls or young women mainly from the rural areas; (2) Since they are already in a susceptible socio-economic condition, as compared to their male counter parts, will agree to work for extra hours and if situation demands it will be easier to dismiss them; (3) most garment factory owners perceived them as docile, trustworthy and manageable. The author also mentioned in his study that most Bangladeshi garment factory owners have failed to see any causal relationship between labor standards and productivity outcomes. Therefore, many of them have become cost effective mainly by lowering labor standards and taking opportunities for low-wage employment due to the profusion of a young female labour force.

Delahanthy (1998) mentioned that workers of garment factories in Bangladesh frequently suffer from hacking coughs, severe eye strain due to poor lighting and working hours, respiratory problems, low back and joint pain and urinary tract infections because they are denied access to toilet facilities. The authors also mentioned that travel to and from factories are dangerous and women are often sexually harassed.

Paul- Majumder and Begum (2000) found (most of the data of this study have been collected from the survey of 1990; 1993 and 1997) that male and female workers of garment industry work about 12 hours a day, there is absence of leave facilities and weekly holiday. They found that although the workers were paid for overtime work on weekly holiday, no alternative holidays were given to these workers whereas workers in other export and non export industries enjoy almost all weekly holidays. Prospects of promotion for the workers in the garment industry are slandered. Most of the garment factories are overcrowded, congested and poorly ventilated. The consequences of these sub-standard working conditions garment workers in Bangladesh are exposed to toxic substances and dust. The workers, particularly the operation and sewing helpers, who are mostly female, continuously breathe in these substances. Most of the garment factories do not have adequate fire protection measures and toilet facilities are very poor. The study found that garment workers in Bangladesh suffer from the absence of lunchroom, lack of pure drinking water and lack of canteen facilities. and they are not entitled to any fringe benefits including accommodation allowance, health care, emergency funds and transportation.

Absar (2001) in her study mentioned that Bangladesh has the cheapest unit of labor cost in South Asia. It costs only 11 cents to manufacture a shirt in Bangladesh whereas it costs 79 cents in Srilanka and 26 in India. Clearly, the comparative advantage of Bangladesh in this case lies in having the cheapest unit labour cost. The author also mentioned that workers of garment factories in Bangladesh are asked to work whole months at a time without a single day off.

Rogers (2010) in his writing mentioned that Bangladeshi garment workers are the lowest paid garment workers in the world. Although their minimum wage was supposed to have risen to about $40 a month in November 2010, many garment factory owners are still paying the old minimum wage of $24 a month.

He also mentioned that most Bangladeshi garment workers do not belong to unions and most of the union leaders are working for the interest of the garment factory owners and those who are actually trying to help them are being harassed by the employers.

Islam and Swierczek (2003) analyzed the impact of technological change on job satisfaction of women garment workers in Bangladesh. The specific relationship between job satisfaction and the overall impact defined in socio economic terms shows that fair pay; task significance, bureaucracy, conflicts and
information sharing are significantly related. Task significance and information sharing are positively related to the overall impact. Unfairness in pay, high bureaucracy and higher level of conflicts cause a limited positive overall impact on women workers. The positive relationships to technological change include improvement of task significance, salary increase, improvement of the quality of supervision, improved quality of relation and increase benefits. The negative consequences are unfair pay, work dissatisfaction, bureaucracy, conflicts between management and workers, decreased promotion for workers.

The controlled trade regime on textile and clothing, which was based on the Multi-fiber Agreement (MFA) made in 1979, was abolished on January 01, 2005. Yamagata (2007) reviewed the impacts of the changes on the main markets and examined the prospects for the markets for the markets and the source of countries. The author mentioned that the most critics before the MFA Phase-out declared that the garment industry in the low-income exporters will fall down because of the low level of technology incorporate into the shallow accumulation of physical capital, poor physical and institutional infrastructure and distance from the main markets. Among the lowest low-income countries Bangladesh and Cambodia were considered to be the most susceptible because they rely on clothing for as much as three quarters of the composition of all export commodities. Even inside the countries, exporters widely publicized their distressed situation and asked their government and international society for assistance. However, Bangladesh and Cambodia knocked over this forecast and have come out as tough exporters of garments and maintained rapid growth even during the high time for China. The author has mentioned that Bangladesh and some other low-income countries may penetrate more into the markets of developed countries if there would be the absence of labor disputes, wage increases, skilled labor shortages or insufficient physical and insufficient. If they handle those issues cleverly, they would become really competitive.

