

**Privatisation and workers' quality of working life in  
Bangladesh: A case study of five privatised enterprises.**

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A thesis

presented to the University of Technology Sydney

in partial fulfilment of the

requirement for the degree of

**Doctor of Philosophy in Management**



Faculty of Business

February 2016

## **Certificate of original authorship**

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

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Signature of Student

## **Acknowledgements**

This thesis would not have been completed without the support of many people. The first thanks must go to my principle supervisor, Dr. Bronwen Dalton for opening the door for me to become a PhD candidate. I am extremely grateful to her for giving me incessant and valuable guidance and support. I appreciate her patience with me over the past few years of my doctoral journey. Thank you, Bronwen.

My co-supervisor, Dr. Jennifer Green was also extremely helpful for her guidance and valuable suggestions in the development of this thesis at different stages.

I am especially indebted to Professor Jenny Edwards, Professor Stewart Clegg and Helen Besier for their excellent editing at different points of time that improved immensely the quality of my prose.

I am very thankful to the interview participants who so generously devoted their time and shared their experiences. Their experiences and insights helped to shape the direction of my thinking and their preparedness to participate encouraged and sustained me. This study would not have been possible without your participation.

Thanks are also due to my parents and two brothers who have motivated me from my childhood to follow my passion and dream of becoming a qualified researcher. Thank you for your constant love and affection. I offer my special thanks to my wife and daughter for giving me never-ending encouragement, immeasurable support and love.

Finally, I would like to thank UTS for providing me with the best facilities and a pleasant environment during my study.

## **Abstract**

Since independence in 1971, Bangladesh has relied on foreign aid as its major source of external finance. According to the Ministry of Finance of Bangladesh (2003, 2012), from 1971 to 2011 over US\$54.5 billion in foreign aid has been provided to Bangladesh. Much of this aid has come from major international institutional donors such as the World Bank and the International Monetary Fund (IMF) and has been provided on the condition that the government commit to several reforms. One condition has been that the Bangladeshi government privatise its state-owned enterprises. To execute the privatisation programme efficiently, the Privatisation Commission of Bangladesh was formed in July 2000. According to this Commission (2010b, 2014), a total of 38 state-owned enterprises from seven government corporations were privatised by the Privatisation Commission during the period July 2000 - July 2014. By 2014, however, of the 38 privatised organisations only 14 were fully operational, while 20 had closed, three had changed businesses, and one was partly operational.

This thesis examines the arguments for and against privatisation as a condition of aid, in particular focusing on the impact of privatisation on Bangladeshi factory workers. Unlike most research on this topic, this thesis has gone beyond evaluating aid agency-directed privatisation in terms of its effects on profitability and other more readily quantifiable measures of economic performance, and looks more closely at the impact of privatisation on workers themselves. To do this the thesis presents the findings of five in-depth case studies on fully operational privatised state-owned Bangladeshi firms in the manufacturing industry that have been privatised by the Privatisation Commission and compares these cases with five government-owned and five privately-

owned organisations that are comparable in terms of industry and size. The case studies focus on the impacts of privatisation in terms of effects on workers' quality of working life. And, workers' quality of working life (QWL) are analysed according to the eight major conceptual areas of Walton's QWL model (1975).

The research finds that workers' compensation, job security, access to trade unions, and leave entitlements in most privatised case study organisations are less than their counterparts in comparable state-owned and privately-owned organisations. The study also finds that most privatised organisations have taken slightly better initiatives to develop staff capacities, though workers' health and safety at work, social integration, and social relevance of working life are not significantly different to those in the state-owned and privately-owned organisations.

These findings have important implications for the privatisation programmes in Bangladesh as the findings raise issues for those that wish to pursue the uncritical application of privatisation schemes. The findings highlight how these schemes are based on assumptions, broadly informed by neo-classical interpretations of economic development and subscribed to by major institutional aid agencies such as the World Bank and IMF, that private ownership leads to improved profits and private sector-led growth which, by extension, improves workers' conditions. This thesis argues that there is a need to reassess this approach through greater appreciation of the perverse affects of privatisation and renewed efforts to develop an approach that is more sensitive to the Bangladeshi context.

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## **List of acronyms/abbreviations**

ADB	Asian Development Bank
BBS	Bangladesh Bureau of Statistics
BLL	Bangladesh Labour Law
BSCIC	Bangladesh Small and Cottage Industries Corporation
CAS	Country Assistance Strategy
DFID	Department for International Development (of United Kingdom)
EPZ	Export Processing Zone
FY	Fiscal Year
GDP	Gross Domestic Product
HDI	Human Development Index
IFIs	International Financial Institutions
ILO	International Labour Organization
IMF	International Monetary Fund
LDC	Less Developed Country
LEDC	Less Economically Developed Country
NGOs	Non Government Organisations
PRSPs	Poverty Reduction Strategy Papers
QWL	Quality of Working Life
SAPs	Structural Adjustment Programmes
SOEs	State Owned Enterprises
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

## **Glossary**

Some terms commonly used in this thesis are defined in this Section.

### ***Conditionality:***

Conditionality is defined by Killick, Gunatilaka and Marr (1998, pp.10-11) as an effort to make policy change in return for loans or grants. According to the Oxford English Dictionary (2012), a condition is ‘something demanded or required as a prerequisite to the granting or performance of something else, a stipulation.’

### ***Developing country:***

A developing country has a comparatively low standard of living, an immature industrial base, and a low-to-moderate human development index (HDI) score. In developing countries there is low capital formation, low per capita income and extensive poverty (World Bank 2004; UNDP 2009). In academia, the current term in use is ‘developing country’ instead of ‘third world’. The term ‘developing country’ is also interchangeable with less economically developed country (LEDC) or less developed country (LDC).

### ***Donor:***

Countries, communities or international agencies which help, mostly in an economic sense, in response to humanitarian emergencies or to attain various socio economic goals are referred to as donors (Banerjee 2006).

### ***Employment:***

Employment is a contract between an employer and an employee. An employee can be described as a person in the service of another under a contract of hire, written or oral,

where the employer has the right to direct the employee in the matters of how the work is to be executed (Garner 1999).

***Foreign aid:***

Foreign aid is the assistance, mostly economic, that is provided by governmental and nongovernmental agencies to achieve the social, political and economic development in developing countries (Rist 2002; Banerjee 2006). Foreign aid may be bilateral or multilateral. The government of one country gives bilateral aid when it is directly applied to another country. Many governmental aid agencies distribute bilateral aid, such as DFID (Department for International Development) in the U.K. and USAID (Malmqvist 2000). Multilateral aid is provided from the government of a country to international agencies, for example the IMF, the World Bank, or the European Development Fund and these agencies provide aid to other countries. Usually these agencies are governed by the contributing countries (Malmqvist 2000).

The use of the term ‘foreign aid’ in international relations is quite diverse. Foreign aid is also called development assistance, development aid, economic assistance or economic aid. The term ‘Official Development Assistance (ODA)’ has gained international use, which also refers to and substitutes for the term ‘foreign aid’.

***Official Development Assistance (ODA):***

OECD (Organisation for Economic Co-operation and Development) provides a clear definition of ODA. OECD is an international economic organisation of 34 countries founded in 1961 to stimulate economic progress and world trade. It is a forum of countries committed to democracy and the market economy. The United States of America, United Kingdom, Germany, France, Japan, Canada, Netherlands, Australia, and Sweden are the member countries of OECD who give the highest amounts of ODA.

According to the OECD (1999), ODA is the official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent. By convention, ODA flows comprise contributions of donor government agencies to developing countries (bilateral ODA) and to multilateral institutions. The multilateral organisations encompass:

a) IMF (International Monetary Fund) and IDA (International Development Association), which share the largest portion of the multilateral ODA. IDA is the World Bank's fund for the poor countries.

b) UN organisations, such as UNDP (UN Development Programme), UNHCR (UN High Commission for Refugees), and IFAD (International Fund for Agricultural Development); and

c) Regional development banks, such as ADB (Asian Development Bank), AfDB (African Development Bank), and IDB (Inter-American Development Bank).

ODA is categorised as food aid, commodity aid and project aid. Food aid covers payment for food and costs associated with food supply such as transport, storage and distribution. Commodity aid represents funding for industrial raw materials, agricultural inputs, and commodity goods such as fertiliser and petroleum. Project aid is the financial assistance for projects and programmes, generally listed in the annual development programme (ADP). All types of aid come under the classifications of grants and loans. Grants are provided for free while loans are provided as credit which is normally on a 0.75 percent interest rate to be paid in 40 years with 10 years grace periods.

***Poverty:***

Poverty is a state in which a person or society is deprived of, or lacks the basics for a minimum standard of life and well-being. These basics may be material resources such as food, shelter, and safe drinking water, or they may be social resources such as education, health care, access to information, or the chance to build up meaningful associations with other people in society (Mosley et al. 2004).

The World Bank describes extreme poverty as living on less than US\$1.25 per day, and moderate poverty as less than US\$2 a day. It has been calculated that 1.22 billion people lived on less than US\$1.25 a day and 2.4 billion people lived on less than US\$2 a day in 2010 (World Bank 2013).

***Privatisation:***

Cook (1986) defines privatisation as the purposeful sale of state owned enterprises by a government to private proprietors. Major international institutional donors, such as the IMF and the World Bank, typically make privatisation a component of their Structural Adjustment Programmes (SAPs) which are based on specific interpretations of the value of economic liberalisation, competition, free trade, and little government interference (Cook 1986).

***Quality of Working Life (QWL):***

QWL refers to the favourable conditions and environments of a workplace that support and promote employee satisfaction and well-being (Beaudoin & Edgar 2003). Sirgy et al. (2001, p. 242) define QWL as: 'Employee satisfaction with a variety of needs through activities, resources, and outcomes stemming from participation in the workplace'. Employees with high QWL have a high level of job satisfaction, job

performance, and a lower level of absenteeism, grievances and quits (Havlovic 1991; Newaz et al. 2007; Janes & Wisnom 2010).

***Recipient:***

A recipient is an entity that receives goods or services. The entity can be a person, a group of persons, an organisation, or a country (Banerjee 2006).

***Structural Adjustment Programmes:***

Structural adjustment is an example of aid conditionality. The term is used to express the policy changes required of developing countries by the IMF or the World Bank as a condition of new grants or loans or for acquiring lower interest rates on existing loans from those organisations. Conditionalities are imposed to confirm that the money will be spent in accordance with the objectives of the grant or loan and to pay off debt which has accumulated (Dreher 2002). Structural Adjustment Programmes were introduced through conditionalities in the 1980s and may include internal changes (particularly deregulation and privatisation) as well as external changes, mainly the shrinking of trade barriers (Ensign 2001).

***Wages:***

Wages can be defined as cash paid for some specific quantity of labour. Wages are paid according to a wage rate (based on units of time worked), in contrast to salaries, which are paid periodically without reference to a specific number of hours worked (Garner 1999). The minimum pay that an employer is legally allowed to pay for a particular group of workers is called award wages (English Collins Dictionary 2014). The term real wages refers to wages that have been adjusted for inflation (Garner 1999).



## **Chapter 1: Introduction**

### **1.1 Introduction**

The focus of institutional aid agencies' assistance efforts in Bangladesh has been on the promotion of macro and micro economic reforms designed to develop private sector and improve the efficiency and profitability of the private sector. For example, major institutional aid agencies such as the International Monetary Fund (IMF) and the World Bank have focused on economic development through the implementation of larger macro economic reforms under various Structural Adjustment Programmes (SAPs), which have required the Bangladeshi government to implement a range of prescribed policies and reforms, including the privatisation of state-owned enterprises (Chowdhury 1990; Uddin & Hopper 2001; Boubakri et al. 2008; World Bank 2011). It is assumed that these donor-driven interventions will lead to private sector-led economic growth, which will in turn decrease levels of poverty and, more broadly, improve the economic, social and political environment in Bangladesh. In this way, conditional aid has become an important element of the development paradigm and a significant amount of official development assistance (ODA) has been provided in Bangladesh on the condition that the Bangladeshi government privatises its state-owned enterprises. For example, the World Bank provided US\$ 388.39 million to Bangladesh from 2004 to 2010 on the condition that the Bangladeshi government restructured and privatised its state-owned enterprises (World Bank 2011).

This thesis argues that privatisation and measures to increase profitability of privatised organisations are blunt instruments without taking into account workers' quality of working life in privatised organisations. To explicate this argument, this thesis focuses

on the impact of privatisation schemes on workers' quality of working life in recently privatised organisations in Bangladesh. The following sections discuss: the background information on the research problem; the purpose of this study and research question; and, the significance of this study.

## **1.2 Research background**

In Bangladesh, foreign aid has been the most important source of outside finance since its independence in 1971. When aid initially started to flow into Bangladesh after independence, it was primarily used for relief, rehabilitation and repairing the damage incurred during the nine-month long liberation war of 1971. However, once the immediate post-war rebuilding phase was over, foreign aid became the fundamental component to support the development of the country.

In 1973, the first five-year development plan was launched. However, the inadequacy of domestic resources available to the economy persuaded the Bangladesh government to accept foreign aid in order to sustain some level of development activities. This ushered in a long era of aid dependence and the share of foreign aid in financing ADP (Annual Development Programme) still remained around 22 percent in 2011 (Ministry of Finance 2012).

In practice, aid dependence has meant that successive Bangladeshi finance ministers have been unable to develop their annual expenditure budgets without first being assured that aid had been pledged at the Paris Consortium meetings each April (Obaydullah 2007). According to the Ministry of Finance of Bangladesh (2003, 2012), Bangladesh received about US\$ 54.5 billion in foreign aid from 1971 to 2011. This dependence on foreign aid has given donors significant leverage over the country's

policies. The World Bank and IMF, in particular, have used this leverage to impose a variety of so-called Structural Adjustment Programmes (SAPs) on the Bangladesh government, which are derived from neo-classical and capitalistic economic philosophy (Chowdhury 1990; Uddin & Hopper 2001).

A common SAP requirement has been the privatisation of Bangladeshi state-owned enterprises. Other important aspects of SAPs include, deregulation, trade liberalisation, downsizing of the government workforce, and reduction of government spending (Chowdhury 1990; Uddin & Hopper 2001; Boubakri et al. 2008). The IMF provided about US\$ 784 million to Bangladesh under the IMF's Structural Adjustment Facility (SAF) arrangement for structural reforms (IMF 2007).

Though Structural Adjustment Programmes (SAPs) were introduced in Bangladesh in 1986, the privatisation programme started back in the mid-1970s on the advice of aid donors (Sobhan 1982; Uddin & Hopper 2003). After liberation, the first Bangladesh government adhered to pro-socialist ideology and nationalised a large number of industries (Ahmed 2004). By 1974, the public sector controlled about 350 state-owned enterprises (SOEs) and was responsible for more than 92% of total fixed assets of the industrial sector (Uddin & Hopper 2003). However, the nationalisation policy was unsuccessful because the state-owned enterprises incurred significant losses after nationalisation (Ahmed 2004; Momen 2007). After the political change in 1975, the new government declared a revised industrial policy, through which the public sector-led industrialisation strategy was abandoned and capitalist ideology was embraced (Momen 2007). Institutional aid agencies had a major influence upon that new direction because the government was dependent on the aid agencies for assistance and the aid agencies took the opportunity to influence the government (Sobhan 1982). For example,

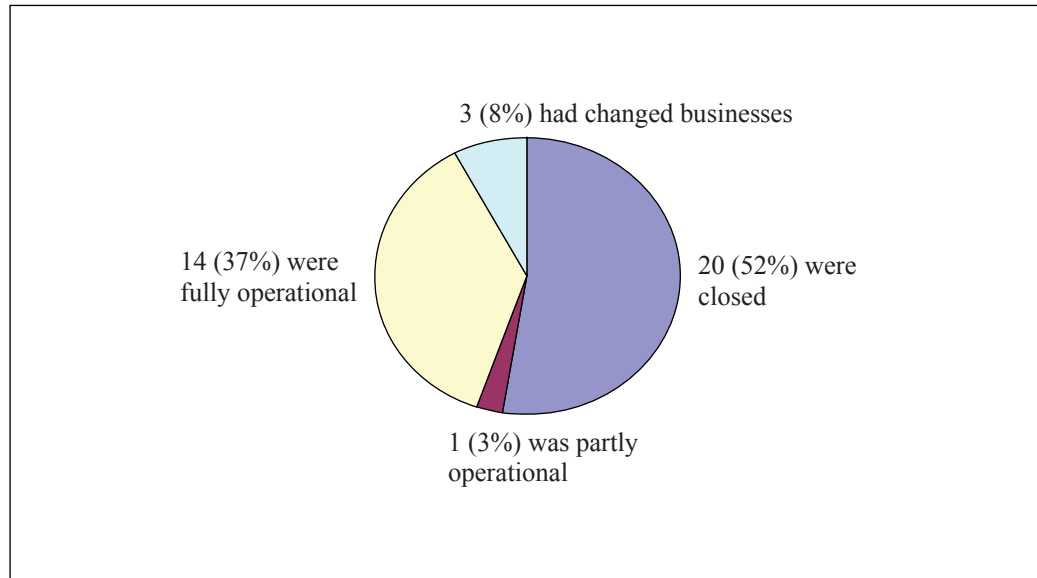
the World Bank had responsibility for reporting on the state of the country to the Donor Countries Consortium (DCC), and used the DCC's collective sanctions to enforce World Bank directives requiring the government to promote the private sector and markets (Uddin & Hopper 2003). In 1982, General Ershad came into power and solicited Western support by adopting the World Bank and IMF's recommendations to privatise SOEs. These institutional aid agencies tended to make loan facilities conditional upon privatisation (Chowdhury 1990; Uddin & Hopper 2003).

After the 1980s, privatisation of SOEs continued under all democratic governments in Bangladesh, with aid agencies remaining influential proponents of privatisation policy (Sobhan 2002; Privatisation Commission 2010a). For example, the IMF provided about US\$ 954.4 million to Bangladesh under the Poverty Reduction and Growth Facility (PRGF) arrangement between 1990 and 2007, and the principal structural element of the PRGF arrangement comprised privatisation or closure of state-owned enterprises (IMF 2011).

In 2000, the Bangladesh government formed the Privatisation Commission with the financial and administrative power to run the privatisation programme in Bangladesh through the enactment of the Privatisation Act 2000. According to the Privatisation Commission of Bangladesh (2010b, 2014), a total of 38 state-owned enterprises from seven government corporations were privatised by the Privatisation Commission from its establishment in July 2000 to July 2014. By 2014, however, of the 38 privatised organisations only 14 were fully operational, while 20 had closed, three had changed businesses, and one was partly operational. Figure 1.1 below presents the operational statuses of those 38 privatised organisations.

**Figure 1.1**

**Operational statuses of the privatised organisations in Bangladesh (2000 – 2014)**



Source: Privatisation Commission of Bangladesh (2010b, 2014)

This thesis has focused on the 14 fully operational privatised state-owned enterprises to study workers' quality of working life in privatised state-owned enterprises in Bangladesh. Comprehensive study of the privatisation of state-owned enterprises (SOEs) in Bangladesh is relatively limited (Sobhan 2002; Momen 2007). Some authors (Humphrey 1992; Bhskhar 1993; muhith 1993; Sobhan 2002; Monem 2007) have focused on the policies and processes of privatisation. Other authors (Lorch 1991; Sobhan and Mahmud 1991; Ahmad 1994; World Bank 1995; Sen 1997; Dolwah 1998; Dijkstra 2002) have assessed the performance of privatised SOEs, but overlooked workers' quality of working life in privatised SOEs. Therefore, this thesis focuses on the workers and generates qualitative data that provides greater insight into the impact of privatisation on workers' quality of working life in Bangladesh.

### **1.3 Purpose of the study**

The purpose of this research is to examine the impact of privatisation on the quality of working life (QWL) of Bangladeshi factory workers. Hence, this thesis undertakes to do original research on a question that has not been dealt with in the context of Bangladesh. The core research question is:

*What is the impact of privatisation on workers' quality of working life in Bangladesh?*

This study also concentrates on the relationships between relative levels of workers' QWL and organisational size, industry and ownership type, and how policymakers can generate positive outcomes for workers while examining the impact of privatisation on workers' QWL.

In order to answer the research question, the thesis first examines the literature containing debates for and against conditional aid, in particular focusing on the value and efficacy of requiring aid recipients to privatise state-owned enterprises. It then discusses these debates in the Bangladeshi context. The thesis also reviews academic literature about quality of working life (QWL) and examines the various validated QWL measures and their applicability.

This discussion regarding the QWL measures is followed by the presentation of five in-depth case studies on privatised state-owned Bangladeshi enterprises. Each case study presents an analysis of the workers' conditions with regard to the quality of working life measures, which are also compared with the workers' conditions at state-owned organisation and privately-held organisation that have come from the similar industry and size. This in turn checks the impact of privatisation on workers' QWL in Bangladesh, and also checks the relationships between relative levels of workers' QWL and organisational size, industry and ownership type.

#### **1.4 Significance of the study**

Major international institutional donors argue that they tie conditions to their aid because they believe that their prescribed policies will help to improve the recipient countries' economic, social and political situation, and by extension reduce poverty and improve the welfare of citizens (Lastra 2002; Stern et al. 2005). In short, conditionality is viewed by major international institutional donors as a way of helping recipients by making their financial support more effective.

In Bangladesh, concerns have been raised about the IMF and the World Bank and some scholars question whether their directed privatisation programmes have generated any significant benefits for the economic development of Bangladesh (Sobhan & Ahsan 1984; Ahmad 1994; Sen 1997; Khan 2000; Dijkstra 2002). Other studies have made a more positive assessment of privatisation (World Bank 1995; Hossain & Cheng 2002). What both sides of the argument share, however, is that most of the research emphasises the effects of privatisation on profitability and performance by comparing pre- and post-privatisation firm-level financial performance data. This ignores the breadth of the impact of privatisation, including its impact on the quality of working life of workers in privatised firms.

This thesis, therefore, focuses on the impact of privatisation on the quality of working life of workers in Bangladesh. Providing quality at work not only reduces attrition but also helps in reduced absenteeism and improved workers' satisfaction (Havlovic 1991; Newaz et al. 2007; Janes & Wisnom 2010). Quality of working life (QWL) contributes to a company's ability to recruit quality people and enhances a company's competitiveness through its motivated and satisfied workforce (Janes & Wisnom 2010). Hence, this research is important because it gives emphasis to the QWL of workers who

are the major workforce of privatised organisations in Bangladesh. A deeper understanding of the broader impact of privatisation on workers' QWL can provide useful insights, and also contribute to the broader debate on the role of privatisation in Bangladesh.

### **1.5 Outline of the thesis**

Following this introduction, the thesis is organised into seven further chapters.

Chapter Two provides a review of the literature, which focuses on foreign aid, conditionality and privatisation. This chapter details the theoretical frameworks applied to the study of foreign aid and development; and, presents an overview of academic perspectives relating to privatisation. The literature review then narrows the focus to aid conditionality and privatisation within the context of Bangladesh; and, reviews the assessments of privatisation programmes in Bangladesh.

Chapter Three reviews the concept and elements of QWL; measures of QWL; past studies on employees' QWL in Bangladesh; and, QWL measures used for this study to assess privatised organisations' workers QWL in Bangladesh.

Chapter Four outlines and justifies the methodology used in this research, which is based on a qualitative design, employing multiple case studies with cross-case analysis and conclusions drawn from comparing cases of five privatised Bangladeshi state-owned enterprises with comparable government and privately-owned enterprises. Data collection methods; case selection strategy; ethical considerations; and, data analysis procedures are also discussed in this chapter.



Chapter Five examines policy documents in order to provide a thorough understanding of how privatisation policies have evolved in Bangladesh and the role of donors in this process. The discussion and description of documents related to privatisations in Bangladesh is based on the World Bank and IMF policy papers, and Bangladeshi Government policy papers and regulations.

In Chapter Six, five case studies are presented based on the analysis of documents and semi-structured face-to-face interviews with factory floor workers and management level employees at five different firms. Each case study is reported on separately in this chapter.

Chapter Seven provides a cross-case analysis of the case study findings. The chapter brings together the five case studies, compares and analyses the findings in order to provide a complete and comprehensive picture, and a platform for highlighting the key findings in Chapter Eight.

Chapter Eight revisits the research question. This chapter presents the major findings of this research; the implications of this study; and, its contribution to the body of knowledge. This final chapter also discusses the limitations of this study and potential areas of further research.

## **Chapter 2: Foreign Aid, Conditionality and Privatisation: A Literature Review**

### **2.1 Introduction**

Foreign aid has played an important role in the economic development of many countries across the world through different periods of history (Rist 2002; Banerjee 2006). In more recent times, a significant proportion of foreign aid has become what is commonly referred to as ‘conditional’. Conditional aid is aid provided by international institutional donors to the governments of developing countries with the requirement that they implement certain prescribed policies. These institutions, such as the World Bank and the IMF, require certain conditions in the belief that the adoption of particular policies will assist in ensuring that the aid is used in ways that are more likely to decrease poverty and more broadly improve the economic, social and political situation in the area to which the aid is targeted (Lastra 2002; Stern et al. 2005).

In general, these prescribed policies are inspired by neo-classical interpretations of economic development and focus on private sector-led growth through which, it is thought, a more liberalised market is able to address some of the more tangible structural impediments to healthy economic growth in recipient countries (Ensign 2001). A common condition tied to foreign aid is that recipients privatise parts of their economy. The IMF and the World Bank, in particular, have pursued privatisation policies when providing aid to Less Developed Countries (LDCs) (Cook 1986; Adam et al. 1992; Craig 2000). As a consequence, various governments of LDCs have adopted privatisation programmes at the demand of international institutional donors (Craig 2000).

According to the Ministry of Finance of Bangladesh (2003, 2012), Bangladesh has received about US\$54.5 billion in foreign aid from 1971 to 2011. The World Bank and the IMF are the major donors of multilateral aid in Bangladesh. A key requirement of these development agencies is that successive recipient Bangladeshi governments sell a large array of state-owned enterprises. It is now widely recognised that privatisation is central to World Bank and IMF aid policy in Bangladesh. This chapter reviews the literature on aid conditionality and privatisation in particular. This review is organised in the following way:

- Section two presents definitions and an overview of foreign aid, conditionality and privatisation.
- Section three reviews the theoretical frameworks of foreign aid and development.
- Section four presents an overview of academic perspectives on privatisation.
- Section five focuses on aid conditionality and privatisation in Bangladesh.
- Section six reviews the assessments of privatisation programmes in Bangladesh.
- Section seven summarises the findings.

## **2.2 Definitions and overview: foreign aid, conditionality and privatisation**

The use of the term ‘foreign aid’ in international relations is quite diverse. The term ‘foreign aid’ is used interchangeably with ‘aid’, ‘foreign assistance’, ‘development assistance’, ‘economic assistance’, ‘economic aid’, ‘development aid’, ‘development cooperation’, or ‘economic cooperation’ (OECD 1999; Banerjee 2006).

