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Informal Labor Incentives and Firm Performance: A Case Study of RMG Industry in Bangladesh

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Abstract

Many organizations implement labor incentive programs as they are considered to be drivers of employee motivation, leading to higher labor productivity. In this regards, the notion of low cost is a widely accepted business strategy in securing a competitive edge in the international market and, thus, achieving better firm performance. In Bangladesh, the readymade garment (RMG) industry extensively uses labor-intensive technology for its production, owing to the country's labor abundance. However, anecdotal evidence suggests that some Bangladeshi RMG factories have been continuously registering higher export growth and better firm performance mainly due to their informal labor incentive programs. Given this focus, this study investigates the association between informal labor incentive programs and firm performance in the RMG industry in Bangladesh. Data for the study was obtained from 38 medium and large-scale RMG factories in Bangladesh between 2006 and 2012. Our finding suggests that informal incentives have a positive association with firm performance in Bangladesh's RMG industry both in terms of production performance and net profit growth.

Key words: Readymade garments; RMG industry; Informal incentives; Labor productivity; Export performance; Bangladesh

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INTRODUCTION

Bangladesh is undergoing an industrial revolution. Since the opening up of Bangladesh in the 1990s, the nation's economy has grown considerably with a rapid increase in the export of readymade garment (RMG)[1] products. The industrial sector's contribution to the country's Gross Domestic Product (GDP) has increased from 15% in 2000 to nearly 32% in 2013. The RMG industry dominates the Bangladeshi industrial sector. It has emerged, in the last two decades, as the country key export industry. It has become a colossal industry, earning a great share of the country's foreign exchange currencies. Moreover, the sector has continuously maintained its momentum of competitiveness in the international market alongside RMG giants, like India and China, mainly through its low cost labor. The rapid growth of the RMG industry has been boosted by factors such as, cheap labor, lack of employment opportunities for women, simple technology use, relatively low capital requirement, and government policies favorable to the sector (Kabeer, 2004; Kabeer & Mahmud, 2004; Kibria, 1995; Rashid, 2006). The RMG industry is also the largest formal employment sector for Bangladeshi women. According, to the annual report of the Central Bank of Bangladesh (2012–13) the total population of the country was 154.7 million in 2012. The garment industry provides employment to more than 3.6 million workers, of which 2.8 million are women (Mahmud, 2012). Though the RMG industry has experienced a significant growth, this has been mitigated on the international market due to certain production inefficiencies and peripheral issues. More specifically, in terms of human resources, workers' low levels of education have contributed to certain

[1] Readymade garment refers to ready to wear garments made following the cut, make, trim (CMT) manufacturing process of cutting fabric, making (with accessories, and trimming, before being ironed, packed and exported.

inefficiencies in garment factories. It is estimated that there is a 25% shortage of skilled workers in the industry (Berg, Hedrich, & Tochtermann, 2012). The majority of workers receive basic, on the job, training or attend basic courses in regional sewing schools. There is a lack of public or private vocational training institutions and skill development programs to teach students or skilled-up employees. Consequently, some companies suffer from lower productivity. Therefore, the improvement of the productivity of the RMG industry in Bangladesh needs to be addressed to ensure the sustainability of their production on the international market.

Generally speaking, productivity is related to the efficiency of production, and is measured based on the ratio of total inputs compared with total outputs. Bangladesh's industrial development perspectives indicate that after 2010, some medium and large-scale RMG companies have taken initial steps to increase their productivity through technological adaptations, high-tech equipment investment, human resource development,[2] and pay strategy – including both formal and informal labor incentives.

This paper focuses on the informal labor incentive programs implemented in the RMG industry in Bangladesh and their relationship with firm performance. The author explores the incentive programs offered by the RMG industry in Bangladesh. The informal labor incentive programs implemented by the industry are investigated and, their relationship with firm performance examined. To do this, section one provides an overview of the RMG industry in Bangladesh. Section two, is a discussion of the contribution the RMG industry has made to the Bangladeshi economy. In section three, the informal labor incentive programs and firm performance are discussed. Section four outlines the study's conceptual framework and method. Section five, discusses the findings of the study. The final section concludes the paper.

