Worker wellbeing is good business.
The Good Business Lab aims to improve the lives of low-income workers by proving, through rigorous economic research, that better social wellbeing for workers can deliver measurable financial returns to businesses. We are a non-profit registered as a Section 8 company under the Indian Companies Act, and a 501(c)(3) organization in the United States of America. Founded by Ach Adhvaryu (University of Michigan), Anant Ahuja (Shahi Exports), and Anant Nyshadham (Boston College), GBL brings together academic research and real world insight, to test interventions that have the potential to improve the lives of workers and deliver measurable financial returns to firms. Our work focuses on three major themes: unlocking female labor, closing the skill gap, and improving job quality.
Unlocking FEMALE LABOR

The Numbers Game
Rural Training Centers to Unlock Female Labor
3 in 4 Indian Women don’t Engage in Paid Work
Gurubari’s Story
The female labor force participation rate in India is 24%, one of the lowest in the world & shrinking. Why is it so low, given India’s level of economic development?

That is a paradox everyone is trying to solve. What is clear though is that more number of women being able to join the workforce would mean greater economic independence for women, and access to previously inaccessible labor for firms. But, it’s not that simple. To get a woman to work requires us to address practical and societal barriers. They must have access to both employment opportunities and training in the requisite skills; they must have the bargaining power in their households to be able to decide whether to work and have control over their potential earnings to make working worthwhile; their households must be able to operate in their absence with other members of the household or market labor available to help with the myriad household responsibilities that often fall on adult women in India. How can we then overcome these barriers to sustainably unlock female labor in India?
the NUMBERS GAME
FEMALE LABOR FORCE PARTICIPATION IN INDIA

 Ranked 121 out of 131 countries

Source: World Bank and IMF Data

The Paradox of Female Labor Force Participation
Only the last decade has seen a rapid decline in the female labor force participation rate. Presently, three in four Indian women don’t engage in paid work.

FEMALE JOBS CREATED PER HUNDRED THOUSAND (INR 100,000) OF INVESTMENT

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total Jobs</th>
<th>Jobs for Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>23.9</td>
<td></td>
</tr>
<tr>
<td>Footwear</td>
<td>7.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Automobiles</td>
<td>0.3</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: Economic Survey 2017-18

INSIGHTS FROM THE 2018 ECONOMIC SURVEY

The apparel sector is the most labor-intensive sector, and more importantly propels female employment creation. In Bangladesh, this sector drove growth in female labor force participation, female education, and decline in female fertility rates.

INDIAN TEXTILES AND APPAREL SECTOR

- **2nd**
  Largest employer after agriculture

- **13x**
  More jobs than the IT sector

- **56-84**
  Jobs for every investment of INR 10 million
Presently, only one in four Indian women are engaged in paid employment. We aim to understand the impacts of providing free tailoring training and a guaranteed job opportunity at a garment firm, on the wellbeing of the trained women, their households, and their communities. We ask - what influences women to take up the job, and how can the firm leverage this knowledge in hiring decisions? Amongst the ones that do take up the job, does it reduce the food insecurity in their households? Do they have a greater say in the household when they are earning? Do they invest more in the health and education of their children?
3/4 Indian women don’t engage in paid work

Can recruitment and skilling change that?
Gulbarga, Karnataka

Its 6:30 P.M. A woman whom we shall call Nirmala brings out a plate and a blunt knife from her kitchen. It is time for the experiment.

Nirmala divides some uncooked rice, Mysore pak (a sugary sweet, considered a luxury in regional households) and an apple among her family of five. When asked what order she would serve these items in, she says she would serve her husband first, then her son, then grandson, then herself, and finally, her daughter-in-law. The portions follow the same order—the largest is reserved for the husband and the smallest for the daughter-in-law.

Nirmala’s days, like those of many other women in her village of Balwad, are spent laboring in agricultural fields during the sowing season, and unemployed at home for the rest of the year. While food consumption and household expenditure patterns indicate that additional sources of income would be welcome, several constraints hold women back from entering the formal workforce.

A little more than half (54.4%) of the surveyed households reported a woman member working outside the home in Participatory Rural Appraisals (PRAs) conducted by worker welfare non-profit Good Business Lab in January 2017 in more than 1,300 villages across 53 taluks (sub-divisions of districts) in Karnataka. The primary activity for 57% of these women was work on the family’s farm.

When girls and women earn, they invest 90% of it in their families and communities, according to the World Food Programme.