Foreign aid may come as bilateral aid and/or multilateral aid. The government of one country gives bilateral aid directly to another country. Many committed governmental aid agencies distribute bilateral aid, such as DFID, and USAID (Malmqvist 2000).

Multilateral aid is provided from the government of a country to international agencies, for example the IMF and/or the World Bank, and these agencies provide aid to other countries (Malmqvist 2000).

Official Development Assistance (ODA) is a commonly used measure of foreign aid. According to the OECD (Organisation for Economic Co-operation and Development) (1999, 2013), ODA is the official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent. By convention, ODA flows comprise contributions of donor government agencies to developing countries (bilateral ODA) and to multilateral institutions. The multilateral organisations encompass: (a) the World Bank and IMF, (b) UN organisations, such as the UNDP (UN Development Programme), and (c) regional development banks, such as the ADB (Asian Development Bank).

Fayissa and El-kaissy (1999) and Bird (2004) trace how foreign aid came to be viewed as an important element of the development paradigm and to be widely considered as a major tool to influence development and reduce poverty. Rist (2002) describes how foreign aid has played a major role in the progress of many countries throughout different periods of history. Some now industrially-advanced and prosperous countries are included among them. For instance, the United Kingdom received aid from the Netherlands in the 18th century. The United States, now the world's leading donor country, was assisted by the United Kingdom in the middle of the 19th century. In the 20th century many western European countries, including the UK, benefited substantially from The Marshall Plan, under which some US\$13 billion in aid flowed from the USA to support European reconstruction after the Second World War (Rist

2002; Banerjee 2006). In the 1990s, the World Bank and the IMF provided a total of US\$22.6 billion to Russia. The IMF also put together a US\$117 billion bailout package for Asian countries (\$17 billion for Thailand, \$43 billion for Indonesia, and \$57 billion for South Korea) in the late 1990s during the Asian Financial Crisis (Felix 1998). It is calculated that more than US\$100 billion in foreign aid is distributed globally every year and this amount has been steadily increasing from US\$52.27 billion in 2001 to US\$140.74 billion in 2011 (World Bank 2012b). Table 2.1 below presents the total amount of global official development assistance disbursements from 2001 to 2011.

**Table 2.1**  
**Total amount of global official development assistance disbursements**  
**from 2001 to 2011.**

Year	Total official development assistance disbursements (in billion US\$)
2001	52.27
2002	61.90
2003	71.58
2004	79.91
2005	108.45
2006	107.00
2007	108.08
2008	127.44
2009	126.43
2010	130.29
2011	140.74

Source: World Bank (2012b)

The World Bank and the IMF, which are the key providers of multilateral aid, have used conditionality since their inception in 1944 and 1945 respectively (Malmqvist 2000). Conditionality is defined by Killick, Gunatilaka and Marr (1998, pp.10-11) as an effort to request policy change in recipient countries in return for loans or grants. Donors provide conditional aid to the recipient government for the execution of policies with the hope that it will develop the economic, social and political situation, reduce poverty and enhance the welfare of citizens (Stern et al. 2005). As Lastra (2002) observed, this adoption of conditionality since the 1950s has been driven by a widespread acceptance that various policy shifts can be a key tool in fostering longer term economic development.

Up to the early 1980s, conditionality largely focused on macroeconomic policies, such as monetary policy (Morrissey 2004). The IMF and World Bank introduced Structural Adjustment Programmes (SAPs) through conditionality for developing countries in the 1980s. These SAPs included internal changes (particularly deregulation and privatisation) as well as external changes, mainly the shrinking of trade barriers (Ensign 2001). SAPs developed as a response to three concurrent worldwide crises, namely- the debt crisis, the oil crisis, and the international recession that lasted from the late 1970s to the early 1980s. During this time many developing countries faced severe criticism about their economic policies (Dijkstra 2002). In addition, in some parts of the world, like sub-Saharan Africa, a range of internal factors, such as a fast growing population, drought and other unfavourable weather conditions, and economic mismanagement stemming from corruption and political instability also contributed to economic deterioration (Adepoju 1993). As a result of these factors, SAPs were evolved to handle the rising economic volatility in developing countries facing economic problems (Steward 1995).

A common SAP requirement is the privatisation of state-owned industries and resources. Cook (1986) defines privatisation as the purposeful sale of state owned enterprises by a government to private proprietors. Privatisation is thought to increase investment and efficiency, and decrease government expenditure (Adam et al. 1992; Flemming & Mayer 1997). Under privatisation policy, state-owned resources are required to be sold regardless of their relative profitability (Goodman & Loveman 1991).

Major institutional donors have embraced privatisation as the cornerstone of their aid and development policies in developing countries (Chowdhury 1990; Uddin & Hopper 2001; Boubakri et al. 2008). As a consequence, various governments of developing countries have proactively adopted privatisation programmes while others have reluctantly done so under demands from the IMF and the World Bank (Craig 2000).

### **2.3 Theoretical frameworks of foreign aid and development**

Various theories have been developed and applied to the study of economic development. Development theory is a collective vision of theories about how desirable economic change in society is best achieved.

Many different understandings of the process of economic development exist but the dominant paradigm of economic development among the world's major institutional donors, such as the World Bank and IMF, is informed by a modernist perspective. Modernisation theory is a theory of development that has come to inform the mainstream approach regarding foreign aid and attempted to explain the gap between developed and developing countries. This theory argues that the success of developed countries can be attributed to the 'discovery of the secrets of sustained economic growth' (Lairson & Skidmore 1997, p. 222). These secrets of sustained economic

growth are related to the establishment of certain social, political and financial policies that hold the principles of democracy and capitalism (Janos 1986; Lairson & Skidmore 1997). Modernisation theory argues that free trade, privatisation, industrialisation, democracy, relatively little control by political or religious authorities, and other ideas inherent in capitalist democratic societies promote economic growth. This perspective holds that developing countries that adopt these policies of the developed democratic/capitalist world will successfully develop (Preston 1996). Rostow (1960) and Lipset (1959) are the leading contributors to this theory. Rostow (1960) concentrated on the economic system side of the modernisation and Lipset (1959) argued that economic development sets off a series of profound social changes that together tend to produce democracy.

Modernisation theory is informed by Neo-classical economic theory. Neo-classical economic theory was developed from classical economics at the end of the 19<sup>th</sup> century. Some of the early contributors to the neo-classical economic theory were Leon Walras, Alfred Marshall, Vilfredo Pareto and William Stanley Jevons. Classical economics was developed in the 18<sup>th</sup> century and classical economists, such as Adam Smith and David Ricardo claimed that free markets regulate themselves when free of any intervention. Neo-classical economic theory rests on a few basic assumptions - mainly that economic decisions are always made rationally based on fully informed evaluations of utility. The consumer's main goal, the theory states, is to maximise personal satisfaction. Likewise, the goal of companies is to maximise profits. When consumers and companies both achieve their goals, markets experience economic equilibrium (Weintraub 2007). One of the implications of the neo-classical development theory for developing countries is the introduction of Structural Adjustment programmes (SAPs), which the World Bank and the IMF adapted in the 1980s. Important aspects of successive SAPs include,



reduction of government spending, trade liberalisation, currency devaluation, downsizing of government through retrenchment of the government workers and privatisation of government owned firms, and deregulation in order to stimulate the free market (Cook 1986; Ensign 2001).

Neo-classical was not always the dominant or hegemonic paradigm in economic development circles. From the early 1930s to the mid-1980s a different understanding of the process of economic development emerged in response to a variety of economic crises. This alternative view came to be known as Structuralism and was characterised by greater state involvement in the management of the economy, and attempts to reduce the linkages with the wider world economy and promote industrialisation. This paradigm spawned structuralism and dependency theories.

Structuralism focuses on structural aspects that impede the economic growth of developing countries. This approach originated with the work of the 'Economic Commission for Latin America's director Raul Prebisch, Chilean economists Anibal Pinto and Osvaldo Sunkel, and Brazilian economist Celso Furtado in the early 1950s. These scholars argue that economic activity in the developed countries often led to serious economic problems in the developing countries. Such a possibility was not predicted by neo-classical theory, which had assumed that economic growth was beneficial to all, even if the benefits were not always equally shared (Ferraro 2008). Based on this finding these theorists argue that developing countries have to move toward industrialisation and have to reduce their dependency on trade with the developed countries. Trade with the developed economies should be minimised through the erection of trade barriers and an overvaluation of the domestic exchange rate. Thus, the production of domestic substitutes of formerly imported industrial products can be

encouraged. To enjoy self-sustaining growth, developing countries should also limit exports of primary commodities and pursue inward-oriented development by shielding the domestic economy from that of the developed economies (Prebisch 1959; Furtado 1964; Sunkel 1969).

Economists at ECLA (Economic Commission for Latin America), such as Raul Prebisch, Anibal Pinto and Celso Furtado developed an extension of Prebisch thoughts on structuralism into dependency theory in the late 1950s. Dependency theory discards the ethnocentrism of the modernist theory and puts the responsibility for Third World poverty on First World superiority and colonialism (Janos 1986). According to dependency theory, developed countries intentionally prevent developing countries from progress because developed countries believe their own progress requires it. Developing countries provide natural resources, cheap labour and markets for developed countries, without which the developed nations could not have the standard of living they enjoy (Preston 1996). Developed nations actively perpetuate a state of dependence by various means, including economic assistance, media control, politics, culture, sport, and all aspects of human resource development. Dependency theory views developed countries' political as well as economic penetration to the developing countries as exploitive, producing a transfer of resources from the poor to the rich (Lairson & Skidmore 1997). Dependency theory is often associated with the Marxist school of thought because it is an anti-capitalistic philosophy.

Since the fall of communism, theories thought to be associated with Marxist schools of thought were branded by modernisation theorists and practitioners as doom to fail (Preston 1996). Modernisation theory became the dominant development paradigm, and therefore most policies of foreign assistance embrace the modernist school of thought

and in some way seek to establish democratic and capitalist principles in underdeveloped nations, whether through economic or political means (Lairson & Skidmore 1997). In this way, all international aid policies relating to development and the promotion of privatisation have roots in the modernist perspective on development and neo-classical economic theory.

The world's major institutional donors, such as the World Bank and the IMF embrace neo-classical economic philosophy and influence the aid recipient LDCs to privatise SOEs (Cook 1986; Lairson & Skidmore 1997; Craig 2000). SOEs arose in LDCs for a mix of ideological, political and economic reasons. Many LDC governments (e.g. India, Tanzania, Benin, and Zambia) were influenced by the spread of socialist ideology following the World War II (Haririan 1989). Nationalism, often in the form of sovereignty concerns post-decolonisation, similarly fuelled the desire for an LDC to control the critical sectors of its economy (Haririan 1989). SOEs were also formed (and subsequently expanded) to influence and control the public (Smith & Trebilcock 2001). The economic motivations behind SOEs included: increased capital investment, the control of inflation, the control of industries susceptible to monopolies, and the protection of fragile LDC economies from unpredictable circumstances (Krueger 1992; Smith & Trebilcock 2001).

#### **2.4 Practitioner and academic perspectives on privatisation**

Over the past two decades, international aid agency-directed privatisation has been the topic of widespread research. Among this research two distinct perspectives have come to dominate what has become a heated debate. The first is posed primarily by neo-classical and free-market economists and the research arms of international

development agencies such as the IMF and the World Bank. Reports from these agencies contend that privatisation is central to any long term process of economic reform (World Bank 1995; Brune et al. 2004; Boubakri et al. 2001, 2004). Opposing this interpretation, some aid watchers and economists (Ahmad 1994; Potts 1995; Karatas 1995; Khan 2000; Letza & Smallman 2001; Dijkstra 2002; ActionAid 2004) argue that external aid agency-driven privatisation has little, if any, visible positive impact on the social and economic development of recipient countries.

As outlined above, major international aid donors see privatisation as a way to increase investment and efficiency, and decrease government expenditure in emerging economies (Adam et al. 1992; World Bank 1995; Flemming & Mayer 1997; Brune et al. 2004). The view of these agencies is closely aligned to core tenets of development theory tied to neo-classical economic theory that argue ownership transfers from state to market will enhance management controls and improve performance and productivity (Vickers & Yarrow 1988). According to this perspective, state owned enterprises (SOEs) are unable to boost performance and productivity because of underpaid and insufficiently monitored managers, political intervention and influential labor unions (Vickers & Yarrow 1988; Hemming & Mansoor 1988).

Some empirical studies on developing countries have shown that privatisation increases efficiency and profitability. Boubakri et al. (2004) conducted studies on privatised enterprises in 10 developing countries and concluded that privatisation brings major improvements to efficiency, output, and profitability. Djankov and Murrell (2000) conducted a meta-analysis of 31 empirical studies and concluded that private enterprises in developing countries were more productive than state-owned enterprises. Another study examining the performance of 121 former state-owned enterprises in Vietnam

showed that there were major improvements in efficiency, sales revenues, profitability and employee income in these enterprises (Loc et al. 2006).

International aid agency-directed privatisation, however, has also been subject to widespread criticism (Wortzel & Wortzel 1989; Ahmad 1994; Potts 1995; Karatas 1995; Letza & Smallman 2001; Dijkstra 2002). Authors such as Ramaswamy (1988), Potts (1995) and Dijkstra (2002) argue that privatisation results in the transfer of domestically owned resources to foreign companies or national politically-aligned influential groups, and in so doing the aim of public prosperity is replaced by the aim of private accumulation. In addition, although some state-owned enterprises may demonstrate financial losses, they are still significant for national development as they perform a wider social responsibility, for example supply low cost utilities and jobs (Karatas 1995; Khan 2000). Stiglitz (2003) criticised IMF's SAPs in which rapid privatisation was applied in developing countries, and argued that the subsequent readjustments led to a deteriorating economic situation, increased poverty and social unrest. Gupta et al. (1999) and Stiglitz (2003) argued that IMF policies failed to address the lack of safety nets to help employees who might lose their jobs following privatisation, which in turn exacerbated political and social instability.

There are a number of studies that show how compliance with the conditions of major international donors, such as privatisation, is patchy at best. For example, Mosley et al. (2004) examined fourteen countries with World Bank adjustment programmes and found that only three countries had fully complied. Similarly, Killick's (2004) study showed that of 100 World Bank adjustment programmes, only 25 percent were successful. For the remainder, most were delayed, and 8 percent were cancelled. A report on developing countries prepared by the IMF's Independent Evaluation Office

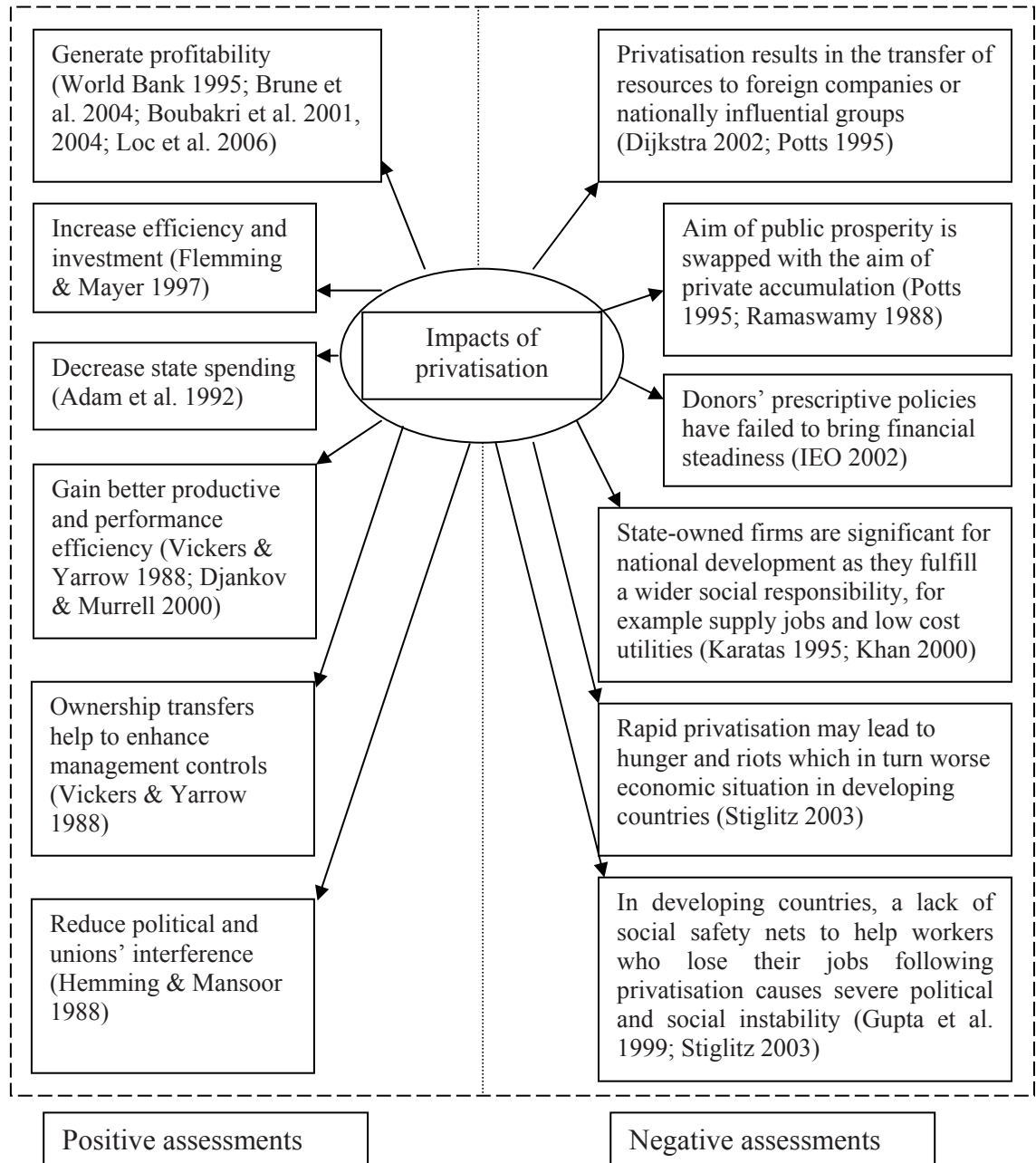
(IEO) (2002) showed that prescriptive donor policies had failed to bring financial steadiness to developing countries. The IEO (2002) report highlighted several shortcomings in IMF prescriptions, including: a failure to judge weaknesses within the financial systems of developing countries; failure to consider the political viability of reform policies and execution capacity; over optimistic estimations of the outcomes of conditionality; inaccurate prioritisation; and inadequate awareness to social issues in particular their failure to address the need for sufficient safety-nets.

There are several other empirical studies arguing that state-owned enterprises are not necessarily less efficient than those in private ownerships. Weiss's (1995) research on the comparative performance of state and private corporations in Mexico found that the performance of state-owned enterprises did not vary considerably from that of private enterprises. Karatas (1995) also compared pre- and post privatisation company performance among Turkish firms based on financial measures such as productivity, turnover, and profit margins. He found no relationship between privatisation and the firm's financial performance.

Different scholars have focused on the shortcomings of privatisations in specific settings. For example, ActionAid's case studies of utility privatisation in Ghana, Uganda and India argued that rights of those directly affected were ignored in the drive to attract private investment in energy and water (ActionAid 2004). Similar arguments have been made about the privatisation of the water sector in Bolivia by Carrasco (2002). Figure 2.1 below schematically outlines the different scholarly perspectives on the impact of privatisation.

**Figure 2.1**

**Different views in the literature about the impact of privatisation**



Therefore, there are mixed perspectives in the literature about the effectiveness of privatisation and international financial institutions (IFIs) continue to face questions regarding privatisation as a condition of their aid.

## 2.5 Aid conditionality and privatisation in Bangladesh

In Bangladesh, foreign aid has been the most important source of outside finance since its independence in 1971. According to the Ministry of Finance of Bangladesh (2003, 2012), from 1971 to 2011 some US\$54.5 billion in foreign aid was provided to Bangladesh (table 2.2 below). Other statistics highlight this dependency. For example, for the years 1998-2002 Bangladesh received approximately US\$7.2 billion of international aid, and in 2002, 44% of the shortfall in its fiscal deficit was met by aid (UN economic and social commission for Asia and the Pacific (ESCAP) regional Survey 2003). According to figures compiled by BBS (2010), Bangladesh received about US\$1.8 billion in foreign aid in 2008-2009 financial year, which equated to US\$12 per capita and 52.2% of the country's development budget.

**Table 2.2**  
**Total foreign aid to Bangladesh from 1971 to 2011**

<b>Financial Year</b>	<b>Total Foreign Aid (in million US\$)</b>
1971-72	271
1972-73	551
1973-74	461
1974-75	901
1975-76	801
1976-77	535
1977-78	834
1978-79	1033
1979-80	1223
1980-81	1147
1981-82	1240
1982-83	1177
1983-84	1268
1984-85	1269
1985-86	1306
1986-87	1596
1987-88	1640
1988-89	1668



1989-90	1810
1990-91	1732
1991-92	1611
1992-93	1675
1993-94	1559
1994-95	1739
1995-96	1585
1996-97	1481
1997-98	1251
1998-99	1536
1999-00	1588
2000-01	1369
2001-02	1442
2002-03	1585
2003-04	1033
2004-05	1507
2005-06	1567
2006-07	1630
2007-08	2061
2008-09	1847
2009-10	2227
2010-11	1777

Source: Ministry of Finance, Bangladesh (2003, 2012)

The dependence on foreign aid of the Bangladesh governments has given donors significant leverage over the country's policies. The World Bank and IMF, for example, have used this leverage to impose a variety of conditions on the Bangladesh governments, which are derived from the neo-classical and capitalistic economic philosophy (Chowdhury 1990; Uddin & Hopper 2001; Boubakri et al. 2008).

Conditions are imposed at project, sectoral, or macro and micro economic levels in Bangladesh. For project such as the World Bank's state-owned enterprise and banking sector reform project, conditions involved the name of the implementing agencies, the name of the industries and organisations to be reformed, the schedule of work, the way of executing the project, and the way and use of funding. For sectoral issues such as the

power sector, condition involved input pricing, sector management, decision making, and distribution system. For macro and micro economic issues, supply of money, inflation, trade pattern, deregulation, exchange rate, taxes and tariffs, and government's spending were some of the important considerations (Sobhan, 1990; world Bank 2011).

As observed by Haq and Abrar (1999), aid during the 1970s was received mainly in the form of food aid and commodity aid. In the late 1970s and first half of the 1980s aid came in with few conditions. In the later half of the 1980s, strict conditionality was imposed to promote structural reforms and transparency of governance as mismanagement and corruption became obvious (Haq & Abrar 1999). The World Bank and IMF, for example, introduced Structural Adjustment Programmes (SAPs) in Bangladesh in 1986 through conditionality which required the Bangladesh government to implement a range of prescribed policies and reforms, such as privatisation of SOEs, deregulation, trade liberalisation, downsizing of government workers, and reduction of government spending (Chowdhury 1990; Uddin & Hopper 2001; Boubakri et al. 2008).

The World Bank (1995, 1998, 2002) and Duncan et al. (2002) argue that conditionality is essential in Bangladesh because accountability and governance structures are not good enough. Hossain and Cheng (2002) argue that Bangladesh has begun to demonstrate substantial progress in using conditional aid to generate economic growth. They note that GDP growth, averaged 4.5% in the 1980s, but had improved to an average of 5.5% in 2002. However, according to figures provided by the World Bank (2012b), the poverty level in this nation was still above 30%. The UNDP (2011) ranked Bangladesh 146<sup>th</sup> out of 187 countries on the Human Development Index, a statistical

tool used to measure a country's overall achievement in its social and economic dimensions, such as health, education and income.

Leandro and Schafer (1999) and Dijkstra (2002) argue that inappropriate conditions tied to the giving of foreign aid are a key barrier to the desired outcomes of aid in Bangladesh. Authors such as, Khan (2000) and Curtis (2004) argue that donors do not have a clear understanding of the problems specific to Bangladesh and instead try to apply the same solution across very different socio, cultural, political and economic contexts. They cite the request of donors to close or restructure unprofitable state-owned enterprises as an example of this 'one-size-fits-all' approach. Khan (2000) points out that this solution may be appropriate in those countries where benefits for unemployment are available to help those workers who lose their jobs but not in Bangladesh where there is no social security system. Thus, according to Khan (2000), privatisation has a strong moral and political dimension.

Privatisation programme in Bangladesh was started in the mid-1970s following the advice of aid donors to reduce the fiscal burden that public enterprises' losses and their subsidisation imposed on the country (Sobhan 1982; Uddin & Hopper 2003). After the liberation in 1971, the first Bangladesh government held pro-socialist ideology and nationalised over 92% of manufacturing industries (Uddin & Hopper 2003; Ahmed 2004). However, the nationalisation policy was unsuccessful because the losses of SOEs were substantial (Ahmed 2004; Momen 2007). After the political change in 1975, the new government embraced capitalist ideology and started privatisation (Momen 2007). Institutional aid agencies had a major influence upon that new government's policies because the government was dependent on the aid agencies for assistance and the aid agencies took the opportunity to influence the government (Sobhan 1982). For

example, the World Bank had responsibility for reporting on the state of the country to the Donor Countries Consortium (DCC), and used the DCC's collective sanctions to enforce World Bank directives requiring the government to promote the private sector (Uddin & Hopper 2003).

In the 1980s, the Bangladesh government consistently committed to the capitalistic economic philosophy and followed aid donors' advice to privatise SOEs (Chowdhury 1990; Uddin & Hopper 2003). The World Bank and IMF created Structural Adjustment Programmes (SAPs) for the developing countries in the 1980s as a new financing mechanism and introduced in Bangladesh in 1986 which also required the Bangladesh government to privatise SOEs (Chowdhury 1990; Uddin & Hopper 2001; Boubakri et al. 2008).

After the 1980s, privatisation of SOEs was continued under all governments in Bangladesh and aid agencies had a strong influence upon the privatisation policy (Sobhan 2002; Privatisation Commission 2010a). For Example, the IMF provided about US\$ 954.4 million to Bangladesh under the Poverty Reduction and Growth Facility (PRGF) arrangement between 1990 and 2007, and the principal condition of the PRGF arrangement comprised privatisation or closure of state-owned enterprises (SOEs) (IMF 2011).

In 2000, the Bangladesh government formed the Privatisation Commission with the financial and administrative power to well run the privatisation programme in Bangladesh through the enactment of the Privatisation Act 2000, and a total of 38 SOEs were privatised by the Privatisation Commission between its establishment and July 2014 (Privatisation Commission 2010b, 2014). Besides, a total of 372 SOEs were

privatised by the Bangladesh government from 1975 to 1992. And, after the establishment of the Privatisation Board in 1993, a total of 39 SOEs were also privatised by the Bangladesh government's different ministry and the Privatisation Board. The Privatisation Board was dissolved after the establishment of the Privatisation Commission in July 2000 (Chowdhury 2008; Privatisation Commission 2010a, 2010b, 2014). The following section reviews the literature on assessments of the privatisation programme in Bangladesh.