1. AN OVERVIEW OF BANGLADESH'S RMG INDUSTRY

The industrial sector of Bangladesh is dominated by its RMG industry. The RMG industry can be divided into three broad categories: woven, knitted, and woolen. This industry is 100% export-oriented and presently contributes to approximately 80% of the country's total exports. Moreover, the RMG industry contributes significantly to the GDP and has created more than 4.2 million direct employment opportunities in the country. According to the Bangladesh Garment Manufacturer Exporters' Association (BGMEA, 2010)[3] and Bangladesh Bureau of Statistics (BBS), employment opportunities for women — especially those living in rural areas — in the RMG industry rose to 85% in 2009-2010. Furthermore, the RMG industry is unique in providing employment to a large number of people that are poor, unskilled, and especially to those who have migrated from rural areas. Also, the RMG industry has attracted interest from both local and international investors due to its cheap, abundant and trainable workforce, low cost energy, comparatively low investment costs, favorable government policies, and higher returns.

In 1978, Reaz Garments Limited[4] set a milestone by establishing the first RMG factory in Bangladesh. Since then, more than 95% of RMG factories are locally owned. The remainder of factories is foreign-owned and located in export processing zones (EPZs) (Gonzales, 2002). RMG factories in Bangladesh are mostly located in the capital cities of Dhaka, Savar, Gasipur, the port city of Chittagong, and the industrial city of Narayangonj.

The history of the remarkable development of the RMG industry of Bangladesh spans three decades. During the 1980s and 1990s, Bangladeshi RMG manufacturers mainly used the cut, make, and trim (CMT) process[5]. However, in the first decade of the 21st century, this traditional CMT process was replaced with the composite corporation (CC)[6] production process (e.g., cotton to fabric, fabric to design and printing, printing to dyeing and finishing, finishing fabric to sample designing, cutting, making, trimming, ironing and to packing for export) in some medium to large-scale RMG factories. A major reason for this shift was the intensified competition in the industry and the elimination of the Multi-fiber Agreement (MFA)[7] quota system in 2005.

In 1980, the government set-up the Bangladesh Export

[2] Recently Japanese multinational RMG factories in Bangladesh commenced in-house training system for their employees. This system has enabled them to increase its productivity and lower the cost of unit, thereby increasing their competitiveness on the international market.

[3] The association was established in 1983 by 134 Bangladeshi RMG factory owners.

[4] Reaz garments Ltd initially commenced business in 1960 on Urdu Road, Dhaka city as an order made tailoring shop named Reaz Tailor In 1978, it became Reaz Garments Limited, an export-oriented CMT RMG factory. This factory was the first RMG product exporter in Bangladesh.

[5] In the CMT process, RMG product manufacturers provide cutting, making, and trimming services for any garment order. Buyers have to provide the fabric and design to the manufacturer cover all costs, except for freight.

[6] Recently, a number of large firms with composite mills have emerged. These firms have both backward and forward linkages. They procure orders from US and EU (European Union) retailers without the help of buying houses. They produce fabrics, make garments and export them. This has an impact on CMT processes.

[7] MFA is an international trade agreement under which two countries may negotiate quota restrictions on textile and apparel imports from each other. MFA restrictions are normally prohibited under World Trade Organization (WTO) rules and must have been phased out by 2005.

Processing Zone Authority (BEPZA)[8], a government body responsible for the promotion of foreign direct investment (FDI) for EPZs. BEPZA also provides infrastructure facilities, formulates, and implements export policy in the country, including technological adaptation and productivity improvement programs. However, in the past three decades, technology adaptation and productivity improvement programs were narrowly adopted by the industry because of preferential duty rebates given through the Multi Fiber Agreement (MFA) for Bangladeshi RMG industry. The preferential duty rebates gave the Bangladeshi RMG industry a competitive price advantage, which they enjoyed until the elimination of MFA in 2005. In addition, Bangladesh has declared privately invested in textile sector as a trust sector and then in 1990 declared open economy for foreign investors through Board of Investment.