But is it possible to identify and influence the relationship between getting women to work and changing the distribution of food in Nirmala’s home?
The Good Business Lab (GBL), based in Bengaluru and New Delhi, works to evaluate and inform interventions that enable worker wellbeing as well as business returns. Under the guidance of its co-founders and Chief Research Officers Achyuta Adhvaryu (University of Michigan) and Anant Nyshadham (Boston College), GBL is investigating the impacts of technical skilling and jobs in the garment industry on female labor force participation, women’s time use and the wellbeing of women and their households.

By setting up 10 garment-sector skilling centres for women at rural locations chosen randomly, our study aims to inform the skilling and job creation policy at the national level.

In GBL’s participatory rural appraisals, women reported spending nearly two hours cooking on a typical day while men spent less than half, 52 minutes. At a macro level, Indian men on an average spend around 50 minutes per day doing unpaid work, as opposed to Indian women who spend nearly six hours, according to OECD estimates.

Our data further show that the gender imbalance persists in other spheres of life, such as taking care of children, participating in village politics and even surfing the internet. Further, if the woman of the house is not present, in two-thirds of the cases the responsibility of cooking, cleaning and child care shifts to the mother or mother-in-law. Only in around 22% of the cases does the husband take it up, and in 5% of the cases the father or father-in-law steps in.

Why don’t more Indian women work outside the home?

The female labour force participation (FLFP) rate in India has fallen from 36% in 2005-06 to 24% in 2015-16, as per the Economic Survey of India 2017-18. Female workers are highly disadvantaged in the labour market—they are in large part low-skilled informal workers, engaged in low-productivity, low-paying work. India’s gender gap in median earnings of full-time employees is larger than in South Africa, Brazil and Chile, meaning most women earn far less than men in India than in these countries.

Why is the FLFP rate so low, and what explains the fall in the past decade in an economy that has been expanding rapidly? Conservative social norms, lack of awareness and mobility constraints are a few of the evident reasons.

In other words, women do not work at paid jobs because they do not have the time.

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This is also reflected in data from the Indian Human Development Survey (IHDS) 2012, in which, out of the 34,000 women surveyed across 34 Indian states and union territories, 80% said they needed permission from a family member to visit a health center.

The other common challenge women face is a lack of agency and mobility constraints. In our data, only 17% of women reported having land registered in their names. Just 16% reported migrating to the city for work, and only 5% did so alone. This is also reflected in data from the Indian Human Development Survey (IHDS) 2012, in which, out of the 34,000 women surveyed across 34 Indian states and union territories, 80% said they needed permission from a family member to visit a health center.
India's huge labor force is second only to China's. However, 90% of India's workforce is not formally trained, as against 47% of China's. The Skill India initiative aims to enhance employability and create jobs. Currently, Skill Development Programs (SDPs) are being implemented by some 22 ministries and departments of the central government.

The draft New Education Policy (2016) proposes to integrate skill development programs with the curricula of 25% of schools and higher education institutes.

The gap between skilling and employability

Early age at marriage and childbirth has also anecdotally emerged as a challenge to women joining the workforce.

In our field visits we have encountered various women who said their male family members used the time constraint argument as an excuse to keep them at home. When women work on family land, the money is still controlled by the husband. We have often met women who could not travel alone—they always needed to be accompanied by a male family member.

Only 5% of women in India said they had sole control over choosing their husband, as per IHDS 2012 data.

So where does the gap between skilling and employability lie?

In our data, the average age at marriage for women is 18.5 years, with the minimum–16 years—falling below the legal age; and the maximum 23 years. From our experience of talking to young female garment workers, women dropping out within a few months of starting work to get married is not uncommon.

What is more, women who do manage to stay on after marriage drop out after childbirth, being unable to manage professional and domestic demands at the same time. In our data, the average age at the time of childbirth is 20.5 years, with the maximum being 25 years.

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Fully 63% of the Employability Skill Test takers (below 30 years) are employable, the India Skills Report 2016 by the online talent assessment company Wheebox found. However, 58% of unemployed graduates and 62% of unemployed postgraduates said the main reason they were jobless was because there were no jobs available to match their skill and education levels, as per the Employment and Unemployment Survey (EUS) 2016 by the Labour Bureau.
A possible solution

We are testing the presumption that creating more jobs for women in the garment industry—where women already constitute 35% of the workforce—and retaining them in these jobs, might provide a solution.

The textiles and apparel sector employs over 119 million directly and indirectly, making it the second largest employer in India. The apparel industry model holds the key for India’s job creation requirements, according to Arvind Panagariya, ex-chairman of NITI Aayog and professor at Columbia University. This sector presents an opportunity to close the gender gap in economy-wide employment in India, as evident from the figures below.

During our visits to rural areas we met women who, having undergone training in sewing, had no idea what to do with this new skill as the village was saturated with tailors.

