Leadership and Organizational factors for creating Sustainable Readymade garment (RMG) sector in Bangladesh

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Abstract

Readymade garment (RMG) sector is the most common and prospective form of business among microfinance sector in the world. The macro-economic performance of Bangladesh is hugely dependent on its (RMG) manufacturing sector. It has a great contribution on employment, woman empowerment and GDP that creates a great influence on global economy. It is not only the Scandinavians who have faith in Bangladesh for sourcing different types of garments, but also other the big giants like USA have facilitated Bangladeshi RMG sector. But there are some restraints that lying behind Bangladesh’s RMG sectors success. Such as- unskilled garment workers, infrastructure, political instability, unhealthy environment, low wage etc. Many researchers have study on these issues, but a few look at the organizational and leadership factors that influence sustainable RMG sector. This paper shows the strength and weakness of the industry and finds the solution to gain sustainability in the sector. The study is conducted under the Case-oriented Research (COR) design.

**Keywords:** Case oriented study, Readymade Garment (RMG) Sector, Leadership, Organization, Sustainability.
Chapter one: Introduction

This chapter represents the importance of readymade garments (RMG) sector on global as well as national scales (Bangladesh). Then, the concept of sustainability has been introduced for the RMG sector. After that, by arguing the sustainability problems of RMG sector, this chapter provides the research purpose and research questions of the study.

1.1 Bangladesh and its development:

Bangladesh has achieved remarkable growth in recent decades and has now attained lower middle-income country status. At the time of independence 1971, most observers of the newly emerged country took a pessimistic view about the developmental prospect of Bangladesh (CPD, 2007). They think that the country will remain stuck in a below poverty level equilibrium trap. Though this country faced much complication at the beginning, but as the time goes two-fifth of the economy is connected with the global economy through exports, imports, factor and commodity markets; the degree of openness of the economy currently stands at 40% (Rahman & Bhattacharya, 2013). From the birth of the country, industrialization plays a pivotal role in its development. This development was driven partly by a robust ready-made garment (RMG) sector, which accounts for 80% of the country’s exports. Most of the manufacturing factories in Bangladesh are labour-intensive, particularly ready-made garment (RMG) industry (Huda et al. 2007). The garments industry in Bangladesh has been expanded almost uninterruptedly since the late 1970s. It survived Multi-Fiber Arrangement (MFA) phase out at the end of 2004, and remains international competitive to date (M. Yousuf & T. Yamagata, 2012). Now Bangladesh becomes the 2nd large country of exporting ready-made garments in the world (BGMEA, 2016). According to Faruque (2014), The “Made in Bangladesh” tag has brought glory for Bangladesh, making it a prestigious brand across the globe (Business Tribune, 2014). This sector has a greater potential than any other sector in terms of employment and foreign exchange earnings to reduce poverty in Bangladesh (F. Ahmed, 2009). Therefore, we could consider that RMG sector plays a vital role in the development of Bangladesh. However, poor working condition and also workers lack of trainings makes this sector quite backward from the developed world. Therefore, for the sustainable development of Bangladesh, we need to ensure better working environment for the employees that will bring sustainability in RMG sector.
1.2 History of Readymade Garment (RMG) sector:

The readymade garment industry is one of the oldest and largest export industries (WIEGO, 2016). Modern production and distribution of garments has created a “the global assembly line” (Carr, Chen & Tate, 2000). New York is the birthplace of readymade garments. The first readymade garment factory was established in New York in 1831. At first it was more popular with men than women were but at the middle of 20th century, 90% of the garments were sold readymade in the western world both for men and for women. Many countries over the world involved in RMG sector in term of its increasing popularity for their development. In 1978, the RMG factory was established in Bangladesh with nine enterprises (Mazharul, 2011). From the beginning, RMG sector gets prosperity because of the abundant supply of cheap labor in Bangladesh. In the late 90s, it employed an estimated 350000 workers in formal and semi-formal employment, making it the fourth largest employing sector (Bajaj, 1999). Most of the workers are women here for whom this is one of the most suitable forms of employment. Again, the machinery is relatively in-expensive and easily available for this industry and garments procedures can operate in small premises. The most important factor in this growth is the benefit of reserve market that Bangladesh gets under Multi Fiber Agreements (MFA) in 2004 (MD Yunus & Tafsuni Yamagata, 2012). Moreover, Bangladesh’s garment exporters enjoy the privilege of Quota-Free entry into the European Union (Mazharul, 2011). As a result Bangladesh is able to export everything that it produces. In addition, Bangladesh Government supports the industry through offering lucrative incentives for encouraging the use of local fabrics in the export oriented garment industries (Daily Star et al, 2014). Now they can also import capital machineries and cotton duty-free. And for this reason, Bangladesh becomes one of the leading countries in this sector in the world. BGMEA’s annual report (2015) shows RMG sector contributes 81.68 % of the total export of Bangladesh in 2014-2015 FY. Bangladesh earns 25491.40 million US $ in 2014-15 (source: BGMEA).
1.3 Importance of Readymade Garments (RMG) sector in Bangladesh:

Readymade garments sector of Bangladesh plays a pioneering role in the country’s economic growth. In this section, I will explore further, how it does indeed contribute.

First, in terms of export and International visibility

RMG sector has gained a high profile in terms of foreign exchange earnings, export, industrialization and contribution to GDP within a short time (M.A. Matin, 2011). It is the biggest exporting industry in Bangladesh, which experience continuous growth during the last 25 years. Export earnings of Bangladesh are mostly determined by the export of readymade garments (RMG). Whereas the industry contributed only 0.001% to the country’s total export earnings in 1976 (starting time), now 81.40% of export earnings come from this sector (source: BGMEA). About half of the foreign currency from the readymade garments comes from sales to the EU and US. EU is willing to establish industry in a big way as an option to china for knits. In recent years, there are some huge opportunities for exporting products in the market of Middle-East, Latin America and Africa for Bangladesh. Bangladesh exported garments worth the equivalent of $ 25491.40 million in 2015 that was about 9.2 % of the global total value ($276 Billion) of the export (Tanzeem & Mawa et al., 2015). Now RMG sector has set a target to earn $50 Billion by 2050 (Hossain et al., 2014).

Second, in terms of overall economic system in Bangladesh

The sector has also plays a vital role to promote the development of other key sectors of economy such as - banking, insurance, shipping, road transportation, railway container service etc. have been getting benefits (Md. Mohiuddin et al). The main highroads namely Dhaka-Chittagong, Dhaka- Mymensingh, Dhaka-Tangail through which RMG products are transported are being widened (from two lanes to four lanes) and power supplies have been increased in the production areas (Faruque et al, 2014). Every garments company needs to abide by the code of conducts and they need to make insurance for the companies as well as for the workers. Therefore, insurance companies earn a huge amount from this sector. Banking sector is also getting privileges by giving loans and taking high rates of interest. Therefore, it is quite apparent that RMG sector has played a pivotal role in the economic development of the country.
Thirdly, source of employment

Besides, enriching countries economy, this sector creates a lot of employment opportunities for the people of Bangladesh. Around 4.2 million Bangladeshi, especially women from low-income family works here. At present more than two thousand one hundred garment factories running in the country, where 85% of the work force is women (BGMEA, 2015). The readymade garment sector has more potential rather than any other sector to contribute to the reduction of poverty. Thus it takes part in the socio-economic development in Bangladesh. Due to the availability of the workers and raw materials, Bangladesh is clearly ahead of other Southeast Asian suppliers in terms of capacity of the readymade garments industry.

Fourthly, Contribution to GDP

Moreover, over the last 15 years the RMG sector has revolutionized the country in terms of its contribution to GDP growth (13.25%), women’s empowerment, income generation for rural immigrants and also in socio-economic development (Khadiza, 2013). In addition, Bangladesh is included in the Least Developed countries with which US is committed to enhance export trade. From this, Bangladesh will gain more export facilities that will contribute to the economical development of the country.

From the above discussion, I can thus be infer that the RMG sector is the backbone of Bangladesh’s economical as well as social development and thus that the sustainable development of Bangladesh is dependent of the sustainability of the RMG sector.