During the last decades, investments in the RMG industry increased rapidly and the global presence of Bangladeshi apparel also increased. The shift from CMT to CC manufacturing processes and the increase in labor productivity, are likely to have been a catalyst in local firms' sustained levels of competitiveness on the global industry market.

2. CONTRIBUTION OF RMG INDUSTRY TO THE BANGLADESHI ECONOMY

Bangladesh is an agriculture driven economy. According to the World Bank (2011), 54% of the population is directly and indirectly engaged in farming activities and livestock agriculture. Labor-intensive manufacturing is the second largest sector, with the RMG industry contributing the most to this position, where both men and women are engaged in generating foreign exchange and contributing to the GDP. Compared to the other industrial sectors in Bangladesh, the RMG industry has contributed the most to the GDP and also to the industrialization of the country during last two decades. Within the industrial sector, the medium and large industries contributed to Bangladesh's GDP the most. The total export of Bangladeshi medium and large industries for the period 2009–2010 was about US$643.8 million, whereas the export of small industries was about US$276.6 million. Given these figures, it is necessary to understand the causes for large export volumes of medium and large-scale industries as their contribution plays a major role in the development of Bangladesh's economy. Moreover, it is necessary to study the effects of cheap and semi-skilled labor on the productivity of medium and large-scale RMG mass producers.

Table 1 presents contributions of agricultural, industrial and service sectors to the country's GDP and to the GDP growth rate of Bangladesh between 2003 and 2012. Data show that the industrial sector's contribution to the GDP has increased significantly from 7.6% in 2003 to 9.5% in 2012, while the service sector's contribution marginally increased from 5.7% in 2003 to 6.1% in 2012.

Table 1
Changing GDP Structure and Growth of GDP in Bangladesh (2003-2012)

Year	Sector contribution to GDP			GDP growth rate (%)	Sector wise growth		
	Agriculture (%)	Industry (%)	Service (%)		Agriculture (%)	Industry (%)	Service (%)
2003	23.1	27.7	49.3	6.27	4.1	7.6	5.7
2004	22.3	28.3	49.4	5.96	2.2	8.3	6.4
2005	21.8	29.0	49.2	6.63	4.5	9.6	6.5
2006	21.4	29.4	49.2	6.43	4.6	8.4	6.9
2007	20.8	29.7	49.5	6.19	3.2	6.8	6.3
2008	20.6	29.7	49.7	5.74	4.1	6.5	6.3
2009	18.6	28.6	52.7	5.83	4.7	6.0	6.4
2010	20.3	29.9	49.8	6.40	5.2	6.5	6.5
2011	20.0	30.4	49.6	6.11	5.1	8.2	6.2
2012	19.3	31.3	49.4	5.92	2.5	9.5	6.1

Source: Statistical Pocket Book of East Pakistan, different years & Bangladesh Bureau of Statistics, Bangladesh Statistical Year Books, Government of Bangladesh, Economic Survey of Bangladesh different years, 2005, World Bank, Bangladesh Bank Statistics data, 2013.

[8] In order to stimulate rapid economic growth of the country, particularly through industrialization, the government has adopted an 'Open Door Policy' to attract foreign investment to Bangladesh. The Bangladesh Export Processing Zones Authority (BEPZA) is the official organ of the government to promote, attract and facilitate foreign investment in the Export Processing Zones. The first EPZ became operational at Chittagong in 1983-84 and then Dhaka in 1996.

Table 2 presents RMG industry exports against the total export of Bangladesh during the period 2003-2012. Data show that RMG exports increased from $4.912 million in 2003 to $19.090 million in 2012, recording a compounded

annual growth rate (CAGR)[9] of 14.5%. During the same period, the CAGR of total export earnings was 14%. Table 2 also shows that the RMG industry represents more than two-thirds of the total export. These figures highlight the importance of the RMG industry to the Bangladesh economy.

