Volume 18 Issue 26
Originally issued as A7



Global Journal of Management and Business Research: A Administration and Management
Volume 18 Issue 7 Version 1.0 Year 2018
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Corporate Social Responsibility of Bangladeshi Garment Industry to Secure Future Vulnerability on Workers Retired Life

By Md. Enamul Islam, Mst. Nilufar Yasmin & Muhammad Farooq
Limkokwing University of Creative Technology

Abstract- Nowadays Bangladeshi Multinational Companies are actively engaged in Corporate Social Responsibility. However, most of the activities are confined to earn publicity and positive political image only. External Corporate Social Activities are very popular in the corporate world. An unholy competition is prevailing among the giant Multinational companies to show off their activities. Business conglomerates do not pay much attention for the workers after retirement benefit. This study was conducted to measure the impact of Corporate Social Responsibility on the reduction of workers vulnerability after retirement for Bangladeshi Garment Industries. A total of 98 usable questionnaires gathered from 11 Multinational Companies (MNC) in Bangladesh. Outcomes of correlation analysis show that there is a statistically significant relationship between internal Corporate Social Responsibilities and protected retired life of Garments workers. Findings also suggest that when MNCs takes interest and carry out social responsibility than it enhances high productivity, greater teamwork, and high organizational commitment.

Keywords: corporate social responsibility (CSR), bangladeshi garment industry, employee benefit after retirement, bangladesh.

GJMBR-A Classification: JEL Code: M14



Strictly as per the compliance and regulations of:



© 2018. Md. Enamul Islam, Mst. Nilufar Yasmin & Muhammad Farooq. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Corporate Social Responsibility of Bangladeshi Garment Industry to Secure Future Vulnerability on Workers Retired Life

Md. Enamul Islam [α], Mst. Nilufar Yasmin [σ] & Muhammad Farooq [ρ]

Abstract- Nowadays Bangladeshi Multinational Companies are actively engaged in Corporate Social Responsibility. However, most of the activities are confined to earn publicity and positive political image only. External Corporate Social Activities are very popular in the corporate world. An unholy competition is prevailing among the giant Multinational companies to show off their activities. Business conglomerates do not pay much attention for the workers after retirement benefit. This study was conducted to measure the impact of Corporate Social Responsibility on the reduction of workers vulnerability after retirement for Bangladeshi Garment Industries. A total of 98 usable questionnaires gathered from 11 Multinational Companies (MNC) in Bangladesh. Outcomes of correlation analysis show that there is a statistically significant relationship between internal Corporate Social Responsibilities and protected retired life of Garments workers. Findings also suggest that when MNCs takes interest and carry out social responsibility than it enhances high productivity, greater teamwork, and high organizational commitment.

Keywords: corporate social responsibility (CSR), bangladeshi garment industry, employee benefit after retirement, bangladesh.

I. Introduction

The definition of CSR remains a debatable issue to the scholars, academia, businesses, and society. The concept of CSR is promoted for decades and is commonly employed by corporations globally. CSR is a business arrangement that enables the production and distribution of wealth for the betterment of its stakeholders. It is propagated through integration of ethical systems and sustainable management practices. Bangladesh at the age of 48 years after its independence has grown massively in industrialization over the past decade. Giant corporations have already accepted and started implementing the western culture of human resource management among their business. Business organization has the ethical and social responsibility to conduct their activities following the norms and customs of the country where operating. CSR involves many activities like working in partnership with local communities, developing relationships with employees, social work, customer's satisfaction, activities for environmental conservation, and sustainability development (Ismail, 2009). The responsibility of business in society has been argued in economic literature for a long time. CSR means, every business has moral obligation to society for contributing some portion of their profit for social, environmental, and economic advancement.

Of late Bangladeshi garment industries have started various types of CSR program to promote business. However, those are basically to earn so-called name and fame for the farm itself. CSR activities in Bangladesh have little effect on to the workers retired life (Ferdousi and Ahmed, 1996). CSR activities are usually confined to only some charity, distribution of clothing, subscription to the education fund, organizing the cultural program, contribution to local clubs, etc. Fortunately, some visible CSR activities are noticed around the country. However, a little is done to ensure the future wellbeing of the workers. Moreover, the debates on the role of the farm in society might be taking place at the micro level as well. In the context of Bangladesh CSR could be opening up questions regarding the concern of work for employees. Maximum workers or employees in garments industries come from underprivileged background, and the literate percentage is very negligible. Poverty alleviation, healthcare, education, charity activates, cultural enrichment, youth development, women empowerment, patronizing sports, and music, etc are common area of interest for local conglomerate. These are external CSR activities. On the other hand employee's benevolent fund, pre-retirement training, child care center, the rehabilitation center for injured workers, loan facilities, etc. are known as internal CSR activities (Masud and Hossain, 2012).