## **2.6 Assessments of the Privatisation programme in Bangladesh**

Inclusive study of the privatisation of state-owned enterprises (SOEs) in Bangladesh is relatively limited (Sobhan 2002; Momen 2007). Most research on privatisation in Bangladesh has been concerned with measuring its impact on performance and profitability. The World Bank (1995) argued that privatisation in Bangladesh would increase business efficiency and government's fiscal position, hence promoting investment and economic growth. However, opponents pointed out that Bangladeshi state owned enterprises followed a broad range of development goals, and profit maximisation was only ranked fifth by the Bangladeshi government, below the provision of jobs (ADB survey in World Bank 1995). The World Bank (1995) reacted that without following profit maximisation principles, no companies could be efficient, competitive and productive.

Boubakri et al. (2004) conducted a study on the privatised enterprises in 10 developing countries along with Bangladesh and concluded that privatisation brought major improvements to efficiency, output, and profitability in privatised enterprise in Bangladesh. However, Lorch (1991) studied the post-privatisation operation of the

textile industry and did not detect any indication of improved productivity, profitability or performance. Sobhan and Mahmud (1991) analysed and compared the performance of nationalised and privatised firms in the jute and the textile sectors and found that there was no convincing evidence of superior performance of privatised firms. Similarly, Ahmad (1994) studied the post-privatisation performance of Bangladeshi firms and found that denationalised mills did not perform substantially better than public mills. In some cases, denationalised mills' production fell away faster than production at their public counterparts. The author summarised that there was no clear link between privatisation and improved financial performance.

The World Bank (1993) conceded that privatised Bangladeshi textile and jute mills were unsuccessful after privatisation: some were making losses, whilst others were liquidated. Contrary to predictions, private investment failed to flow into these firms after privatisation. Similarly, Ahmad's study (1993) found no proof of better efficiency in privatised cotton and jute mills. Indeed, Ahmad (1993) argued that privatisation generated anxiety and uncertainty among factory floor workers.

Sen's 1997 study found that of the 205 industrial enterprises which were privatised since 1980, only 112 (54.6%) were operational, 83 (40.5%) had closed, and 10 (4.9%) were not traceable. Among the 112 operational enterprises, only 5.6% claimed that they were highly profitable, 33.8% said that they were profitable, 6.7% reported breaking even, 16.3% said they were making a loss and 43.6% reported high losses.

A study on the privatisation experience in Bangladesh carried out by Dowlah (1998) for the World Bank found mixed performances across a sample of 10 privatised enterprises. In five enterprises, there was a decline in production by 23% after privatisation, while

three lifted production by 91%. Four enterprises increased gross sales revenues by more than 100% after privatisation, another four experienced a decline in their gross sales revenue by an average of 41%. Similarly, four enterprises were able to increase capacity utilisation after privatisation, while another five enterprises experienced a slight fall in this regard.

As the above discussion shows most research on privatisation has been concerned with measuring its impact on performance and profitability. There is scope, however, to improve our understanding of the impact of privatisation on workers more directly through examining the impact on the quality of working life for workers in privatised firms.

## **2.7 Conclusion**

This literature review has examined the main themes and issues in the research on foreign aid conditionality and privatisation. There are mixed perspectives in the literature about the effectiveness of aid conditionality and privatisation in the aid recipient countries. In some cases, authors have found that conditionality is helpful in generating economic growth, and as a condition, privatisation makes enterprises more successful, with benefits for consumers and companies. In other cases, conditionality has been criticised as excessively invasive, and privatisation has been seen as more harmful than helpful to the poor.

There are authors who believe that conditionality is essential in Bangladesh because accountability and governance structures are not good enough. In contrast, critics argue

that inappropriate conditions and ignorance of the country's socio-economic contexts are the major pitfalls of conditions as they have been imposed in Bangladesh.

As a condition, privatisation is a much debated subject in Bangladesh. There are also mixed perspectives in the literature about the effectiveness of privatisation in Bangladesh. The dominant interpretation of effectiveness, however, has almost always emphasised financial performance and profitability, usually by comparing pre- and post-privatisation data. Attention has not been given to the impact of privatisation on workers' quality of working life. Therefore, there is scope to research the actual impact of privatisation on the quality of working life for workers in privatised state-owned enterprises in Bangladesh. The following chapter reviews the literature on the quality of working life (QWL) and its various measures.



## **Chapter 3: Quality of Working Life (QWL)**

### **3.1 Introduction**

The term ‘Quality of Working Life’ (QWL) was first introduced by Louis Davis in the late 1960s to emphasise the human dimensions of work (Hian & Einstein 1990). QWL refers to the favourable conditions and environments of a workplace that support and promote employee satisfaction and well-being (Beaudoin & Edgar 2003). Employees with high QWL have a high level of job satisfaction, job performance, and a lower level of absenteeism, grievances and quits (Havlovic 1991; Newaz et al. 2007; Janes & Wisnom 2010). Since this thesis focuses on workers QWL, it is important to review QWL literature to understand the various aspects of QWL. The following sections present concept and elements of QWL, measures of QWL, past studies on employees QWL in Bangladesh, and QWL measures used for this study to assess privatised organisations’ workers QWL in Bangladesh.

### **3.2 Concept and elements of QWL**

QWL is not a unitary concept, and researchers have defined QWL in different ways. QWL has been seen as incorporating a hierarchy of perspectives that not only include work-based factors such as satisfaction with pay, satisfaction with job and relationships with work colleagues, but also factors that broadly reflect life satisfaction and general feelings of well-being (Danna & Griffin 1999). Price (1997) described QWL as: ‘Fulfilment of the requirements of an individual by his work environment’ (Price 1997, p. 480). Sirgy et al. (2001) defined QWL as: ‘Employee satisfaction with a variety of needs through activities, resources, and outcomes stemming from participation in the

workplace' (Sirgy et al. 2001, p. 242). Martel and Dupuis (2006) argued that quality of working life is reliant on the extent to which an employee feels empowered, valued, rewarded, motivated, and consulted.

Walton (1975) suggested eight major conceptual areas for understanding quality of working life. These are (i) adequate and fair compensation, (ii) health and safety at work, (iii) development of staff capacities, (iv) growth and security, (v) social integration, (vi) constitutionalism in the work organisation, (vii) work and the total life space, and (viii) social relevance of working life.

Taylor (1979) described basic elements of quality of working life as: the extrinsic job factors, such as the working conditions, wages and hours, and the intrinsic job notions, such as the nature of the work itself. Taylor (1979) also mentioned a number of other aspects of QWL including, a meaningful future at work, self development, employee participation in the management, individual power, fairness and equity, and social relevance of the work.

Mirvis and Lawler (1984) identified basic components of a good quality of working life as: a safe work environment, equal employment opportunities, equitable wages, opportunities for advancement, protection of individual rights, and opportunities to learn and grow. Schermernhorn and John (1989) argued that the factors such as fair and adequate pay, health and safety of working conditions, creating opportunities to learn, growth in the professionalism path, professional integrity in the organisation, support of individual rights and proud of the job must exist in the organisation to assess the QWL.

Baba and Jamal (1991) described some elements of quality of working life as: job satisfaction, job stress, job involvement, work role overload, work role ambiguity and conflict, organisational commitment, and turnover motivation. Laar et al. (2007) used six key factors to describe most of the variation in an individuals' quality of working life as: career satisfaction, working environment, home-work interface, general well-being, control at work, and stress at work.

Islam and Siengthai (2009) argued that quality of working life is influenced by the factors such as working conditions, wages, working time, health hazards issue, financial and non-financial benefits, and management behaviour towards employees. Adhikari and Gautam (2010) described basic elements of QWL as: adequate pay and benefits, job security, safe and healthy working condition, meaningful job and autonomy on the job.

Therefore, these broad perspectives of QWL indicate that the factors of QWL are varied and plenty. Their diversity is due to the researchers' different conceptions of QWL and the changing views of employee rights and organisational responsibilities. Despite differences in terminology and conception, there are some common factors found in the QWL definitions. In sum, it can be said that the quality of working life is an important aspect of an organisation because it promotes workers' wellbeing in the work-place, thus contributing to a quality service delivery and enhanced productivity.

### **3.3 Measures of QWL**

As indicated in the literature, QWL is the widest context in which an employee would assess their work environment and is much more than just work happiness or job satisfaction (Danna & Griffin 1999; Laar et al. 2007). Job satisfaction measures are

generally done in the job explanatory index tradition (Price 1997). On the other hand, QWL measures focus on the impact of the workplace on satisfaction in work life (job satisfaction), satisfaction in non-work life domains, and satisfaction with overall life (Walton 1975; Danna & Griffin 1999; Sirgy et al. 2001). Some researchers such as Walton (1975), Sirgy et al. (2001), and Laar et al. (2007) have developed models to measure QWL that have been broadly recognised (Timossi et al. 2008; Edwards et al. 2009; Ferreira et al. 2013; Taher 2013).

The Walton's QWL model (1975) is one of the most accepted and used by the researchers of QWL (Sadique 2003; Talebi et al. 2012; Tabassum 2012; Ferreira et al. 2013). Walton (1975) identified eight major conceptual areas to cover basic aspects of QWL. Criteria and sub-criteria of Walton's model for assessing QWL are presented in Table 3.1 below.

**Table 3.1**  
**Criteria and sub-criteria of Walton's model for assessing QWL**

Criteria	Sub-criteria
1. Adequate and fair compensation	Fair remuneration, wage balance, allotment of productivity profits, and extra benefits.
2. Health and safety at work	Working hours, workload, process technology, salubrity, and protection equipment.
3. Development of staff capacities	Autonomy, importance of the task, polyvalence, performance evaluation, and conferred responsibility.
4. Chance of growth and security	Professional growth, trainings, encouragement for learning, and job security.

5. Social integration	Discrimination, interpersonal relationship, team's compromise, and ideas' valorisation.
6. Constitutionalism	Worker's right, freedom of expression, norms and rules, and respect to individualities.
7. Work and the total life space	Influence on the family routine, possibility of leisure, and time of work and rest.
8. Social relevance of working life	Proud of the work, institutional image, community integration, qualities of the products/ services, and human resources policy.

Source: Walton (1975)

Timossi et al. (2008) evaluated Walton's model for assessing QWL as inclusive and detailed. Researchers (Roos 2012; Talebi et al. 2012; Dousti et al. 2012; Tabassum 2012; Ferreira et al. 2013) replicated Walton's QWL model (1975) with a broad range of employee groups and in different countries such as Brazil, South Africa, Iran, and Bangladesh.

Sirgy et al. (2001) developed a measure of QWL based on need satisfaction and spillover theories. Sirgy et al. (2001) designed the measure to capture the extent to which the work environment, job requirements, supervisory behaviour, and ancillary programs in an organisation are perceived to meet the needs of an employee. Sirgy et al. (2001) categorised QWL into two major categories: lower- and higher order needs. The lower-order QWL is comprised of health and safety needs, and economic and family needs. The higher-order QWL is comprised of social needs, esteem needs, actualisation needs, knowledge needs, and aesthetic needs. For measurement, they suggested review in terms of the following seven categories of needs.

1. Health and safety needs (protection from ill health and injury at work and outside of work, and enhancement of good health);
2. Economic and family needs (pay, job security, and other family needs);
3. Social needs (collegiality at work, and leisure time off work);
4. Esteem needs (recognition and appreciation of work within the organisation and outside the organisation);
5. Actualisation needs (realisation of one's potential within the organisation and as a professional);
6. Knowledge needs (learning to enhance job skills and professional skills); and
7. Aesthetic needs (creativity at work, personal creativity and general aesthetics).

Sirgy et al. (2001) validated their model to measure QWL by using three different samples of university employees and accounting firm employees. Nevertheless, Sirgy et al. (2001) recommended a replication of their study in the context of other organisations, as they stated, “to ensure greater variance in the variables pertaining to organisational sources of need satisfaction” (Sirgy et al. 2001, p. 279).

A relatively new measure on QWL is the ‘Work-Related Quality of Life’ (WRQoL) scale developed by Laar et al. (2007). Laar et al. (2007) used six factors to explain the variation of an individual's quality of working life as:

1. General well-being (GWB): GWB assesses the extent to which an individual feels good or content in themselves, in a way which may be independent of their work situation. GWB both influences, and is influenced by work.
2. Home–work Interface (HWI): Home-work interface reflects the extent to which the employer is perceived to support family and home life.

3. Job and career satisfaction (JCS): JCS reflects an employee's feelings about, or evaluation of, their satisfaction or contentment with their job and career and the training they receive to do it.
4. Control at work (CAW): Control at work reflects the level to which an employee feels that they can control their work through the freedom to express their opinions and being involved in decisions at work.
5. Working conditions (WCS): Working conditions assess the extent to which the employee is satisfied with the fundamental resources, working conditions and security necessary to do their job effectively.
6. Stress at work (SAW): Stress at work is determined by the extent to which an individual perceives they have excessive pressures and feel stressed at work.

The WRQoL scale is based on a UK healthcare workers dataset and can be used in healthcare settings worldwide with translation (Laar et al. 2007). Further research is necessary to improve the instrument and evaluate its practicability to other areas (Laar et al. 2007). Edwards et al. (2009) assessed that the scale is also psychometrically valid for higher education workers and suggested to test the scale with a broad range of employee groups and in other cultures.

Therefore, it can be concluded that the Walton's QWL model (1975) is the most applicable measure of QWL because it is inclusive and can be replicated with a broad range of employee groups and in different countries. The QWL measure of Sirgy et al. (2001) exhibits validity, though it has not been replicated with different employee groups. The WRQoL scale developed by Laar et al. (2007) for assessing QWL can be used in healthcare settings worldwide, though it also has not been replicated in other areas.

### **3.4 Past researches on QWL in Bangladesh**

In Bangladesh, there were not much direct studies on QWL. Most of the work done in this area is rather theoretical, dealing mainly with its proper identity and dimensions (Uddin et al. 2006). Some studies, however, have focused on the relationship of QWL with some of the result variables such as job satisfaction, job performance and organisational performance (Tabassum et al. 2011; Taher 2013).

Hossain and Islam (1999) conducted a study with a view to investigate the overall QWL, job satisfaction and job performance of the Government hospital nurses in Bangladesh. Significant correlation was found between QWL and job satisfaction, and QWL had the highest contribution to job performance. Uddin et al. (2006) also found a positive relationship between QWL and job satisfaction of the Government hospital nurses.

Kumar and Shanubhogue (1996) analysed and compared the existing and expected QWL in the public universities and found a considerable gap. Tabassum (2012) found a positive correlation between QWL and job satisfaction of the faculty members in the private universities of Bangladesh.

Zohir (2007) identified that QWL factors such as the financial and non-financial benefits, job security, and leave provisions have a positive impact on job performance and organisational performance. Islam and Siengthai (2009) found that QWL has an impact on organisational performance of the garments enterprises of Dhaka Export Processing Zone. Taher (2013) found that the job design of an organisation has a significant effect on its organisational performance, and he suggested to give proper attention to QWL.



Elias and Saha (1995) found that female workers' quality of working life was significantly lower than that of their male counterparts in the tobacco industry. Tabassum et al. (2011) found a significant difference between the local private and foreign commercial banks' employees perception over QWL, and they suggested to improve the overall employees QWL at the local private commercial banks. Hoque and Rahman (1999) found that QWL was correlated with job performance, job satisfaction, labour turnover, and labour-management relations of any industrial organisation.

However, no initiative was taken to identify the impact of privatisation on workers' QWL in Bangladesh. 'Quality of Working Life' (QWL) is still a new concept to emerge in Bangladesh (Tabassum 2012), though four decades have passed since the phrase was first introduced. This study, therefore, has undertaken in Bangladesh to find out the impact of privatisation on workers' quality of working life.

### **3.5 Used QWL measures for the present study**

This study has used Walton's QWL model (1975) to measure workers QWL. Walton's QWL model (1975) is one of the most accepted and used by the researchers of QWL (Sadique 2003; Talebi et al. 2012; Tabassum 2012; Ferreira et al. 2013). Walton's QWL model (1975) is wide-ranging and can be replicated with a broad range of employee groups in different countries (Timossi et al. 2008; Roos 2012; Dousti et al. 2012; Ferreira et al. 2013). In Bangladesh, many researchers (Elias & Saha 1995; Kumar & Shanubhogue 1996; Sadique 2003; Tabassum et al. 2011; Tabassum 2012) also used

Walton's QWL model (1975) in their studies to measure employees QWL of different industries.

Walton's QWL model (1975) included eight criteria and 34 sub-criteria. In this study, Walton's QWL model (1975) has been slightly simplified without changing the criteria and the objectives of the Walton's model to apply in workers with lower schooling level to obtain reliable results through more clarified terms. For example, technical terms have been changed to simpler and more usual terms, without changing its meaning. Some of these terms are indicated in Table 3.2.

**Table 3.2**  
**Some examples of simplified terms of Walton's QWL model used in this study**

Original terms	Simplified terms
Remuneration	Wages
Extra benefits	Festival bonuses, and access to retirement savings plan
Salubrity	Healthy working conditions
Polyvalence	Possibility to perform several works
Constitutionalism	Respect to laws and norms

Source: Research data, 2014

Simplified terms have been placed within the brackets beside the original terms in the interview questions, and semi-structured questionnaire has been designed based on 34 sub-criteria of Walton's QWL model (1975) to measure workers QWL in privatised organisations in Bangladesh. Pilot interviews have been conducted to increase the questionnaire's reliability and appropriateness, and to avoid workplace sensitivity.

Research design and methodology chapter describes the data collection methods and pilot test in detail.

### **3.6 Conclusion**

QWL is not a unitary concept, the factors of QWL are varied and plenty, and it is due to the researchers' different conceptions of QWL and the changing views of employee rights and organisational responsibilities. Some recognised measures of QWL have been emerged in the literature and amongst them Walton's QWL model (1975) to measure QWL is one of the most accepted and used by the researchers of QWL. In Bangladesh, many QWL researchers also considered Walton's QWL model in their studies to assess QWL of different industries' employees. However, no initiative was taken to identify the impact of privatisation on workers' QWL. Hence, this study has undertaken in Bangladesh and used Walton's QWL model to measure privatised organisations' workers QWL. The following chapter presents research design and methodology of this study.

## **Chapter 4: Research Design and Methodology**

### **4.1 Introduction**

This research is informed by the findings of five in-depth case studies of privatised organisations across five districts in Bangladesh. The five cases are of varying size, span different industries, and cover five of the seven government corporations that controlled 14 state-owned enterprises which were privatised by the Privatisation Commission from its establishment in July 2000 to July 2014 and fully operational under private ownership. The study uses semi-structured face-to-face interviews with factory floor workers and management level employees (e.g. managers, administrators, and supervisors) from the five case study organisations and document analysis of relevant secondary source materials including company documents relating to wages, benefits and other policies of the five privatised organisations. Workers' conditions at the five privatised case study organisations with regard to the quality of working life measures are also compared with workers' conditions at the state-owned organisations and privately-owned organisations that have come from the similar industries and size to find out the impacts of privatisation on workers' quality of working life in privatised enterprises in Bangladesh.

This chapter explains the methodology used to address the research question in more detail. It includes sections on the research methodology; data collection methods; cases' selection; data collection procedures; ethical considerations; and, data analysis. The research methodology section justifies the use of an exploratory study with a multiple case study research method, and qualitative approaches to collect and analyse data. The section on data collection methods also justifies and discusses the various instruments that have been used.

## **4.2 Methodology**

The research project is an exploratory study, employing a case study research method. An exploratory study is appropriate because the available literature and existing knowledge about the impact of privatisation on workers' quality of working life in Bangladesh is scant. The case study research method is the preferred research method because the focus is on a contemporary phenomenon in a real life context. The study employs five case studies and takes a qualitative approach.

### ***4.2.1 Justification of methodology***

Researchers use exploratory research to gain a sense of what is happening on a particular topic for which there isn't much information (Nardi 2006). Exploratory study is seen by Neuman (1997) as a study which is conducted into a problem or issue where there are few or no previous studies to refer to. The focus is on gaining insights about a particular issue or problem. In Bangladesh, the available literature and existing knowledge about the impact of privatisation on quality of working life of workers is very limited and offer no clues for a conceptual framework or notable propositions. Thus, in this situation an explorative study is appropriate to find out the impact of privatisation on workers' quality of working life in Bangladesh.

The case study research method is the preferred research method where a researcher wants to understand complex real-life activities in greater depth (Noor 2008). The case study research method involves systematically collecting enough information about a particular person, group, social setting, or event to help the researcher effectively understand how it functions or operates (Berg 1998). Yin (2003, p. 13) defines case study as 'an empirical inquiry that investigates a contemporary phenomenon within its

real-life context when the boundaries between phenomenon and context are not clearly evident, and in which multiple sources of evidence are used'. The purpose and context of this research project is also aligned to these definitions of case study research method because this research project is an empirically based project rather than an exercise in theory building. The focus of this research project is on a contemporary phenomenon with the real life context of workers of privatised enterprises in Bangladesh. The case study research method, combined with many sources of evidence, helps to provide a comprehensive view of the impact of privatisation on workers' quality of working life.

The study employs five case studies using a qualitative approach. Multiple-cases within the same study increase the possibility of finding similar results (replication) and if such replications are found for some cases, we can have more confidence in the overall findings. The development of similar results over multiple cases, can inform more robust findings (Yin 1993; Noor 2008). A qualitative approach helps to explore new topics by getting into the settings where people carry out their lives (Denzin & Lincoln 2005). According to Creswell (2009), qualitative research is a way to understand and explore the meaning groups or individuals ascribe to a human or social problem. Using this approach, the researcher builds a complex, holistic picture, analyses words, reports the detailed views of informants and conducts the study in a natural setting. The main goal of qualitative research is to help to understand with more depth and sensitivity people's subjective understandings while acting in their social situations (Nardi 2006). Therefore, a qualitative approach is appropriate for the purpose of this study as it explores employees' perspectives and privatisation's impact on their quality of working lives.

### **4.3 Data collection method**

The study uses semi-structured face-to-face interviews with factory floor workers and management level employees, and document analysis of relevant secondary source materials for multiple data collection from the five case study organisations, five state-owned and five private organisations that belong to the same industries and size, Bangladesh Government policy papers, and major international institutional donors' policy papers on Bangladesh.

#### ***4.3.1 Justification of data collection method***

Qualitative interviews seek to gather collective perceptions or knowledge from multiple participants (Stake 1995). An indirectly structured interview allows themes to emerge, as participants construct their own meanings from situations through the conversation (McMurray et al. 2004). According to Yin (2003), one of the most important sources of case study information is the interview because interviews focus directly on a case study topic and provide perceived causal inferences. The use of semi-structured interview as a data collection method in this research enables the researcher to encourage employees to describe events, draw linkages and give examples of their experience on quality of working life in privatised, state-owned and privately-owned enterprises in Bangladesh.

Documents can be instructive for understanding social realities in institutional contexts and can be a fruitful addition to other forms of data. Documents contain text (words) and images that are produced by individuals and groups in the course of their everyday practices and are geared exclusively for their own practical needs (Scott 1990). Documents are unobtrusive and non-reactive – that is, they are recorded without a researcher's intervention and are not deliberately produced for the purpose of research

(Sproull 1995). Document analysis is often used in combination with other qualitative research methods as a means of triangulation (the combination of more than one method in the study of the same phenomenon) (Denzin & Lincoln 2005). As a research method, document analysis is particularly applicable to qualitative case studies – intensive studies produce rich description of a single phenomenon, event, organisation, or programme (Stake 1995, Yin 2003). Therefore, using document analysis of relevant secondary source materials including, documentary data on wages, benefits (i.e. festival bonuses, access to retirement savings plan), leave, promotions, and other relevant documents of the five privatised organisations, five state-owned and five privately-owned organisations, Bangladeshi Government policy papers, and major international institutional donors’ policy papers about Bangladesh enable the researcher to make inferences about the impact of privatisation on workers’ quality of working life in privatised enterprises in Bangladesh.

Multiple sources of data enhance the validity, reliability and credibility of research (Parry 1998). The qualitative researcher is expected to draw upon multiple (at least two) sources of evidence; that is, to seek convergence and corroboration through the use of different data sources and methods (Yin 2003). In using a triangulation approach, the researcher employs various sources of data to cross-check the findings. The triangulation approach permits the researcher to assemble complementary and overlapping measures of the same phenomenon (Denzin & Lincoln 2005).

Reliability is usually interpreted as the ability to replicate the original study using the same instruments and to then get the same results (Feagin et al. 1991). Eisenhardt (1991) and Yin (2003) observed that studying multiple cases is generally considered more reliable as it permits replication and extension. This study uses various sources of data



to enhance validity and analyses multiple case studies to enhance the reliability of the findings.

#### 4.4 Case selection

According to the Privatisation Commission of Bangladesh (2010b, 2014), a total of 38 state-owned enterprises were privatised by the Privatisation Commission from its establishment in July 2000 to July 2014. Of the 38 privatised organisations, 20 were closed, 14 were fully operational, three had changed businesses, and one was partly operational.

This study focused on the 14 organisations which were privatised by the Privatisation Commission from seven government corporations and fully operational after privatisation. Corporations were established under Article 10 of Bangladesh Industrial Enterprises (Nationalisation) Order of 26<sup>th</sup> March, 1972 (President’s Order No. 27 of 1972). The aim and objectives of the corporations were to control, supervise and coordinate the activities of the state-owned enterprises (SOEs) (Sobhan 1990, 2002). The following table 4.1 presents the name of the seven government corporations and their controlled SOEs which were privatised by the Privatisation Commission and fully operational after privatisation.

**Table 4.1**

**Corporations’ controlled total SOEs which were privatised and fully operational**

Name of the corporation	Corporation’s controlled total SOEs which were privatised and fully operational
Bangladesh Jute Mills Corporation (BJMC)	1 organisation
Bangladesh Sugar and Food Industries Corporation (BSFIC)	3 organisations

Bangladesh Textile Mills Corporation (BTMC)	2 organisations
Bangladesh Chemical Industries Corporation (BCIC)	4 organisations
Bangladesh Fisheries Development Corporation (BFDC)	1 organisation
Bangladesh Steel and Engineering Corporation (BSEC)	2 organisations
Bangladesh Forest Industries Development Corporation (BFIDC)	1 organisation

Source: Privatisation Commission of Bangladesh (2010b, 2014)

Of the seven corporations, five case study organisations have come from the five corporations. The five case study organisations are of varying size, span different industries and are based in different geographical districts of Bangladesh. This variety offers greatest scope for comparing the impact of privatisation on workers across different industries and size. Nevertheless, it should be mentioned that the findings of this study are applicable to the related organisations and employees, and should not be generalised with other privatised organisations. According to Denzin and Lincoln (2005), the qualitative research outcomes try to provide insights rather than proof. This study also tries to provide useful insights about the impacts of privatisation on workers' QWL in privatised SOEs in Bangladesh. The five privatised organisations selected for this study are:

1. Nobarun Jute Mill, Narayanganj,
2. Deshbandhu Sugar Mill, Narsingdi,
3. Kokil Textile Mills Limited, Brahmanbaria,
4. Bangladesh Monospool Paper Manufacturing Company Ltd., Dhaka, and

## 5. Fishing Net Factory, Chittagong.

Workers' quality of working life at the five privatised case studies are compared with the workers' quality of working life at five SOEs that are controlled by the same corporations as case studies were before privatisation, and five private organisations that are belonged to the same industries and size as case studies to know the impacts of privatisation on workers' quality of working life in privatised SOEs, and to explore relationships in the data between relative levels of QWL and industry, size and type of ownership.