Table 2
RMG Industry Exports and Total Export of Bangladesh (2003-2012)

Year	Export of RMG (In million US$)	Total export of Bangladesh (In million US$)	% of RMG to total export
2003	4912.09	6548.44	75.01
2004	5686.09	7602.99	74.79
2005	6417.67	8654.52	74.15
2006	7900.80	10526.16	75.06
2007	9211.23	12177.86	75.64
2008	10699.80	14110.80	75.83
2009	12347.77	15565.19	79.33
2010	12496.72	16204.65	77.12
2011	17914.46	22924.38	78.15
2012	19089.69	24287.66	78.60

Data Source: Bangladesh Export Promotion Bureau Compiled by BGMEA, 2013

Competitive prices are clearly the prime advantage of RMG produced in Bangladesh (Berg et al., 2012). Besides competitive prices, RMG products also possess satisfactory quality levels, especially in value and entry level mid-market products. These advantages are compounded by the labor shortage in China, especially in the coastal regions, as workers in those regions continue to be attracted by better jobs in other industries. However, due to political unrest in Bangladesh, there has been a tendency towards shifting Bangladesh's industrial sector to India. In addition, the RMG industry in Bangladesh is highly dependent on the Dhaka-Chittagong highway and the Chittagong port as the country's main transport route. Because of this, it could be said that the growth of Bangladesh's RMG industry could be accelerated by increasing infrastructure development, workforce supply and skills, and political stability.

3. INCENTIVES AND PRODUCTIVITY

Human resource is considered to be an important determinant of industrial production in increasing the productivity, improving the quality, and reducing the costs necessary to survive in the competitive world. Although several issues prevail in relation to labor, studies have highlighted that labor incentives have a capacity to boost employee motivation and therefore result in increased labor productivity. Further, Maslow's (1943) hierarchy of needs theory emphasizes that fulfilling the basic needs of human motivates them to achieve higher results.

Industrial labor in the RMG industry has undergone several changes over the last two decades and labor incentives have been seen as an influential factor. Billikopf (1992) underlined two types of labor incentives: structured (also known as formal) and casual (also known as informal). Formal incentives are the incentives that employees formally obtain from their employer, and are linked to performance measurements. For instance, rates of pay, production incentives, and attendance incentives. Informal incentives are the incentives that firms offer to employees irrespective of their given performance, such as food, transport, housing, and medical services, with the objective of increasing future performance of employees. Informal incentives are widely used by private firms in developing nations. Unlike formal incentives, informal incentives are not provided explicitly to employees as a way of rewarding them for higher productivity.

As an informal incentive, the provision of food services is considered an influential incentive to increase employee motivation, and, thus, enhance employees' overall performance. Bangladesh is one of the most populated countries in the world and its population density is 1,142 people per square kilometer, which is three times higher than India and nearly five times higher than Pakistan (Shahidul, 2010). Because of the size of its population and its growth, food and agriculture products are becoming scarce. Moreover, food incentives are important because the wages of people who have migrated from rural areas to work in the RMG industry have been insufficient to cover their basic needs. Also, due to low household income and the high cost of living, women in Bangladesh have joined the labor force. Yet, traditionally, Bangladeshi women have been responsible for meal preparation, which takes considerable time. By providing meals, firms can gain a healthier workforce, minimize workers' late arrival, introduce overtime, increase job satisfaction, reduce employee turnover, and, ultimately, increase productivity.

Another informal incentive used is in the form of transport services. Transportation in Bangladesh is not conducive to women's mobility. Culturally, Bangladesh is an Islamic society. It is a highly gender-segregated society that restricts women's movements and ability to be with men. To account for this cultural difference, a women-only bus service has been introduced to allow female workers to travel more easily to and from their workplace. However, this service is not yet accessible to women everywhere, and is reduced during office hours. By providing a transport service that is easily accessible to their employees, RMG factory owners can help their employees be on time at work, and more specifically help their female employee

[9] Compound annual growth represents the growth over a period of years, with each year's growth added to the original value. It can be calculated as CAGR = $(EV / BV)^{1/n} - 1$, where: EV = Ending value, BV = Beginning value, n = Number of periods.

feel more secure and satisfied with their work, thereby increasing their production performance.