India needs 100 million skilled workers by 2022 but the unemployment faced by skilled job-seekers paints a bleak picture. For instance, in 2016-17, over 160,000 persons were skilled under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana of the central government; only half were placed.
Our previous research demonstrates that training low-income female garment workers in soft skills empowers them with greater financial agency and bargaining power in the workplace and at home. In Bangladesh, female education, total fertility rates and women’s labor force participation improved due to the expansion of the apparel sector.

How can this sector become a vehicle of social and economic transformation in India?

Our intervention, in collaboration with Shahi Exports, the largest garment exporter in India, is unique in that in addition to providing skills training, it also guarantees a job after the training is complete. Further, we are carrying out psychometric personality testing to understand what characteristics make workers more likely to take up and remain in jobs.

Currently, the baseline survey is being rolled out in 20 taluks in Karnataka and Andhra Pradesh.

From Shahi Exports’ perspective, a major industry-wide challenge is retaining labor, especially migrant labor. The first six months are the most crucial in determining who stays on in the job and who does not, they say. Thus, we are also looking at mechanisms to generate better self-selection so that people who sign up are likely to stay on, as well as to identify vulnerable groups that may benefit greatly from the job.

This project hence realizes the role of the employers in not just skilling and employing people, but also retaining workers, thereby generating insights that can have sector-wide and economy-wide implications.

Through our experiment we want to see how training and employing a woman does not just generate additional income but has spillover effects on her family and community. Does it change a woman’s time-use pattern and alter the gendered nature of household tasks? Does she actively take part in decisions regarding household education and expenditure?

How is her household bargaining power with respect to fertility decisions affected? Does her family members’ perception of women in general change? Are women who take-up the job, and stay at the job, intrinsically different in their psychometric characteristics from those who don’t?

Ultimately, does the order and quantity of food distribution in Nirmala’s household, if she takes up the migrant employment opportunity, change?
She has a 15-year-old brother and an ailing mother, living in her native village in Jharkhand.

Financial constraints at home made her take up tailor training at the local rural training center set up by Shahi Exports in her village after finishing school. After the training, she, along with 70 other girls from nearby villages, came to Bengaluru. Gurubari and her family were anxious about taking up her first job, that too in a big city so far from home. But now, three years later, she enjoys her work and has adjusted to life in Bengaluru. It helps that many of the girls in the hostel are from her native state.

For the past few years, Gurubari has been sending money back home to ensure her brother’s schooling and her mother’s medical treatment. Recently, they were even able to hire help to work on their small agricultural land.

“I never expected to go to Bengaluru and become a tailor! I used to think of being a teacher and maybe eventually opening an institute to teach children. I used to take informal tuitions for children back in my village. I couldn’t study after class XII but I want to make sure my brother goes to college and studies what he wants.”

She often thinks about going back to studying but then her family would have no earning member, so she is considering a compromise – taking up computer classes near her hostel. In her three-year tenure, Gurubari has moved up from the position of tailor to batch captain. Production pressure is always high but she understands that if she’s angry and yelling at tailors, it will harm the work. They will also not be in the right state of mind to work properly or happily. We point out to her, isn’t she a teacher already, even if not the sort she expected? She considers this for a few seconds and smiles, “Yes, maybe I already am.”
Low-income manufacturing based workers, especially female workers, often find it difficult to cope with the pressures of the factory. Part of how they cope depends on their skill-set.

For example, if a female worker is skilled to communicate more confidently with her immediate supervisor, she might have higher self regard and be happier at the workplace. If a male supervisor, who oversees the work of female workers, is sensitized in appropriate behavior at the workplace, the overall environment of the factory may change drastically. However, in the ‘race to the bottom,’ most firms focus on driving down costs, while the skill set of the workers tends to be seen as disposable, and is often ignored. What if we challenge this traditional notion? What if we prove that a focus on the skill-set of workers, of both hard and soft skills, can be a win-win situation for everyone? It can improve the earning potential of workers and generate a more skilled and productive workforce - ultimately benefiting businesses in the long run.
Soft skills training
In a high pressure environment like the factory floor, where abuse and harassment is common, this program trains supervisors to effectively build and lead their teams and strike a healthy work-life balance. We are evaluating the social and business impacts of STITCH resulting from changes in the behaviors of supervisors. The supervisors are being trained in soft skills like effective communication, stress management, gender sensitivity, team building, and leadership.
WHAT DOLLY KUMARI LEARNT AND HOW IT COULD CHANGE INDIA’S TEXTILE INDUSTRY
In 2014, Dolly Kumari, an outspoken 12th class pass, left her home in Jharkhand, journeying about 2,000 km south to a new job as a tailor at a garment factory in Bengaluru.