1.4 Sustainability and its impact on RMG sector:

The concept of sustainability comes into view in the 1960s to show the environmental degradation that was created because of poor resource management (Mckenzie, 2004). For this reason, Organization for Economic Cooperation and Development (OECD) was established in 1960 to promote sustainable policies for achieving economic growth and employment for its member countries (Global Sustainability, 2001). In line with (Werther & Chandler, 2011), the term Sustainable development refers to the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Again, Elkington (1944) says, it is not possible to achieve expected level of sustainability without the
equal combination of environmental, economic and social aspects of the organization simultaneously (Mckenzie, 2004). Therefore, the concept of “triple bottom line (TBL)” was developed by Elkington (1994) that encircles Environmental, economic and social concerns being three pillars of sustainability (Mckenzie, 2004). Again Carroll’s Pyramid also shows the crucial factors of the sustainability which has the elements of economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility.

Due to the importance of RMG sector in Bangladesh as well as global economy (with regard to its employment creation and contribution to (GDP), there is a need to ensure readymade garments (RMG) factories are sustainable. In line with the definition of sustainability presented above, Sustainable readymade garments are those which have experienced environmental, economic and social concerns simultaneously. But it is a matter of regret that most of the companies failed to bring social sustainability which is the main of these three aspects. Many study shows that most of the garments factory fails to gain success because of their unwillingness to improve working condition of the workers. Therefore, the main idea is that the business entity will last because of the improvement of working condition that will make them prosperous and sustainable.

Poor working environment, unskilled work force, political instability, low wage, inadequate infrastructure creates huge lose for this sector. All these things are responsible for unstable RMG sector.

1.5 Need of mapping out Organizational and Leadership factors for creating sustainable RMG Sector: A call for research

1.5.1 Problem Formulation:

Though readymade garments (RMG) sector plays a pivotal role in Bangladesh, there are many reasons that hinder its way of sustainability and performance. Unhealthy environment, unskilled work force, political instability, low wage, inadequate infrastructure creates huge lose for this sector. Many researchers who have studied the RMG sector looked into different issues from different perspectives.
By studying the infrastructure of RMG sector in Bangladesh, (Md. Mohiuddin, 2010) finds two bottlenecks in this issue. They are the inefficiency in the Chittagong port and lack of backward linkages industry in woven sector which use imported fabrics and thereby increase the lead time and do not qualify for the DFQF access to the EU market. ADB technical study in 2003 found that Bangladesh will earn 30% more if these inefficiencies were removed at Chittagong port (ADB, 2006). Again, electricity problem also creates a huge lose for RMG sector. Most of the big industry use private electricity which increase the production cost (Export Promotion Bureau Bangladesh). So if Bangladesh’s RMG sector overcomes these problems, it will be more stable than before.

Again, poor working conditions and social compliance are serious concern for the RMG sector in Bangladesh. Several studies have talked about the causes of RMG sector. Among them, Hossain et al (2010) analyzes the various estimates of basic needs in terms of calories and relevant per day money value to meet up such requirements and found in all respect living conditions of RMG workers are worse than any other social group of the country. It does not meet the ILO standards of working condition (Anand, 2006). The absence of trade unions, informal recruitment, irregular payment, wage discrimination, abusing child labor all this things violates the international labor standards (Ahmed et al). Most of the garments workers suffer from various diseases because of the unhygienic environment and lots of workers died in workplace accidents, fire and panic stampedes. Rana Plaza collapse and Tazneen Fasion fire are two serious incidents that damaged the reputation of Bangladesh in the global RMG sector previously. Due to safety concern and infrastructural deficiency, foreign buyers are canceling their orders from Bangladesh (Hossain et al., 2014). Again, garments workers are concerned with long working hours or double consecutive shifts, personally unsafe work environment, poor wage and gender discrimination(Kumer,A; 2009). In fact, compared to other job sector, job insecurity is higher in RMG sector in Bangladesh (Priyo et al., 2010) However, fear of losing their jobs and lack of alternative job opportunities force the workers to continue this unsatisfactory employment (Bansari, 2010). Now, the govt. of Bangladesh increases human resource management to monitor working condition of RMG sector. HRM can established a congenial working environment in the RMG factories that enhances job satisfaction, through training, job security, introducing flexible working times, encouraging new technology and reward , benefits and other fringe payments (Ferdous Ahmed, 2014). Careful attention to the HR practices is a prerequisite to have motivated and committed employees (Becker & Huselid, 1998 & Guest, 2007).

Although most of the studies done around the issue to understand the influencing factor that will bring sustainable condition of RMG sector, none of them have focused on mapping out the factors directly from organizational and leadership perspective. For this reason this study seeks to find organizational and leadership factors for creating sustainable RMG sector in Bangladesh.
Organizations play a vital role in the society (Tolbert & Hall, 2009). They suggested that we need to understand the factors that affect the existence and operation of organization in order to ensure that they are sustainable and remain so (Tolbert & Hall, 2009). Again, Participation in decision making in industry results in satisfaction of employees and an increase in productivity and profit. It empowers the employer to achieve the organizational goal (M.A.H Bhuiyan, 2001). Readymade garments are also organizations, so it’s important to have sustainability in this sector.

Secondly, according to Northhouse (2013), leadership is “a process whereby an individual influences a group of individuals to achieve a common goal”. There are different approaches and theories in leadership. Trait approach, transformational approach, skill approach all of them represents different way of leadership. Whereas trait approach claims that individual process certain traits that enable them to induce others to accomplish tasks, transformational approach considers the process that moves followers to accomplish more than usually expected from them. Again skill approach is concerned with the capabilities (knowledge and skills) that make effective leadership possible (Northhouse, 2013).

Moreover, (Werther & Chandler, 2011), suggested that an unchecked economic value without considering social consequences will create a CSR deficit for the organization. So, the organizational policies and practices that generates both economical and social value in a balanced way is deemed as the strategic CSR window of opportunity (Werther & Chandler, 2011), which is important for organizational sustainable development (Voegtlin & Pless, 2014). Without employee satisfaction, internal stability and congenial environment inside the organization, an organization does not get good reputation and acceptability by the external stakeholders, especially clients, investors and competitors (Choo, 2006). In this context, RMG sector should also have the better working condition that will bring social sustainability.

All in all, In Readymade Garment (RMG) sector both organizational and leadership factors will work for creating suitable working condition of the worker that will bring sustainability in Readymade Garments (RMG) sector. So, the purpose of this thesis is to map out the organizational and leadership factors for creating sustainable RMG sector, calls for this study. The outcome of the study enables industries sector to implement the identified factors to create better working condition and bring more prosperity in this sector as well as in Bangladesh.
1.5.2 Purpose of the Research:

The purpose of this study is to ‘describe’ what major leadership and organizational factors influence for creating sustainable RMG sectors in Bangladesh. As I explained in the previous sections about the problems of RMG sector, by looking at the successful RMG companies, I want to figure out organizational and leadership factors that influence better working condition. Based on the purpose of the thesis, two research questions are developed.

1.5.3 Research Questions:

**RQ1**: What are the key organizational policies and practices for creating better working condition that will bring sustainability in RMG sector?

**RQ2**: What are the key leadership policies and practices for creating better working condition that will bring sustainability in RMG sector?
Chapter Two: Methodology

This chapter describes the ontological and epistemological standpoints of the researcher. The role of theory here is iterative. The philosophical assumption, research design and the methods used in collecting and analyzing data will be discussed in detail here.

2.1 Ontological and Epistemological Foundations:

The nature of research questions and research problem should be the guiding star when deciding on methodology for a research (Hamed et al., 2015). According to Morgan (1980), the choice and adequacy of a particular method embodies a variety of interrelated assumptions regarding the nature of knowledge, the methods through which that knowledge can be obtained, and the very essence of the phenomenon to be investigated (Morgan and Smircich, 1980). From the ontological and epistemological standpoint, which is the view of reality and the view of knowledge (6 & Bellamy, 2012), this study is mainly developed from a positivist viewpoint. Positivism is one kind of empiricism. Its main idea is that, all knowledge comes from experience—from what we observe (6& Bellamy 2012, p-50). Under the philosophical assumption of positivism, inferences can only be drawn from the observable facts, and correlation or association (but not causation) can be observed with the underlying factors in line with the proceedings of this study (6 & Bellamy, 2012). By collecting different articles and exploring the issues I am inclined more towards positivism in terms of ontology, which is mostly about data creation and data collection (6 & Bellamy, 2012). My positivism approach assumes that reality is observable. Similarly, in terms of epistemology based on this philosophical assumption I analyze the data which is similar to all by understanding not only the visual observation, but in the broader sense, to what I can detect with all my senses. Empiricism suggests that when we develop abstract concepts and theories, we are doing no more than summarizing our experience. That’s why I don’t generate any data; rather I select data which are related in this issue.
2.2 Research Approach:

