

INCREASING FACTORY WORKER WELL-BEING THROUGH DIGITAL PAYROLL

BANGLADESH

Leading apparel companies have collaborated with each other on the BSR HERfinance program to improve worker well-being through payroll digitization.

Leading global brands – H&M, Marks & Spencer, Target, Li & Fung, Lindex, Debenhams, and Fast Retailing – have collaborated through the HERfinance program to digitize worker payroll at their suppliers in Bangladesh. The program, managed by BSR (Business for Social Responsibility) as part of HERproject and developed in close partnership with the Bill & Melinda Gates Foundation, serves as a unique platform for

cross-brand collaboration. Participating factories are supported by their partner brands, BSR, and local NGOs throughout the process, working with mobile financial service providers (BKash and DBBL).

By joining forces, participating companies have a stronger collective voice in influencing garment factories – with the program reaching more than 100,000 workers, 60 percent of whom are women.

BENEFITS OF SHIFTING TO DIGITAL PAYMENTS

IMPROVED EFFICIENCY



Garment factories have experienced a

**53% savings
in staff time**

for their admin and finance team

STRONGER BUSINESS RELATIONSHIPS



Access to formal financial accounts

increased from **20% to 98%**

Access to savings accounts

increased from **28% to 43%**

CHAMPIONING THE SDGs

69% decrease in women citing an inability to save because a family member controls their salary

75-91% increase in mobile phone ownership among women workers

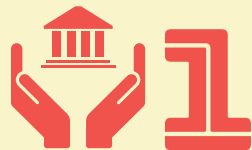


An interesting thing happened. After hearing that this factory was paying workers through mobile money, most of the vendors in Jamai Bazaar now have mobile money accounts. I don't need cash even to buy clothes.



LUCKY is one of the factory workers in Bangladesh benefiting from recently digitized salary payments. Digital payments have increased her physical safety when receiving payments, improved the ease of sending remittances to family members, and enabled her to use digital payments for household purchases.

BUILDING BLOCKS FOR SUCCESS



Build the internal value proposition

Align digitization with ongoing worker and factory training programs to generate internal buy-in. Identify opportunities for digitization to complement and augment other worker and supplier initiatives, such as improving worker skills, education, and factory performance. This can generate internal buy-in and manage time and resource investment.

Collaborate with other brands. Participating brands forged global and local partnerships to help factories understand the long-term business case of digital payments. As an incentive, they also built digitization into factory performance scorecards.

By joining forces, these companies had a stronger voice in influencing garment factories to make the switch.



Engage and create value for supply chain partners



Contribute to local market environment

Find local partners who understand factory and workers' context. BSR and local agencies Change Associates and Mamta, working closely with the Bill & Melinda Gates Foundation, played a critical role in onboarding and training factory management and workers – selecting solutions and providing onboarding and implementation support.

Source: Data from companies and partners

More information on:
www.betterthancash.org

LEADING COMPANIES AND PARTNERS