Housing facilities are yet another informal incentive provided to workers. Many young female workers migrate in search for a better future from their villages to the cities where most RMG factories are located. However, due to low income, their housing situations are mostly unhygienic, congested, and insecure. This is the result in stress and, subsequently, in lower productivity. The provision of cheap, safe, and hygienic housing facilities by RMG factory owners can reduce employees' levels of stress, as well as help them take on overtime work, and, again, ultimately, improve their productivity.

Health care services are another form of informal incentive. The International Labor Organization (ILO) stresses that most of the health hazards for garment employees arise from factory owners' non-compliance with labor laws. The absence of medical facilities, and the lack of leave and income for medical check-up aggravate employees' ill health. It is accepted that employees' ill-health negatively affects labor productivity. Thus, offering medical services to employees at the factory's doorstep helps keep employees healthy, and, consequently highly productive. Because of that, the cost to the company of regular medical checkups will be recouped through the increase in productivity of a healthier workforce. Moreover, access to free and subsidized medical services will further motivate employees and stimulate their productivity level.

4. CONCEPTS AND METHOD

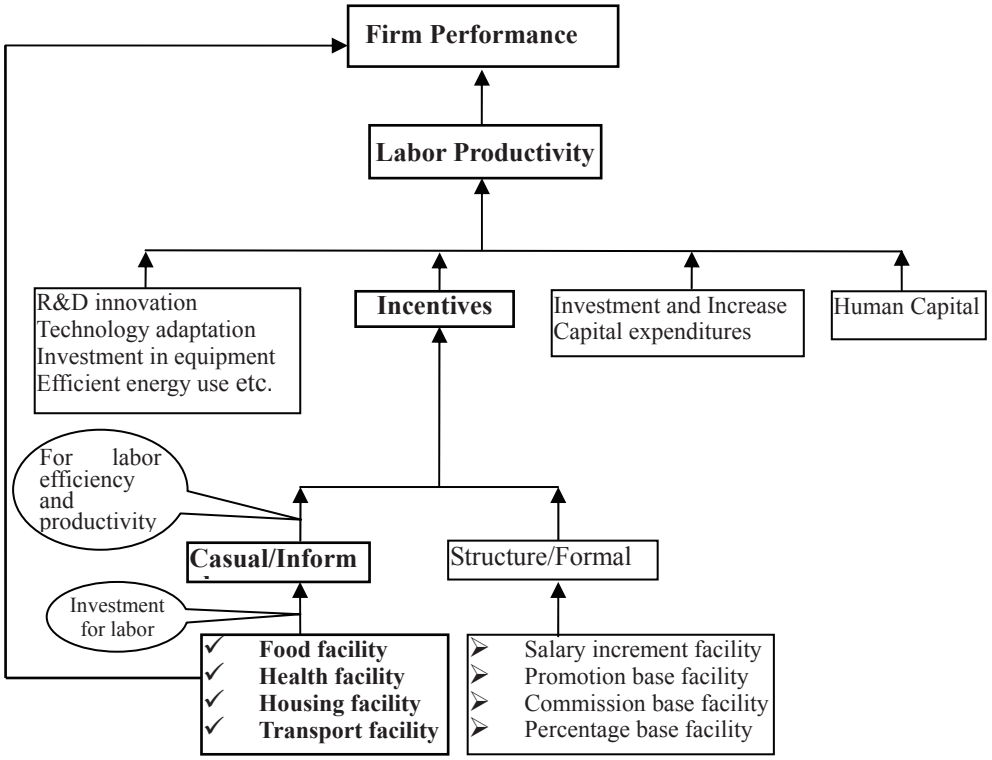
In the context of industrial organization, performance is a broad concept that has been used to cover issues of productivity, efficiency, effectiveness, and, more recently, competitiveness (Cooke, 2000). The effective use of the workforce in production is dependent on management's ability to motivate employees to be more efficient. Following Cooke's ideas on performance through productivity, the Bangladeshi RMG industry uses its own strategies to increase labor productivity. As discussed previously, one such strategy is the provision of incentives to employees.