Research approaches are mainly divided into two parts: deduction and induction, but there is another one which has a great influence on research – Iterative approach. As the aim of this study is to find the facts that influence on sustainability of the RMG sector and these factors are not clear in the beginning of the research, a deductive approach will make me limited and I can’t recognize many un-identified factors. Again, in line with the inductive approach, which comes with a question and told us to “follow interesting leads” (6 & Bellamy, 2012) and be open to unexpected research outcomes throughout the research process, I will not able to correlate the cases and different factors that I identified in the research. That’s why I chose iterative approach for this study. In iterative researches, there is a triangle of theory, data and results. The researchers can move back and forth between the three elements to understand the correlations of the factors. Dubois & Gadde (2002) says,” a standardized conceptualization of the research process as consisting of a number of planned subsequent ‘phases’ does not reflect the potential uses and advantages of case research. Instead, by constantly going ‘back and forth’ from one type of research activity to another and between empirical observations and theory, the researcher is able to expand his/her understanding of both theory and empirical phenomena. Although this approach considers no priority between the theory and data, the researcher always enters in his/her study from one of these possible gates. This iterative approach of this study enabled me to move back and forth between data and theory for having better understanding about the identified factors as I developed in the research process.

![Figure 1: Triangle of Iterative Study](image)

2.3 Research Design: COR

To describe leadership and organizational factors, that will solve the problems of Readymade Garment sector and bring sustainability on it, one of the possible designs for this study could be the VOR (Variable Oriented Research). But collecting, coding, and analyzing of quantitative data from the cases of this study would have some difficulties in terms of time and data accessibility. That’s why I need to look into different cases that will help me in the research process.
Therefore, the research design that I apply in this study is COR (case-oriented research) considering each companies as an independent case (6 & Bellamy). Ragin (1987, 1994) uses the term ‘Case-Oriented Research ‘ to refer to the use of multiple case studies with modest size to explore the casual effects of specific variables on particular outcomes, by comparing relationships between independent and dependent variables both within and between cases (6 & Bellamy, 2012).

Again, according to 6 & Bellamy, COR is also regarded as ‘Comparative case research’. The design aims to make comparison between a relatively small numbers of cases. It compares the behavior of theoretically important variables across cases, but also uses within case analysis to explore how these similarities and differences relate to the specific context and dynamics of each case. After doing within case study, the variables are compared between the cases to understand the similarities and differences (6 & Bellamy, 2012 p-119).

This study also looks at two cases that are Bangladeshi Readymade Garments industry and both of them are popular for their quality and punctuality. By looking at these companies, I tried to find out leadership and organizational factors that brings sustainability. After doing the within case study, the variables are compared between the cases to understand the similarities and differences.

2.4 Research Inference and Qualitative Research:

In line with 6 & Bellamy, this study presents descriptive inference to understand how leadership and organizational factors influence on creating sustainability in RMG sector. In this study, I employed qualitative method, instead of quantitative method. The basic difference is that while a quantitative research employs measurement to accept or refute hypothesis, Qualitative research involves an in-depth understanding and interpretation of the contextual meaning of the phenomena under study (Bryman & Bell, 20003). In qualitative research, the aim is to probe for deeper understanding (Jhonson, 1995). Again Ragin (1994) suggests qualitative method for COR because it allows research instruments and analytical frameworks to be developed or amended in the course of the research. Therefore, this study implements qualitative method in line with the purpose, the philosophical assumptions and research design as described above.
Chapter Three: Methods

This chapter explains the methodical proceedings of this study in terms of data creation, collection, coding, organizing and analyzing (6 & Bellamy, 2012). It also presents the validity and reliability of this research together with its ethics and quality.

3.1 Data Creation:

Data creation methods are used to produce data as raw material of research that can be used to perform further investigations (6 & Bellamy). I have used Malmo University’s SUMMON database to find the related articles for this study. Data creation process has been done in several steps. At first, I choose the articles that are related to the RMG sector and Sustainability from MAH Summon database. I also use Google, Google scholar as a search engine for finding articles. Secondly, I look at the advanced option that has the initial key words of the study - Leadership, organization, social sustainability, economic sustainability and environmental sustainability. Thirdly, many articles have been chosen that has talked about the RMG sector of Bangladesh, as my main focus is in Bangladesh. Fourthly, only the full text online available and peer reviewed journal articles have been retrieved from different field of study. Finally, the articles that contain leadership and organizational factors have been extracted accordingly.

3.2 Data collection:

Data collection methods are the procedures for capturing important data from created data for answering the research question or purpose (6 & Bellamy, 2012). In this study, I collect data in line with my positivism standpoint, as I collect data which is “out there” and everybody has access to it. It also takes some steps. At the very first level, I tried to identify the common themes related to sustainability of RMG sector in Bangladesh. I collect and studied more than 20 articles from the created data. After making sure that selected articles are relevant to the subject, I tried to find out leadership and organizational factors that influence sustainability in RMG Sector.

The second level of data collection was about collecting the data of the cases in this study. I need to identify the similarities existed in both of the cases of the study. Here the personal website of every company is used for collecting data. In addition, I collect some official
documents from the owners that are not available in the website. I also used Google search engine to access the data of the cases. Figure 2: illustrates different level of data collection, coding and analysis of the study.

**Figure 2: Iterative Approach in Data collection, coding and analysis**

At last, I co-relate theories that help me to understand the factors. After identifying the possible factors and checking them in cases, I need to refer to the literature again and check to what extend my finding in the cases collaborated with other studies. Here I use academic articles that are published in current decade.

### 3.3 Data Coding:

Data coding methods are the procedures for determining the particular set of data under different categories related to the research questions (6 & Bellamy, 2012). After collecting the
articles, I studied relevant contents in each article and coded them in major themes. Each theme had variety of possible factors. Table 1: shows the common themes and possible factors.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Themes</th>
<th>Possible Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Organizational Structure</td>
<td>Structure, health and safety policy, medical service, risk/crisis management, trainings, environmental impact, working hour policy, fair wages</td>
</tr>
<tr>
<td>02</td>
<td>Organizational Culture</td>
<td>Selection of management, values and morality of the organization, communication system, owner-employee relation</td>
</tr>
<tr>
<td>03</td>
<td>Sociability and personality of the Leaders</td>
<td>Leadership qualities, honesty, fairness and justice, community building, ethics of leaders</td>
</tr>
<tr>
<td>04</td>
<td>Motivation and Satisfaction</td>
<td>Decision making, open door policy, direct participation in the production, reward, festival bonus</td>
</tr>
</tbody>
</table>

Then, in the second level of coding, I connected it with the leadership and organizational aspects. Here I coded the data based on my knowledge of leadership and organization from this course.

### 3.4 Selection of the Cases:

I have followed some criteria for selecting the cases for this study. First of all I choose the companies that are established in Bangladesh. Though, this study is based on Bangladesh’s RMG sector, so it’s better to look into the cases from Bangladesh. Moreover, all the big companies like H&M, Zara, New Yorker, and MQ buy their products from Bangladesh. So, selection of these companies will reveal how the products come from the initial level.

Secondly, I choose the factories that has well working environment. For sustainable development of RMG sectors working environment of the factory plays a vital role. It’s not enough to look into the companies profile only to get the result of the study, that’s why I also look into the audit report of the factories.

Thirdly, the size of the organization is also important. I select high performance RMG industries because of their complex structure which will make the result of the study more resourceful.
Fourthly, both of the companies are well known to me. Though, I am in Sweden and doing the study from far distance, known persons will give the official documents much more trustfully than the unknown person.

The depth of the study also depends on the number of cases. I took two cases for conducting the study- Mouchak Knit Companies, Ananta Group. These companies export their products all over the world and popular for their organizational and leadership policies and practices.

According to Silverman (2011), organizations represent themselves collectively to themselves and to others through the construction of documents, which can be written records and or other kinds of documents. If we want to understand how organization work and how people work with or within these organizations, then we cannot afford to ignore their various activities as readers and writers (Silverman, 2011). Moreover, Bloomfield and Vurdabakis (1994) suggest that “textual communicative practices are an important way in which organizations constitute ‘Reality’ and forms of knowledge appropriate to it”. For this reason I used internet to search for all the documents related to this study. I trust the content of the documents used in this research because these documents are arranged from scientific articles which followed due research process and official documents from the cases.