### **4.5 Pilot interviews**

The purpose of pilot interviews is to ensure the feasibility of the questionnaire and test the reliability of the instruments (Sekaran 2003). In this study, pilot interviews were conducted with three factory floor workers and three management level employee of a privatised organisation (Wood Treating Plant, Khulna) in Bangladesh. The aim of the pilot interviews was to clarify the wording of the interview questions and check the reliability of the interview questions, which were based on the Walton's QWL model (1975) to measure workers QWL. Access to the organisation was sought through direct contact with the appropriate authorities and interviewees were selected from those who indicated their willingness to be interviewed. Semi-structured interviews were chosen where questions were carefully designed to cover all thirty four sub-criteria of Walton's QWL model. However, floor worker interviewees failed to make relevant or understand questions relating to ideas' valorisation, process technology, and community integration even after few examples were provided. Hence, interview questions relating to those 3 sub-criteria were omitted from the questionnaire for floor workers. Thus, the pilot interviews helped to attain the questionnaire's reliability and appropriateness.

#### **4.6 Sampling and conducting the fieldwork**

The fieldwork involved data collection from five privatised organisations, five state-owned organisations and five private organisations through semi-structured face-to-face interviews. In total 125 interviews were conducted across the five privatised organisations (25 interviews from each organisation), and the same number interviews were conducted in five SOEs as well as in five private organisations. This interview number is considered sufficient to conduct qualitative study. According to Ritchie et al. (2003) and Charmaz (2006, p. 114), 25 research participants are 'adequate' for qualitative studies. Bertaux (1981, p. 35) argues that 15 is the smallest acceptable qualitative sample size.

Research participants from each organisation were selected through proportional stratified random sampling from a list of staff to avoid bias and sampling errors. Employees of an organisation were first divided into six strata such as male permanent workers, female permanent workers, male casual workers, female casual workers, male management level employees, and female management level employees because no other information was available about the employees in the staff list. After dividing employees into six strata, proportional stratified random sampling was conducted to obtain potential interviewees name from six strata. For example, all male management level employees' name were entered into a computer program to obtain potential interviewees name randomly from the male management level employees, and it was ensured that the proportion of this stratum in the whole sample was the same as the proportion in the staff list. This method facilitated an in-depth understanding of all kinds of employees' view. Detailed description of the organisations and sampling are dealt with in Chapter Six.

Staff list from each organisation was collected after obtaining written consent from the authority to participate in this study. External independent gatekeepers were also used in this study to access the interviewees, and local NGOs were the go between the researcher and the factory employees as gatekeepers. Gatekeepers, by virtue of their personal or work relationship to an interviewee, are able to access the interviewees (Keesling 2008). The use of gatekeepers was important to protect the anonymity of participants from others. These gatekeepers were independent of the workplaces and they insured that owners or other workers never knew the participants' identity. Since, it was important to conceal the identity of the interviewees from owners to protect them from any repercussions of participating in this study, all interviews were conducted outside of the workplace and after office hours in tea stalls/NGO offices/at home, wherever interviewees felt secure and could freely discuss their quality of working life.

In order to provide maximum protection of their anonymity, no identifiable information (e.g. name, address) of the interviewees was collected during the interview. For the same reason, oral rather than written consent was sought. An information letter (in Bengali) was offered to each interviewee, and where their literacy was insufficient to understand the content, a detailed verbal explanation was given. The letter informed interviewees that the information they provided would be kept in strict confidence and used for a limited and clearly defined purpose. Also, the interviewees were told that they could freely withdraw their participation at any time during the research. The interviews were conducted by the researcher and an audio recording was made with a digital recorder with the participants' permission. The interviews were conducted in Bengali and the translations done by the researcher, who is a native Bengali speaker who has lived and studied in Australia for ten years. It should also be mentioned that the

researcher's Bengali background assisted him in recognising, understanding and interpreting some of the more subtle points from the interviews.

#### ***4.6.1 Access to the organisations and documents***

Access to the organisations was sought through direct contact with the appropriate authorities and written consents were obtained from authorities to participate in this research project. An authorisation letter from the Privatisation Commission of Bangladesh, a government body that looks after privatised organisations, was obtained. Authorisation letters from the five Corporations for SOEs and five private organisations were also obtained before seeking access to the organisations. These letters were critical as without official permission it was likely that access to these workplaces would be denied.

Documents relating to wages, benefits, leave, promotions, and other relevant documents were collected from the five privatised, five state-owned and five private organisations. The majority of the policy documents, annual reports, documents detailing the Bangladesh government's rules and regulations, and other relevant literature used in this study were available in the public domain. Most of the documents were obtained through searches on the following organisations' websites: Privatisation Commission of Bangladesh, Ministry of Labour and Employment, World Bank, IMF, and other relevant sites on the internet. Documents that were not available electronically were obtained from the relevant organisations and national library of Bangladesh.

#### **4.7 Ethical considerations**

The study was approved by the Human Research Ethics Committee of the University of Technology, Sydney (UTS) prior to any field work (Appendix A). A number of ethical

issues were considered in the study, including the consent and confidentiality of participants, risks to participants, and data storage.

#### ***4.7.1 Consent and confidentiality of participants***

To ensure confidentiality for the research participants, identifiable information was not collected during the interviews. For the same reason, the oral rather than the written consent of the research participants was obtained. Before the start of an interview, each interviewee was given a letter stating that any information they provided would be held in strict confidence and used for clearly defined purpose. Written information and contact numbers of the researcher and research supervisors were provided, and participants were informed that they could choose not to participate or could withdraw their participation at any time. Also, the interviewees were told that their participation would not jeopardise either their employment or their relationship with their employer. The outcomes of the research will be available to the organisations and interviewees through publication in Bangladeshi and international journals of management and economics.

#### ***4.7.2 Risk to participants***

Potential risks to participants also were considered. This included fears relating to privacy and job security. Indeed, during the study some participants were shy to talk to the researcher because they were not used to giving interviews and they were concerned about any impact on their employment. In response, the participants were assured that their identity would not be collected and that their oral consent was enough for the interviews to proceed. The researcher spent a great deal of time in getting to know respondents and ensuring they were at ease with him and prepared to comfortably talk

about the issues. The interview questions were semi-structured in nature, allowing interview participants a broad freedom to respond in a manner of their choosing. Interviewees were informed that they could freely withdraw their participation at any time during the research, without consequences, and without giving a reason. Also, the participants were told that all information would remain in a locked cabinet when not in use by the researcher, and there would not be any identifiers used on the transcriptions or in the final report.

#### ***4.7.3 Data storage***

All documents, transcripts, and recordings related to this study have been stored securely to ensure maximum privacy for participants, reliability and retrieval of data. Hard copy data (i.e. documents, notes and transcripts) have been kept in a locked filing cabinet and digital audio recordings as well as other electronic data have been stored on password-protected computer files. The researcher's laptop and notebooks are stored in a locked cabinet when not in use. After seven years, all data will be appropriately destroyed in accordance with the UTS Records Management Policy.

#### **4.8 Data analysis**

Document analysis requires that data be examined and interpreted in order to elicit meaning, gain understanding, and develop knowledge of a phenomenon (Rapley 2007). The analytic procedure entails finding, selecting, appraising (making sense of), and synthesising data contained in documents. Document analysis yields data – excerpts, quotations, or entire passages – that are then organised into major themes and categories (Labuschagne 2003; Bowen 2009). The relevant World Bank and IMF policy papers and reports about Bangladesh, and the Bangladesh government's policy papers have all



been analysed to understand the policy and processes of privatisation in the country. The documents also reveal how the Bangladesh government's policies towards privatisation have evolved over the years; how donors' policies have focused on the privatisation; and, how the privatisation policy and processes have protected workers' rights and interests. The five privatised, five state-owned and five private organisations' policy documents relating to wages, benefits, leave, promotions, and other relevant documents have all been analysed to know how the workers' interests and quality of working life have been preserved. The outcomes of the document analysis have informed practical actions associated with the privatisation programme and provided new insights as well as increased researcher's understanding about various issues of privatisation in Bangladesh.

All semi-structured interviews were recorded and then transcribed and then translated from Bengali into English. The audio recorded interviews were transcribed and translated as true and as faithful to the participant's words as possible. The transcripts are in no way perfect but they serve the purpose of this case study research. They captured sufficient detail of what the participants conveyed in their interviews. As Silverman (2005, p. 184) argues, 'it should not be assumed that the preparation of transcripts is simply a technical detail prior to the main business of the analysis'. Atkinson and Heritage (cited in Silverman, 2005, p. 184) add that the preparation of transcripts are 'research activities' that encompass 'close, repeated listenings to recordings which often reveal previously unnoted recurring features of the organisation of talk'. As such, transcribed data generally provides a very good indication about what participants usually do (Silverman 2005). All transcribed data of this research have been read several times and categorised into criteria and sub-criteria of Walton's QWL model (1975) and relevant major areas. The outcomes have been cross-checked with the

qualitative data analysis computer software package NVivo. The findings have been written up in descriptive, interpretative, and analytical ways (Patton 1990). Areas of analysis for each case study organisation have included:

- ✧ An overview of the organisation, development activities, total staff, and performance.
- ✧ Analysis of the documents relating to wages, benefits (i.e. festival bonuses, access to retirement savings plan), leave, promotions, and other relevant documents of the privatised organisation, which have also been compared with the same documents of the state-owned organisation and private organisation that have come from the similar industry and size.
- ✧ An overview of the research participants, and factory floor workers' conditions at the case study organisation with regard to the quality of working life measures, which have also been compared with floor workers' conditions at the state-owned organisation and private organisation that have come from the similar industry and size.
- ✧ Interviews with management level employees (e.g. managers, administrators, and supervisors), focusing on their quality of working life, which have also been compared with management level employees' quality of working life at the state-owned organisation and private organisation.

After the analysis of each case study, the individual findings were combined to provide a more integrated picture. The final two chapters of this research provide:

- ✧ Cross-case analysis, where the findings of the five case studies are analysed and synthesised. In order to derive overall conclusions from the study, the cross-case analysis chapter summarises the discussion of the five case studies in order to

find similarities and differences. Cross-case analysis is a technique that is particularly useful in the analysis of multiple case studies. Such an analysis is generally easier to follow and more robust (Yin 2003).

- ✧ Conclusions, where research question is answered, implications and contribution of the study are provided, the limitations of the study are identified, and potential areas for further research are discussed.

#### **4.9 Conclusion**

This chapter has presented the study's overall research strategy. This is an exploratory study, employing a case study research method. It is informed by the findings from analysis of data collected via conducting semi-structured face-to-face interviews from privatised, state-owned and privately-owned organisations, and document analysis of relevant secondary source materials from multiple data sources. This chapter has discussed the reasons for choosing an exploratory study, multiple case study research method, and data collection methods. The case selection and data collection procedures, data analysis, and ethical considerations have also been discussed. The following chapter provides an analysis of policy documents in order to acquire an in-depth insight about privatisation in Bangladesh.

## Chapter 5: Policies and Approaches to Privatisation in Bangladesh

### 5.1 Introduction

This chapter examines a broad range of policy and other documents with the purpose of revealing how Bangladesh government policies towards privatisation have evolved over the years; how donor policies have focused on privatisation; and, to what extent privatisation policies and processes have protected workers' rights and interests. The chapter analyses various documents, including the World Bank and IMF policy papers about Bangladesh, and the Bangladesh government policy papers. This chapter is divided into three sections. These sections cover domestic policies and approaches to privatisation in different periods, the policies of international institutional donors, and the policy and processes of privatisation in Bangladesh.

### 5.2 Bangladeshi policies and approaches to privatisation in different periods

In Bangladesh, there have been a variety of policies and approaches to privatisation from different governments, all hoping to foster economic development. The following table presents a list of policy documents that have been formulated by various Bangladeshi governments and analysed for this study.

**Table 5.1**  
**List of the Bangladeshi policy documents for analysis**

<b>Names of the documents</b>	<b>Announcement's Date</b>
Industrial Investment Policy	January 1973
Revised Investment Policy	December 1975
New Industrial Policy (NIP)	June 1982

Industrial Policy	July 1991
Industrial Policy	July 1999

### **Industrial Investment Policy, 1973**

Due to the Liberation War and subsequent independence from Pakistan in 1971, many non-Bengali Pakistanis abandoned their industries. These were then taken over by the Sheikh Mujibur Rahman government under a nationalisation policy through Presidential Ordinance (PO) no. 27 of 1972. In accordance with this ordinance, the first industrial investment policy in Bangladesh was announced in January 1973. The nationalisation policy of Sheikh Mujibur Rahman's regime reflected the pro-socialist ideology of his party and government. The overall policy incentives were clearly aimed at fostering and maintaining public enterprises in large and medium scale industries, and limiting private sector activities to small industries (Sobhan 1990, 2002; Ahmed 2004).

However, the policy was unsuccessful because the state-owned enterprises incurred significant losses after nationalisation. The following principal impediments were the cause for the failure of that nationalisation policy:

- ❖ A shortage of efficient, trained managers to run the nationalised businesses, resulting in low productivity and poor performance;
- ❖ The need for enormous government subsidies to prop up the loss-making state-owned enterprises; and
- ❖ Operational inefficiencies and administrative corruption (Ahmed 2004; Momen 2007; Chowdhury 2008).

At the same time that the public sector performed poorly, private investments tended to flinch. The factors that, allegedly, cramped private investments were as follows:

- ✧ Absence of an incentive structure to promote private investment;
- ✧ Fear of further nationalisation haunted potential investors;
- ✧ Underdeveloped infrastructure restricted potential investment; and
- ✧ The weak legal system following the Liberation War was a disincentive to investors (Zohir 1995; Sobhan 2002).

### **Revised Investment Policy, 1975**

After the fall of Sheikh Mujibur Rahman's government in August 1975, Ziaur Rahman's regime amended the Constitution of Bangladesh and replaced the word 'socialism' with 'economic and social justice'. Economic liberalisation was evident after that ideological shift (Humphrey 1992). Industrial investment policy was revised in December 1975 and important policy changes were initiated to improve the investment climate. Some of the changes of that time were:

- ✧ Amendment of the constitution to allow denationalisation;
- ✧ Revival of the stock market;
- ✧ Shifting from the fixed rate system of currency valuation to a managed floating exchange rate system;
- ✧ Elimination of a ceiling on private investment;
- ✧ Relaxation of investment sanctioning procedures; and
- ✧ Introduction of a number of export promotion measures (Humphrey 1992; Bhuyan & Rashid 1995).

The Industrial Investment Schedule (IIS) of 1976 was a major turning point in favour of privatisation, which allowed disinvestments of many discarded and nationalised factories through public tender, and the return of some factories to the original owners with financial liabilities attached. A total of 247 organisations were denationalised under the IIS (Chowdhury 2008; Privatisation Commission 2010a). However, that policy was not quite effective, because the factories were sick and faced closure in cases where the original owners could not arrange finance to settle the liabilities. Moreover, in the name of denationalisation and privatisation, some enterprises were sold at knockdown prices, and some were sold to those with little entrepreneurial background (Sobhan 1990).

### **New Industrial Policy (NIP), 1982**

The next significant move towards privatisation in Bangladesh occurred in 1982, when General Ershad came into power and announced the New Industrial Policy (NIP). The NIP was designed to bring changes in the industrial policy environment for soliciting Western support by adopting the World Bank and IMF's recommendations to promote private sector-led industrial growth (Chowdhury 1990; Uddin & Hopper 2003). The principal objectives of the NIP were to:

- ✧ Encourage private sector-led industrial growth;
- ✧ Substantially down-size the role of public sector by limiting its areas of responsibility;
- ✧ Emphasise export oriented growth through bringing substantial changes to the structure of trade and industrial incentives, and export diversification; and
- ✧ Emphasise import liberalisation and rationalise the tariff structure (Chowdhury 1990; Zohir 1995).

Structural Adjustment Programmes (SAPs) were also introduced in Bangladesh in the mid-1980s. The formation of the Revised Industrial Policy of 1986 and the creation of the Board of Investment in 1989 were the two other important actions of the Ershad regime.

The Revised Industrial Policy (RIP) of 1986 followed earlier moves towards deregulation and privatisation and gave more teeth to the on-going structural adjustment programmes. More export incentives were made available to the exporters, and more deregulation were carried on for importers. A number of import bans and quantitative restrictions were relaxed to support liberalisation of imports. Foreign private investment and export-oriented industries were given a greater emphasis and a one-stop investment service agency, the Board of Investments (BOI), was set up. A total of 125 organisations were denationalised during the NIP and RIP eras (Ahmed 2004; Chowdhury 2008; Privatisation Commission 2010a).

### **Industrial Policy, 1991**

After the change in government and redemocratisation in 1991, a new industrial policy was announced. In terms of philosophical underpinning, it appeared to be little different from its forerunner, but in terms of depth and width some discernible differences were evident. The whole industrial policy was premised on the philosophy of a market-based competitive economy. A number of relatively positive and far-reaching policy initiatives were undertaken to lure foreign and domestic investors, such as an end to permit requirements in connection with setting up industries, and removal of restrictive provisions for equity participation by foreigners.



For private sector investment, the sanctioning procedures were further simplified. Investment incentives, in particular for export-oriented and export-linkage industries, were expanded and made available to both local and foreign investors, without any discrimination. The repatriation of proceeds from sale of shares, profits and dividends, tax exemption on royalties and capital gains from the transfer of shares were also assured. To assist in the establishment of export-oriented industries, more export processing zones were established. There were measures designed to liberalise foreign trade through rationalisation of the tariff structure and reduction of tariff and non-tariff barriers. In other words, the early 1990s experienced the most proactive phase of trade liberalisation (Ahmed 2004; Momen 2007).

Industrial Policy of 1991 was one of the major policies that drove private sector development in the 1990s. The gradual but definite shift towards privatisation policies continued throughout the 1990s. In 1991, the government formed an Inter-Ministerial Committee on privatisation to approve specific privatisation proposals from different administrative ministries. In 1993, the Privatisation Board was constituted through an administrative ordinance to better implement the privatisation programme, and 39 organisations were privatised after the establishment of the Privatisation Board (Privatisation Commission 2010a, 2010b). The privatisation programme of Bangladesh between 1993 and 2000 was implemented under the guidelines of this Privatisation Board.

### **Industrial Policy, 1999**

Another industrial policy was announced in 1999 following a change in government in 1996. The Industrial Policy of 1999 was the most comprehensive policy to-date, and sought to give the private sector a dominant role in accelerating the pace of industrial

development. The objectives outlined in the policy statement had a clear sense of direction. Its major objective was to have, within a decade, a sizeable industrial sector where manufacturing would account for at least 25% of GDP and 20% of the employed workforce. Among its other objectives were:

- ✧ A focus on the role of the government as a facilitator in creating an enabling environment for expanding private investment;
- ✧ The attraction of foreign direct investment in both export and domestic market oriented industries;
- ✧ Encouragement for improving the competitive strength of import substituting industries for catering to a growing domestic market;
- ✧ Development of indigenous technology and expansion of raw materials production; and
- ✧ Rehabilitation of deserving sick industries (Industrial Policy 1999).

The Industrial Policy of 1999 also focused on a process of industrialisation that was environmentally sound and consistent with the country's resource endowments. To uphold the principles of this Industrial Policy, Bangladesh government converted the Privatisation Board into a Commission in July 2000 with more financial and administrative power to intensify the privatisation programme drive through the enactment of the Privatisation Act 2000. The privatisation process in Bangladesh took concrete shape after the establishment of the Privatisation Commission (Momen 2007). This study focused on enterprises which were privatised by the Privatisation Commission from its establishment to July 2014. The following section analyses policy documents of the major institutional donors to provide a better understanding of their principles and assistance strategies for Bangladesh.

### **5.3 International institutional donor policies on privatisation in Bangladesh**

To understand the principles and assistance strategies of the major international institutional donors, the following three policy documents are analysed because international institutional donors' assistance during the 2000-2014 period of this study was delivered under the 2001, 2006 and 2011 Country Assistance Strategies (CASs):

#### **1. Bangladesh Country Assistance Strategy, 2001**

The World Bank jointly with three other development partners, such as the Asian Development Bank, the United Kingdom's Department for International Development, and the Government of Japan, prepares a Country Assistance Strategy (CAS) for Bangladesh. In doing this, the World Bank actively collaborates with the IMF on macroeconomic assessments. The Bangladesh Country Assistance Strategy (2001) focused on the following strategic priorities:

- ✧ Accelerating private sector-led growth by helping to: (i) remove structural impediments, establish an environment conducive to private investment and provide advisory services related to privatisation; and (ii) support private investments in energy, infrastructure, manufacturing and services;
- ✧ Helping to build stronger institutions and governance across development programs;
- ✧ Consolidating gains in human development and supporting initiatives to address development challenges in education, health, and nutrition; and,
- ✧ Implementing an integrated approach to rural development (Country Assistance Strategy 2001).

## **2. Bangladesh Country Assistance Strategy, 2006**

The Bangladesh Country Assistance Strategy (2006) was designed around three main themes:

- ✧ *Improving the investment climate:* The strategy was to build Bangladesh's economic strength by continuing to help maintain macroeconomic stability and accelerate its progress toward an open, market-based economy. The CAS (2006) focused on further trade liberalisation efforts by reducing non-tariff barriers and improving trade transport infrastructure. This CAS also tackled administrative barriers by streamlining regulatory processes, facilitating infrastructure services through industrial zones, and building capacity of government agencies such as the Board of Investment and Export Processing Zone Authority.
  
- ✧ *Empowering the poor:* The CAS (2006) supported governance reforms and investments in health, education, sanitation, local government strengthening and safety net approaches. Enhancing voice and participation as a way to strengthen accountability and governance was an important underlying theme, particularly through innovative local governance and community driven development programmes.
  
- ✧ *Core governance:* The strategy also aimed to enhance accountability and transparency by strengthening 'core' governance institutions, such as the Public Service Commission, Securities and Exchange Commission, and Legal and Judicial System (Country Assistance Strategy 2006).

In this CAS period, the World Bank played a further role in assisting restructuring and privatisation, in cooperation with the IMF, through investment projects and policy-

based lending. The CAS (2006) designed a programme of around \$3 billion of credits and grants from IDA (International Development Association), the World Bank's soft loan window, based on continued policy and implementation performance.

### **3. Bangladesh Country Assistance Strategy, 2011**

The Bangladesh Country Assistance Strategy (2011) emphasized accelerated, sustainable and inclusive growth, underpinned by stronger governance at central and local levels.

- ✧ To accelerate growth, this CAS focused on massive infrastructure investment and a more conducive business environment to sustain recent levels of private sector growth.
- ✧ For more sustainable growth, this strategy included for the first time a priority of reducing vulnerability to the effects of climate change by increasing investments in water resources management, agricultural adaptation, environmental protection and disaster preparedness.
- ✧ To promote inclusive growth, this CAS emphasized long-standing support for human development and social welfare, with an increasing focus on education quality and skill building, and on lagging maternal health and nutrition outcomes.
- ✧ To strengthen governance, this CAS continued its support to enhance core governance and strengthen local government, as well as efforts to empower communities and build demand for good governance and accountability at the local level (Country Assistance Strategy 2011).

Hence, one of the strategic priorities of all CASs (2001, 2006, 2011) was an emphasis on a stable macroeconomic environment through following trade policy towards

liberalisation and creating an enabling policy environment for private sector-led economic growth. In terms of creating an enabling environment for private sector-led economic growth, a policy agenda in all CASs (2001, 2006, 2011) was the restructure and/or privatisation of SOEs and the encouragement of private investment in Bangladesh.

#### **5.4 Privatisation policy and processes in Bangladesh**

In 2014, privatisation programmes in Bangladesh continued to be implemented under the Privatisation Act of 2000, Privatisation Policy of 2007, and Privatisation Regulation of 2007.

According to the Privatisation Policy of 2007, the objectives of the privatisation programme were to:

- ✧ Contribute to GDP and promote rapid economic growth by way of increased employment opportunities and productivity through the efficient allocation and utilisation of resources;
- ✧ Transform non-performing state-owned enterprises (SOEs) into profitable units;
- ✧ Attract foreign investment for improving managerial and operational efficiency at privatised SOEs, and transferring modern technology;
- ✧ Earn revenue; and
- ✧ Transfer resources from loss making enterprises to a profitable sector (Privatisation Policy 2007).

Privatisation Policy (2007) also promulgated the following general principles of privatisation:

- ✧ To protect the interest of both workers and officials;

- ✧ To seek more employment through privatisation, assess the buyer's intentions regarding the development of the organisation, and give advice and support if needed;
- ✧ To take all necessary steps to avoid closure of viable factories;
- ✧ To take into account the current market value while selling the enterprises;
- ✧ To protect the interests of the buyers while privatising an organisation; and
- ✧ To maintain transparency, efficiency, confidentiality, and neutrality in the privatisation process (Privatisation Policy 2007).

The Privatisation Act of 2000 and the Privatisation Regulation of 2007 outlined the methods and processes of privatisation. Two methods were used in recent years. The first was the direct sale through international tender. A total of 27 SOEs were privatised by the Privatisation Commission through this method. The second method involved the sale of shares, with the Government off-loaded its equity as per the provisions of the Privatisation policy and the Memorandum and Articles of Association of the enterprise concerned. A total of 11 SOEs were privatised by the Privatisation Commission through this method (Privatisation Regulation 2007; Privatisation Commission 2010b, 2014).

A variety of procedural steps were followed to execute a privatisation programme in Bangladesh. A description of the privatisation process is presented below:

- ✧ The Bangladeshi Government identified SOEs for privatisation after discussion with different ministries and handed over the list to the Privatisation Commission for action;
- ✧ After receiving the list, the Privatisation Commission made a valuation of the SOEs concerned through the relevant agencies;

- ✧ Before finalising a valuation, the Privatisation Commission discussed the findings with representatives of the relevant ministries;
- ✧ After finalising the valuation report, the Privatisation Commission opened an international tender to sell the SOEs or took the necessary steps to transfer ownership using the Stock Exchange;
- ✧ If no acceptable bids were received, the Privatisation Commission invited fresh tenders;
- ✧ In the process of conducting any agreement in relation to a privatisation, the government took necessary steps to secure the safety of the related organisation's officers and workers;
- ✧ At the final stage, the Privatisation Commission submitted its recommendations to the government for approval before signing the necessary transfer documents;
- ✧ After receiving government approval, the Privatisation Commission concluded the transfer documents;
- ✧ Money received from the privatisation of any SOE was deposited to the consolidated fund of the country, and was used to meet the outstanding loans and liabilities of the related enterprise;
- ✧ After handing over SOEs, the Privatisation Commission followed up on post transfer progress (Privatisation Act 2000).