Like most workers in this sector, when she first came, she did not think of staying beyond a few months. Today, over two years later, at 21, Kumari is one of two assistant line supervisors on the factory floor of Shahi Exports Pvt. Ltd., overseeing the work of 119 tailors. Her salary has risen 66%, from Rs 5,000 to Rs 8,300 per month. She talks easily of time management and effective communication, and hopes one day to become a floor-in-charge.

Much of her success, she says, can be attributed to a life-skills training program called Personal Advancement and Career Enhancement, or P.A.C.E., designed by Gap Inc., a clothing multinational. Through two-hour sessions every week for 11 months, conducted by qualified P.A.C.E. trainers, the program taught Kumari how to, among other things, manage her time productively and communicate effectively.

In 2011, three US-based economists, Achyuta Adhvaryu, Namrata Kala, and Anant Nyshadham—conducted a randomized controlled trial (RCT) at a few Shahi factories in Bengaluru, to ascertain the impact of P.A.C.E. The research found that eight months after program completion, the net rate of return to her company’s investment in her job and life skills was more than 250%.

Cited by former US President Bill Clinton as an idea that is changing the world, in a 2012 TIME magazine article, the program has trained over 68,000 garment workers worldwide as of 2016 (including over 26,000 in India, where it first began in 2007).

It contributes to the Indian government’s Skill India initiative, and indicates how workers can achieve new skills and companies can increase profits in a sector that is critical to India’s economic growth.
India’s textiles and apparel sector is the country’s second-largest employment provider, after agriculture. In 2015-16, textiles and apparel directly and indirectly employed 105 million people—13 times more than the information technology sector or equivalent to the population of South Korea—and constituted 15% of India’s export earnings.

Every investment of $0.15 million in the apparel sector generates between 56 and 84 jobs, compared with an average of six jobs across all industrial sectors, according to government statistics.

Textile and apparel factories also play a crucial role in skilling and employing women: while female labor-force participation in India has fallen over the decade ending 2015, as IndiaSpend reported on March 8, 2016, this sector has consistently generated more jobs for women than any other sector.
The organized apparel segment is expected to grow at a compounded annual growth rate of more than 13% over the next 10 years, according to a 2016 report from the India Brand Equity Foundation, a government-run trust.

In view of these statistics, and the potential for the garment sector to absorb even larger numbers of female workers, the researchers asked: How can garment firms be better incentivized to promote the wellbeing of their workers?

How Shahi Exports and its workers benefitted from life-skills training

P.A.C.E. was piloted in 2007 in Shahi factories, which now cumulatively employ more than 110,000 people. In 2012, Adhvaryu, Kala and Nyshadham evaluated the impact of the program at five Shahi factories in the Bengaluru area.

The RCT covered 2,703 workers who had expressed interest in the program, of which about 1,000 were randomly chosen to participate and the remainder allocated to a control group, which did not receive the training.

Through weekly two-hour sessions, P.A.C.E. covered essential life skills such as communication, time management, financial literacy, problem solving and decision-making.

The cumulative costs of the program to the company plateaued at $95,000 (69.95 lakhs) at the end of 11 months since it started, while the gains continued to increase even after this period, standing at $341,000 (Rs.2.51 Crore) at the end of 20 months. The low cost of administering the program combined with the gains in productivity and person-days (a measure of factor manpower) explain its potential.

Workers who received such attention were more likely to enrol in skill-development training at the company, to save for their children’s education and to utilize state-sponsored pension and health care schemes. They also had higher self-esteem and displayed more sociability.
Skilling is an in-kind transfer from the firm to the worker.

The experiment is unique in that it demonstrated that skill-development programs delivered through companies have the potential to be profit-generating engines that also promote worker wellbeing.

Providing training in life skills to women does not just make them more productive employees; it also creates lasting changes in women’s domestic lives and increases their effective wage.

Propelled by the positive results of this and other similar studies in the past five years, two of the researchers—Adhvaryu and Nyshadham—along with the head of organizational development at Shahi, Anant Ahuja, founded The Good Business Lab in March 2017. Funded through corporate social responsibility and research funds, the aim of the lab is to incubate, evaluate and disseminate P.A.C.E. and other research findings that both benefit workers and generate profits.
The P.A.C.E. study has had a cascading effect. Results of this study have helped to inform Gap Inc.’s latest global expansion of the P.A.C.E. program, as well as contributed to Gap Inc.’s licensing of select firms such as Shahi, to expand P.A.C.E. in their factories or outside factories in community settings.