3.4.1 Mouchak Knit Composite Ltd.

As a leading Knit and Woven ready-made garments facility (a vertical Knit composite), Mouchak Knit Composite Ltd., a private limited company has established itself in Bangladesh as a prominent supplier of both knit fabrics and knit and woven garments.

In 2011, the company first started as a private limited company and step by step made several expansions of the company. Currently, over 1200 people are working with 100 people in management positions.

Figure 3: Mouchak Knit Composite Ltd, Gazipur

Mouchak Knit corporate character is reflected in its distinguished national team of shareholders. The company has invested over US$ 15 million as projects cost and US$ 08 million
as working capital. (Source: Company Profile). Primark (UK), LIDL (Germany), PAYPER (Italy), LPP (Poland), NEW YORKER (Germany) etc are the clients of this company.

3.4.2 Ananta Group:

In 1992 Ananta group of companies started their journey in Bangladesh. It manufactures and export garments and leather products to western markets. The company has earned a reputation throughout the global apparel industry as one of the foremost factories in Bangladesh for its commitment to equality, timely delivery and total value. It also offers their prospective customers to visit and evaluate their firsthand factories. The company has 13000 highly professional, technically sound and dedicated workforce, who are recognized as the family members of “Ananta Group”. H&M (Sweden, Canada), George-UK, JOE, GAP-USA, C&A, JM& A, Morrison etc are the major clients of this group. The company has gained several awards for its quality and punctuality. Such as- it has gained social and Environmental excellence award in 2014. The company also becomes international supplier of the year in 2004.

3.5 Data organization:

Data organization methods are the procedures for arranging all sets of data that have been created, collected and coded by the researcher for answering the purpose of the study (6 & Bellamy, 2012). To organize the data, once the major factors are coded, I looked into the common themes that appear multiple times for answering the research purpose. As I have done qualitative research, this part has been elevated towards the arrangement of sustainability for RMG sector in Bangladesh.

3.6 Data Analysis:

Data analysis methods are procedures for manipulating data so that the research question can be answered (6 & Bellamy, 2012). In this study data has been analyzed in different levels. After coding and organizing the possible factors in main themes, I looked into the cases that I studied here and find whether this document data can access into the cases. Then I checked how these factors that I found in the document data exist in every case. At this level, I analyzed both of the cases for finding the similarity about all factors. Iterative approach of this study enabled me to look into the literature for checking whether my findings validate previous studies.
3.7 Validity and Reliability of the research:

3.7.1 Validity:

Data validity represents the credibility and truthfulness of the research in relation to its content and context (6 & Bellamy, 2012; Silverman, 2010). This study also maintains the credibility of the research process from data creation to conclusion. The selection of the literatures for this study done by scientific database of MAH Summon and also Google scholar, that validates the process of both data collection and data analysis (6 & Bellamy, 2012). By collecting organizational and leadership factors from the literatures and after that analyzing those factors into the cases produce valid result in line with the valid process leads to the validity of the research (Jesson, 2011; Machi, 2009).

Again an important dimension of validity in any research concerns the generalizability of the findings (Silverman, 2010). The findings in this study can be generalized to other readymade garments which will bring sustainability on them. So, I hope that the findings of this study will help managers to understand leadership and organizational factors that will bring sustainable RMG sector in Bangladesh.

3.7.2 Reliability:

Reliability refers to the degree of consistency with which instances are assigned to the same category by the observer on different occasions (Hammersley, 1992; Silverman, 2011). This study maintains a consistent process throughout the research where research design aligns with the research questions to show clear focus of the research. According to 6 & Bellamy (2012), re-coding of data on the same sample and producing the same result strengthens the reliability of the study. In order to ensure reliability, I also re-coded the data in order to check whether the initial codes give the same result. Collected data were used and kept confidentially for the trustworthiness of the research as suggested by Silverman (2011). Again I recorded all the resources for further research in future.
3.8 Ethics in the Research:

The ethical analysis of the study represents the quality of the research. Ethics plays a vital role in any research (Silverman, 2011). This study observed ethical code during the research process. The information that has been taken in this study does not disfigured and the intellectual properties have also been respected here, which remained an important ethical concern of this research (Silverman, 2011). Again all the literatures that was used in this research have been acknowledged with proper citation because it is not ethical to use other authors work without acknowledging them. Furthermore, I used some official documents of the companies that were taken from the owner. Most of the materials that were used in this research are public documents. I used internet search engines and business website for collecting articles that are related to the cases. Moreover, the companies, places and people that have been taken into consideration in this study are real which is also ethical. At last as a researcher, I have followed the moral standards while doing the research.
Chapter Four: Organizational Policies and Practices

This chapter answered the first research question of the study. The policies and practices that I discuss here are the factors that I found most eminent for sustainable RMG sector. According to Tolbert and Hall (2009), An organization is a tool for individuals to achieve goals, tasks, objectives, aims or visions and it requires resources, among those are organizational structures, culture, individuals skills and leadership(Tolbert & Hall, 2009). The organization is a micro-political system of individuals where internal processes constitute a continuous series of activities that influence the power relations between the actors (Gustafsson, 1979). Because organizational practices and policies affect the economic outcome of individuals, organizations are key components of the system of social satisfaction (Tolbert & Hall, 2009). Again, though organizations are such a pervasive feature of social life, it is important to understand the factors that affect their operation (Tolbert & Hall, 2009). Readymade garment industries are solely organizations. Sustainable RMG companies are those which have been successful in practicing some policies and practices that bring its sustainability. To understand the factors that influence on sustainable RMG companies, I investigate them from the organizational level. I identified three organizational factors that are the main key of sustainable RMG sector.

4.1 Organizational Structure:

An organizational structure plays a vital role for organizations legitimacy and its sustainability. In this part I discuss the structure of the Mouchak Knit Ltd. and Ananta Group Ltd. that helps them to create better working environment.

To understand the working environment and the benefits of the workers that make both of the companies sustainable, I have looked some of the organizations major structural issues.

4.1.1 Infrastructure and Capability:

Mouchak Knit Composite Ltd. is located Kaliakoir, Gazipur which is about 40 km away from Dhaka city. Total production capacity of the factory is 3500000 pieces per month and the total number of workers is 764 currently working in the factory which includes 344 female employees and 420 male employees (Company profile, 2015)). The factory structural plans are approved as six storied, as industrial. During the audit of Sedex Members Ethical Trade Audit (SMETA), they found good construction in the building inspection as there were no visible
defects. The factory structural plans are approved by (LGED). All workers found satisfied with the working environment when Smeta Audit Accor (SMEATA, 2014).

On the other hand, Though Ananta group Ltd started its journey in 1992; the main prosperity of its business comes when it shifted in Ashulia, Dhaka in 2005. The factory has huge landscapes with own power supply, open ground, dormitory, workshop, mosque and other modern facilities. The factory is well secured by the boundary walls and a trained and equipped security team. Total production capacity of the factory is 1.4 million pieces of garments per month and it has 11546 employees who are dedicated to achieve clients “production goals”. The structural compliance of the building has been certified by ACCORD and ALLIANCE (www.ananta.com.bd).

4.1.2 Health and Safety issues:

Both of the factories have health & safety committee that manage the working environment of the company. They visit each and every part of the company and if any concern rose about the health & safety issues, they took the notes and place it in the meeting and resolve it directly. All machines have been provided safety guards and workers have been trained for this. The factories have fire safety regulations also. Evacuation plans are displayed in local language throughout the factories. Both of them have emergency exits and aisles that are free of any kind of blockage. Mouchak knit Ltd. has a strong fire fighting team that gets all the required fire trainings (Company Profile, 2015).

On the other side, Ananta group has separate HR, compliance and welfare teams who monitor all facilities daily and submit their report to the authorized person. If any threat regarding health and safety issue is found, they take necessary action (Ananta group’s website). Again, safety programs and routine drills ensure that employees are aware of risks and capable of dealing with emergencies. It has fire drills and evacuation drills for reducing occupational health and safety hazards. So, it reveals that health and safety conditions are satisfactory in both of these companies that ensure low sickness and low environmental impact.

4.1.3 Medical Service:

The Mouchak Company provides medical treatment in the factory. It has a full time nurse and a doctor who attends to workers in case they need any consultations and first aid. If there any accident happened in the factory, the company provides all the facility that is needed. The pregnant women get medical follow-up facility here. They get special care during the pregnancy period. Again there are facilities for the women who have baby. The factory has child-care in its building that creates good working climate (SMEATA Audit, 2015)
Ananta group also assure free medical assistance to its employees. It provides free check-up for all the employees in every month. Again they have permanent Doctor and three staff Nurse on full time basis that are always there for emergency need. There is a medical room which has all equipments that is needed for the primary treatment. There is an Ambulance for emergency period if serious accident happens (Company profile, 2015).