This study is unique in that although many studies have been conducted on the garment workers in Bangladesh, not a single study has been conducted to explore the job satisfaction of the workers of garment industry. The hypotheses for this study were developed based on the various studies conducted on the workers of garment sector in Bangladesh.

3. METHODOLOGY

Exploratory research was conducted to identify different dimensions of employee’s views to examine the job satisfaction level through a structured questionnaire. Hypotheses were formulated based on core variables and conclusive research was applied to prove the hypothesis. The research was conducted over 200 sample units (Readymade Garments workers of Dhaka City) using the judgmental sampling technique. The data were collected through cross sectional survey method. Apart from data collection through questionnaire, the researchers took the valuable opinions of two resource persons. Between these two resource persons, one is the ex-joint labor director of department of labor, Ministry of Labor And Employment in Bangladesh and another is the Assistant Executive Director of Bangladesh Institute of Labor Studies (BILS), an NGO, which works for the welfare workers. Besides, the researchers have reviewed some relevant studies conducted on the conditions of the workers of garment factories in Bangladesh, which helped as important source of secondary information.

3.1 Hypothesis Development

Test of One Sample Mean Test: Hypothesis

In order to know the satisfaction level of the employees regarding the services provided by the RMG sectors of Bangladesh, the following hypotheses are formulated:

\[ H_0 \]: The employees of RMG sector are satisfied with the current salary; against,
H1: The employees of RMG sector are not satisfied with the current salary.

H2: The employees of RMG sector are satisfied with the working environment, against,
H1: The employees of RMG sector are not satisfied with the working environment.

H3: The employees of RMG sector are satisfied with the present health care facility, against,
H1: The employees of RMG sector are not satisfied with the present health care facility.

H4: The employees of RMG sector are satisfied with the safety facilities, against,
H1: The employees of RMG sector are not satisfied with the safety facilities.

H5: The employees of RMG sector are satisfied with the overtime benefits, against,
H1: The employees of RMG sector are not satisfied with the overtime benefits.

H6: The employees of RMG sector are satisfied with the leave policy, against,
H1: The employees of RMG sector are not satisfied with the leave policy.

H7: The employees of RMG sector are satisfied with the promotion policies, against,
H1: The employees of RMG sector are not satisfied with the promotion policies.

H8: The employees of RMG sector are satisfied with the behavior of the owner, against,
H1: The employees of RMG sector are not satisfied with the behavior of the owner.

At $\alpha = 0.05$ level of significance, the above hypothesis was tested.

**Decision Rule:**
$H_0$ will be rejected, if $P$ Value is less than Significance Level i.e. 0.05; otherwise $H_0$ accepted at 5% level of significance.

**Variable(s):**
Dependent: Employee job satisfaction
Independent: Current salary, working environment, present health care facility, safety facilities, overtime benefits, leave policy, promotion policies, behavior of the owner.

**Table 1: Summarized Results of the Hypothesis 1-8**

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variables</th>
<th>P Value</th>
<th>Significance Level</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee satisfaction</td>
<td>Current salary</td>
<td>0.000</td>
<td>0.05</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td></td>
<td>Working environment</td>
<td>0.096</td>
<td>0.05</td>
<td>Satisfied</td>
</tr>
<tr>
<td></td>
<td>Present health care facility</td>
<td>0.086</td>
<td>0.05</td>
<td>Satisfied</td>
</tr>
<tr>
<td></td>
<td>Safety facilities</td>
<td>0.031</td>
<td>0.05</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td></td>
<td>Overtime benefits</td>
<td>0.061</td>
<td>0.05</td>
<td>Satisfied</td>
</tr>
<tr>
<td></td>
<td>Leave policy</td>
<td>0.019</td>
<td>0.05</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td></td>
<td>Promotion policies</td>
<td>0.016</td>
<td>0.05</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td></td>
<td>Behavior of the owner</td>
<td>0.041</td>
<td>0.05</td>
<td>Dissatisfied</td>
</tr>
</tbody>
</table>