To date, Gap Inc. has spread the program across its vendor base in 12 countries, and nearly 60,000 female garment workers have graduated from P.A.C.E.

Back in Bengaluru, Shahi assistant supervisor Kumari, who at 21 has already progressed to a senior level in her factory, said: “P.A.C.E. improved my time-management skills, taught me not to discriminate on the basis of caste and made the overall work environment in the factory better.”

In an industry known for low skills and transience of jobs, Kumari does not want to join any other firm—even if it has a factory closer to home—that does not have a life-skills training program. She wants to stay at Shahi, move further up the professional ladder, and in the process, motivate other women she lives with to be hard-working and ambitious.◆

“P.A.C.E. has improved my time management skills”
Lakshmi Devi came to work in Bengaluru at the age of 18, as a tailor. Four years later, at 22, she is one of the youngest supervisors (employees that oversee the work of tailors on a production line) on the factory floor, overseeing the work of eighty tailors. She has undergone two periods of training at her workplace – P.A.C.E. (Personal Advancement and Career Enhancement) training as a tailor and STITCH (Supervisors’ Transforming Into Change Holders) training as a supervisor.

P.A.C.E. is a soft skills training program designed by Gap Inc. that trains women in areas of time management, communication, and financial literacy. Lakshmi believes that undergoing the P.A.C.E. training was a turning point in her life– she learned how to imbibe agency, communicate effectively, save money, budget smartly and make optimal use of her time. P.A.C.E. did not just improve Lakshmi’s social outcomes but also made her a better worker.

Currently, Lakshmi is undergoing the STITCH training, which is a soft skills training program for supervisors, that covers topics such as self-esteem, gender sensitivity, problem-solving, effective planning, and harassment at the workplace.

Our conversation with Lakshmi concludes with the next step of her plan at her workplace– “Well, there are no female Floor-In-Charges in my factory till now, so that’s what I want to be – and set an example for all the other girls!”
Are soft skills important in a manufacturing setting in a developing country? The traditional notion that ‘the business of business is to do business’ would have us think - no. The results from our randomized controlled trial on Gap Inc.’s Personal Advancement and Career Enhancement (P.A.C.E.) program show that contrary to traditional belief, the answer to this question is a resounding yes. P.A.C.E. trains Female Garment Workers in life skills like communication, financial literacy, decision making, and time management. After more than 20 months of tracking productivity data on workers, and extensive surveys, we found that P.A.C.E. trained workers were more likely to save for their children’s education and had higher self regard. They also generated a net Return on Investment (ROI) for the firm of over 250%, eight months after program completion.
Improving the Physical Working Environment  
Improving the Management of Hostels  
Pooja’s Story  
Living Wages  
Worker Voice in Garment Factories  
Flexible Work Arrangements
Most manufacturing sector firms in developing countries face high rates of attrition and absenteeism. What can firms do differently to change this?

We believe to retain workers, firms must look at what they can do better inside the workplace to improve job quality. Does it pay to invest in building comfortable and supportive working environments? What would this entail? Broadly speaking, a focus on worker satisfaction, mental health, and physical wellbeing. For example, how will a worker feel about leaving a company that provides facilities of mental health care at the workplace - perhaps in the form of a counselor or some form of group therapy? The solution seems intuitive, but what now remains is for us to figure out a way to incentivize firms to look inward and provide high quality jobs.
Factories in India rarely control for temperature and pollution. How important is it in driving productivity and improving the work environment? We take the case of LED lighting and find that it emits less heat than conventional bulbs, and decreases the temperature on factory floors. This raises productivity, particularly on hot days. Using the firm’s costing data, we estimate the payback period for LED adoption is one-sixth the usual after accounting for productivity benefits. So not only does it lead to a more comfortable work environment for people, but also promotes a sustainable and energy efficient workplace. What’s more is that the firm can recover the costs of the change in lighting quickly through the productivity gains resulting from it.
As India develops, there is a rapidly growing influx of people from rural to urban areas in ‘search of a better life.’ What role can firms play in ensuring that this migration experience is as smooth as possible for their workers? Migrant workers are often young (19-23 years) and stepping out of their villages for the first time into a new environment, living in hostels with other migrants in the city. How does housing quality (safety, cleanliness, congestion) affect their personal and mental wellbeing? How does this transition affect their performance at the workplace? Our randomized controlled trial, covering 7,500+ residents in 80 hostels, found that while there were objective improvements in safety, cleanliness and congestion from a changeover (from the firm to an NGO) in the management of hostels, there was a reduction in the subjective well-being of those workers whose expectations regarding the hostel takeover were set (too) high before the changeover. This work emphasizes the sensitivity of subjective wellbeing to the dorming experience, as well as the importance of expectations management during housing transitions.
The oldest of four sisters, Pooja Mishra, a female garment worker, was 17 when she got married. In 2009, when her first son was born, she wasn’t sure if she could continue working. However, the hesitance soon disappeared because she had access to a crèche at her factory. She said, “The main plus point of my company is that there is a crèche here, which helped me continue working.” Moreover, her supervisor understood the need for her to balance work and child-care, especially during the first year of having her son. She was assigned easier tasks for a year so that she could make frequent visits to the crèche. In an industry which is heavily production-oriented, it was surprising but heartening to hear that she visited her son as frequently as every two hours to breastfeed him.