4.1.4 Food and Nutrition:

Both of the Companies have a canteen area and a dining room for the workers. The workers can buy their food from the canteen which supplies dry and hygienic food. The dining area always keep clean and hygiene by the cleaners. Fresh water is provided by the factory which is free of cost. MKL has appointed a supervisor who looks after the canteen. The supervisor always takes care about the food and water to ensure suitable food and drinking water (SMETA Report, 2015).

4.1.5 Sanitary System:

Mouchak knit Ltd. has 60 toilets for women employee and 33 toilets for men employee. They have appointed full time cleaners to keep the factory clean and tidy (SMETA, 2014). Ananta group also have separate toilets and Fresh rooms for their male and female workers. It has also a rest room in every floor where employees can pass their break-time and refresh themselves for the work (ananta.com.bd)

4.1.6 Environmental Impact:

Mouchak Knit Ltd. business principles are sound, and it care about today’s and tomorrow’s environment. The company invests considerable amount in Water Plant (WTP) so that the industrial waste produced from its dyeing mill can be cleaned from hazardous chemicals before draining it out from the factory (SMEATA Audit, Dec, 2014). Similarly, since 2008 Ananta is the best CSR practicing company in Bangladesh which has adopted contemporary concepts of management system that ensure a working environment that is socially, environmentally and ethically compliant for the work force(Daily Star, National Newspaper, 2016). It follows the laws to ensure environmental protection in the process of using raw materials, manufacturing products and discharging wastage. They give training about (EMS) and also the waste management to their employees. They have a long term policy for preventing environmental pollution wherever practicable (ananta.com.bd).
4.1.7 Against Child Labor:

Mouchak Knit Ltd. does not employ any employee below the age of 18 years. The recruitment process requires workers to undergo a medical examination to verify the age by registered medical doctor (company profile). Ananta group also follow the National law and ILO conventions. They don’t allow any person below 14 year to join the company. They have all the birth certificates and national ID cards copy of their employees in their records (SMEATA Report).

4.1.8 Fair wages:

During the review of compensation documents and workers interview by SMETA, I found that Mouchak Company is paying salaries meeting legal minimum wage. In terms of overtime, they recorded it on the time cards and are paid at the rate of 200% of the basic salary as required by law. The workers also enjoy the benefits of earned leave, maternity leave and service benefits. It has also group insurance premium covering the life insurance in case a worker meets any fatal accident during work. The factory only deducts salary if the worker is absent, as permitted by law.

Ananta Group allows 60 hours of working including overtime in a week. The payment of overtime is double than the regular price. It also meets the legal wages that is given by the ILO requirement. They follow all the required rules and regulations of the ILO for dealing with the wages (Company Profile).

Again, I found both of the companies are function based organizations that provide opportunities for people to specialize within a functional group. Workers are divided into different sector Such as – sewing sector, washing sector, packing sector. In these sectors, they are also divided into groups for doing the jobs. People are given specific goal and all of them are doing their job perfectly. In these companies regular trainings are also provided to the employees and all the records are maintained confidentially. Burns and Stalker (1961)) suggested that a continual adjustment and redefinition of tasks, a network structure of control, a communication system of information and advice are useful for frequent change organizations (Tolbert & Hall, 2009). RMG companies are also faces changes and they lead in the competitive markets. For this reason, these companies concerns with the social needs of workers and the technical needs of production organization (Emery and Trist, 1973). Here, both of the companies provide annual picnic and cultural programs for all workers that increase their relation with each- other and also give inspiration for the work. In 2014, Ananta group arranged a friendly football match for both male and female workers where AGL team beat the ASL team (ananta.com.bd). The company also influences the employees to participate in the extra-curriculum activities. Celebration of Pahela Boishak, Festival gift and greetings, outdoor and
indoor games, tour program for mid level management etc all these programs create a sense of goodwill towards fellow workers and belongingness to the Ananta Family. Mouchak arranged annual picnic every year where all the employer and employees attend and passes a good time. All these things create a good feeling among the workers which is the key factor for a sustainable RMG sector.

4.2 Communication:

The more an organization is people oriented; the more important is communication (Lecture-3, SALSU). RMG industries deal with a lot of people for their whole process, from collecting raw material to exporting supplier. So, this chapter provides the information how better communication leads the companies (Mouchak & Ananta) to a sustainable position.

According to Barnard (1968), “In an exhaustive theory of organization, communication would occupy a central place, because the structure, extensiveness, and scope of the organization are almost entirely determined by communication techniques” (Tolbert & Hall, 2009). There is good communication between workers and management in Mouchak Knit LTD. According to (SMETA) audit, Management was found committed to provide good work environment to its employees. The management and employees have their regular meetings like H&S, WPC and also fire related trainings. The management does not take the decision alone. They take workers opinion for taking the decision. They communicate the policies and procedures to all workers by displaying them on the notice board in local language, by including extracts of policies in worker handbook and by conducting regular training. The factory has open door policy that encourages workers to communicate with the top management in case if they have any concern that they would like to share. Again managers are all aware about the legal requirements and the ETI code elements. The company has complaint/suggestion box placed in different confidential places to communicate with management. All grievance issue is discussed in PC meeting and the labor inspector who visit the company every two months.

To understand the communication system of Ananta Group, I analyze the document of the company from the website. The company has CSR policy that emphasizes the communication between all stakeholders including buyers and the civil society members. All the employees at all levels are aware of the CSR policy and activities through the meeting. The company has different way to communicate from the upper level to lower level. It has PA system that connect owner with the workers. Mid level management also arranged meeting to communicate with both of the side. They record all the demands from the workers side, and submit it to the top management. Again in the orientation program the new recruits come to
know about the rules and regulations of the company. Production site is the most important sector for a RMG industry. So Ananta arranged daily production meeting where workers share their condition and also complaint to the management and the management resolve the problem as early as possible. The company also intends to work with business partners and the key stakeholders and share its knowledge, information and experience in combating environmental issues. Thus the management communicating with all the people who are involved in the process of producing garments to exporting it all over the world. From the above discussion I feel that communication system of an organization also plays a vital role in creating better working condition that brings sustainability of the organization. According to Tolbert & Hall (2009), communications within organizations are central for the other processes of power, leadership, and decision making (Tolbert & Hall, 2009).

4.3 Organizational Culture:

According to Smircich(1985), Organizational culture is “a fairly set of stable taken-for granted assumptions, shared meaning and values that form a kind of backdrop for action”. So, organizational culture is one of the central factors that I recognized in most of the sustainable RMG industries. Here I discuss the importance of organizational culture that creates better working condition for the employees of Mouchak and Ananta group of companies.

For understanding the organizational culture of Mouchak Knit Ltd and Ananta Group, I analyze the interview of the workers that was taken by the auditors and also about the management that was selected to operate the company (company profile). During the interviews of the workers, the workers were not afraid of talking. They talks about their satisfaction of the working environment and also the organizational values. They were found satisfied with the management and also the benefits they are getting (SMETA & ACCORDANCE).

4.3.1 No discrimination is practiced:

Mouchak Knit Ltd. And Ananta Group has the written policies which prohibit forced labor, child labor, gender discrimination and also abuse and harassment. The policy is displayed in the notice-board in the local language so that employees can know the rules and abide by the values of the company. If anyone violates the rules, he immediately goes through the disciplinary action. The behavior of the management with workers is also professional. During the interview of SMETA, the auditors do not found any complain about the harsh and inhumane
treatment. In accordance with the ILO conventions, the UN universal declaration of human rights, there is no discrimination, direct or indirect, against any person on the ground of race, color, nationality, ethnic origin, religion; age, sex and marital status in recruitment and selection of the management in Ananta group (www.anata.com.bd). The company strictly follows the code of conduct. The workers get training about this in every month. Again workers are not required to lodge “deposit” or their identity papers with their employers and are free to leave their employer after reasonable notice.

