INCREASING FACTORY WORKER WELL-BEING THROUGH DIGITAL PAYROLL

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
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.

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

BUILDING BLOCKS FOR SUCCESS

1. 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.

2. Engage and create value for supply chain partners
   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.

3. 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.

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.

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.