The presence of the privatisation policy and structured procedures helped Bangladesh to accomplish its privatisation programme. Although the privatisation policy emphasised the protection of employee rights and interests, there was no actual step taken to enforce that protection in the privatisation process. In addition, the lack of a timeframe to complete the privatisation process, and a lack of an action plan on how to provide post-transfer support to the privatised SOEs and employees, constrained the privatisation process.



## **5.5 Conclusion**

This chapter has examined several policy documents with the purpose of revealing how Bangladesh government policies towards privatisation have evolved over the years; how donor policies have focused on privatisation; and, to what extent privatisation policies and processes have protected workers' rights and interests.

Since the late 1970s, successive Bangladeshi governments have taken many steps towards privatisation and privatisation processes have taken concrete shape after the establishment of the Privatisation Commission in 2000. Major international institutional donors' Country Assistance Strategies for Bangladesh have encouraged a policy environment that favours private sector-led economic growth. Their policy agenda for creating an enabling environment for private sector-led economic growth is to restructure and/or privatise SOEs.

The existence of privatisation policies, regulations, and the institutional shape of the Privatisation Commission have contributed to the privatisation programme in Bangladesh. Although privatisation policies have emphasised the protection of employee rights and interests, there have no actual steps taken to uphold the interests of employees. The following chapter examines to what extent employees' rights and QWL have been preserved in five case study organisations.

## **Chapter 6: Five Case Studies – Analysis of Interviews with Factory Floor and Management Level Employees**

### **6.1 Introduction**

This chapter analyses five case study organisations, drawing on documentation and the results of semi-structured, face-to-face interviews with floor workers and management level employees (e.g. managers, administrators, and supervisors). As described in the methodology chapter, the five case study organisations are of varying size and span different industries. This chapter deals with workers' conditions at five case study organisations with regard to the quality of working life measures, and makes comparisons with workers' conditions in five similar state-owned and private organisations. Each case study organisation is reported separately in this chapter, while the next chapter draws cross-case comparisons and presents cross-case findings.

Each case study is divided into four sections. The first section introduces the case study organisation. The second section analyses the documents of the privatised organisation, which have also been compared with the same documents of the state-owned and private organisations that have come from the similar industry and size. The third section provides an overview of the research participants, analyses floor workers' quality of working life that have also been compared with the workers' conditions in state-owned and private organisations that have come from the similar industry and size, and analyses management level employees' quality of working life that have also been compared with the management level employees' quality of working life in similar state-owned and private organisations. And, the final section summarises the findings of each case study.

## 6.2 Case Study 1: Nobarun Jute Mill, Narayanganj.

### 6.2.1 Introduction

Nobarun Jute Mill was founded as a state-owned organisation in Narayanganj district in 1969. The Privatisation Commission sold the mill through an international tender to a Bangladeshi buyer in March, 2005. Bangladesh Jute Mills Corporation (BJMC) controlled this jute mill before privatisation. The mill was sold for TK254.4 million (US\$3.3 million. US\$1 = Bangladeshi TK78.10 as per the World Bank 2014). The mill employed 1,039 people and made profits. The mill had a large factory building, accommodation for senior management, and two small administration buildings. The mill appeared to be reasonably well maintained. It produced jute-related products, such as jute bags and gunny (coarse sackcloth made of jute). The production capacity of Nobarun Jute Mill was about 4,100 metric tons-a-year.



Photo 6.1: Nobarun Jute Mill.

Workers' conditions at Nobarun Jute Mill with regard to the quality of working life measures were compared with those at the state-owned Karim Jute Mill and the privately-owned Sadat Jute Industries Ltd.

Karim Jute Mill was founded as a state-owned organisation in Dhaka district in 1954. Bangladesh Jute Mills Corporation (BJMC) controlled this jute mill where 1,210 people worked every day. It operated at a loss and had production capacity of approximately 5,000 metric tons-a-year. Sadat Jute Industries was founded by a Bangladeshi businessman in Comilla district in 1986. This jute mill employed 1,050 people and made profits. The production capacity of this mill was about 4,300 metric tons-a-year.

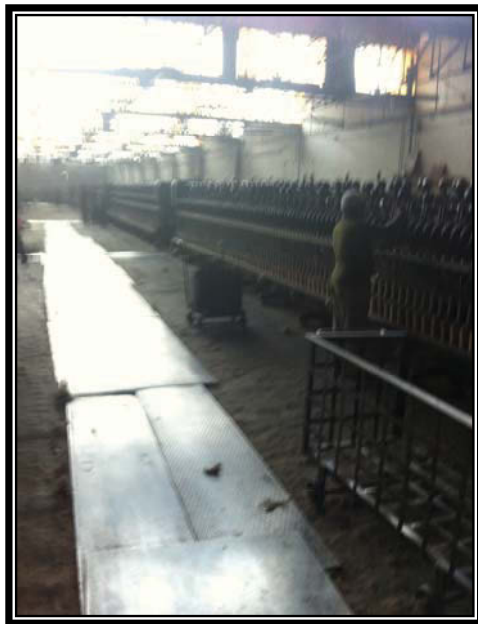


Photo 6.2: Karim Jute Mill.



Photo 6.3: Sadat Jute Industries Ltd.

### **6.2.2 Document analysis**

Documents relating to wages, benefits (e.g. festival bonuses, access to retirement savings plan), leave, promotions, and other documents related to workers' QWL at Nobarun Jute Mill were analysed and compared with similar documents from Karim Jute Mill and Sadat Jute Industries to know how the workers' quality of working life measures were preserved at Nobarun Jute Mill. All documents were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

#### **Analysis of documents relating to workers' compensation**

Payroll documents from Nobarun Jute Mill revealed that permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK100 (US\$1.3)/year, attendance bonus was TK120 (US\$1.5)/year, production bonus was TK500 (US\$6.4)/month, and two religious festival bonuses were equivalent to two basic wages. At Nobarun Jute Mill, as a retirement savings plan a 'Provident Fund' had been set up, to which the mill contributed 8% of the basic wages/month. Casual workers at Nobarun Jute Mill received TK150 (US\$1.9)/day for 8 hours' work, but no other benefits.

Karim Jute Mill's documents disclosed that permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK135 (US\$1.7)/year, attendance bonus was TK120 (US\$1.5)/year, medical allowance was TK700 (US\$8.9)/month, allowance for house rent was 50% of the basic wages/month, allowance for conveyance was TK150 (US\$1.9)/month, allowance for tiffin was TK150 (US\$1.9)/month, allowance for children's education was TK200 (US\$2.6)/month for one child and TK300 (US\$3.8)/month for two or more, two religious festival bonuses were equivalent to two basic wages, and the mill's contribution was 10% of the basic wages/month to the

provident fund. Casual workers at Karim Jute Mill were given TK235 (US\$3)/day for 8 hours' work and TK120 (US\$1.5)/year as an attendance bonus, but none of the other benefits paid to permanent workers.

Documents from Sadat Jute Industries revealed that permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK110 (US\$1.4)/year, attendance bonus was TK120 (US\$1.5)/year, two religious festival bonuses were equivalent to two basic wages, and the company's contribution was 8% of the basic wages/month to the provident fund. Casual workers at Sadat Jute Industries were given TK155 (US\$2)/day for 8 hours' work, but no other benefits.

Therefore, permanent workers' minimum wages, attendance bonuses and festival bonuses at Nobarun Jute Mill matched those at the state-owned and private jute mills. And, only Nobarun Jute Mill paid a production bonus to its permanent employees. However, Nobarun's permanent workers were given less increment than permanent workers at the comparative mills. And, Nobarun's contribution to a provident fund was the same as that made by the private jute mill, but less than that paid by the state-owned mill. The state-owned jute mill's permanent workers also were better off in terms of receiving medical, accommodation, transport and tiffin allowances.

Casual workers' daily wages at Nobarun Jute Mill were substantially less than those at the state-owned jute mill and slightly less than the private jute mill. Casual workers at Nobarun Jute Mill and Sadat Jute Industries received none of the other benefits paid to permanent workers, while their peers at the state-owned jute mill received an attendance bonus.

### **Analysis of documents relating to health and safety at work**

Nobarun Jute Mill's occupational health and safety policy mentioned a commitment to ensuring the safety and health of employees. The key principles of the health and safety policy were to:

- ✧ Provide a safe and healthy working environment for employees;
- ✧ Use personal protective equipment, and provide fire extinguishers and first aid boxes; and
- ✧ Provide a hygienic workplace with sufficient light and air.

At Nobarun Jute Mill, routine working hours were set at eight hours/day with a weekly rest day on Friday, and overtime work was set at two hours/day with overtime pay at twice the hourly remuneration.

The key principles of occupational health and safety policy at Karim Jute Mill were to:

- ✧ Take appropriate measures to protect workers from danger and damage due to fire;
- ✧ Use personal protective equipment, and keep first aid boxes for workers; and
- ✧ Provide pure drinking water, a clean working area and sufficient light and ventilation.

Karim Jute Mill similarly set its routine working hours at eight hours/day with a weekly rest day on Friday. Again, overtime work was set at a maximum of two hours/day with overtime pay at twice the hourly remuneration.

The key principles of Sadat Jute Industries' occupational health and safety policy were to:

- ✧ Ensure machinery was operated in compliance with safety requirements, and to use protective equipment;
- ✧ Provide fire extinguishers and first aid boxes; and
- ✧ Identify workplace hazards to minimise potential risk of harm, and maintain a clean workplace.

At Sadat Jute Industries, routine working hours were eight hours/day with a weekly rest day on Friday. Overtime work was set at a maximum two hours/day with overtime pay at double the usual hourly rate.

Therefore, similar commitments were made at Nobarun Jute Mill, Karim Jute Mill and Sadat Jute Industries in terms of occupational health and safety policies. Each ran to a routine eight-hour working day, with a weekly rest day on Friday. In each case, workers received double the hourly rate for overtime, which was capped at two hours/day.

#### **Analysis of documents relating to development of staff capacities**

Nobarun Jute Mill's human resource development policies revealed that it emphasized on capacity development of its employees through on-site-training, engaging in several tasks, mentoring, motivating and fair performance evaluation.

Karim Jute Mill's human resource development policies emphasized on training, monitoring, motivating and evaluating employees performance fairly to develop their capacity. Similarly, Sadat Jute Industries human resource development policies emphasized on training, supervising, motivating and evaluating employees' performance fairly to develop employees' capacity.



### **Analysis of documents relating to professional growth and job security**

Nobarun Jute Mill's human resource management policies revealed that the mill provided equal and fair opportunities to employees' professional growth and training. Promotions at the mill depended on seniority, skills and performance. And, employment disputes would be treated fairly, it said.

Karim Jute Mill and Sadat Jute Industries' human resource management policies also revealed their commitments to provide equal and fair opportunities to employees' professional growth and training, and fair treatment to employment disputes.

### **Analysis of documents relating to social integration**

Nobarun Jute Mill's human resource management policies emphasized the development of interpersonal relationships, teamwork and cooperation among employees. In addition, statements around non-discrimination included a promise to treat employees equally and not discriminate on the basis of race, colour, religion, gender, age, disability, or marital status.

Similarly, Karim Jute Mill and Sadat Jute Industries made commitments to treat employees equally and develop interpersonal relationships, teamwork and cooperation.

### **Analysis of documents relating to organisations' constitutionalism**

According to Nobarun Jute Mill's labour relations documents, the mill was committed to treat workers with respect and honour Bangladesh Labour Law and workers' rights

through allowing workers to have freedom of expression and permission to form and join unions.

Comparative documents from Karim Jute Mill and Sadat Jute Industries similarly expressed that the mills valued workers' freedom of expression and allowed workers to form and join unions, and treated workers with respect.

#### **Analysis of documents relating to work and life space**

Documents from Nobarun Jute Mill, Karim Jute Mill and Sadat Jute Industries likewise stated that employees of those three organisations received 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, a weekly rest day, and public holidays.

#### **Analysis of documents relating to social relevance of work and organisation**

Documents of the Nobarun Jute Mill stated a commitment to behave ethically toward employees, contribute to economic development and create a positive impact on society. Further, it undertook to make an environmentally friendly product, create jobs and contribute to local schools, colleges and hospitals.

Karim Jute Mill's mission statement gave a commitment to encourage the use of eco-friendly natural fibre over synthetic substitutes, treat employees fairly and contribute to economic development. Similarly, Sadat Jute Industries said it would treat employees fairly, make an environmentally friendly product and contribute to society by creating jobs and supporting charities.

## **6.2.3 Interview analysis**

### ***6.2.3.1 Overview of the research participants***

A total of 25 semi-structured face-to-face interviews were conducted with Nobarun Jute Mill employees. According to Ritchie et al. (2003) and Charmaz (2006, p. 114), 25 research participants are ‘adequate’ for qualitative studies, while Bertaux (1981, p. 35) argues that 15 is the smallest acceptable qualitative sample size. As it has been mentioned in the methodology chapter, the findings of this study are applicable to the related organisations and employees and should not be generalised across other organisations. According to Denzin and Lincoln (2005), qualitative research outcomes try to provide insights rather than proof. Hence, this study tries to provide useful insights about the impact of privatisation on workers’ QWL in privatised SOEs in Bangladesh.

Research participants from Nobarun Jute Mill were selected through proportional stratified random sampling from a staff list to avoid bias and sampling errors. Of the mill’s 1,039 employees, about 53% (550 persons) were male permanent workers, 8% (85 persons) were female permanent workers, 25% (260 persons) were male casual workers, 4% (42 persons) were female casual workers, and 10% (102 persons) were management level employees (all male and employed as permanent staff).

After dividing Nobarun Jute Mill’s employees into five stratum (male permanent workers, female permanent workers, male casual workers, female casual workers and management level employees), proportional stratified random sampling was conducted to obtain 25 interviewees from five stratum. Hence, 13 interviews were conducted with male permanent workers, two with female permanent workers, six with male casual

workers, one with a female casual worker and three with management employees. The age of the participants ranged from 24 to 57 years. Of the 25 interviewees, one had an undergraduate degree, one had a diploma, one had a Higher Secondary School Certificate, 12 had attended high school but left without any qualification, eight had only attended primary school, and two interviewees had not been to school. The exact roles and positions of individual employees at the management level and on the factory floor have not been disclosed in this research to ensure the anonymity of the participants.

To compare Nobarun Jute Mill's employees QWL with the state-owned and private jute mills' employees QWL, semi-structured face-to-face interviews were conducted with employees at Karim Jute Mill (a state-owned jute mill) and Sadat Jute Industries Ltd. (a privately-owned jute mill).

25 interviews were also conducted with Karim Jute Mill employees. 1,210 people worked every day at Karim Jute Mill. Of the 1,210 employees, about 55% (665 persons) were male permanent workers, 6% (73 persons) were female permanent workers, 21% (254 persons) were male casual workers, 5% (61 persons) were female casual workers, and 13% (157 persons) were managerial employees (all male and permanently employed). As with the approach taken at Nobarun, employees were divided into five strata and a proportional stratified random sampling was conducted to obtain 25 interviewees. 14 male permanent workers were interviewed, along with two female permanent workers, five male casual workers, one female casual worker and three people from management. They were aged between 21 and 58. Of the 25 interviewees, one had an undergraduate degree, two had Higher Secondary School Certificate, nine

had attended high school but left without any qualification, 12 had only attended primary school, and one interviewee had not been to school.

The same approach was taken in selecting 25 interviewees from Sadat Jute Industries. 1,050 people worked every day at Sadat Jute Industries. Of the 1,050 employees, about 48% (504 persons) were male permanent workers, 8% (84 persons) were female permanent workers, 29% (305 persons) were male casual workers, 7% (73 persons) were female casual workers, and 8% (84 persons) were management level employees (all male and permanently employed). 12 interviews were conducted with male permanent workers, two with female permanent workers, seven with male casual workers, two with female casual workers, and two with management employees. Their ages ranged from 20 to 48 years. Of the 25 interviewees, one had an undergraduate degree, five had Higher Secondary School Certificate, 13 had attended high school but left without any qualification, and six had only attended primary school.

The following sections present the analysis of floor workers and management level employees' interviews with regard to the quality of working life measures. Interview data were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

#### ***6.2.3.2 Floor workers' interview analysis***

##### **Analysis of interviews relating to workers' compensation**

The interviews revealed that wages for Nobarun Jute Mill's permanent (male and female) workers were aligned with the minimum wage rate at the state-owned jute mill and the private jute mill. However, male casual workers' daily wages (TK150/day) at

Nobarun were substantially below those paid by the state-owned jute mill (TK235/day) and slightly less than the private jute mill (TK155/day). Similarly, female casual workers' daily wages (TK140/day) at Nobarun were less than comparative wages at the state-owned jute mill (TK235/day) and private jute mill (TK145/day).

17 out of 22 floor workers of Nobarun Jute Mill said that they were neither satisfied nor dissatisfied with that wage structure, two said that they were satisfied, and three floor workers said that they were dissatisfied. Floor workers' comments about their ability to meet normal living expenses were more revealing. For example, one machine operator said:

*'I cannot support my family adequately on my current income. I have to pay rent. My kids are going to school. I have to borrow money sometimes. So if my wages were a little bit more then it would be good for me'.*

Another male machinist who said that he was neither satisfied nor dissatisfied with the amount of his wages made the following comment, which revealed his struggle to meet his normal living expenses. He said:

*'It is very tough to support my family with this income. Sometimes I have to borrow money for schooling my children and looking after my family'.*

A female floor worker who expressed satisfaction with her wages said that she supported her family jointly with her husband. She said:

*'My husband also works. My kid is too young to go to school. So, I can manage my family with our income. I don't have to borrow money'.*

Likewise, about 73% of the interviewees from the state-owned Karim Jute Mill, and 78% of the interviewees from Sadat Jute Industries said that they were neither satisfied nor dissatisfied with the wage structure, though they also said that they needed a pay rise to support their families adequately.

Permanent workers from each of the mills said that they were given TK120/year as attendance bonus, and two religious festival bonuses to cover food, new clothes and presents. Each festival bonus was equivalent to one month's basic wage, they said.

Only Nobarun Jute Mill paid a production bonus (TK500/month) to its permanent workers. Nobarun Jute Mill's permanent worker's increment was TK100/year, state-owned Jute Mill's permanent worker's increment was TK135/year, and Sadat Jute Industries' permanent worker's increment was TK110/year.

State-owned jute mill's permanent workers said that they were given allowances for medical, house rent, conveyance and tiffin, though Nobarun Jute Mill and Sadat Jute Industries' permanent workers were not given those allowances.

At Nobarun Jute Mill, as a retirement savings plan a 'Provident Fund' was set up for its permanent workers and the mill's contribution was 8% of the basic wages/month to the provident fund. Likewise, Sadat Jute Industries contribution was 8% of the basic wages/month to the provident fund, though the state-owned jute mill's contribution was 10% of the basic wages/month to the provident fund.

Casual workers from Nobarun Jute Mill and Sadat Jute Industries equally said that they were not given any other benefits. At the state-owned jute mill, casual workers were

given attendance bonus, but no other benefits. Two of the casual workers at Nobarun Jute Mill made the following comments about their miserable circumstances-

*'With my income I cannot support my family, somehow I manage'.*

*'I can't save. I have to pay rent. I feel very stressed to maintain my family and feel lots of worry to think about my retirement days'.*

### **Analysis of interviews relating to health and safety at work**

All the interviewees from the privatised, state-owned and private jute mills said that they did not have protective equipment (i.e. aprons, gloves, dust masks, ear plugs, safety shoes and caps). 10 of the 22 workers of the Nobarun Jute Mill said that their workplace was unhealthy. Similar criticism about the workplace was made by the state-owned jute mill's 11 workers and private jute mill's 9 workers. For example, one machine operator from Nobarun Jute Mill said: *'our workplace is very dusty and hot, and we do not have enough toilet facilities'*. However, all the mills were said to have fire extinguishers and first aid kits.

At Nobarun Jute Mill, routine working hours were set at eight hours/day with a weekly rest day on Friday. Overtime work depended on demand for products, and most of the floor workers from Nobarun Jute Mill said that they had to work overtime of two-to-four hours/day on average. Interviewees from the state-owned and private jute mills also said that they had to work eight hours/day with a weekly rest day on Friday, and overtime work was two-to-four hours/day on average. Interviewees (permanent and casual) from Nobarun Jute Mill, state-owned and private jute mills said that cash was



paid for overtime work in their pay packet, and their overtime pay was twice of hourly wages. Most of the interviewees from the privatised, state-owned and private jute mills also said that their workload was tolerable.

### **Analysis of interviews relating to development of staff capacities**

All the interviewees from Nobarun Jute Mill said that the mill provided opportunities to its workers to perform several tasks to improve their capacity and skills, and most of the interviewees were satisfied with the opportunities. However, the state-owned and private jute mills workers were not given such opportunities.

Interviewees from the privatised, state-owned and private jute mills equally said that their work that they did had an importance to them and their colleagues, and they were satisfied with the work responsibility given to them. Interviewees of those three jute mills also said that their performances were evaluated fairly.

However, Floor workers who were interviewed at Nobarun Jute Mill, state-owned and private jute mills said that they were not given any opportunity to make decisions at their work.

### **Analysis of interviews relating to professional growth and job security**

Across all three mills, the permanent workers said that they were given equal opportunities to professional growth and they did not feel that they had less opportunity to receive promotion. However, casual workers from Nobarun Jute Mill, state-owned

jute mill and private jute mill said that they had less chances of professional growth. For example, one casual machine operator from Nobarun Jute Mill said:

*'I am working here for more than four years, but still waiting to be permanent'.*

All the interviewees from Nobarun Jute Mill said that they received practical training when they were employed as apprentices and their supervisors encouraged them to further develop their skills and abilities. Similarly, interviewees from the state-owned and private jute mills said that they received practical training when they were apprentices and their supervisors encouraged them to develop their skills and abilities.

There was differentiation, however, in terms of perception of job security. All the interviewees who were permanent workers at the state-owned jute mill said that they had job security, though about 67% of the permanent workers from Nobarun Jute Mill and 64% of the permanent workers from Sadat Jute Industries said that they did not have job security as the jobs were on the managements' hands. Casual workers from the privatised, state-owned and privately-owned jute mills equally said that their jobs were not secured because their employments were totally depended on the managements' wishes.

### **Analysis of interviews relating to social integration**

Across all three mills, the permanent workers said that they were not discriminated at the workplace on the basis of race, religion, gender, age, or marital status. However, female casual workers from Nobarun Jute Mill and Sadat Jute Industries (privately-owned jute mill) who were participated in this research said that they were

discriminated against at work on the basis of gender as they were paid less than male colleagues who did the same type of work.

All the interviewees from the privatised, state-owned and privately-owned jute mills equally said that their relationships with their colleagues and bosses at work were good, and their colleagues helped each other when needed.

### **Analysis of interviews relating to organisations' constitutionalism**

All the interviewees from Nobarun Jute Mill said that they were satisfied with the rules at their work, and they were given respect as an individual at their workplace. Similar opinions were made by the state-owned and private jute mills' interviewees about their workplaces.

Nobarun Jute Mill allowed workers to form and join unions. All the floor workers who participated in this research said that they were members of the trade union, and as such felt relatively safe and protected from any unfair action against them. One of the floor workers said:

*'Being a member of a trade union, I see benefit in many ways such as - it will try to save our jobs, we can protest against any illegal action by the higher authorities of this mill, and so on'.*

Workers of the Karim Jute Mill and Sadat Jute Industries were also allowed to form and join unions. And, interviewees of those organisations were also positive about the union. For example, one machine operator from Sadat Jute Industries said:

*'Trade union is helpful for us. Trade union talks for us and preserves our rights'.*

### **Analysis of interviews relating to work and life space**

All the interviewees from Nobarun Jute Mill, state-owned and private jute mills said that they were satisfied with the schedule of work and rest. Interviewees of those three mills also said that their work did not negatively influence their family life.

Across all three mills, the permanent workers said that they were given 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and public holidays.

Casual workers, regardless of employer, said that they were not entitled to receive any leave with pay.

### **Analysis of interviews relating to social relevance of work and organisation**

All the interviewees from Nobarun Jute Mill, state-owned jute mill and private jute mill likewise said that the quality of the products that their organisations made were good and they felt proud of performing their work. All the interviewees of those three organisations also said that their organisations' images in the society were good as their organisations created employments for the local communities and contributed to develop the locality.

Permanent workers from Nobarun Jute Mill said that they were satisfied with the organisation's human resources policies and the way that the organisation treated its workers. Similar comments were made by the state-owned and private jute mills' permanent workers who were participated in this research. However, casual workers from Nobarun Jute Mill, state-owned and private jute mills equally said that they were

dissatisfied with the organisations' human resources policies because they were not given permanent jobs despite years of service.

### ***6.2.3.3 Interviews with management level employees***

Two out of the three management level employees who were interviewed at Nobarun Jute Mill said that they were satisfied with their wages or salary, and one management level employee said that he was neither satisfied nor dissatisfied. At the state-owned jute mill, two of the three interviewees said that they were satisfied, and one management level employee said that he was neither satisfied nor dissatisfied with his salary. And, all the interviewees from Sadat Jute Industries said that they were satisfied with their salary.

All the management level employees who were interviewed at Nobarun Jute Mill said that they were given the same salary as the other management level employees were given for the same type of job that they did at the workplace. Similarly, interviewees from the state-owned jute mill and private jute mill said that they were given the same salary as the other management level employees were given for the same type of job.

All the interviewees from Nobarun Jute Mill and Sadat Jute Industries said that the mills provided to its management level employees an annual increment, two religious festival bonuses, and 8 percent of the basic salary/month to the provident fund. Interviewees from the state-owned jute mill said that they were given an annual increment, two religious festival bonuses, and 10 percent of the basic salary/month to the provident fund.

The management level employees at Nobarun Jute Mill worked eight hours/day and had to stay back sometimes for two-to-four hours, if needed. However, the only

management level employees to receive overtime pay were the supervisors. Similar comments were made by the state-owned and private jute mills interviewees.

Most of the interviewees from the privatised, state-owned and privately-owned jute mills said that their workload was depended on the demand for products, and it was sometimes heavy and sometimes okay. Interviewees from Nobarun Jute Mill and the state-owned jute mill said that their mills used old machinery. On the other hand, interviewees from Sadat Jute Industries said that their mill used new machinery which made factory floor work easy.

All the interviewees from the privatised, state-owned and private jute mills likewise said that they did not have protective equipment. Two of the three interviewees from both the Nobarun Jute Mill and state-owned jute mill said that their workplaces were noisy and hot. And, similar comments about the workplace were made by the private jute mill's one of the two interviewees.