In addition to having a safe place for her children and being near them during the crucial years of early development, another policy that helped Pooja maintain a work-life balance was the option of coming to work early.

By preponing her work shift by an hour, she can reach home soon after her elder son comes back from school. This is a classic case of how flexibility in working hours, can help retain more women in the workforce, as they often have competing demands on their time.

Improving job quality goes beyond improving only the physical working conditions. It involves providing facilities such as the crèche and adopting innovative methods like flexible working hours to influence macroeconomic trends such as female labor force participation. The latter will only happen if many more self-motivated, smart and young women like Pooja don’t just continue working after child birth, but have ambitions of moving up the management ladder in their company, encouraged by favourable workplace policies.
Advocates of workers’ rights contest the prevailing benchmark of minimum wages. Minimum wage workers spend a large portion of their earnings on food, leaving little for spending on, say, education. The notion of living wage offers an alternative. Though agreement on the definition of a living wage eludes us, the underlying sentiment stands clear. Unlike the minimum wage, a living wage affords not just subsistence, but a decent quality of life.

In the garment sector, where wages comprise a third of the costs, the idea of living wages might raise eyebrows. By some estimates, the living wage is over 150% of the minimum wage. But it is time to rethink wages. When the pioneer Henry Ford doubled his employees’ wages, people lined up at his factory gates seeking employment. Why, then, do manufacturing firms which struggle to retain workers not borrow Ford’s ingenuity?

Apparel manufacturers, plagued by worker turnover, could be expected to jump at the opportunity to improve employee retention. But is Ford’s strategy too good to be true? Manufacturers would immediately feel the cost of providing living wages, whereas the benefits remain a hypothesis. Economists refer to the hypothesis as that of “efficiency wage”— sometimes, increasing wages above the prevailing market wage improves productivity, leading to higher returns. Nevertheless, economists have found little credible evidence in support of the theory.◆

We at GBL are working with our ever-pioneering partner Shahi to study the win-win possibility of higher wages. Some might even call us bold. What do you think?
The current channels of grievance redressal available to workers are not adequately serving their needs. While the issues and grievances are many, the channels that fulfill the requirements of transparency and accountability are too few. How do we enable workers to voice their grievances and promote better relations between them and the management on a regular basis? We are testing the impact of an anonymous two-way communication tool on workers via randomized controlled trial (RCT). In this tool, workers can send their grievances and problems through anonymous SMS-es, which go to the factory HR for time-bound resolution. Does this give workers more voice at the workplace? How do these developments reflect in the firm’s bottom line?

The results of this trial are expected in June 2019.
A key feature of the growing “Uberization” or fragmentation of the workplace is the interest in flexible work arrangements, particularly in the US and other developed countries. The general consensus amongst human resources experts is that flexible workplace policies—be they work-from-home, part-time work, or flexibility in shift scheduling—help attract and retain talent.

But how would the idea of flexible work arrangements hold in a completely different context—like that of predominantly female, low-income garment workers in a developing country like India?

Picture this: Seema, a female garment worker starts her work day at 8 AM every morning, which allows her to leave work by 4.30 PM—shifting her regular day’s work schedule ahead by an hour. This lets her reach home around the same time as her school-going son, cook dinner before her husband is home, and spend time with her elderly in-laws in the evening.

In short she is able to organize her work day around the schedules of her family members to efficiently manage her chores at home.

Working women in India have competing demands on their time—beyond their time at the workplace, they disproportionately bear caregiving and household responsibilities. Moreover, married women are also often assumed to be “less serious” about their work than men because of the compulsion of managing dual roles at work and at home. Can women participate in the workforce with little or no productivity loss while balancing their work and home life? Through flexible work arrangements, potentially yes. This is supported by studies in the US which show that the industries that offer flexible working arrangements also have the smallest gender wage gap.