4.3.2 Working Hour Policy:

In these companies overtime is voluntary and workers are free to leave once the regular shift hours are complete. Mouchak knit Ltd. operates 8 hours per day as regular working hour and remains close at Friday. It does not exceed the legal limit 2 hours per day for overtime (ETI Code). Again, employees do not get any homework or sub-contract or external processing from the factory. For this reason the employees have a respect for their work and also they think about the organizational norms and values. Ananta Group follows the ETI code for working policy. It allows 60 hours per week including the over time. Most of the workers have their routine and they can change their work with their colleagues if they need. So they have an internal understanding while working which represents good organizational culture (ananta.com).

4.3.3 Owner-employee relationship:

In Mouchak knit Ltd. the workers participate in the committee meeting that holds every two months. The chairman attends the meeting with seven management staff and 14 workers represent the workers demands and concerns (SMETA, 2015). So the process of decision making is not only dependent on the management, but also depends on the workers willingness. So owner-employee relationship gets much stronger when they meet each-other and share their feelings.

On the other hand, the employer adopts an open attitude towards the activities of the trade unions and their organizational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the work place.

AGL has middle management stuff that manages the company and listen all the demands from the workers and send report to the top management. Organizational culture also depends on the morality of the workers. So it recognizes innovative employee ownership that attains the capability to produce high quality apparel. In annual general meeting (2015) the chairman of the group Mr. Amin Khan wish to establish a culture of accountability, transparency, owner-employee inter- relationship and also empowering strategic business plan that will contribute a
lot for the organization. The company takes care of its workers during crucial times and shares together in the good times.

4.3.4 Selection of Management:

MKL & AGL both of the companies are family owned business. Owners of the company seat in the highest position. From the beginning they are create a basic organizational culture that is followed by the staffs until now. In these companies management staffs are selected from the people who are working in these organizations for a long time. They are familiar with the core culture and values of the organizations. Beside competencies, internalizing the organizational culture and value is an essential factor for managerial position. Outsider might have the required competencies, but it takes a lot of time to understand the organizational culture and values. So these companies prefers insider rather than outsider for the decision making panel which is one of the most important factor of its success. According to Clutterbuck (1998), both family business and high performance companies strive to retain organizational and family value by selecting insider; people who understand the company and its culture, and recognize the value of its values.

These findings reveal that organizational culture affects the sustainability of RMG industries.

4.4 Contribution of organizational factors:

Both of the cases in this study have similarities in their organizational structures. Mouchak knit Ltd. (MKL) starts its business at its own premises that has a huge production area and good environment of working that brings its prosperity. On the other hand, though Aanata Group Ltd. (AGL) starts its business in 1992, but does not have its own factory premises until 2005. So at that time they were struggling to become succeed but their prosperity comes when they start their business in 2005 at Ashulia with a healthy and structured location. Because of the fresh air and huge space, the workers can move and breathe freely. Moreover, health and safety policies also show strong in both of the companies. Though they have differences in their way of supervising and conducting training, but the main point is that for having a good working environment health and safety policy plays the vital role. It reduces workers tension about working in the factory. Again, medical service, food and rest room, hygienic sanitary system, extra-curriculum activities, standard wages etc reveals the good organizational structures of these companies that help them to bring sustainability in the organization. On the other hand both of the companies have different sector such as- production, packing, marketing and selling sector. So workers can specialize themselves in the functional groups. Again, communication system of MKL and AGL is also favorable for the workers. MKL has the open door policy where
employees can communicate directly to the top management. Aanata Group has the middle managers who connect top management with the workers. In every month they organize a PC meeting where all the workers express their concerns to the management body. According to Becker (1998), Careful attention to the HR practices is a prerequisite to have motivated and committed employees (Becker & Huselid, 1998 & Guest, 2007). Ananta Group has HR department as well as CSR policies that make it one of the best export oriented company all over the world. Though MKL and AGL has different strategies for communication, but their main aim is to stay connect with the workers and make them feel that they are in the same family.

Moreover, In terms of organizational culture, both of the companies have similarities. Because of the family business, the CEOs are selected from the family members who know the organizational cultures and values well. To be qualified as the CEO of prominent company, people need to understand the values and cultures that have make the company successful over the years. Again management staffs are also selected from the people who are working in the company for a long time. Clutterbuck (1998), studied 31 international companies which had a long track record significantly better financial performance than their competitors. In his study, he found majority of companies preferred to appoint a CEO from within. Other studies confirm that inside successor makes less organizational change than an outside successor (Helmich & Brown, 1972). Moreover, Their involvement in the daily operation makes them more comfortable to the workers. Owner-employee relations are also good in these companies. They offer many benefits and opportunities to their workers that inspire them to achieve their goal and abide by the moral laws of the company. In this study I identified that both of the companies have a plan for leading the company with a good working environment and workers satisfaction towards work. However they are not following the same rules, but their main intension is to assure sustainability in the organization.
Chapter Five: Leadership Policies and Practices

According to Northhouse (2013), Leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Effective leaders create work cultures that inspire and enable high performance (SALSU-Lecture). In this chapter, I look at the leadership policies and practices of Mouchak knit Ltd And Anata Group that have contributed to making them sustainable RMG industry.

5.1 Values: a key leadership factor

In analyzing the data, I find the values of the owner contribute a lot for creating sustainable organization. The values promoted by the leader have a significant impact on the values exhibited by the organization (Carlson & Perreur, 1995; Trevino, 1986). Leaders play a major role in establishing the ethical climate of their organization. Burns (1978) suggested, Leader should nurture followers in becoming aware of their own needs, values, and purpose, and assist followers in integrating these with the leader’s needs, values, and purpose. The owners of Mouchak Knit Ltd and Anata group are also having some self values that leading them towards the sustainable position.

5.1.1 Respect:

When a leader exhibits respect to subordinates, subordinates can feel competent about their work (Northhouse, 2013). It means that a leader listen closely to his subordinates, is empathic, and is tolerant of opposing points of view. The owner and the board members of the Mouchak Knit Ltd show the greatest respect to their subordinates through open door policy (Smeta Audit, 2015). They allow the workers in their meeting and let them speak all their demands and resolve it immediately. They also stand beside the workers when they are in crisis - financially or mentally or physically. During the pregnancy period, women get special treatment from the company and also get semester with payment. Again, if any accident happens with the workers, the company takes the whole responsibility (Company Profile, 2015). On the other hand, the Khan family who owns the Anata Group Ltd. treats their workers as one of their family member. The family believes that workers hard works contributes the most to the success of the company and make it larger “Ananta Family” (www.ananta.com.bd).

This “family” takes care of its own during critical times and shares together in the good times (Mr. Amin Khan, Chairman, 2015).
Moreover, both of the companies allow their workers to share their opposite points of views. They are also free to join the labor union, who deals with the labor rights. Again, the workers can leave the job any time by giving one month notice and reason. They don’t have any bonded paper which follows the ETI code and the companies respect their decision. I find that these policies and practices of the top management makes workers feel competent about their work.

5.1.2 Fairness and Justice:

Justice demands that leaders place issues of fairness at the center of their decision making. As a rule, no one should receive special treatment on special consideration except when his or her particular situation demands it (Northouse, 2013). Mouchak Knit Ltd. creates rules for all the employees and put it on the notice board. They don’t allow special treatment in terms of relative, friend, bribe or political pressure. The recruitment process and promotion process totally follows the qualification and experience of the workers. Ananta Group Ltd. has its own website for career opportunities. People apply in the website and qualified persons are allowed to face interviews. So there is no opportunity for special consideration for the recruitment process. Rawls (1971) stated that a concern with issues of fairness is necessary for all people who co-operating together to promote their common interests (Rawls et al., 1971). It is important for leaders to clearly establish the rules for distributing rewards. Again both of the company offers equal rewards and benefits to all employees regarding their positions. Northouse (2013) emphasize that fairness is one of the core underlying values of ethical leaders. There is no gender discrimination in these companies as I already stated before. If anyone violates the rules of the company, he gets punishment according to the national law.

5.1.3 Honesty:

According to Northhouse (2013), “To be a good leader, one must be honest”. For leaders, being honest means, do not promise what you can’t deliver, do not misrepresent, do not hide anything etc. Mouchak knit Ltd fulfill the commitment that they offer to their employees. All the policies and practices are written in the notice board and workers find satisfied with this which I find during the document research. At the orientation program workers learns about the risk and complication that they might face while working. That’s why they arrange different types of training, such as- fire escape training, production training and using machinery training. The employees are well aware of the pros and cons of the company (SMETA, 2015). The owners of the Ananta garments LTD are also committed to creating a healthy and vibrant working environment for all employees. It implements innovative motivation, benefit, safety and training programs to make the workplace an enjoyable and a productive one. Employees at all levels are aware of the company’s CSR policy and activities as the leaders communicate with the workers by awareness meeting. AGL believes in profit sharing with its workers for the
wellbeing of the community. Thus we can say that both of the companies are honest with their employees and this honesty makes them one of the leading exporting industries in Bangladesh.