Productivity is a measure of the efficiency of production. Saxena (2010) describes that productivity as the ratio between inputs and outputs. The concept of productivity is used frequently in evaluating firm performance. As a sixth largest RMG exporter in the world, Bangladesh is looking for performance improvement of its RMG industry further. Forfás highlights that an increase in productivity brings many benefits to an industry including low operational costs, optimum use of company resources, and reduction of environmental impact, increase of competitiveness and market share, and, provision of opportunities for expansion. As argued by Hughes (2009) and Billikopf (1992), productivity is influenced by many factors, including labor incentives. Bangladesh is a labor rich country and its present concern is toward improving its labor productivity. Billikopf (1992), Bhattacharya, Rahman, and Golam (2007) found that labor issues within industrial firms are critical for a firm's performance.

Labor productivity is the average production of employee — average output per worker, an output which could be measured in physical terms or in price terms. It is not the same as the marginal product of labor, which refers to the increase in output that result from a corresponding increase in labor input. The qualitative aspects of labor productivity in firms, such as creativity, innovation, teamwork, improved quality of work, and the effects on other areas are discussed in the literature. However, the main issue relating to productivity is its measurability.

Profitability is used as a proxy for performance, which can be broadly divided into two types in accounting terms: margins and returns. A margin is a firm's ability to translate sales values into profits at various stages of measurement. Returns are a firm's ability to measure its overall efficiency in generating returns for its shareholders. In this study, net profit margin is used as a proxy for financial performance. Net Profit Margin is the most often used ratio in measuring performance. It shows how much of each sale value shows up as net income after all expenses are paid. For example, if the net profit margin is 5%, which means that 5 cents of every dollar is profit. The net income is calculated after consideration of all expenses including taxes, interest, and depreciation. The calculation is: Net Income/Net Sales = _____%.

The bolded words in Figure 1 show the relationship between informal incentives and firm performance. It demonstrates the ways in which informal incentives offered by if RMG factories owners to their employees directly affect the firm's productivity and performance. It should, be noted that factors like R&D innovation, technology adaptation and human capital are equally important in increasing the productivity. However, the focus of this study is on informal incentives. Because Bangladeshi RMG workers are motivated by basic needs as they still in the physiological need status of McGrager's (1943) motivation theory.



Source: Author, 2013.

Figure 1
The Conceptual Framework

Following, the study's hypotheses about the association between informal incentives and firm performance are presented:

H_1: *Informal incentives (food, health, transport, and housing) are positively associated with firm's production performance.*

H_2: *Informal incentives (food, health, transport, and housing) are positively associated with growth firm's net profits.*

5. DATA AND FINDINGS

The study's empirical data was collected from 38 medium and large-scale RMG factories in Bangladesh which offered informal incentives to their employees. Table 3 presents the cumulative investments of each incentives program offered by these 38 companies during the period of 2003 to 2012.

Table 3
Cumulative Investments for Incentives Programs in US$ Million

No.	Year	Food	Health	Transport	Housing
1	2003	112.6	0.61	0.22	0.20
2	2004	127.7	0.65	0.46	0.32
3	2005	137.2	0.71	1.79	0.33

To be continued

Continued

No.	Year	Food	Health	Transport	Housing
4	2006	155.3	0.86	2.86	1.88
5	2007	158.1	0.88	0.81	0.79
6	2008	167.9	0.92	0.69	0.87
7	2009	177.2	0.87	0.81	1.04
8	2010	174.8	0.76	0.65	1.11
9	2011	201.2	0.68	0.81	2.97
10	2012	226.6	0.76	0.88	0.69

Source: Researcher's compilation

Hypothesis 1 (H_1) was developed to examine the relationship between informal incentives (food, health, transport, and housing) and a firm's production performance. Cumulative data relating to food, health, transport, and housing, with their individual impact on each incentive, and their overall impact on production performance, is given in Table 4.