So, can we design work schedules around the domestic schedules of working women, with minimal or no productivity loss, in the heavily production-oriented garment sector in India? What impacts would this have on the social welfare of workers and their families and business returns to firms?
Arrange - ments
WHY RANDOMIZE?

Explained over coffee

It’s winter. You are the boss at a small company with six employees.

There’s been talk of getting a coffee machine. You don’t like coffee much, but you agree to get the coffee machine if you are convinced it makes your employees more productive.

You buy everybody a cup of coffee a day for a whole month, but at the end of the month...

You see no results.

You are about to email out the sad announcement that there will be no coffee machine. That’s when you notice all the unread emails in your inbox—you haven’t yourself been good about answering them the past month,

...and you don’t even drink coffee.

Of course! Who gets anything done in December? It’s all about planning New Year’s getaways, and listing resolutions.
You decide that your experiment was flawed. But there’s no going back now... You’re in too deep!

You decide to try again. This time, you will buy coffee for only half of the lot, and then compare their work to that of the rest.

The coffee is eating into company funds, so you’re happy to be saving on costs too. So, you call everybody in for a meeting in the conference room at 2pm to discuss who gets coffee.

**Conference Room**

Who will you buy coffee for? You could get coffee for the first three people to enter the conference room.

But these could be the people most immune to post-lunch food coma. (Who calls meetings at 2pm anyway?) They would benefit the least from a daily dose of caffeine.

Or, you could just ask who wants coffee, and select three from amongst them.

But what if those to raise their hands were also the ones most interested in working efficiently?

If they became more productive, you wouldn’t know if it was the coffee or their drive that was responsible.

If you came to GBL to talk about your idea, we would suggest you choose the lucky three at random.

Randomizing ensures that the employees who get coffee are similar to those who don’t in all possible ways.

You can then be confident that the season, or employees’ attitudes—things that have little to do with coffee—don’t muddle what you learn from your experiment.

We also offer tea to guests who don’t like coffee, so do drop by.
India has the largest number of anemic women in the world, with more than half (51%) of all women of reproductive age suffering from low iron levels.* As an anemic woman, you tend to experience fatigue, loss of energy, and persistent weakness, decreasing your overall quality of life and productivity. In this context, we are testing the effects of anemia on a range of workplace outcomes for female garment workers like productivity, attrition, and absenteeism.

We want to go a step further to also compare different ways of providing these tablets to understand which is the most effective in ensuring that the women are taking the tablets. Is it daily administration or regular SMS-based reminders? The end goal is to tackle anemia through a workplace mechanism.

Only 58% women across India use hygienic methods of managing menstrual flow.** Using unsanitary means like old fabrics, rags, ash, and hay can lead to serious reproductive health issues and diseases. In the garment industry, where workers are predominantly women, firms have enormous scope to deliver a welfare intervention around menstrual health that can benefit the workers and the firm alike.

* Global Nutrition Report 2017
** National Family Health Survey 2015-16
*** Clearly Foundation
If you are a low-income garment worker in India it is likely that you can’t access eye health care. The cost is high, and health care facilities and awareness are poor. This is backed by statistics - a third of the world’s population, or roughly 2.5 billion people*** suffer from poor vision without access to treatment, with incidence being higher in low-income groups. This can often lead to low productivity at home and work, and mental distress. At a macro level, untreated vision problems cost the global economy $200 billion annually, according to the World Health Organization. Hence, eye care affects the economic, social, and personal aspects of a worker’s life. We are planning to test how comprehensive screening of workers, and providing subsidized glasses along with information campaigns affect workers’ lives and firms’ profits. An effective mechanism can help improve the lives of millions of factory workers worldwide.

We are currently speaking to female garment workers to understand how to improve the accessibility and quality of menstrual products at the workplace. Sounds interesting?

We would love to hear from you and work together on sourcing innovative solutions to deliver affordable and sanitary menstrual hygiene options at the workplace.
The garment industry today employs over 60 million people worldwide. In countries like India, Bangladesh, and China where majority of the production happens, most of the workers are female. In addition to generating employment at a large scale, the industry in Bangladesh for example, has driven growth in female labor force participation, improvements in female education, and decline in female fertility. But, this is not the first time this industry is serving as an engine of growth.

Let’s rewind to the

India’s largest manufacturing industry was textiles, which produced a fourth of the world’s total output, clothing people in Europe. Dhaka was at the center of this global textile trade. However, soon there was a consolidation of small land holdings in Britain which doubled its wool exports. This generated employment across the entire country.