5.1.4 Community Building:

If we look at the definition of leadership, we see that it’s a process where leaders influence a group of people to a common goal. So it has a clear ethical dimension because it refers to a “common goal” (Northhouse, 2013). It means leaders need to take into account their own and follower’s purposes while working towards goal that is suitable for both of them. Again, Burns (1978) suggested that leadership has to be grounded in the leader-follower relationship. Ananta garments Ltd. Always thinks about their employees in terms of their profit sharing as well as in their crisis. They tend to improve themselves through the improvement of their employees. They invest their money in educating their employees and eradicating poverty which helps the community in the long term. Festival gifts and greetings, prize bond for new born baby, celebration of birthday & wedding ceremony helps this company for creating community building.

5.1.5 Environmental & social values:

According to Nordlund & Garvill (2002), there is a connection between environmental consciousness and a long term orientation. In a theoretical study, Kollmuss and Agyeman (2002), highlight the factors of pro-environmental factors. They find that environmental consciousness and values in general shapes people’s sense of responsibility and thus their behavior( Kollmuss and Agyeman et al., 2002). Mouchak knit Ltd and Ananta Garments Ltd follows all relevant/applicable environmental legislation of Bangladesh Govt. to ensure environmental protection in the process of using raw materials, manufacturing products and discharging wastages. The management of the AGL communicates to all of the employees about the importance of environmental management system (EMS) including waste management. We can understand their concern of the environment and society in the speech of the chairman:

“we intend to work with business partners and the key stakeholders and share our knowledge, information and experience in combating environmental issues and make the world a better place to live in”- Mr.Amin Khan.

From his speech, it clearly reveals that their concern is not only profit making but also developing the world. Again the management of Ananta is fully conscious of the necessity of tree plantation. Every year they arrange tree plantation and awareness raising program. In terms of environmental consciousness, Mouchak group has a policy on solid waste
management and it segregates the waste generated and sells it to vendors who can re-use or recycle the waste (SMETA, 2015). The owner of the company personally invests considerable amount in Water Plant (WTP) so that the industrial waste produced from its dyeing mill can be cleaned from hazardous chemicals before draining it out from the factory. He says,

“Our business principles are sound, and it care about today’s and tomorrow’s environment”

Beside environmental values, I got the impression that Mr. Amin khan and his family has a sense of responsibility for the society and the local community, which is reflected in their social work. “Amrao Pari” is a school established by Ananta group where poor children get chance to educate themselves (ananta.com.bd). Again, during the natural disasters, the company always sends relief to the affected people. They arrange blood donate programs that goes directly to the “Shandhani” which serves free blood bag to the poor people. They also arrange annual eye and dental camp in collaboration with the Lions Club of Dhaka Ananta (LCDA), twice in a year in the factory premise for all staff and workers. So it becomes clear that the family has a great contribution towards the society he is part of.

Respect for the employees, fairness and justice, honesty, willingness of community building and environmental and social values of the owners and management stuffs makes these companies more acceptable to the workers that influence them to achieve the desired goal of the company. Ethics of the leaders leads the company in sustainable position .Van de Ven (2007) suggested that pursuing both individual and collective interest is a key to achieving “a balanced explanation of economic sustainability and social legitimacy for all forms of organizations” (Van de Ven et al., 2007). To sum up, I see that values of the leaders also influence the sustainability of an organization.

5.2 Participative Leadership: a key to employee Satisfaction and productivity

Different research suggest that leaders who are more interpersonally oriented and those who use more participative styles in particular have followers with higher level of satisfaction and morale(Tolbert & Hall, 2009). In this part, I will look at how employee satisfaction and productivity increases by the leadership practices of the Mouchak Knit Ltd and Anata Garments Ltd.

5.2.1: Participation in the decision making process:

When I was analyzing the data, I founded that in Mouchak knit Ltd, the decisions of the company always have made by a group of individuals. From the SMETA audit that was occur on
2015, the document shows that the chairman, who is the owner of this company takes seven of his management staff and 13 workers to take a decision (SMETA, 2015). He consults with them and finalizes the decision regarding the progress and welfare of the company. Again, when any big consignment comes from the customers, he also arranges team meetings and listens from the different sectors manager how to give the best quality product in a reasonable price. In each-and every important decision, he personally attends and takes the decisions together giving respect to the others advice (Company profile, 2015). Here decision making is done by selected number of people. According to Padgett, (1980), decision making outcomes are influenced through the selection of individuals to participate in a decision making group (Padgett et al., 1980).

On the other hand, In Ananta Garments Ltd, decision making process done by Mr. Amin Khan (the owner) of the Ananta Group. The middle managers give report to the top management and they reviews the reports. Then Mr. amin Khan takes the decision. Tolbert and Hall suggested strategic decisions should center at the top of the organizations, since that is where the power lies (Tolbert & Hall, 2011).

Here I found that, if leaders directly participate in the decision making process, the subordinates gets confidence of doing the job. They don’t need to think about the risk also. Again, the employees become more responsible when they stay connected with the employer that increases productivity of a company. Achievement goal theory and research suggest that employees job performance and job satisfaction depends on their goal orientations (e.g., Farr, Hof-mann, & Ringenbach, 1993; Phillips & Gully, 1997; Van Yperen & Janssen, 2002).

5.2.2: participation in the production and delivering process:

Though, both of the companies are function based company and employees are divided into different group, so the owner of the companies selected some specialized staff from the management to monitor the sectors (ananta.com.bd. 2015). These managers lead the companies from collecting raw materials to supplying the customers and they send all the reports to the top management. So the owners have all the knowledge of what is happening in the company. Here they indirectly participate in the whole process that influence the rate of productivity and also the sub-ordinate feel satisfied during working under their shadow. According to Dansereau (1975), the followers who are members of the leaders “in Group” will be more trusting of their leaders than members of the “out group”; because the leaders gives them greater “job attitude, influence in decision making, support of the (followers) actions and confidence in the consideration for the followers”(Dansereau et al., 1975).
5.2.3 Always on the side of the workers:

David Ballard suggested that “To engage the workforce and remain competitive, it’s no longer sufficient to focus solely on benefits. Top employers create an environment where employees feel connected to the organization and have a positive work experience” (Nicole Fallon et al., 2016). When analyzing the interview report by SMETA on Mouchak group, I find employees positive attitude towards their employer very strong. They are satisfied with the work environment and employer’s behavior towards them. They get supports from the employer in their financial crisis and the owner offers benefits from the profit to his subordinates. Again they also offer festival gifts, reward for the performance, extra facilities for entertainment etc. All these things make the employees feel satisfied that influences their work spirit.

Similarly Ananta group creates a better working environment for its employees through their CSR policy as I have already discussed before. This policy offers job satisfaction among the employees. In their annual general meeting the chairman express his gratitude towards his subordinates whose hard work increases productivity of the company. As research suggest “the quality of leader-member exchange helps employee’s to be effective on the job in terms of in role performance, innovative performance and satisfaction”.

To sum it up, I found in underlining cases that productivity and satisfaction of the employees in many ways depends on the participative role of the leaders that has an important impact in sustainability of the organization. Again, Fiedler and colleagues found that in stable, structured situations, a stricter, more auto-critic form of leadership is more like to be successful; whereas in a situation of change, external threat, and ambiguity, more lenient, participative forms of leadership work better (Fiedler, 1967, 1972; Fiedler and chemers, 1982; Fiedler and Garcia 1987). RMG sector has full of competition and external threats. For this reason both of the companies prefers participative leadership that makes them sustainable and prosperous company in Bangladesh.

5.3 Contribution of Leadership Factors:

For answering the second research question, I look at the values of the leaders in these companies and also how participative leadership influences the productivity and workers satisfaction. Respect for the subordinates, honesty, and fairness in justice, interest on community building, social and environmental values are in summary reflects the ethics of the leader. In these cases, values of the leader’s plays a vital role in creating better working condition that inspires job satisfaction of the workers. Here I recognize that the owners concern for the environment and also the community makes their companies more legitimate towards
the society. On the other hand fair justice and honesty makes themselves trustworthy towards the employees that is very important for a sustainable organization. Van de Ven Suggest that pursuing individual and collective interest is key to achieving “a balanced explanation of economic sustainability and social legitimacy for all forms of organizations” (Van de Ven et al., 2007, p.366). Thus, literature suggests that values of the leaders influence the sustainability of the organization, which is in line with the result of my data analysis.