Table 4
Overall Labor Production Performance After Implementation of Informal Incentive Programs

No	Year	No of companies commenced programs				Impacts		
		Food	Health	Transport	Housing	Decreased by (%)		Increased by (%)
						Absence due to ill-heath	Employee turnover	Overall production performance
1	2006	25	38	11	10	21.7%	79%	10-15%
2	2007	26	38	14	12	22.00%	88%	10-15%
3	2008	34	38	14	14	16.4%	92%	10-15%
4	2009	36	38	18	19	15.3%	97%	15-20%
5	2010	38	38	20	32	6.1%	98%	15-20%
6	2011	38	38	28	35	2.0%	98%	20-25%
7	2012	38	38	32	38	2.4%	99%	25-30%

Source: Author, 2013.

Data above show that after implementing informal incentives programs employees' levels of absenteeism due to ill health were drastically reduced to 2.4% in 2012, from 21.1% in 2006. Similarly, employee turnover ratio was reduced from 79% in 2006 to 99% in 2012, showing a negative trend. Relating to performance, data show that the overall production performance of firms increased from 10-15% in 2006 to 25-30% in 2012, indicating 100-150% growth. These impact data clearly indicate that informal incentives are positively associated with production performance supporting our hypothesis 1.

Hypothesis 2(H_2) was developed to examine the relationship between informal incentives (food, health, transport, housing) and a firm's profit growth. Table 5 shows the cumulative growth indices of 38 companies during the period of 2006 to 2012.

Table 5
Cumulative Growth Indices (2006-2012)

No	Year	Number of claims after production	Number of shipment delays	Overall net profit growth (%)
1	2006	3	3	5
2	2007	8	7	5-6
3	2008	4	5	5-7
4	2009	2	4	6-8
5	2010	1	5	8-10
6	2011	0	0	8-10
7	2012	0	0	8-10

Source: Author, 2013.

Data given in Table 5 show that after implementing incentives programs, overall net profit grew from 5% in 2006 to 8-10% in 2012, indicating a 60%-100% growth. This growth of net profit suggests that the provision of informal incentives has a positive impact on firms' profitability, supporting our hypothesis 2. Additionally, data presented in Table 5 show that the number of claims and shipment delays were also reduced during that period, indicating the positive impact of the introduction of informal incentives in the RMG industry.

CONCLUSION

Sustaining competitiveness on the international market is of paramount importance to Bangladesh's RMG industry. Although, the country's low cost labor provides an advantage for the industry, it is accepted that boosting labor productivity is essential for the long-term sustainability of the industry. In this context, productivity has overwhelmingly been identified as the most important factor for ensuring Bangladesh's competitiveness. Accordingly, the RMG industry in Bangladesh offers

informal incentives, alongside formal incentives, as a strategy for increasing labor productivity and firm performance.

This study investigated whether there is a positive association between informal incentives and firm performance. Our findings suggest that informal incentives (food, health, transport, and housing) have a positive association on firm's production performance and profit growth. In this light, it can be concluded that informal incentives have the capacity to increase firm performance in the Bangladeshi context. The industry should, therefore, consider developing such incentives for securing enduring sustainability of RMG products on the international market.

Though the main focus of this study was to explore the informal labor incentives and their effect on labor productivity, the author is mindful that there are many other labor related factors that affect employees' levels of motivation and productivity. For instance, employees' formal remuneration within the RMG industry plays a major role in increasing productivity. The government's labor laws and regulation fix minimum wages, but some firms have been offering higher remuneration packages. Drawing on Maslow's (1943) hierarchy needs of theory, it can be argued that higher remuneration may lead to higher productivity. In the context of Bangladesh, the relationship between remuneration and labor productivity is a worthy area for future research. Moreover, employee training and development programs can be considered another important area for labor productivity. Such programs are commonly recognized as a tool for maintaining higher productivity through increasing employees' skill levels. Researching employees' up-skilling programs offered within RMG firms in Bangladesh and how they affect labor productivity is another interesting area for future research. Finally, labor productivity is also affected by employer-employee relationships. It is acknowledged that sound employer-employee relationships make better working environments for employees, thereby increasing employee satisfaction and their productivity. Accordingly, it is of interest to investigate how employer-employee relationships within the Bangladeshi RMG industry affect employees' productivity.

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