Source: compiled by the author from field survey
4. RESULTS

Hypothesis Results

The result of the hypothesis 1, 4, 6, 7 and 8 showed that in some of the cases, the P Values are less than the significance level i.e. 0.05. As a result, $H_0$ is rejected and $H_1$ is accepted, which means that the employees of the RMG sectors of Dhaka City are dissatisfied in those cases of services. However, in some cases P values are greater than the significance level that means $H_0$ is accepted and $H_1$ is rejected, which indicated that in those cases the employees of the RMG sectors of Dhaka City are satisfied with the services provided by the owners of the RMG sectors (table-1).

5. DISCUSSIONS

The Table 1 shows that out of eight variables, regarding only three variables workers of the garment industry in Bangladesh have satisfaction and have dissatisfaction regarding six variables. The variables regarding which they have satisfaction are working environment; present health care facility; and overtime benefits and the variables regarding which workers have dissatisfaction are wage; safety facilities; leave policy; promotion policy; and behavior of the owner. The workers’ dissatisfaction regarding wage; safety; leave policy; promotion policy was in line with the previous studies (Khan 2001; Delahanty 1998; Majumder and Begum 2000; Absar 2001) conducted on the conditions of workers in the garment industry of Bangladesh. Besides, according to the information provided by the Assistant Executive Director of Bangladesh Institute of Labor Studies (BILS), most of the workers have been suffering from joint pain, headache and other problems since they work for long time in sitting condition. He thinks that the garment factory owners of Bangladesh should properly address this issue. This respondent also thinks that there should be adequate number of primary health care centers through government initiative at the industrial areas of Bangladesh. In response to the question regarding medical facility of the workers of garment industry in Bangladesh this respondent mentioned that although according the legal provision of the Bangladesh Labor Code, there must be dispensary in case of three (300) hundred workers at a garment factory, a very few number of garment factories have complied with this legal provision. He opined regarding the wage of the garment factory owners that although the government of Bangladesh was supposed to revise the wage of the garment factory owners after each five years, the wage has been revised after fourteen (14) years. The workers demanded for Taka 5000 thousand for minimum wage but they had to accept Taka 3000 as minimum. This respondent mentioned that although wage has been revised, the workers of garment factories remained as the lowest paid workers in the world. He opined that although the working conditions are worse, the conditions of slums where the workers stay are the worst and the dormitories established for these workers can solve this problem. Although there was hope from the government side regarding the dormitories for the workers of garment industry, this hope has not been materialized yet. The assistant executive director of Bangladesh Institute of Labor Studies (BILS) opined regarding the safety facility of the garment factories in Bangladesh that when compared with past, visibly, the safety conditions of many garment factories in Bangladesh have become better. In fact, the conditions have not been improved yet. Because the factories which have fire extinguishers and fire exits, in maximum of the cases the employers did not provide adequate training regarding using fire extinguishers to the workers who will use these at the time of fire at factory and the workers were not trained using fire exits at the time of fire. Instead of the fire, training there is inhuman tendency among the owners to lock the factory gate at the time of fire at factories. He mentioned that many of the fire occurrences at the garment factories have proved this inhuman tendency of the workers. This resource person has also mentioned that the strong trade union could play a major role in establishing workers’ rights but formation of trade unions is still being discouraged by the maximum of the garment factory owners instead the workers who have become the members of trade unions are being harassed by their employers. Finally, this resource person commented that there must be strict inspection from the government side regarding the implementation of the legal provisions for health, hygiene, safety, benefits,
trade unions etc., and there must be the punishment according to the provision of the Bangladesh Labor Code, which will develop awareness among the employers of the garment factory owners of Bangladesh.

Although the present study revealed that, the workers of garment factories are satisfied with the present health care facilities and overtime benefits but it shows their lack of awareness regarding their legal rights for health issue and overtime benefits. Because of the findings of the relevant previous studies and the opinion of the resource person of this study, do not support this attitude of the workers of garment factories, although, the workers of the garment factories are satisfied with the working environment like their attitudes towards health care facility. This study also shows their lack of awareness, regarding their rights, for working environment, because, most of the Bangladeshi garment workers do not belong to unions and most of the union leaders are working for the interest of the garment factory owners and the employers are harassing those who are actually trying to help them. This condition does not support the workers’ satisfaction towards working environment.