Again, Hamner and Organ (1973), based on their review of a different number of studies, noted:

“Participative leadership is associated with greater satisfaction on the part of subordinates then is non-participative leadership”.

While analyzing the cases, I find both of the company’s owners participate in the decision making and also monitor the production process that increases productivity because no one can ignore their responsibility while the leader is involved in the process. Moreover, when the owner-subordinate works together their relation become stronger and the employees feel less intra group stress. The owners support during the crisis of the sub-ordinate also influences job satisfaction. According to Filly and House (1969), supportive and participative leadership to be commonly related to several indicators of subordinate satisfaction and productivity, including less intra group stress and more cooperation; lower turnover and grievance rates, and widespread views of the leader as desirable (Tolbert and Hall, 2009). Thus, these literatures support the result of my finding during data analysis.

In sum, on leadership factors in RMG sector, my findings suggest that Leadership Values and Participative Leadership are important factors for sustainable RMG sector. The values of the leaders influence the organizations working environment that is the primary demand in a RMG sector. Through fairness and justice the organizations gets best employees who delivers the best results at the end. Again, concern for the society and environmental impact is also important for the legitimacy of an organization. To be sustainable, organizations must need to balance society, economy and environment. The values of the leaders help the organization to combine all these three aspect. On the other hand, participative leadership influences higher productivity and employee’s satisfaction. The owner’s participation in decision making also has a great value. Though RMG industries are big industries, it’s better to take the decisions in a group. Participation on the productivity creates more cooperation and lessens intra group stress. Again, feeling of belongingness is also important in good working climate. Thus, employees get satisfaction on their work which is the key matter of sustainable business.
Chapter Six: Set of Claims and discussion

In this section, I combine all my findings as a set of claims about the identified factors. Furthermore, by combining the contribution of the organizational and leadership factors, I will discuss how it will be helpful for creating better working condition that leads to the sustainable RMG sector.

6.1 Set of Claims:

In this study, I have discussed in problem discussion that most of the RMG industries in Bangladesh facing problems in creating better working environment that ultimately affects their sustainability. On the other hand, some of the RMG industries Such as- Mouchak Knit Ltd and Ananta Group Ltd have been successful in creating better working condition for the workers. Mapping out the organizational and leadership policies and practices which plays role in successful RMG industries can help other companies to implement these factors to remain sustainable. From my analysis of the cases, I identified organizational Structure, Communication System and Organizational Culture as the key organizational factors. On the other hand the main leadership factors were identified as Leadership values and participative leadership that influence productivity and employees satisfaction.

6.1.1 Organizational structure:

By analyzing the organizational structure of Mouchak Knit Ltd and Ananta Group Ltd, I find their location and building capability is very strong which reduce unwanted accident. Moreover, their health and safety policy, medical service, concern for food and nutrition, sanitary system as well as fair wages reflects the good working environment of the companies. Furthermore, because of the function based structure, people get more opportunities to specialize their work that helps them to achieve their goal easily. So I propose that good organizational structure of a company can be a factor for creating better working condition.

6.1.2: Communication System:

I found that communication system of the companies plays role in their condition of working. They have open door policy that creates a connection with workers and the top management. Again middle management system also works for creating sustainable organizations. I propose that good communication system and open door policy can be a key organizational factor for sustainable organization.
6.1.3: Organizational Culture:

By studying the audit reports of Mouchak Knit Ltd and Anata Group Ltd, I found that there is no discrimination practiced in the companies. Their working hour policy and prohibition of forced labor policy creates a good impact on owner-employee relations that reflects values and morality of the organization is good. Again, Mouchak Knit Ltd and Ananta Group Ltd selects their management staffs from inside of the organization. They have been working for the companies for many years and know the norms and values of the organizations. Therefore, I propose that selection of the Management staffs and CEOs from inside can be an important factor for creating sustainable RMG industry.

6.1.4: Values of the leader:

By studying the leaders personal values of Mouchak knit Ltd and Ananta group Ltd, I found out that leaders respect for the subordinates motivated the employees to achieve goal. Fairness and justice in the recruitment process brings specialized employees that in the long run benefits organizations. Again social and environmental values of the leaders fulfill the requirements of sustainability. Therefore, I propose that ethical values of the leaders can be a key factor for sustainable RMG industry.

6.1.5: Participative leadership practice:

Participative leadership plays a vital role in an organization where situation changes and there has been always competition and external threat. RMG is a challenging sector where everyday new competitors coming into the market. For this reason, I propose leader’s participation can be a key factor for creating sustainable RMG sector.
6.2 Discussion:

From my analysis of the cases and as illustrated in figure 4, we see the sustainability of the RMG sector depends on the combined contribution of leadership and organizational policies and practices. From my research, I recognize that they are highly interconnected and it is difficult to pull apart cause from effect. The values of the owner reflected in the organizational structure as well as in organizational culture. Again communication system creates connection between owner-employee relationships. For this reason job satisfaction comes and the decision making process become easier. Moreover ethics of the leaders leads them to think about environment and society that reflected in the structure of the organization. In this way, I see that all of the identified characteristics are interrelated to each-other and in together creates better working condition and job satisfaction that leads to the sustainable position of these companies.
Chapter Seven: Conclusion and Recommendation

This chapter represents the conclusion drawn from the analysis. The chapter also highlights some recommendations for further studies.

7.1 Answer to research questions and research purpose:

In answering first research question, three characteristics that contributed to the creation of better working condition emerged from the data: organizational structure, communication system and organizational culture. Health and safety policy, free medical service, clean and tidy workplace, entertainment system all these things together creates good working environment that helps the organization to become sustainable. In my findings, both of the companies have a good communication system that solves all the demand as well as complications in the organization. Moreover, legal working hour policy and equal right of the employees also represents good organizational norms and values. In my analysis, I also find that all the management staffs are working in the company for several years because they have internalized the organizational culture and values. They know how to lead the company in a sustainable way rather than the outsider. All these organizational policies and practices make these companies sustainable that answer my first research question.

To answer my second research question, I find two characteristics that contribute to the creation of sustainability in organization: Values and participative leadership for productivity and employee satisfaction. In my finding, it reveals that the owner of these companies have some ethical values that has contributed to the employees satisfaction as well as social and environmental concern. In decision making process they allow subordinates that influence the productivity. One may take wrong decision, but when selected people are in the process, that remains less chance to take wrong decision. Moreover, I identified leader’s participation in the production and delivering process also plays a vital role that increases productivity and less intra group stress for the subordinates. In a nutshell, I can propose that both of the leadership and organizational policies and practices together make an organization sustainable.

7.2 Contributions to the existing body of knowledge:

The findings of this study contribute to understand the main organizational and leadership policies and practices in creating better working condition for RMG sector. Through observing the factors that sustainable RMG industries have implemented and mapping out them, helps other RMG industries to consider these policies in their system that will lead them to become
sustainable. The set of claims that I have offered in this study contribute to better understanding of the organizational and leadership factors for creating sustainable RMG sector.

7.3 Recommendations:

From the finding in this paper, I suggest the following practical advices to the RMG industries that seek sustainable position in the market. Hence, it is important to note that these advices are not independent to each-other, but rather, they work hand in hand. The advices I have offered here should be adopted and implemented together. My recommendations are:

- Industries should be established in a huge premises and far distance from the residential areas. It should offer the basic needs of the workers. Such as medical service, health and safety policies, concern for food and nutrition, fair wages and good sanitary system.
- Employees should be offered trainings and they should be divided into different groups that will make them more specialized in achieving the goal.
- Open door policy and middle management policy should be established for the communication system. It connected workers with the top management.
- Strict working hour policy should be introduced and forced labor should be banned. These will make workers much more attentive towards work.
- CEOs and the managers should be selected from within the organization that has clear idea about the norms and values of the organization.
- The owners should participate directly in the decision making process and decision should be taken by selected people of the organization. It helps to take proper decision and reduces the risk of wrong decision.
- The leaders should participate in the production as well as delivering process that reduces intra group stress and bring satisfaction for employees. It also increases the productivity of the company because monitoring system makes workers more attentive and responsible.
List of References:


M. Yunus and T. Yagamata (2012). “Dynamics of the garment industries in the low-income countries: experience of Asia and Africa”