The entrepreneurs of garments industries have a psychological believe that CSR activities should and only be done to show off and gain political support. On the other hand, although Bangladesh Garment Manufacturer Association has a moral and ethical responsibility to ensure that the farms always participate in CSR program, but are often observed being neglected. Not much is done to ensure that workers in the garment industries have a secure life even after they retire. Usually, in garment industries, 80 percent labours join for the work without any formal or informal training or education (Ishita Roy, Amit Kumar Sarker and

Author α σ ρ: Ph.D Scholar, Limkokwing University of Creative Technology, Cyberjaya, Selangor 63000, Malaysia.
e-mail: enamul1530@gmail.com

© 2018 Global Journals

Swapna Chowdhury, 2017). The worker starts the job at the minimum wages and continues to do so until the next salaries increment session which usually comes as a result of revolt and possessions. There is not much of formal or informal training organized for the workers. The owners earn a handsome amount of profit while the conditions of the poor workers remain as it is. Their total incomes are spent for a daily expense and hardly have any scope to save some money. There are some industries where they even do not have any option of workers benevolent fund. It means that the workers go bare hand on retirement or upon termination. If some portion of the profit could be spending for the wellbeing of workers to secure their future life than workers engagement would have been better and productivity could have a more rising trend.

II. Literature Review

Bangladeshi banking sector performs most significant and observed CSR activities. Almost 45% commercial and public bank often carries out CSR program. But mostly external activities are performed by them. Only 15% of banks have the provision of spending money for the wellbeing of their employees. Mostly public banks have the provision of workers benevolent fund and future job security fund (Masud and Hossain, 2012).

Alam, Hoque, and Hosen (2010) have studied CSR practice of Grameen Phone Ltd.'s and found that they have given maximum attention to the welfare of their employee and customers. Although they have maximum show off type CSR activities yet they also gave some consideration to internal CSR. Employees are found happy with the effort taken by this multinational company (MNC).

Ferdous (2015) have studied four public banks of Bangladesh. He has found that there is an increased trend of spending money by these four state-owned banks. He also mentioned that all these four banks have equal importance to ensure a secure life for their employees. Bangladesh, as a third world state has lots of complications. The government frequently discovers themselves helpless while it approaches the solution of these difficulties. Corporate proprietors of the state are measured as a wealthy unit of the society; therefore they can donate more profoundly in the direction of the improvement. CSR has become a standard of generally legitimate corporate effort, and the acceptance of it is rising gradually (Abdullah et al., 2013).

The "Rana Plaza" one of a Dhaka factory collapse in April 2013 becomes the talk of the garment industry around the world. It is not the first time that garment factories hit the news with fatal happenings due to safety violations. In many cases, such catastrophic events open discussion to other problems on the work floor, like negligence of labour rights, abuse, discrimination, and underpayment. The shock about the many deaths or people violated is followed up by a mass critique on brand firms that often source in low wage countries like Bangladesh and India. The growth of global value chains led to calls for a new kind of responsibility. The increased significance of brands and corporate status in increasingly consumption-oriented world made companies more vulnerable to publicity and keener to develop their reputation as 'responsible.' The CSR is just a strategic necessity for public acceptance, and for generating more profits. (Bode, 2013).