All managerial interviewees from the three mills said that they were given opportunities to make decisions at their work, and they were given opportunity to perform several tasks to improve their capacity and skills. Interviewees of those three jute mills also said that their work that they did had an importance to them and their colleagues, and they were satisfied with the work responsibilities given to them.

All the interviewees from Nobarun Jute Mill and Sadat Jute Industries, and two of the three interviewees from the state-owned jute mill said that they were given fair opportunities to professional growth and they had not been overlooked for a promotion.

However, one interviewee from the state-owned jute mill said that he had been overlooked for a promotion.

All the interviewees from the privatised, state-owned and private jute mills said that they were given opportunities for training, and their bosses encouraged them to further develop their skills and abilities. All the interviewees from the state-owned jute mill said that their jobs were secured, though one of the three interviewees from Nobarun Jute Mill and one interviewee from Sadat Jute Industries said that their jobs were not secured because their employments were depended on the owners' wishes.

All the interviewees from Nobarun Jute Mill, state-owned jute mill and private jute mill likewise said that they were not discriminated against at workplace on the basis of race, religion, or age. Interviewees of those three jute mills also said that their relationships with their colleagues at work were good, their colleagues helped each other, and their bosses appreciated their initiatives at work.

All the interviewees from the privatised, state-owned and privately-owned jute mills said that they were given respect as an individual at their workplaces, and they were satisfied with the rules at their work and with the level of say they had within their workplaces. Most of the interviewees at Nobarun Jute Mill and Sadat Jute Industries were neutral or positive about the existence of the workers' unions. Their attitude was summed up in the comments of a management level employee of Nobarun Jute Mill-  
*'The trade union is related with workers, but not with officers. Although sometimes it is linked with political parties, it helps workers to protect their rights. Everybody has a right to express their opinion, and may have different opinions about different things. We have a good understanding with the representatives of the trade union and that's*

*why our mill is running nicely*'. All the interviewees at the state-owned jute mill were positive about the union.

All the management level employees who were interviewed at the Nobarun Jute Mill, state-owned jute mill and private jute mill similarly said that they were satisfied with the schedule of work and rest. Interviewees of those three organisations also said that their work did not negatively influence their family life. They all had 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, a weekly rest day, and public holidays.

All the interviewees from the privatised, state-owned and privately-owned jute mills likewise said that they were satisfied with the way that the organisations treated the workers, and the organisations had good images in the society because the organisations created employments for the local communities and developed the local areas. Interviewees of those three organisations also said that the quality of the products that their organisations made were good and they felt proud of performing their work.

#### **6.2.4 Summary of the findings**

After analysing the documents and interviews, it was found that minimum wages, attendance bonuses and festival bonuses for male and female permanent workers at the Nobarun Jute Mill matched those paid by the state-owned jute mill and the other private jute mill. However, more than 73% of interviewees from the three mills combined said that they needed a pay rise to adequately support their families.

Only Nobarun Jute Mill paid permanent workers a production bonus. However, those same workers received a lower increment than permanent workers at the state-owned



and private jute mills. Nobarun Jute Mill's contribution to a provident fund was same as the privately-owned Sadat mill, but less than the state-owned jute mill. Though state-owned jute mill's permanent workers were given allowances for medical, house rent, conveyance and tiffin, Nobarun Jute Mill and Sadat Jute Industries' workers were not given those allowances.

Male and female casual workers received unequal pay at Nobarun Jute Mill and Sadat Jute Industries, contrary to the official published policies of those mills. At the state-owned jute mill, male and female casual workers received equal pay. Male casual workers' daily wages at Nobarun Jute Mill were substantially less than their counterparts at the state-owned jute mill and slightly less than their counterparts at the private jute mill. Female casual workers' daily wages at Nobarun Jute Mill were also less than their counterparts at the state-owned jute mill and private jute mill. Casual workers at Nobarun Jute Mill and Sadat Jute Industries received no other benefits. At the state-owned jute mill, casual workers received an attendance bonus, but none of the other extra benefits.

Workers of the privatised, state-owned and private jute mills said that they had to work eight hours/day with a weekly rest day on Friday, and overtime work was two-to-four hours/day on average. Both permanent and casual workers who were interviewed at the Nobarun Jute Mill, state-owned jute mill and private jute mill said that cash was paid for overtime work in their pay packet, and their overtime pay was twice of hourly wages. Most of the interviewees from those three organisations also said that their workload was tolerable.

All the interviewees from the privatised, state-owned and private jute mills said that they did not have protective equipment, though one key principle of those three

organisations' health and safety policies for employees was to use personal protective equipment. And, about 45% of the workers from Nobarun Jute Mill, 50% of the workers from the state-owned jute mill, and 40% of the workers from Sadat Jute Industries said that their workplaces were unhealthy.

All the interviewees from Nobarun Jute Mill said that the mill gave opportunity to its workers to perform several tasks to improve their capacity and skills, and most of the interviewees were satisfied with the opportunity. However, the state-owned and private jute mills workers were not given such opportunity.

Interviewees from the privatised, state-owned and private jute mills equally said that their performances were assessed fairly. However, Floor workers of those three organisations were not given any opportunity to make decisions at their work.

Chances of professional growth for permanent workers were the same at the privatised, state-owned and private jute mills. Though permanent workers' jobs were secured at the state-owned jute mill, about 67% of the permanent workers from Nobarun Jute Mill and 64% of the permanent workers from Sadat Jute Industries said that their jobs were not secured. Casual workers from those three organisations equally said that they had less chances of professional growth and their jobs were not secured.

At all three mills, the permanent workers said that they were not discriminated against at work. Female casual workers at Nobarun Jute Mill and Sadat Jute Industries were discriminated against at workplace on the basis of gender as they were paid less than their male colleagues for the same type of work, though the non-discrimination statements of those two organisations expressed their commitments to treat employees

equally. At the state-owned jute mill, female and male casual workers received the same pay.

All the interviewees from Nobarun Jute Mill said that they were satisfied with the rules at their work, and they were given respect as an individual at their workplace. Similar opinions were made by the state-owned and private jute mills interviewees about their workplaces. The workers at the privatised jute mill, state-owned and private jute mills were allowed to join a union. The workers had a positive view about the trade union, and said that the trade union made them feel safe and protected from any unfair action.

The amount of leave for permanent workers was the same at the privatised, state-owned and private jute mills. Permanent workers of those three organisations were satisfied with the schedule of work and rest. Casual workers of those three organisations said that they were not entitled to receive any leave with pay.

Permanent workers from each of the three jute mills were satisfied with the organisations' human resources policies. However, casual workers from all three mills were dissatisfied, citing inability to get permanent positions after long periods working on a casual basis.

Permanent and casual workers of the Nobarun Jute Mill said that the mill had a good image in the society and they felt proud of performing their work. Similar comments were made by the Karim jute mill and Sadat Jute Industries workers.

## 6.3 Case Study 2: Deshbandhu Sugar Mill, Narsingdi.

### 6.3.1 Introduction

Deshbandhu Sugar Mill was founded as a state-owned organisation in Narsingdi district in 1933. Bangladesh Sugar and Food Industries Corporation (BSFIC) controlled this sugar mill before privatisation. The Privatisation Commission sold the mill through an international tender to a Bangladeshi buyer in February, 2002. The mill was sold for TK170.7 million (US\$2.2 million). The mill operated from a 5.92 hectare site. It employed 920 people and made profits. The mill refined imported raw sugar and sold the refined sugar into the domestic market.



Photo 6.4: Deshbandhu Sugar Mill.

Workers' conditions at Deshbandhu Sugar Mill with regard to the quality of working life measures were compared with workers' conditions at Carew & Co (BD) Ltd (a

state-owned sugar mill) and Abdul Monem Sugar Refinery Ltd (a privately-owned sugar mill) that were of similar size.

Carew & Co was founded as a state-owned organisation in Chuadanga district in 1938. Bangladesh Sugar and Food Industries Corporation (BSFIC) controlled this sugar mill, which was profitable and employed 985 people. It produced sugar through crushing sugar cane. Abdul Monem Sugar Refinery was founded by a Bangladeshi businessman in Narayanganj district in 2006. This sugar mill was profitable and employed 850 people. It refined imported raw sugar.



Photo 6.5: Carew & Co (BD) Ltd.

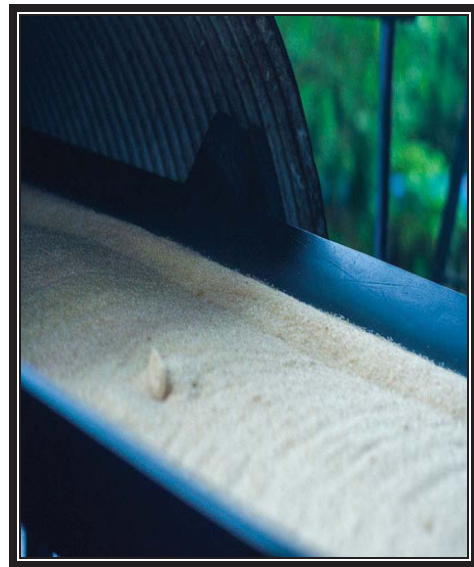


Photo 6.6: Abdul Monem Sugar Refinery Ltd.

### 6.3.2 Document analysis

Documents relating to wages, benefits, leave, promotions, and other documents related to workers' QWL at Deshbandhu Sugar Mill were analysed and compared with equivalent documentation from Carew & Co and Abdul Monem Sugar Refinery. All the

documents were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

### **Analysis of documents relating to workers' compensation**

Deshbandhu Sugar Mill's payroll documents revealed that permanent workers' minimum wages were TK4,000 (US\$51.2)/month, increment was TK125 (US\$1.6)/year, attendance bonus was TK120 (US\$1.5)/year, and two religious festival bonuses were equivalent to two basic wages. At Deshbandhu Sugar Mill, as a retirement savings plan a 'Provident Fund' was set up, and the mill's contribution was 8% of the basic wages/month to the provident fund. Casual workers at Deshbandhu Sugar Mill received TK145 (US\$1.8)/day for 8 hours' work. They received no other benefits.

Documents from Carew & Co showed that permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK135 (US\$1.7)/year, attendance bonus was TK120 (US\$1.5)/year, medical allowance was TK700 (US\$8.9)/month, allowance for house rent was 50% of the basic wages/month, allowance for conveyance was TK150 (US\$1.9)/month, allowance for tiffin was TK150 (US\$1.9)/month, allowance for children's education was TK200 (US\$2.6)/month for one child and TK300 (US\$3.8)/month for more than one child, two religious festival bonuses were equivalent to two basic wages, and the mill's contribution was 10% of the basic wages/month to the provident fund. Casual workers, used only in sugar-cane crush season (November to March), received TK235 (US\$3)/day for 8 hours' work, but no other benefits.

According to Abdul Monem Sugar Refinery documents, permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK125 (US\$1.6)/year, attendance bonus was TK120 (US\$1.5)/year, two religious festival bonuses were

equivalent to two basic wages, and the company's contribution was 8% of the basic wages/month to the provident fund. Casual workers at Abdul Monem Sugar Refinery received TK150 (US\$1.9)/day for 8 hours' work, but no other benefits.

Therefore, permanent workers' minimum wages at the Deshbandhu Sugar Mill were less than at the state-owned and private sugar mills. Attendance bonuses and festival bonuses were the same across all three mills. The annual pay increase for permanent workers at the Deshbandhu Sugar Mill was same as at the Abdul Monem Sugar Refinery, but less than at the state-owned sugar mill. Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery made the same contributions to the provident funds, but this was lower than the contribution made by the state-owned sugar mill. Though state-owned sugar mill's permanent workers were given allowances for medical, house rent, conveyance and tiffin, Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery's workers were not given those allowances.

Casual workers' daily wages at the Deshbandhu Sugar Mill were also less than their counterparts at the state-owned and private sugar mills. Casual workers at those three organisations were not given any other benefits.

### **Analysis of documents relating to health and safety at work**

Deshbandhu Sugar Mill's documents related to workplace health and safety mentioned that the mill was committed to provide a safe and healthy working environment to its employees by keeping fire extinguishers, protective kits, a clean workplace and enough ventilation. At Deshbandhu Sugar Mill, routine working hours were set at eight

hours/day with Friday as a day off. Overtime was officially capped at two hours/day and paid at double the hourly remuneration.

Documents related to workplace health and safety at Carew & Co mentioned that the mill's policies were to take appropriate measures to protect workers from accident, fire and other workplace hazards. It committed to provide protective equipment and maintain a clean workplace. Official working hours and overtime hours and pay were the same as Deshbandhu Sugar Mill.

Abdul Monem Sugar Refinery's occupational health and safety policies similarly were to minimise workplace hazards through following safety requirements, using protective equipment, keeping fire extinguishers and maintaining a clean workplace. At Abdul Monem Sugar Refinery, standard working hours and overtimes hours and pay ratios were the same as at Deshbandhu and Carew & Co.

### **Analysis of documents relating to development of staff capacities**

Deshbandhu Sugar Mill's human resource development policies revealed that it emphasized on capacity development of its employees through training, engaging in multiple tasks, guiding, motivating, and evaluating their performance fairly. Similarly, Abdul Monem Sugar Refinery's human resource development policies emphasized on training, engagement in several tasks, supervision, motivation, and fair performance evaluation.

Carew & Co's human resource development policies also emphasized on training, monitoring, motivating, and evaluating employees' performance fairly to develop employees' capacity.



### **Analysis of documents relating to professional growth and job security**

Deshbandhu Sugar Mill's human resource management policies revealed that the mill would provide equal and fair opportunities to employees' professional growth and training. And, employment disputes would be treated fairly.

Carew & Co and Abdul Monem Sugar Refinery' human resource management policies similarly mentioned the mills' commitments to provide equal and fair opportunities to employees' professional growth and training, and fair treatments to employment disputes.

### **Analysis of documents relating to social integration**

The key principles of Deshbandhu Sugar Mill's human resource management policy and non-discrimination statements were to treat employees equally and develop interpersonal relationship, teamwork and cooperation among employees. Similarly, state-owned Carew & Co and privately-owned Abdul Monem Sugar Refinery were committed to behave equally with their employees and develop interpersonal relationship, teamwork and cooperation among employees.

### **Analysis of documents relating to organisations' constitutionalism**

Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery's documents related to labour relations likewise revealed that the organisations valued workers, though the documents of these two organisations did not mention about the organisations' stands on workers' freedom of expression and trade unions.

Carew & Co's documents related to labour relations revealed that the mill valued workers' freedom of expression and allowed workers to form and join unions, and treated workers with respect.

### **Analysis of documents relating to work and life space**

Workers at Deshbandhu Sugar Mill were given less leave than their counterparts at the state-owned and private sugar mills. Deshbandhu Sugar Mill's documents mentioned that workers of this organisation were given 8 days/year as casual leave, a maximum 10 days/year as sick leave, 10 days/year as festival leave, 14 days/year as annual leave with one weekly rest day and days off for public holidays.

Carew & Co's documents disclosed that employees of this organisation received 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, a weekly rest day, and public holidays. And, Abdul Monem Sugar Refinery's documents disclosed that employees of this organisation received 10 days/year as casual leave, a maximum 12 days/year as sick leave, 10 days/year as festival leave, 15 days/year as annual leave, a weekly rest day, and public holidays.

### **Analysis of documents relating to social relevance of work and organisation**

Documents from Deshbandhu Sugar Mill revealed that the mill was committed to behave ethically toward employees, contribute to economic development, and deliver social benefits by supporting multiple charities, scholarships and rural developments in the communities. The mill acknowledged its environmental impact on the area and said that it followed international standards.

Carew & Co's documents mentioned that the mill was committed to treat employees fairly, help farmers to be solvent through motivating them to cultivate sugar-cane and buying their products, and contribute to society by creating jobs and developing the locality. Similarly, Abdul Monem Sugar Refinery stated a commitment to the fair

treatment of employees, running the factory to international standards, and contribution to the country's economic development. The mill ran an orphanage for 3,000 children, and established a high school, a college, and a madrasa (a religious institute).

### **6.3.3 Interview analysis**

#### ***6.3.3.1 Overview of the research participants***

A total of 25 semi-structured face-to-face interviews were conducted with Deshbandhu Sugar Mill employees. This interview number is considered sufficient to conduct qualitative study according to Ritchie et al. (2003) and Charmaz (2006). The findings of this study are applicable to the related organisations and employees and should not be generalised with other organisations. According to Denzin and Lincoln (2005), the qualitative research outcomes try to provide insights rather than proof. And, this study tries to provide useful insights about the impacts of privatisation on workers' QWL in privatised SOEs in Bangladesh.

Research participants from Deshbandhu Sugar Mill were selected through proportional stratified random sampling from a list of staff to avoid bias and sampling errors. 920 employees were employed at Deshbandhu Sugar Mill. Of the 920 employees, about 56% (515 persons) were permanent workers (all male), 33% (300 persons) were casual workers (all male), and 11% (105 persons) were management level employees (all male and permanent).

The 920 employees were divided into three stratum such as permanent workers, casual workers, and management level employees. A proportional stratified random sampling was then conducted to obtain 25 potential interviewees from three stratum. Hence, 14 interviews were conducted with permanent workers, eight interviews were conducted

with casual workers, and three interviews were conducted with management level employees. The age of the participants ranged from 20 to 54 years. Of the 25 interviewees, three had an undergraduate degree, three had Higher Secondary School Certificate, eleven had attended high school but left without any qualification, and eight had only attended primary school. However, the exact roles and positions of individual employees at the management level and on the factory floor have not been disclosed in this research to ensure the anonymity of those that participated.

To compare Deshbandhu Sugar Mill's employees QWL with the state-owned and private sugar mills' employees QWL, semi-structured face-to-face interviews with employees were conducted at Carew & Co (BD) Ltd (the state-owned sugar mill) and Abdul Monem Sugar Refinery Ltd (the privately-owned sugar mill).

25 interviews were also conducted with Carew & Co employees. The mill employed 985 people. Of the 985 employees, about 62% (606 persons) were permanent workers (all male), 21% (207 persons) were casual workers (all male), and 17% (172 persons) were management level employees (all male and permanent). After dividing employees into three strata, proportional stratified random sampling was conducted to obtain the 25 interviewees. Hence, 16 interviews were conducted with permanent workers, five interviews were conducted with casual workers, and four interviews were conducted with management level employees. The age of the participants ranged from 24 to 56 years. Of the 25 interviewees, two had an undergraduate degree, one had a diploma, three had Higher Secondary School Certificate, 10 had attended high school but left without any qualification, eight had only attended primary school, and one interviewee had not been to school.

Similarly, 25 interviews were conducted with Abdul Monem Sugar Refinery employees. The mill employed 850 people. Of the 850 employees, about 51% (433 persons) were permanent workers (all male), 37% (315 persons) were casual workers (all male), and 12% (102 persons) were management level employees (all male and permanent). After dividing employees into three strata, proportional stratified random sampling was also conducted to obtain the 25 interviewees from the three strata. Hence, 13 interviews were conducted with permanent workers, nine interviews were conducted with casual workers, and three interviews were conducted with management level employees. The age of the participants ranged from 20 to 50 years. Of the 25 interviewees, two had an undergraduate degree, nine had Higher Secondary School Certificate, 11 had attended high school but left without any qualification, and three had only attended primary school.

The following sections present the analysis of the interviews with regard to quality of working life measures. Interview data were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

### ***6.3.3.2 Floor workers' interview analysis***

#### **Analysis of interviews relating to workers' compensation**

Deshbandhu Sugar Mill's permanent workers minimum pay (TK4,000/month) did not match the minimum pay of permanent workers at the state-owned and private sugar mills, which was set at TK4,150 per month. Casual workers' daily wages at the Deshbandhu Sugar Mill (TK145/day) were also less than at the state-owned sugar mill (TK235/day) and private sugar mill (TK150/day). Most of Deshbandhu's floor workers

(16 out of 22) were non-committal about their rate of pay. When they were asked about their routine expenses, they described their needy living conditions. For example three of the workers said:

*'I live from hand to mouth. I have to look after my parents and four members of my own family. So, it is very hard for me to support them with this much money'.*

*'I live with my parents. I give all of my wages to my father; he spends it according to the family's needs. If we got more money as wages it would be better'.*

*'I can hardly support my family with my wages. I have only one child, who is 2.5 years old, so I don't have to pay for his schooling. I can't save money'.*

Likewise, about 71% of interviewees from Carew & Co and 74% of interviewees from Abdul Monem Sugar Refinery said that they were neither satisfied nor dissatisfied with their wage structure, yet they additionally said that they needed a pay rise to support their families adequately.

Permanent workers from the privatised sugar mill, state-owned sugar mill and private sugar mill equally said that they were given TK120/year as an attendance bonus and two religious festival bonuses, each being equivalent to one month's basic wages. However, none of the organisations provided productivity profits to workers.

Deshbandhu Sugar Mill's permanent worker's increment (TK125/year) matched that provided to Abdul Monem Sugar Refinery's workers, but was slightly less than the state-owned sugar mill's permanent workers (TK135/year). Similarly, Deshbandhu

Sugar Mill's contribution to the employees' provident fund was the same in percentage terms as the private sugar mill, but less than the state-owned sugar mill.

The state-owned sugar mill's permanent workers were better off on account of receiving allowances for medical, house rent, conveyance and tiffin. Workers at the Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery received no such allowances.

Casual workers at all three mills received no extra bonuses or allowances and their miserable living conditions are revealed in the following comments by two Deshbandhu casuals:

*'I have to look after my parents, a young sister and three members of my own family. I can not support them adequately with my one income. My father can not work. I have to do another job'.*

*'Nowadays, I hardly afford food for my family; I feel so much stresses'.*

### **Analysis of interviews relating to health and safety at work**

All the interviewees from the privatised, state-owned and private sugar mills said that their mills had fire extinguishers, but they had not been provided with individual protective equipment. About 40% of the interviewees from Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery and 47% of the state-owned Carew & Co interviewees described their work environment as unhealthy.

The interviewees of all three sugar mills said that the regular working day was eight hours and that they worked a six-day week. At Deshbandhu, overtime depended on demand for products, but generally amounted to 2-to-3 hours/day. At the state-owned

Carew & Co overtime averaged 2-to-4 hours/day during sugar-cane crushing season. And at Abdul Monem overtime averaged two hours/day. Across the board, interviewees said that they were paid double-time for any overtime work, and that this was paid in cash in their usual pay packet. Most interviewees at each mill described their workload as tolerable.

### **Analysis of interviews relating to development of staff capacities**

All the interviewees from Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery said that their mills gave them opportunities to perform several tasks to improve their capacity and skills, and most of the interviewees were satisfied with the opportunities. However, the state-owned sugar mill workers were not given such opportunities.

Interviewees from the privatised, state-owned and private sugar mills equally said that their work that they did had an importance to them and their colleagues, and they were satisfied with the work responsibilities given to them. Interviewees of those three sugar mills also said that their work was fairly assessed.

However, Floor workers who were interviewed at Deshbandhu Sugar Mill, the state-owned and private sugar mills said that they were not given any opportunity to make decisions at their work.

### **Analysis of interviews relating to professional growth and job security**

All the interviewees who were permanent workers at Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery said that they were given equal opportunities to professional growth and they did not feel that they had less opportunity to receive promotion. Most



interviewees from Carew & Co felt the same way, but two of the sixteen interviewees said that they had been overlooked for promotion and felt low. Across all three sugar mills, casual workers said that experience over a number of years had taught them that their chances of professional development and promotion were low.

At all three mills, the interviewees said that they received practical training when they were employed as apprentices and that their supervisors encouraged them to further develop their skills and abilities.

At the state-owned Carew & Co sugar mill, all the interviewees felt secure in their jobs. This was different from the privatised and privately-owned mills. About 71% of Deshbandhu's permanent workers and 69% of Abdul Monem's permanent workers said that their jobs were not secure and were at the mercy of management. And, all the interviewees who were casual workers of the privatised, state-owned and privately-owned sugar mills likewise said that their jobs were not secure because their employments were completely depended on the managements' wishes.

### **Analysis of interviews relating to social integration**

All the interviewees from Deshbandhu Sugar Mill said that they were not discriminated at the workplace on the basis of race, religion, age, or marital status. Interviewees from Carew & Co and Abdul Monem Sugar Refinery likewise said that they were not discriminated at the workplace. In addition, interviewees from the privatised sugar mill, state-owned and private sugar mills equally said that their relationships with their colleagues and bosses at work were good, and their colleagues helped each other when needed.

### **Analysis of interviews relating to organisations' constitutionalism**

All the interviewees from Deshbandhu Sugar Mill said that they were satisfied with the rules at their work, and they were given respect as an individual at their workplace. Similar opinions were made by the state-owned and private sugar mills' interviewees about their workplaces.

However, Deshbandhu Sugar Mill did not allow its workers to form a trade union. 13 Deshbandhu interviewees had a positive opinion about unions and five were neutral. Another four workers took a negative stance about trade unions. Similarly, Abdul Monem Sugar Refinery did not allow workers to form trade union. At Abdul Monem, 15 interviewees were positive and seven were negative about trade unions. By contrast, workers at the state-owned sugar mill were allowed to form and join a trade union and universally held positive opinions of trade unions. One interviewee said that the trade union was helpful because it tried to protect jobs and spoke to management about workplace problems.

### **Analysis of interviews relating to work and life space**

All the interviewees from the privatised sugar mill, state-owned sugar mill and private sugar mill said that they were satisfied with the schedule of work and rest. Interviewees of those three organisations also said that their work did not negatively influence their family life.

However, permanent workers at Deshbandhu Sugar Mill received less leave than their counterparts at the other two sugar mills. Deshbandhu's permanent workers said that

they received eight days/year as casual leave, a maximum 10 days/year as sick leave, 10 days/year as festival leave, 14 days/year as annual leave, and public holidays.

Carew & Co's permanent workers said that they received 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and public holidays. And, at Abdul Monem, permanent workers said that they were given 10 days/year as casual leave, a maximum 12 days/year as sick leave, 10 days/year as festival leave, 15 days/year as annual leave, and public holidays.

Casual workers of the Deshbandhu Sugar Mill, state-owned sugar mill and private sugar mill who were participated in this research said that they were not entitled to receive any leave with pay.

### **Analysis of interviews relating to social relevance of work and organisation**

All the interviewees from the privatised sugar mill, state-owned and private sugar mills equally said that the quality of the products that their organisations made were good and they felt proud of performing their work. All the interviewees of those three organisations also said that their organisations' images in the society were good as their organisations created employments for the local communities and developed the local area.

All the Deshbandhu and Abdul Monem permanent workers and 14-out-of-16 state-owned Carew & Co permanent workers were satisfied with the organisations' human resources policies and the way that the organisations treated its workers. Casual workers were universally dissatisfied, however, and said that they had not been given permanent jobs despite long service to their mills.