Another resource person of this study is the ex- Joint Labor Director Department Of Labor, Ministry of Labor And Employment in Bangladesh. He informed that, although department of labor, ministry of labor and employment offers training to develop awareness regarding the legal rights of the workers. However, either it offers this training at industrial relations institute and labor welfare center or if the owner can provide space to provide training to the twenty five to thirty workers at their premises then it provides training at the premise of the owners. However, very few of the garment factory owners respond to the written offer regarding this training. This resource person also passed the same comment regarding the discouragement among the garment factory owners regarding the formation of trade unions by the workers.

6. CONCLUSION

It has been mentioned elsewhere in this paper that Bangladesh has overturned the prediction of the critics regarding the MFA Phase-out and this country has emerged as tough exporters of garments and maintained rapid growth during the high time for China. It has also been mentioned elsewhere in this study that many of the garment factory owners in Bangladesh have become cost effective mainly by lowering labor standards. The study found that workers of garment sector in Bangladesh are not satisfied with wage; safety facilities; leave policy; promotion policy and behavior of the owner. These findings show the true picture because these are in line with the various previous findings of study conducted on the garment workers’ wages and working conditions. Besides, the two resource persons of this study also passed the same comment. The study also found that the workers in garment sector of Bangladesh are satisfied with working environment; present health care facility and overtime benefits. It is known that job satisfaction is a matter of perception and that perception may or may not be accurate. The various previous studies show that workers in garment sector of Bangladesh do not get proper health care facility and overtime benefits. The two resource persons of this study passed the same comment. The researchers can tell in this regard that the garment workers’ satisfaction regarding health care facility and overtime benefits is due to their lack of awareness regarding their legal rights for health care facility and overtime benefits. The workers satisfaction regarding working environment and also does not reflect the true picture because in the organizations where trade unions are discouraged by the employers (although forming trade union is a legal right of the workers) and where employers have become cost effective mainly by lowering labor standards at this situations workers can not get satisfactory work environment. This satisfaction is due to the workers’ lack of awareness regarding the standards of working environment.

Minimum wages have been revised but workers demanded for Tk. 5000 as their minimum wage but have Tk 3000 as their minimum wage and still the garment factory owners are the lowest paid garment workers in the world. Many garment factories have introduced fire exit and fire extinguishers at the factories but there is tendency to lock the main gate deliberately. Therefore, the mere existence of fire exits and fire extinguishers
cannot ensure the safe work environment. Therefore, it can be mentioned that there may be some positive changes regarding some labor standards, which are not satisfactory at all and the overall quality of work life of the garment factory workers in Bangladesh has remained as dissatisfactory.

This study finally proposed the following suggestions that may contribute in creating proper job satisfaction among the garment factory workers in Bangladesh:

- establishing health care centers at the industrial areas by the government of Bangladesh;
- establishing the dormitories for the garment factory workers in Bangladesh. Although, government raised this issue but did not materialize it;
- developing awareness among the garment factory owners regarding their legal rights and responsibilities. Although, some NGOs which work for workers’ interest; government through department of labor and some workers’ federation offer training regarding the labor laws but employers do not give proper emphasis on it and workers also have lack of awareness about their legal rights. So, the employers and leaders of workers’ unions and concerned NGOs should develop awareness about their legal rights and responsibilities;
- garment factory owners instead of discouraging workers’ trade unions should encourage workers’ trade unions so that workers can know and properly place their rights and responsibilities to their employers. Besides, the workers will feel themselves as part and parcel of their organizations;
- there must be proper monitoring by the government regarding the implementation of relevant legal provisions by the garment factory owners of Bangladesh and the implementation of punishment for the garment factory owners regarding the violation of legal provisions. One of the two resource persons mentioned that there is lack of adequate number of manpower at the inspection department to monitor the implementation of legal provisions regarding labor standards. This resource person also mentioned that although there is some monitoring and severe noncompliance’s issues have been found out, not a single punishment has been taken place by the government. The government should consider this issue.

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