The growth of the woven fabric industry spurred the mass production of cloth and yarn, which back then was highly labor intensive. Soon came technology. Spinning Jenny, a machine, multiplied the capacity of a single worker to spin thread by more than eight-fold. Towards the end of the 1700s the first water-powered cotton mill of the world was set up in Lancashire.

The 19th century brought with it the steam engine.

This, combined with better modes of transportation and power looms set the stage for a mechanized woven fabric textile industry. In 1803 the number of looms in the UK was just 2400. In 1857 this number stood at 250,000, almost hundred-fold.
Hence, the industrial revolution, which changed the very nature of the society and created the working class in England, was driven by the textile industry. What is more is that England wasn’t alone in this - the story unfolded pretty much the same way in many other countries like the United States, Japan, and Germany.

Enter the 20th century.

A lot of changes took place - synthetic fibers and the free flow of labor and knowledge to name a few. In response, clothing brands remapped supply chains in search of cheap labor. What happened next? A shift in production.

The apparel industry was one of the first manufacturing industries to develop at scale in this part of the world - an easy move out of poverty and low-productivity agricultural work for many. Every investment of Rs. 100,000* (approx. 1500 USD) generates 23.9 jobs, of which 8.2 are filled by women.

In short - it has the potential to spur an industrial revolution-like situation in this part of the world. The nature of these jobs can however be different today - the industrial revolution came with jobs on dingy factory floors, which paid women less, and didn’t value labor. In fact, it saw the rise of the male workforce. Today’s industry is largely female-driven.

Today’s brands are much more conscious of working conditions partly due to rising consumer awareness. There are tools to give workers a voice, and many are challenging the traditional notion that “the business of business is to do business.”

In 2016 the largest apparel exporting countries were China, Bangladesh, Vietnam, and India with trade value running into billions of dollars.

* (Indian Economic Survey, 2017-2018)
During my field visit to India, I spent some time in three villages in Karnataka, trying to understand the barriers that constrain women from working outside the house. Getting to know the livelihood of rural Indian women means getting your hands wet. Literally! I learned to wash clothes by hand, for the first time. Everyone, including me, was giggling at my clumsiness. I tired out pretty soon though – just after washing two t-shirts – which made me reflect on the Western absurdity of sweating on artificial machines in a gym while waiting for a laundry load to finish in the washing machine.

On a more introspective note, it was humbling to hear the frustrations of these parents regarding their daughters’ prospects. In a small village in the Aland taluk, Gulbarga district, young women have few work prospects, and must travel far from their home village to find any opportunity at all, which deters most families. Understanding these frustrations and barriers that women face in entering the workforce is the first step towards finding ways to empower these families.
In one of the garment factories I visited in Tumkur, I met a married couple working together. The wife, Jayalaxmi, first joined the factory more than four years ago as a tailor. Her husband Jagadeesh had recently lost his job back then. After joining, she convinced her husband to work at the same factory as a tailor to tide over the financial crisis the family was facing at that time, and so Jagadeesh joined upon referral from his wife.

With both, the husband and the wife working outside the house, it was interesting to see the gradual breakdown of gender norms prevalent in most Indian households. Jagadeesh helps out his wife with buying groceries, cutting vegetables and cleaning the house, roles traditionally relegated to the females of the household. They both wake up early to together do household chores, so they reach work on time. They have common friends and attend family functions and festivals together, but also enjoy having their own social circles at work.

They are optimistic about the future, especially about educating their child, and both of them want to keep working, so they have a double income at home and are able to sustain a comfortable lifestyle for their family.

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3 IN 4 INDIAN WOMEN DON’T ENGAGE IN PAID WORK. CAN RECRUITMENT AND SKILLING CHANGE THAT?

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LIVING WAGES:

WHAT DOLLY KUMARI LEARNED—AND HOW IT COULD CHANGE INDIA’S TEXTILES INDUSTRY

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FLEXIBLE WORK ARRANGEMENTS:


HISTORY OF THE GARMENT INDUSTRY:

“An Experiment in India Shows How Much Companies Have to Gain by Investing in Their Employees”

-Harvard Business Review

“These findings have implications well beyond this one company, says Rema Hanna, an economist at Harvard University who has researched various environmental impacts on labor in poor countries.”

-National Public Radio, All Things Considered “Why A Drop Of 4 Degrees Made A Big Difference For A Garment Maker’s Bottom Line”

The Good Business Lab stands for the vision of improving the lives of low-income workers by proving, through rigorous economic research, that better social wellbeing for workers can deliver measurable financial returns to businesses. What you will find inside this magazine is evidence for investing in worker wellbeing, especially for female workers - delivered through stories of change, research results, scalable ways of creating impact in your own space, and thought-provoking ideas for “what next.”

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