III. Research Methodology

a) *Research Design*

The research design for this study was a descriptive survey through the questionnaire. The purpose of using descriptive survey was to collect detailed and information that describes present phenomenon. A survey instrument was developed to collect data for the study. The primary data was collected through this form of questionnaire and was hand delivered to the target employees. The questions were filled by the participating employees and were returned. After that, the results were further analysed using descriptive statistical analysis method to find out how the internal CSR activities affect their performance. This study is a descriptive survey because it adopted the use of questionnaire aimed at finding the impact of CSR activities of Garment Industries to reduce vulnerability of workers on employee's security of future life.

b) *Target Population*

A population refers to the aggregate of all cases that conform to some designated set of specifications. The target population was employees with different designation and experience. A total of 98 respondents were chosen, and they were provided with the questionnaire. Their answers were collected as primary data. Afterwards, these data were analysed to get an overall idea regarding the impact of CSR activities of Garment Industries to condense vulnerability of workers retired life. (Table 1)

© 2018 Global Journals

Table 1: Target Population

Factory	Frequency	Number of Employees Interview
Palmal Group	1	10
NAZ Bd Ltd	1	9
Desh Bangla Group	1	10
MB Fashion	1	11
Royters Garments	1	11
Bishash Group	1	8
Abdul Monem Ltd	1	10
Mir Aktar Ltd	1	11
Opex Garments	1	9
Yellow Fabrics	1	9
Hanif Spinning Mills	1	10
Total		98

c) Sampling Design and Size

A sample of about 98 people was selected from the target population, based on their designation and experience level. The sampling was done using stratified random sampling method, in which the population is divided into groups based on factors that may influence the effect of CSR activities of Garment Industries to condense workers vulnerability during retired life. The advantages of stratified random sampling include minimizing sample selection bias and ensuring that samples are selected methodically. Out of 98 samples, 55 were female, and 45 were male. Figure 1 shows a pie chart view.

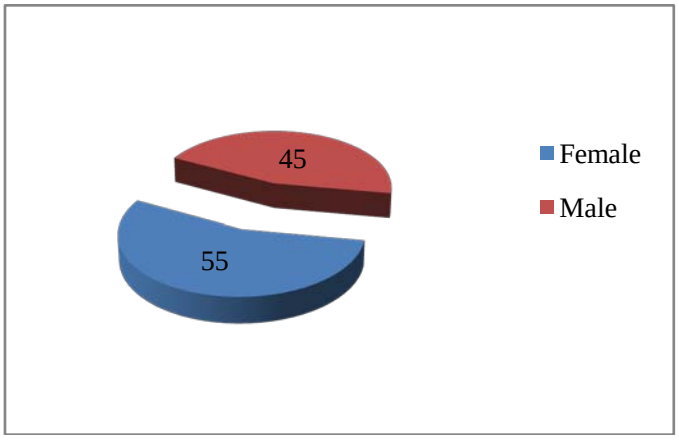

Figure 1: Male and Female sample participation

d) Research Objectives

This study aims to achieve the following three objectives:

1. To determine the present state of CSR of Bangladesh Garment Industries.
2. To identify the impact of CSR on employee satisfaction.
3. To identify how CSR will safeguard the retired life of employees.

IV. Data Analysis and Interpretation

The researchers have used SPSS (Statistical Package for the Social Scientists) as a data management and statistical analysis tool which has a very versatile data processing capability. Before analyzing data, the background information on the employees at a different level has been considered in details. It is assumed that it will be helpful to understand the range of area covered. Among the 98 people, 56.12%, i.e., 55 individuals were female and 45.91%, i.e., 45 individuals were male. Out of 98 samples, 39 individuals are of age 21-30 years, 23 individuals are of age 31-40 years, 21 individuals are of age 41-50 years, and 15 individuals are of age 51-60 years.

© 2018 Global Journals

Table 2: Number of CSR activities of Last Three years

Factory Name	Frequency	Number of CSR Activates Carried out in last three years
Palmal Group	1	2
NAZ Bd Ltd	1	1
Desh Bangla Group	1	4
MB Fashion	1	3
Royters Garments	1	6
Bishash Group	1	2
Abdul Monem Ltd	1	4
Mir Aktar Ltd	1	3
Opex Garments	1	1
Yellow Fabrics	1	3
Hanif Spinning Mills	1	2
Total	1	31

An effort was taken to collect the information of CSR activities carried out in last three Years. A total of 31 CSR activities were carried out by these 11 Garment industries (see Table 2). Mostly they donate some money to the Prime minister's relief fund, contribution to some local clubs and NGOs that run educational institutions. Few examples of internal CSR are establishment of child care center, a donation to injured workers, yearly picnic, and cultural program for the workers.