### ***6.3.3.3 Interviews with management level employees***

Two of the three management level employees from Deshbandhu Sugar Mill were satisfied with their income, while the other one was neither satisfied nor dissatisfied. At the state-owned sugar mill, two of the four interviewees were satisfied with their income, and two were neither satisfied nor dissatisfied with their salary. Only one of the three Abdul Monem Sugar Refinery's management level employees was satisfied with his income, while the other two classed themselves as neither satisfied nor dissatisfied.

All the management level employees who were interviewed at Deshbandhu Sugar Mill said that they were given the same salary as the other management level employees were given for the same type of job that they did at the workplace. Similarly, interviewees of the state-owned sugar mill and private sugar mill said that they were given the same salary as the other management level employees were given for the same type of job.

All the interviewees from Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery said that the mills provided to its management level employees an annual increment, two religious festival bonuses, and 8 percent of the basic salary/month to the provident fund. Interviewees of the state-owned sugar mill said that they were given an annual increment, two religious festival bonuses, and 10 percent of the basic salary/month to the provident fund.

At all three mills, managerial staff tended to work a standard eight hour day, but remain back for a further 2-3 hours as needed. The only management level employees to receive overtime pay were the supervisors.

Most of the interviewees from Deshbandhu Sugar Mill, the state-owned and private sugar mills said that their workload depended on the demand for products and was tolerable. Interviewees of the state-owned sugar mill said that their mill used old machinery which made factory floor work hard. On the other hand, interviewees of the Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery said that their mills used new machinery.

All the interviewees from the privatised, state-owned and private sugar mills equally said that their mills had fire extinguishers and first aid boxes, but did not have protective equipment. Two of the three interviewees from both Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery said that their workplaces were noisy. And, two of the four interviewees from the state-owned sugar mill said that their workplace was noisy and damp.

Interviewees from the privatised sugar mill, state-owned sugar mill and private sugar mill said that they were given opportunities to make decisions at their work and they were given opportunities to perform multiple tasks to improve their capacity and skills. Interviewees of those three sugar mills also said that their work that they did had an importance to them and their colleagues and they were satisfied with the work responsibilities given to them.

All the interviewees from both Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery, and three of the four interviewees from the state-owned sugar mill said that they were given fair opportunities to professional growth and they had not been overlooked for a promotion. However, one interviewee from the state-owned sugar mill said that he felt deprived of promotion.

All the interviewees from the privatised, state-owned and private sugar mills said that they were given opportunities for training and their bosses encouraged them to further develop their skills and abilities. As with the permanent workers, all the management level employees from the state-owned sugar mill said that their jobs were secured. One of the three interviewees from the Deshbandhu Sugar Mill and two of the three interviewees from the Abdul Monem Sugar Refinery said that they felt somewhat insecure about their jobs as their employment was in the owners' hands.

Interviewees from Deshbandhu Sugar Mill, the state-owned and private sugar mills equally said that they were not discriminated at the workplace on the basis of race, religion, or age. Interviewees of those three sugar mills also said that their relationships with their colleagues at work were good, their colleagues helped each other, and their bosses appreciated their initiatives at work.

All the interviewees from the privatised sugar mill, state-owned sugar mill and private sugar mill said that they were given respect at work and they were satisfied with the workplace rules and the level of pay they had there. Two of the three Deshbandhu Sugar Mill's managerial interviewees were neutral about workers' unions. One, who was against workers' unions said: *'A trade union is not good for business because it creates anarchy and connects with political parties'*. All four interviewees from the state-owned sugar mill were neutral about their workers' unions, while two of the three interviewees from the Abdul Monem Sugar Refinery were negative and one interviewee was neutral about unions.

All the management level employees who were interviewed at Deshbandhu Sugar Mill, the state-owned and private sugar mills equally said that they were satisfied with the schedule of work and rest. Interviewees of those three organisations also said that their

work did not negatively influence their family life. However, management level employees of Deshbandhu Sugar Mill were given less leave than their counterparts at the state-owned and private sugar mills.

All the interviewees from both Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery, and three of the four interviewees from the state-owned sugar mill said that they were satisfied with the way that the organisations treated the workers. Each mill had a good reputation on account of the employment it provided and the quality of its sugar, interviewees said. What is more, the interviewees were proud of their work.

#### **6.3.4 Summary of the findings**

The study found that the permanent workers at Deshbandhu Sugar Mill received a lower minimum wages than their counterparts at the state-owned sugar mill and private sugar mill. However, their attendance bonuses were the same as the other mills and all three mills paid two festival bonuses to employees.

Deshbandhu Sugar Mill's permanent workers yearly increment was the same as at the private sugar mill, but less than at the state-owned sugar mill. And, Deshbandhu Sugar Mill's contribution to the provident fund was the same as at the private sugar mill, but less than at the state-owned sugar mill.

None of the sugar mills workers received productivity profits, but the permanent workers at the state-owned sugar mill received medical, house rent, conveyance and tiffin allowances.

Casual workers, regardless of employer, did not receive any benefits other than their basic wages and overtime pay. The casual workers at Deshbandhu Sugar Mill were paid the least of all.

In all sugar mills, workers faced a six-day working week, with a standard day being eight hours before overtime kicked in. At Deshbandhu Sugar Mill, overtime was typically 2-to-3 hours/day, which was less than at the state-owned sugar mill but more than at the Abdul Monem Sugar Refinery. In every mill, overtime was paid in cash at double the usual hourly rate. Most interviewees of those three mills said that their workload was tolerable.

Every mill was said to have failed to provide protective equipment. This was in conflict with the sugar mills' written policies on health and safety. About 40% of the workers from Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery, and about 47% of workers from the state-owned sugar mill, said that their workplaces were unhealthy.

Interviewees from both Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery said that the mills gave opportunities to its workers to perform several tasks to improve their capacity and skills, and most of the interviewees were satisfied with the opportunities. However, the state-owned sugar mill workers were not given such opportunities.

Interviewees from the privatised, state-owned and private sugar mills equally said that their performances were evaluated fairly. However, Floor workers of those three mills were not given any opportunity to make decisions at their work.

All the permanent workers at the state-owned Carew & Co mill felt secure about their employment, while 71% of the permanent workers at Deshbandhu and 69% of the



Abdul Monem permanent workers felt some insecurity. Nearly all the permanent workers from the three mills said that they were given fair opportunities for professional growth and promotion. By contrast, casual workers said that they had less chances of professional development and felt their jobs were vulnerable.

No workers reported any sense of discrimination at work and there was widespread satisfaction with workplace rules and the level of respect according individuals. Workers helped each other when needed, they said.

A big point of difference among the mills was in the area of unionisation. Privatised Deshbandhu and privately-owned Abdul Monem prohibited union membership, while the state-owned mill allowed workers to join trade unions. In most cases workers across the board had a positive view of unions.

Deshbandhu Sugar Mill gave its permanent workers less leave than the state-owned and private sugar mills. However, they were satisfied with the schedule of work and rest. Casual workers were the worst off at every mill, receiving no paid leave.

All the permanent workers from both Deshbandhu Sugar Mill and Abdul Monem Sugar Refinery, and 14 of the 16 permanent workers from the state-owned sugar mill said that they were satisfied with the mills' human resources policies. Casual workers across the board were not happy with the human resources policies, citing frustration at the delay in securing permanent positions.

Overall, the workers of those three sugar mills equally said that their mills had a good reputation and they were proud of their work.

## **6.4 Case Study 3: Kokil Textile Mills Limited, Brahmanbaria.**

### **6.4.1 Introduction**

Kokil Textile Mills Limited was located in the Brahmanbaria district of Bangladesh and produced cotton yarn. It was established in 1962. The business was managed by Bangladesh Textile Mills Corporation (BTMC) prior to being sold by the Privatisation Commission through an international tender in September, 2006. It was bought by a Bangladeshi businessman for TK183.3 million (US\$2.35 million). The mill had several buildings spread over a 4.48 hectare site, which in turn was surrounded by makeshift housing for workers, a small parkland and a market. The mill, which looked slightly dilapidated, employed 400 people and was profitable.

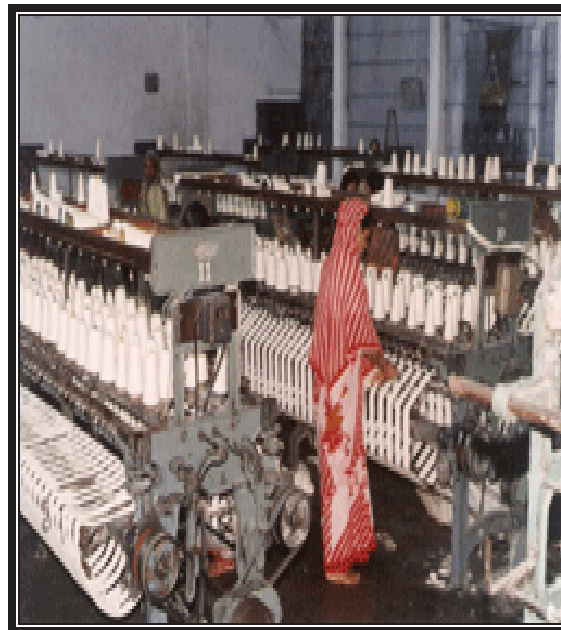


Photo 6.7: Kokil Textile Mills Limited.

Working conditions at Kokil Textile Mills with regard to the quality of working life measures were compared with the conditions at Amin Textiles Limited (a state-owned textile mill) and Square Textiles Limited's industrial unit-2 (a privately-owned textile mill) which were taken from similar industry and size.

Amin Textiles was founded as a state-owned organisation in Chittagong district in 1961 and was operated by BTMC. The mill employed 376 people and ran at a loss. Like Kokil Textile Mills, it manufactured cotton yarn. Square Textiles' unit-2 was founded in Gazipur district in 1998. This mill employed 450 people and made a profit from making cotton yarn for the garments industry.



Photo 6.8: Amin Textiles Ltd



Photo 6.9: Square Textiles Ltd.

#### **6.4.2 Document analysis**

Documents relating to wages, benefits, leave, promotions, and other documents related to workers' QWL at Kokil Textile were analysed and compared with corresponding

documents from Amin Textiles and Square Textiles to determine whether working conditions were preserved at Kokil Textile. All documents were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

### **Analysis of documents relating to workers' compensation**

Payroll documents from Kokil Textile revealed that permanent workers' minimum wages were TK3,800 (US\$48.7)/month. The company paid no other benefits. Casual workers were paid TK120 (US\$1.5)/day for 8 hours' work, but no other benefits.

Documents from Amin Textiles showed that permanent workers received minimum wages of TK4,150 (US\$53.1)/month, with an annual increase of TK135 (US\$1.7)/year, an attendance bonus of TK120 (US\$1.5)/year, a medical allowance of TK700 (US\$8.9)/month, an accommodation allowance equivalent to 50% of the basic monthly wage, a transport allowance of TK150 (US\$1.9)/month, a snack allowance of TK150 (US\$1.9)/month, an education allowance of TK200 (US\$2.6)/month for one child and TK300 (US\$3.8)/month for more than one child, two religious festival bonuses equivalent to two basic wages, and a contribution of 10% of the basic monthly wage to a provident fund. Casual workers at Amin Textiles were entitled to only TK190 (US\$2.4)/day for 8 hours' work and TK120 (US\$1.5)/year as an attendance bonus.

At Square Textiles, documents detailed minimum wages of TK4,500 (US\$57.6)/month for permanent workers. They received a pay increase of TK150 (US\$1.9)/year, an attendance bonus of TK120 (US\$1.5)/year, two religious festival bonuses equivalent to two basic wages, and a company contribution of 10% of the basic monthly wage to a provident fund. Casual workers received TK150 (US\$1.9)/day for 8 hours' work,

TK120 (US\$1.5)/year as an attendance bonus and two religious festival bonuses. Square Textiles provided housing for more than 80% of its employees, along with free meals, free transportation, and a 24-hour medical centre.

Therefore, permanent and casual workers at Kokil Textile Mills earned less than their counterparts at the state-owned and private textile mills. What is more, the Kokil Textile workers received none of the other benefits paid to workers at the other mills.

### **Analysis of documents relating to health and safety at work**

Kokil Textile's documents outlined a sincere intention to provide a clean workplace, fire fighting equipment, first aid facilities, and a safe and healthy working environment. The mill had routine working hours of eight hours/day with Friday as a regular day off. Overtime was officially capped at two hours/day, but employees received only the standard hourly rate for overtime work.

Documents related to workplace health and safety from Amin Textiles mentioned an intention to take appropriate measures to protect employees from workplace hazards, use protective equipment, keep fire extinguishers and first aid boxes, and maintain a clean workplace. The routine working day and overtime guidelines at Amin Textiles were the same as Kokil Textile, but overtime pay was double the usual hourly rate.

Square Textiles' documents stated a commitment to provide employees with safe working conditions, safe drinking water, adequate lighting and ventilation, primary health care facilities, fire extinguishers, and protective equipment. Again, the regular

working day was 8 hours, with Friday as a day off. Overtime was officially capped at two hours/day and paid at double the usual hourly rate.

Therefore, all three mills committed to providing safe and healthy working conditions for employees, although Kokil Textile's documents made no mention of protective equipment. Each of the mills had the same standard 8-hour working day and six-day working week, with overtime capped at two hours/day. Kokil Textiles' workers got only the usual hourly rate for overtime, while Amin Textiles and Square Textiles paid workers double-time if they worked late.

#### **Analysis of documents relating to development of staff capacities**

Kokil Textile's human resource development policies revealed that the mill sought to develop employees' capacity through training, guiding and evaluating employees' performance fairly. Similarly, Amin Textiles' human resource development policies emphasized on training, supervising and evaluating employees' performance fairly to develop their capacity.

Human resource development policies of Square Textiles were virtually the same; they mentioned training and guidance, engagement in multiple tasks, motivation and fair evaluation of work.

#### **Analysis of documents relating to professional growth and job security**

Human resource management policies from Kokil Textile committed to providing workers with equal and fair opportunities for professional growth and training. The mill undertook to be even-handed in employment disputes.

Amin Textiles and Square Textiles' human resource management policies also mentioned their commitments to provide equal and fair opportunities to employees' professional growth and training, and fair treatments to employment disputes.

#### **Analysis of documents relating to social integration**

The key principles of the human resource management policies and non-discrimination statements at all three mills were to treat employees equally, and develop interpersonal relationships and cooperation among workers.

#### **Analysis of documents relating to organisations' constitutionalism**

Kokil Textile's official position on labour relations was that the mill valued its workers. Nevertheless, its documents made no undertakings with respect to freedom of expression by workers or their right to be unionised.

Amin Textiles and Square Textiles acknowledged the value of their workers but went further in that they committed to treat workers with respect, allow employees freedom of expression and the right to form unions.

#### **Analysis of documents relating to work and life space**

Kokil Textile gave workers 7 days/year as casual leave, a maximum 12 days/year as sick leave, 10 days/year as festival leave, 12 days/year as annual leave and days off for public holidays.

Workers at Amin Textiles and Square Textiles received more time off on every score. They were entitled to 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and public holidays.

## **Analysis of documents relating to social relevance of work and organisation**

Kokil Textile Mills stated a commitment to treat employees fairly, contribute to economic development, and fulfil a social responsibility through the creation of more jobs for poor women, such as widows, divorcees and the destitute. Similarly, Amin Textiles committed to treat employees fairly, contribute to economic development, and create more jobs for disadvantaged women.

Square Textiles' documents included a statement of belief in sustainable development. The mill gave highest priority to behave ethically toward employees, and contribute to society by creating jobs and supporting charities.

### **6.4.3 Interview analysis**

#### ***6.4.3.1 Overview of the research participants***

Semi-structured face-to-face interviews were conducted with 25 Kokil Textile employees. This number is considered sufficient for a qualitative study according to Ritchie et al. (2003) and Charmaz (2006), while Bertaux (1981) argues that 15 is the smallest acceptable qualitative sample size. The findings of this study are applicable to the related organisations and employees and should not be generalised across other organisations. According to Denzin and Lincoln (2005), the qualitative research outcomes try to provide insights rather than proof. Hence, this study tries to provide useful insights about the impacts of privatisation on workers' QWL in privatised SOEs in Bangladesh.

Research participants from Kokil Textile were selected through proportional stratified random sampling from a list of staff to avoid bias and sampling errors. Of the mill's



400 employees, about 10% (40 persons) were male permanent workers, 40% (160 persons) were female permanent workers, 9% (35 persons) were male casual workers, and 29% (115 persons) were female casual workers, and 12% (50 persons) were management level employees (all male and permanent).

The 400 employees were divided into five strata- male permanent workers, female permanent workers, male casual workers, female casual workers, and managerial employees. Proportional stratified random sampling was then applied to obtain 25 interviewees. Hence, three interviews were conducted with male permanent workers, 10 interviews with female permanent workers, two interviews with male casual workers, seven interviews with female casual workers, and three interviews with management level employees. The age of the participants ranged from 18 to 60 years. Of the 25 interviewees, one had an undergraduate degree, one had a Higher Secondary School Certificate, one had a Secondary School Certificate, seven had attended high school but left without any qualification, 12 had only attended primary school, and three interviewees had not been to school. However, the exact roles and positions of individual employees at the management level and on the factory floor have not been disclosed in this research in order to protect their identity.

To compare Kokil Textile Mills employees' QWL with the QWL of workers at the state-owned and private textile mills, semi-structured face-to-face interviews with employees were conducted at Amin Textiles (a state-owned textile mill) and Square Textiles Limited's industrial unit-2 (a privately-owned textile mill).

25 Amin Textiles employees were interviewed. Of the mill's 376 employees, about 12% (45 persons) were male permanent workers, 25% (95 persons) were female permanent

workers, 20% (74 persons) were male casual workers, 33% (124 persons) were female casual workers, and 10% (38 persons) were management level employees (all male and permanent). After dividing employees into five stratum, proportional stratified random sampling was conducted to obtain 25 interviewees from across the five stratum. Hence, three interviews were conducted with male permanent workers, six interviews with female permanent workers, five interviews with male casual workers, eight interviews were conducted with female casual workers, and three interviews were conducted with managerial workers. The age of the participants ranged from 20 to 58 years. Of the 25 interviewees, three had an undergraduate degree, two had Higher Secondary School Certificate, two had Secondary School Certificate, 10 had attended high school but left without any qualification, seven had only attended primary school, and one interviewee had not been to school.

Similarly, 25 interviews were conducted at Square Textiles' industrial unit-2. Of its 450 employees, about 41% (185 persons) were male permanent workers, 28% (125 persons) were female permanent workers, 12% (55 persons) were male casual workers, 8% (35 persons) were female casual workers, and 11% (50 persons) were management level employees (all male and permanent). After dividing employees into five stratum, proportional stratified random sampling was also conducted to obtain 25 interviewees from the five stratum. Hence, 10 interviews were conducted with male permanent workers, seven interviews were conducted with female permanent workers, three interviews with male casual workers, two interviews with female casual workers, and three interviews with management level employees. The age of the participants ranged from 20 to 50 years. Of the 25 interviewees, three had an undergraduate degree, three had Higher Secondary School Certificate, five had Secondary School Certificate, 10 had

attended high school but left without any qualification, and four had only attended primary school.

The following sections present the analysis of the interviews with regard to quality of working life measures. Interview data were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

#### ***6.4.3.2 Floor workers' interview analysis***

##### **Analysis of interviews relating to workers' compensation**

After conducting the interviews, it was found that permanent (male and female) workers' minimum wages at Kokil Textile Mills (TK3,800/month) were less than the state-owned textile mill (TK4,150/month) and private textile mill (TK4,500/month). Casual (male and female) workers' daily wages at Kokil Textile Mills (TK120/day) were also less than the state-owned textile mill (TK190 /day) and private textile mill (TK150 /day).

14 of the 22 Kokil Textile floor workers said that they were neither satisfied nor dissatisfied with their wages, but the other eight were dissatisfied. When asked about their routine expenses, their answers revealed their poor living conditions. Three workers made these comments:

*'With my income I cannot support my family properly, somehow I manage. I can not save money as well'.*

*'I spend my wages on my family's basic necessities. My son is also contributing in my family, he is a rickshaw puller. My husband is sick, he can't earn. I can't save'.*

*'I spend my wages for buying foods, cloths, and other basic necessities for my family. I have to look after my parents and send money to them. I live from hand to mouth and can't save for the future'.*

Kokil Textile didn't pay any other benefits to permanent workers. This was in contrast to state-owned textile mill, where workers received annual pay rise, an attendance bonus and allowances for medical, house rent, conveyance and tiffin. Square Textiles workers were given an annual pay increase, an attendance bonus, free meals, free transportation, access to a 24-hour medical centre and accommodation. None of the mills paid workers a productivity profits.

The privatised Kokil Textile did not pay festival bonuses, unlike the other mills, which paid two bonuses annually to celebrate religious festivals. Two floor workers from Kokil Textile made the following comments about their circumstances-

*'With sorrow and happiness I celebrate the Eid festival. My officers love me a lot and sometimes someone helps me by giving me a dress for my child or someone gives some money like- TK500 (US\$6.4). This way I somehow manage our festival'.*

*'Somehow we pass our Eid festival. We can't celebrate it happily; when it approaches we feel stressed thinking about how we shall observe it'.*

Kokil Textile Mills did not have any retirement savings plan for its employees, though state-owned and private textile mills had. This was a source of frustration and concern, as shown in the following comments from two floor workers -

*'Since the company does not have a retirement savings programme, I feel very stressed thinking about my retirement days. I haven't made a plan yet, but I feel lots of worry. I*

*can't save for those days. If company had a retirement savings programme, it would be very good for us'.*

*'It is up to Allah. How can I think about retirement days when it is hard to afford today's necessities?'*

Casual workers at Kokil Textile Mills received no benefits. Their counterparts at the state-owned mill received an attendance bonus while casuals at Square Textiles were paid two religious festival bonuses, free meals and free transportation.

#### **Analysis of interviews relating to health and safety at work**

Interviewees of the Kokil Textile and state-owned textile mills did not have individual protective equipment, but workers had and used protective equipment at Square Textiles. About 45% of the interviewees from Kokil Textile and 40% of the interviewees from the state-owned textile mill described their workplaces as unhealthy. Only 25% of the interviewees from Square Textiles said that their workplace was unhealthy.

Regardless of which mill they worked at, the interviewees said that their routine working day was 8 hours, with a day off every Friday. In each mill, overtime depended on demand but would average 2-to-4 hours/day. Interviewees (permanent and casual) at the state-owned and private textile mills said that their overtime pay was twice the usual hourly rate, but workers received only the basic hourly rate for overtime at the privatised Kokil Textile. Most of the interviewees of the privatised, state-owned and private textile mills said that their workload was tolerable.

### **Analysis of interviews relating to development of staff capacities**

All the interviewees from the privatised and state-owned textile mills said that their mills did not give them opportunities to perform several tasks to improve their capacity and skills. However, Square Textiles' workers were given such opportunities, and most of the interviewees were satisfied with the opportunities.

All the interviewees from the privatised, state-owned and private textile mills equally said that their work that they did had an importance to them and their colleagues, and they were satisfied with the work responsibilities given to them. Interviewees of those three textile mills also said that their performances were evaluated fairly.

However, Floor workers at the privatised, state-owned and private textile mills equally said that they had no power to make decisions at work.

### **Analysis of interviews relating to professional growth and job security**

Across all mills, the permanent workers said that they were given equal opportunities for professional growth and promotion. All the casuals from Kokil Textile and the state-owned Amin Textiles saw less chances of professional growth, but 70% of the casuals at Square Textiles said that they were given fair opportunities for professional growth.

At Kokil Textile, the workers said that they did not need training, having been taught all they needed to know when first hired. Interviewees from the state-owned textile mill and Square Textiles said that they received practical training as apprentices, but their supervisors encouraged them to continue to develop their skills.

In terms of job security, all the permanent workers from the state-owned textile mill felt their positions were secure. By comparison, most permanent workers at the other mills

felt insecure (77% from privatised Kokil Textile and 53% from Square Textiles). Casual workers from all three mills said that their jobs were not secure on account of being vulnerable to management decisions.

### **Analysis of interviews relating to social integration**

All the interviewees from Kokil Textile said that they were not discriminated at the workplace on the basis of race, religion, age, gender, or marital status. Interviewees from Amin Textiles and Square Textiles also said that they were not discriminated at the workplace. In addition, interviewees from the privatised, state-owned and private textile mills equally said that their relationships with their colleagues and bosses at work were good, and their colleagues helped each other when needed.

### **Analysis of interviews relating to organisations' constitutionalism**

Across the board, all the interviewees said that they were satisfied with the rules at their mill, and that they were treated respectfully.

However, Kokil Textile did not allow workers to unionise. Indeed, most of the workers from that mill were vulnerable and poorly educated; they did not know about trade unions. As a result, they did not know or think about the activities of unions, their rights to form a trade union. Generally, workers had to follow a chain of command in terms of taking any problems to a particular manager. Workers of the state-owned and private textile mills were allowed to form trade unions, and they were positive about having union representation.

### **Analysis of interviews relating to work and life space**

All the interviewees from the privatised, state-owned and private textile mills said that they were satisfied with the schedule of work and rest. Interviewees of those three textile mills also said that their work did not negatively influence their family life.

However, Kokil Textile Mills' permanent workers received less leave than their counterparts at the state-owned Amin Textiles and the privately-owned Square Textiles. Kokil Textile's permanent workers received 7 days/year as casual leave, a maximum 12 days/year as sick leave, 10 days/year as festival leave, 12 days/year as annual leave, and days off for public holidays. Some interviewees did not know exactly how many days the company allocated to them for sick leave, festival leave, annual leave and casual leave. But being poorly educated and very vulnerable, they had to take what they could get to avoid joining the ranks of the unemployed. Amin Textiles and Square Textiles' permanent workers were given 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and days off for public holidays. Casuals, regardless of employer, received no paid leave.

### **Analysis of interviews relating to social relevance of work and organisation**

All the interviewees from the privatised, state-owned and private textile mills equally said that their mills produced quality products and they felt proud of performing their work. The workers at Kokil Textile and Amin Textiles said that their employers had a good reputation on account of creating employment for the disadvantaged women. And, the workers at Square Textiles said that their organisation's good reputation was due to the fact it provided jobs and helped local development.



The permanent workers from all three mills expressed satisfaction with the organisations' human resources policies and the way that the organisations treated its workers. However, all the casual workers from Kokil Textile and the state-owned Amin Textiles, and 30% of the casual workers from Square Textiles were dissatisfied with the organisations' human resources policies, citing the delay in shifting to permanent roles.

#### ***6.4.3.3 Interviews with management level employees***

Two of the three management level employees from both Kokil Textile and Amin Textiles said that they were satisfied with their income. At each mill, one interviewee was neutral on the topic of remuneration. All three interviewees from Square Textiles were satisfied with their salaries.

All the management level employees at each mill said that they received the same salary as co-workers who did the same type of job.