Pearson's Product Moment Correlation statistical procedure is used to test the nature and the strength of a relationship between effort of internal CSR activities and employee's retirement life benefit. The magnitude and strength of relationship between these two are ($r = 0.68$; $p < 0.05$) (See Table 3). This result shows that there is a high correlation between effort taken for internal CSR and security of workers life after retirement. It indicates, the higher the level of CSR activities performed for the workers benefit, the higher was the level of productivity as well.

Table 3: Pearson's Product Moment Correlation

	Mean	S. D.	r	p
Benevolent Fund	2.88	.42	0.68	0.00*
Saving Scheme	3.86	.66	0,46	0.00*
Pre-Retirement Training	3.95	0.64	0.47	0.00*
Loan Facilities	3.41	.44	0.45	0.00*
Career Enhancement Program	2.56	.48	0.46	0.00*

More than 90% respondent opined that their business organization benevolent fund and loan facilities have a direct impact on their retired life. 95% said that a loan facility during their working life would assist them for house building and supply a handsome amount of capital for business. While only 25% agreed that pre-retirement training would secure their future. A large number of workers at garment industries comes from a poor illiterate family and have less interest in training (Table 4).

Table 4: Respondents perception of internal CSR of their industries

Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Benevolent Fund	90%	3%	5%	2%	0%
Saving Scheme	56%	15%	14%	10%	5%
Pre-Retirement Training	25%	10%	10%	20%	35%
Loan Facilities	95%	0%	2%	0%	3%
Career Enhancement Program	70%	5%	13%	9%	3%

V. Conclusion

CSR activities have been incorporated and widely accepted and praised by the business community and general consumers of Bangladesh as well. Very often Bangladeshi MNCs engaged themselves in external CSR activities. The government of Bangladesh in its labour law act 2006 has included the compulsory participation of CSR for the MNCs operating in the country. However, it is one of the talks in the business community that most of the CSR activities are carried out for publicity only. The researchers found that internal CSR activities enhance productivity, organizational commitment and safeguard employee's

© 2018 Global Journals

future life to a great extent. This study is one of a beginner approach of this kind. The researchers hope that prominent and reputed researches will come up in future to study this subject into more details. Limitation in fund, time and scope has affected the researchers to go for more detail study.

References Références Referencias

1. Abdullah, A. M. et al. (2013) 'Corporate Social Responsibility Practices in Garments sector of Bangladesh, A Study of Multinational Garments, CSR view in Dhaka EPZ', Developing Country Studies, 3(5), pp. 27-38.
2. Alam, S., Hoque, S. M. S. and Hosen, M. Z. (2010) 'Corporate Social Responsibility (CSR) of MNCs in Bangladesh: A case study on Grameen Phone Ltd', Journal of Potuakhali University of Science and Technology, July (13), pp. 1-11. Available at: https://www.basis.org.bd/csr_reports/CSR of MNCs in Bangladesh. A Case study of Grameen Phone Ltd.%5D. pdf.
3. Bode, N. (2013) 'Global Actors, Local Governance: Corporate Social Responsibility in the Indian', Cultural Anthropology and Development sociology, 2(11), pp. 1-28. doi: 10.330.
4. Ferdous, J. (2015) 'Corporate Social Responsibility Practices in Bangladesh: An assessment of four state-owned commercial banks', International Journal of Business, Economics and Law, 8(2), pp. 36-41. Available at: http://timesfoundation.indiatimes.com/ articleshow/4662536.cms.
5. Ferdousi, F. and Ahmed, A. (1996) 'An Investigation of Manufacturing Performance Improvement through Lean Production: A Study on Bangladeshi Garment Firms', 4(9), pp. 106-116.
6. Ishita Roy, Amit Kumar Sarker and Swapna Chowdhury (2017) 'Corporate Social Responsibility Practices in Bangladesh: A Statistical Analysis on State-Owned & Private Commercial Banks', Economics World, 5(4), pp. 322-332. doi: 10.17265/2328-7144/2017.04.005.
7. Ismail, M. (2009) 'Corporate Social Responsibility and Its Role in Community Development: an International Perspective', The Journal of International Social Research, 2(9), pp. 199-209.
8. Masud, M. A. K. and Hossain, M. S. (2012) 'Corporate Social Responsibility Reporting Practices in Bangladesh: A Study of Selected Private Commercial Banks', IOSR Journal of Business and Management (IOSR-JBM), 6(2), pp. 42-47. doi: 10.1108/17471110910977276.

© 2018 Global Journals