Kokil Textile Mills did not pay management level employees regular annual increment or festival bonuses, although one of the management level employees said that festival bonuses and incentives would be provided soon. One of the management level employees described his anxiety about religious festival spending as follows: *'since we need to buy clothes and other things for festivals from our monthly salary, we can't observe festivals happily; rather we observe festivals with anxiety. We have to cut down our family budget for household necessities for the next month after a festival. Sometimes we get 15 days salary in advance before a festival'*. As with the floor employees, the management level staff had no access to a retirement savings programme.

However, all the interviewees from both Amin Textiles and Square Textiles said that the mills provided to its management level employees an annual increment, two religious festival bonuses, and 10 percent of the basic salary/month to the provident fund.

At all mills, management level employees were expected to work eight hours/day and sometimes had to stay back if needed. They received no overtime pay except supervisors.

Most of the interviewees at the three mills said that their workload depended on customer demand for products, but was tolerable. Interviewees from the privatised and state-owned textile mills said that their mills used many old machines. On the other hand, interviewees from Square Textiles said that their mill used new machinery which made factory floor work easy.

All the interviewees from both the privatised and state-owned textile mills said that they had no protective equipment, while Square Textiles' interviewees said that they did have safety gear. One of the three interviewees from both Kokil Textile and state-owned textile said that their workplaces were unhealthy. None of the interviewees from Square Textiles said that their workplace was unhealthy.

The managerial staff from all three mills said that they had opportunities to make decisions at work and could perform a variety of tasks in order to improve their capacity and skills. They all considered their work to be important and were satisfied with the degree of responsibility they held.

Similarly, they all said that they were treated fairly in terms of opportunities for professional growth and promotion. Their mills gave them opportunities for training and their bosses encouraged them to develop their skills, they said.

All the interviewees from the state-owned textile mill said that their jobs were secured, but two of the three interviewees from Kokil Textile and one of the three interviewees from Square Textiles said that their jobs were not secured because their employments were on the owners' hands.

All the interviewees from the privatised, state-owned and private textile mills equally said that they were not discriminated at the workplace on the basis of race, religion, or age. Interviewees of those three mills also said that their relationships with their colleagues at work were good, their colleagues helped each other, and their bosses valued their initiatives at work.

All the management level employees from the privatised, state-owned and private textile mills said that they were given respect as an individual at their workplaces, and they were satisfied with the rules at their work and with the level of say they had within their workplaces.

Kokil Textile had no workers' union. Two of the management level employees from Kokil Textile said that the mill's owner was against a union. Management's attitude towards trade unions was revealed by the comments of one management level employee, he said, *'I think we should not have a trade union. A trade union is harmful for any company because groupings are created in trade unions and unions create barriers to production. If somebody has a problem, he should talk to his superior officer and after that management will talk to the owner if necessary to find a solution'*.

The state-owned Amin Textiles and privately-owned Square Textiles allowed unionisation of the workforce. All three interviewees of the state-owned textile mill

were neutral about the union. Two of the three interviewees from Square Textiles were negative and one was neutral on the topic.

All the management level employees from the privatised, state-owned and private textile mills equally said that they were satisfied with the schedule of work and rest. Interviewees of those three mills also said that their work did not negatively influence their family life. However, Kokil Textile's management level employees (like the floor workers at that mill) received less leave than their counterparts at the other mills.

Similarly, all the management level employees from the privatised, state-owned and private textile mills were satisfied with the treatment of mills' employees. They also said that their mills produced a quality product, and they were proud of their work. In each mill, the managerial interviewees agreed that their mills enjoyed a good reputation on account of the employment they provided and their contribution to local development.

#### **6.4.4 Summary of the findings**

After analysing the documents and interviews, it was found that minimum wages for permanent workers at Kokil Textile were below that paid to their counterparts at the other mills. Most of the Kokil Textile workers said that they needed a pay rise as they could only buy basic necessities with the financial support of family members.

Kokil Textile's permanent workers received no other benefits from their employer. This contrasted with the workers at the state-owned textile mill who received an annual pay rise, two festival bonuses, an attendance bonus, a contribution to a retirement fund and allowances for medical, house rent, conveyance and tiffin. Square Textiles paid workers an annual pay rise, an attendance bonus, two festival bonuses, free meals, free

transportation, access to a 24-hour medical centre, accommodation, and a contribution to a retirement fund. None of the mills provided productivity profits.

Casual workers at Kokil Textile received less pay than casuals at the other two mills. They received no other bonuses, while casuals at the state-owned mill received an attendance bonus. Casual workers at Square Textiles appeared to be the best off as they received two religious festival bonuses, free meals and free transportation.

At each mill, the standard working day ran for eight hours, with an additional 2-to-4 hours of overtime. They did not work on Fridays. At the state-owned mill and Square Textiles, overtime was paid at double the usual hourly rate. At Kokil Textile overtime was attracted no premium, so workers were paid at the basic hourly rate. Most interviewees from those three mills said that their workload was tolerable.

All the interviewees from the privatised and state-owned textile mills said that they did not have protective equipment, though Square Textiles workers used protective equipment. About 45% of the workers from Kokil Textile, 40% of the workers from state-owned textile, and 25% of the workers from Square Textiles said that their workplaces were unhealthy.

Workers from the privatised and state-owned textile mills said that they had no opportunities to perform several tasks to improve their capacity and skills, though Square Textiles' workers were given such opportunities.

Workers from the privatised, state-owned and private textile mills equally said that their performances were assessed fairly. However, workers of those three mills were not given any opportunity to make decisions at their work.

All the permanent workers from all three mills and most casual workers from Square Textiles said that they were given fair opportunities for professional growth and promotion. Casual workers from Kokil Textile and the state-owned textile said that they had less chances of professional growth.

Permanent workers' jobs were secured at the state-owned textile mill, while 77% of Kokil Textile's permanent workers and 53% of Square Textiles' permanent workers said that their jobs were not secured. Casual workers, regardless of employer, said that their jobs were not secured.

Across the board, the interviewees said that they were treated with respect at work and were not discriminated. They helped each other when needed, and did not offer any criticism of the workplace rules at their mills.

However, Kokil Textile did not allow workers to be unionised and most of the interviewees did not know about trade unions or their activities. Workers at the state-owned and privately-owned textile mills were pleased to be unionised.

Permanent workers of the state-owned and privately-owned textile mills were satisfied with the schedule of work and rest, and their work did not influence their family life. This was equally true of the privatised Kokil Textile permanent workers even though they received the least leave. Across all three mills, casual workers received no paid leave.

Permanent workers, regardless of employer, were satisfied with human resources policies at their work. Casual workers at Kokil Textile and state-owned textile, and 30% of the casual workers at Square Textiles were dissatisfied, however, citing delays in shifting from casual to permanent positions.

The mills were said to enjoy good reputations in the community and the interviewees took pride in their work.

## **6.5 Case Study 4: Bangladesh Monospool Paper Manufacturing Company Ltd., Dhaka.**

### **6.5.1 Introduction**

Bangladesh Monospool Paper Manufacturing Company Ltd. (MPMC) was located in Shreerampur, part of the Dhamrai Upazila (sub-district) of Dhaka district. Bangladesh Chemical Industries Corporation (BCIC) controlled this paper mill before privatisation. MPMC was sold by the Privatisation Commission in 2005 through a sale of government shares to a Bangladeshi businessman for TK4.5 million (US\$57.6 thousand). The mill, which was profitable, had a factory, a three-storied office building, and a two-storied accommodation block. It had 150 employees (all male), about 60% of whom lived on site. This allowed the mill to run 24 hours/day, producing various types of paper, such as Computer Form Printing Paper (used for billing and different data processing purposes), OMR Form Printing Paper (used by the Education Board for exams), and Security Printing Paper (used for banking transactions and correspondence).



Photo 6.10: Bangladesh Monospool Paper Manufacturing Company

Working conditions at MPMC with regard to quality of working life measures were compared with the working conditions at Karnaphuli Paper Mills (BCIC controlled only state-owned paper mill that was in operation with reduced production capacity) and Ananta Paper Mills (a privately-owned paper mill).

Karnaphuli Paper Mills (KPM) was founded as a state-owned organisation at Chandraghona in Rangamati district in 1953. As mentioned, BCIC operated this paper mill for the government, and other state-owned paper mills were closed. This mill employed 1,760 people and occasionally made profits. It produced various types of papers such as writing, printing and typing papers. Ananta Paper Mills was founded in Narayanganj district in 1988. The mill employed 185 people and made a profit from manufacturing craft paper and newsprint.



Photo 6.11: Karnaphuli Paper Mills



Photo 6.12: Ananta Paper Mills



### **6.5.2 Document analysis**

Documents relating to wages, benefits, leave, promotions, and other QWL elements at MPMC were analysed and compared with corresponding documents from Karnaphuli Paper Mills and Ananta Paper Mills. All documents were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

#### **Analysis of documents relating to workers' compensation**

Payroll documents from MPMC set permanent workers' minimum wages at TK4,500 (US\$57.6)/month, with a TK150 (US\$1.9)/year pay rise, an attendance bonus of TK120 (US\$1.5)/year, two religious festival bonuses equivalent to two basic wages, and the company's contribution of 8% of the basic monthly wage to a provident fund. Casual workers at MPMC received TK150 (US\$1.9)/day for 8 hours' work and TK120 (US\$1.5)/year as an attendance bonus.

Documents from the state-owned KPM disclosed that permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK135 (US\$1.7)/year, attendance bonus was TK120 (US\$1.5)/year, medical allowance was TK700 (US\$8.9)/month, allowance for house rent was 50% of the basic wages/month, allowance for conveyance was TK150 (US\$1.9)/month, allowance for tiffin was TK150 (US\$1.9)/month, allowance for children's education was TK200 (US\$2.6)/month for one child and TK300 (US\$3.8)/month for more than one child, two religious festival bonuses were equivalent to two basic wages, and the mill's contribution was 10% of the basic wages/month to a provident fund. KPM paid casual workers TK190 (US\$2.4)/day for 8 hours' work and TK120 (US\$1.5)/year as an attendance bonus. They received no other benefits.

Documents from Ananta Paper Mills set permanent workers' minimum wages at TK4,150 (US\$53.1)/month, with a pay rise of TK135 (US\$1.7)/year. The mill also outlined an attendance bonus of TK120 (US\$1.5)/year, two religious festival bonuses equivalent to two basic wages, and a provident fund contribution of 8% of the basic monthly wage. Casual workers were paid TK150 (US\$1.9)/day for 8 hours' work, but no other benefits.

Therefore, permanent workers' minimum wages and yearly pay increase was higher at MPMC than at the state-owned and private paper mills. Attendance bonuses were the same across the board, and all three paid two festival bonuses to employees. MPMC's percentage contribution to a provident fund was the same as Ananta Paper Mills' contribution, but less than the state-owned KPM. Though state-owned paper mill's permanent workers were given allowances for medical, house rent, conveyance and tiffin, MPMC and Ananta Paper Mills' workers were not given those allowances.

Casual workers at MPMC and Ananta Paper Mills received TK150/day compared with TK190/day at the state-owned KPM. Casual worker at MPMC and KPM received the same attendance bonus, but Ananta Paper Mills paid no such bonus.

#### **Analysis of documents relating to health and safety at work**

MPMC's documents relating to workplace health and safety mentioned that the organisation was committed to provide a safe and healthy working environment to its employees, keep fire extinguishers and first aid boxes. At MPMC, employees worked 6 days/week and had Fridays off. Overtime was set at a maximum two hours/day and paid at twice the hourly rate.

Documents related to workplace health and safety from KPM mentioned that the mill's policies were to take appropriate measures to protect workers from accident, provide protective equipment, keep fire extinguishers and first aid boxes, and maintain a clean workplace. The official standard working week and maximum overtime hours matched those of MPMC, with overtime also paid at twice the normal hourly rate.

Ananta Paper Mills similarly committed to minimising workplace hazards through following safety requirements, keeping first aid boxes and fire extinguishers, and maintaining a clean workplace. Official working hours and maximum overtime hours were the same as at MPMC and KPM, but Ananta offered no extra bonus for overtime hours – only the usual hourly rate.

Therefore, MPMC, KPM and Ananta Paper Mills all committed to providing safe and healthy working conditions to employees, though MPMC and Ananta Paper Mills' documents did not explicitly mention protective equipment. Ananta Paper Mills' workers were worst off in terms of overtime pay.

### **Analysis of documents relating to development of staff capacities**

MPMC's human resource development policies emphasized staff development through training, engagement in multiple tasks, guidance, motivation, and fair performance evaluation. Similarly, Ananta Paper Mills' human resource development policies emphasized training, engagement in several tasks, supervision, motivation, and fair performance evaluation.

Karnaphuli Paper Mills put its emphasis in this regard on training, supervision, motivation, and fair performance evaluation.

### **Analysis of documents relating to professional growth and job security**

MPMC's human resource management policies revealed that the company provided equal and fair opportunities to employees' professional growth and training. In addition, it mentioned that employment disputes must be treated fairly.

Karnaphuli Paper Mills and Ananta Paper Mills' human resource management policies similarly revealed their commitments to provide equal and fair opportunities to employees' professional growth and training, and fair treatments to employment disputes.

### **Analysis of documents relating to social integration**

The key principles of MPMC's human resource management policy and non-discrimination statements were to treat employees equally, and develop interpersonal relationship and cooperation among employees. Similarly, Karnaphuli Paper Mills and Ananta Paper Mills were committed to treat employees equally, and develop interpersonal relationship and cooperation among employees.

### **Analysis of documents relating to organisations' constitutionalism**

MPMC and Ananta Paper Mills' documents related to the labour relations asserted that workers were valued, but made no mention of freedom of expression or rights to join trade unions.

Karnaphuli Paper Mills' documents related to the labour relations revealed that the mill valued workers' rights, respected workers' freedom of expression and allowed workers to form unions.

### **Analysis of documents relating to work and life space**

MPMC and KPM both allowed 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and public holidays.

Ananta Paper Mills gave workers the same amount of casual leave (10 days/year), a little less sick leave (maximum 12 days/year), one less day as festival leave (10 days/year), a little less annual leave (15 days/year), and public holidays.

### **Analysis of documents relating to social relevance of work and organisation**

MPMC committed to treat employees equally and ethically, to run the mill following the international standards, support charities and contribute to the country's economic development.

KPM's documents made a commitment to treat employees equally and fairly, and contribute to the society by providing jobs and producing about 5% of the total paper used in Bangladesh. The state-owned paper mill also acknowledged the environmental impact of its operations and had installed a complete effluent treatment plant (ETP) to tackle pollution as well as facilitate internal recirculation options.

At Ananta Paper Mills, there was a commitment to treat employees fairly, contribute to the country's economic development through creating jobs and reducing import dependency for paper, and the use of eco-friendly technologies.

### **6.5.3 Interview analysis**

#### ***6.5.3.1 Overview of the research participants***

A total of 25 semi-structured face-to-face interviews were conducted with MPMC employees. This interview number is considered sufficient to conduct qualitative study as Ritchie et al. (2003) and Charmaz (2006, p. 114) argue, '25 research participants are 'adequate' for qualitative studies'. The findings of this study are applicable to the related organisations and employees and should not be generalised with other organisations. According to Denzin and Lincoln (2005), the qualitative research outcomes try to provide insights rather than proof. This study tries to provide useful insights about the impacts of privatisation on workers' QWL in privatised SOEs in Bangladesh.

Research participants from MPMC were selected through proportional stratified random sampling from a list of staff to avoid bias and sampling errors. All 150 MPMC employees were male. According to one management level employee, only males were recruited because of the nature of job which required technical skill and hard physical labour. About 60% (90 persons) of MPMC's workforce were permanent workers, 28% (42 persons) were casual workers, and 12% (18 persons) were management level employees (all permanent).

The 150 employees were divided into three stratum such as permanent workers, casual workers, and management level employees. A proportional stratified random sampling was then conducted to obtain 25 interviewees. Hence, 15 interviews were conducted with permanent workers, seven with casual workers, and three with management level employees. The age of the participants ranged from 20 to 56 years. Of the 25

interviewees, two had an undergraduate degree, four had Higher Secondary School Certificate, six had Secondary School Certificate, 10 had attended high school but left without any qualification, and three had only attended primary school. The exact roles and positions of individual employees have not been disclosed to ensure their anonymity.

To compare MPMC's employees QWL with the state-owned and private paper mills' employees QWL, semi-structured face-to-face interviews with employees were conducted at Karnaphuli Paper Mills (KPM) (the state-owned paper mill) and Ananta Paper Mills (the privately-owned paper mill).

25 interviews were also conducted with KPM employees. Of the mill's 1,760 employees, about 58% (1,025 persons) were permanent workers (all male), 29% (510 persons) were casual workers (all male), and 13% (225 persons) were management level employees (all male and permanent). After dividing employees into three stratum, proportional stratified random sampling was conducted to obtain the 25 interviewees from the three stratum. Hence, 15 interviews were conducted with permanent workers, seven interviews with casual workers, and three with management level employees. The age of the participants ranged from 24 to 56 years. Of the 25 interviewees, two had an undergraduate degree, two had a diploma, six had Higher Secondary School Certificate, eight had Secondary School Certificate, five had attended high school but left without any qualification, and two had only attended primary school.

The 25 interviewees from Ananta Paper Mills were selected using the same methodology. Of the mill's 185 employees, about 59% (110 persons) were permanent workers (all male), 29% (53 persons) were casual workers (all male), and 12% (22 persons) were management level employees (all male and permanent). After dividing

the employees into three strata, proportional stratified random sampling was also conducted to obtain the 25 interviewees. Hence, 15 interviews were conducted with permanent workers, seven interviews with casual workers, and three with management level employees. The age of the participants ranged from 22 to 54 years. Of the 25 interviewees, two had an undergraduate degree, eight had Higher Secondary School Certificate, five had Secondary School Certificate, seven had attended high school but left without any qualification, and three had only attended primary school.

The following sections present the analysis of the interviews with regard to quality of working life measures. Interview data were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

#### *6.5.3.2 Floor workers' interview analysis*

##### **Analysis of interviews relating to workers' compensation**

After conducting the interviews, it was found that MPMC paid the highest minimum wage to permanent workers (TK4,500/month), compared with the state-owned KPM (TK4,150/month) and Ananta Paper (TK4,150/month). Casual workers at the state-owned mill were the best paid, receiving TK190/day, compared with TK150/day at MPMC and Ananta Paper.

10 out of 22 floor workers at MPMC said that they were neither satisfied nor dissatisfied with their wages, while 12 floor workers said that they were satisfied and happy with their ability to support their families. Access to the company's bachelor accommodation meant that many MPMC workers saved on rent and transport.



MPMC's permanent worker's increment (TK150/year) was more than the state-owned paper mill (TK135/year) and private paper mill's permanent worker's increment (TK135/year).

At all three paper mills, the permanent workers received a TK120/year attendance bonus, and two religious festival bonuses (each equivalent to a basic monthly wage). None of the mills paid a productivity profit.

MPMC's contribution to a provident fund (8% of the basic wages/month) was the same in percentage terms as at Ananta Paper Mills, but less than the state-owned paper mill's 10% contribution. The state-owned paper mill's permanent workers also were the only ones to receive allowances for medical, house rent, conveyance and tiffin.

Only casual workers at MPMC and the state-owned KPM were paid an attendance bonus (TK120/year).

### **Analysis of interviews relating to health and safety at work**

All the interviewees from all three mills said that they had fire extinguishers and first aid boxes, but none had individual protective equipment. Seven out of 22 workers from MPMC, 13 out of 22 workers from KPM, and nine out of 22 workers from Ananta Paper Mills said that their workplaces were unhealthy.

According to the factory floor workers, each mill ran to an official eight-hour day (and six-day week). Overtime was typically 2-to-4 hours on average, depending on customer orders. The permanent and casual workers of the MPMC and state-owned KPM were paid double-time for overtime work and it was paid in cash in their pay packets. Ananta

Paper Mills paid only the usual hourly rate for overtime work. Overall, most interviewees from all mills said that their workload was tolerable.

### **Analysis of interviews relating to development of staff capacities**

Interviewees from MPMC and Ananta Paper Mills said that their mills gave them opportunities to perform several tasks to improve their capacity and skills, and they were mostly satisfied with that situation. However, the state-owned paper mill workers were not given such opportunities.

At all three paper mills, all the interviewees regarded their work as important and were satisfied with their level of responsibility, even though none said that they had power to make workplace decisions. Interviewees of those three paper mills also said that their work was fairly assessed.

### **Analysis of interviews relating to professional growth and job security**

All the permanent workers from MPMC and Ananta Paper Mills said that they were given equal opportunities for professional growth and promotion. At KPM, two of the 15 permanent workers said that they had missed out on promotions. Casual workers across the board said that they had less chances of professional growth as they were not given permanent positions for few years.

Interviewees at all the mills said that they received practical training when first employed. They also said that their supervisors encouraged them to develop their skills.

Permanent workers at the state-owned KPM regarded their jobs as secure. By contrast, about 60% of the permanent workers from MPMC and 67% from Ananta Paper Mills

said that their jobs were not secure and their future was in the hands of management. Casuals, regardless of employer, felt insecure about their jobs for the same reason.

### **Analysis of interviews relating to social integration**

All the interviewees from MPMC said that they were not discriminated at the workplace on the basis of race, religion, age, or marital status. Interviewees from KPM and Ananta Paper Mills similarly said that they were not discriminated at the workplace. In addition, interviewees from the privatised, state-owned and private paper mills said that their relationships with their colleagues and bosses at work were good, and their colleagues helped each other when needed.

### **Analysis of interviews relating to organisations' constitutionalism**

Interviewees from all three mills expressed satisfaction with workplace rules and said that they were treated with respect.

However, MPMC did not allow workers to form a trade union. Workers there were split on the benefits of a union, with 16 in favour of unions and six holding negative opinions of unions. Ananta Paper Mills did not allow its workers to be unionised either, even though most of the employees from that mill had positive opinions of trade unions. Generally, workers at those two mills had to follow a chain of command in terms of taking any problems to a particular manager. Workers at the state-owned paper mill were allowed to form and join a trade union, and they were unanimously positive about unionisation.

### **Analysis of interviews relating to work and life space**

All the interviewees from MPMC, KPM and Ananta Paper Mills equally said that they were satisfied with the schedule of work and rest. Interviewees of those three paper mills also said that their work did not influence their family life.

Permanent workers from the privatised MPMC and state-owned KPM said that they had 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and public holidays.

Ananta Paper Mills' permanent workers were a little worse off in this regard. They received 10 days/year as casual leave, a maximum 12 days/year as sick leave, 10 days/year as festival leave, 15 days/year as annual leave, and public holidays. None of the casuals working in those three paper mills received paid leave.

### **Analysis of interviews relating to social relevance of work and organisation**

All the interviewees from MPMC, KPM and Ananta Paper Mills said that the quality of the paper that their mills produced were good and they felt proud of performing their work. They were unanimous in the view that their employers had a good reputation on account of the jobs they created and their contribution to the country's economic development.

Permanent workers from MPMC and Ananta Paper Mills said that they were satisfied with the mills' human resources policies and treatment of workers. At the state-owned paper mill, 13 out of 15 permanent workers agreed with them. Casual workers at all the mills expressed dissatisfaction with the organisations' human resources policies, chiefly because over a course of years they had not been able to transition to permanent roles.

### ***6.5.3.3 Interviews with management level employees***

The three MPMC management level employees were satisfied with their salaries. At each of the other two mills, two management level employees were satisfied and one was neutral on the topic of income. All the interviewees at each mill said that they were paid the same as other employees who did matching roles at their workplace.

Managerial interviewees from MPMC and Ananta Paper Mills said that they received an annual pay rise, two religious festival bonuses, and an 8% (of the basic monthly salary) contribution to a provident fund. This was the same as their counterparts at the state-owned paper mill, with the exception of the provident fund contribution, which was 10% at KPM.

At all the mills, the management level employees had to work eight hours/day and received no overtime. The only management level employees to receive overtime pay were the supervisors, and they had to stay back sometimes for two-to-three hours, if needed.

Most described their workload as being dependent on demand for products, but tolerable overall. Interviewees of the state-owned paper mill said that their mills used old machinery. On the other hand, interviewees of the MPMC and Ananta Paper Mills said that their mills used new machinery which made factory floor work easy.

All the interviewees from the privatised, state-owned and private paper mills said that their mills had fire extinguishers and first aid boxes, but did not have protective equipment. Only one interviewee from the state-owned paper mill said that his

workplace was unhealthy, though none of the interviewees from MPMC and Ananta Paper Mills said that their workplaces were unhealthy.

All the interviewees from MPMC and Ananta Paper Mills, and two out of three interviewees from the state-owned paper mill said that they were given opportunities to make decisions at their work, and they were given opportunities to perform multiple tasks to improve their capacity and skills. All the interviewees from those three mills equally said that their work that they did had an importance to them and their colleagues, and they were satisfied with the work responsibilities given to them.

All the interviewees from MPMC and Ananta Paper Mills, and two of the three interviewees from the state-owned paper mill said that they were given fair opportunities for professional growth and promotion. One interviewee from the state-owned KPM said that he had been overlooked for promotion.

Most of the interviewees from the privatised, state-owned and private paper mills said that they were given opportunities for training, and that their bosses encouraged them to develop their skills. The interviewees from the state-owned paper mill felt secure in their jobs, but one of the three interviewees from both MPMC and Ananta Paper Mills felt insecure because the owners could eliminate their roles.

None of the management level employees reported workplace discrimination relating to race, religion, or age. Furthermore, they said that workplace relationships were good between colleagues and that their efforts were appreciated by senior management.

All the interviewees from MPMC, KPM and Ananta Paper Mills said that they were treated respectfully, were satisfied with workplace rules and the level of say they had within their workplaces.

The management level employees from MPMC had negative views about trade unions. One said, *'In my opinion, a trade union would be harmful for us. Trade unions do not suit our country. I worked in two government BCIC (Bangladesh Chemical Industries Corporation) mills and noticed that trade unions ruined those mills. The trade union is one of the major parties who are responsible for closing down all BCIC mills. If mills allow trade unions in, then I would say those mills will be destroyed very soon. Trade unions liaise with political parties; they create illogical anarchy, which is very horrible for a factory. The actions, irregularities, and oppression by trade unions in this country would be unimaginable in developed societies. Government mills are making a loss because of trade unions and some government policies'*.

Two of the three interviewees of the state-owned paper mill were neutral about unionisation, and one interviewee was against it. And, two of the three interviewees from Ananta Paper were negative about unionisation and one was neutral.

All the management level employees, with the exception of one from MPMC, were satisfied with the schedule of work and rest. All the interviewees from the state-owned paper mill and Ananta Paper Mills said that their work did not influence their family life, though one of the three interviewees from MPMC said that his work responsibilities interfered with his private lives, he said- *'If I am home and something wrong happens at the factory, I have to come in to the factory quickly and leave behind other things. My wife and kids complain about that, but I have to adjust'*.

All the interviewees from MPMC and Ananta Paper Mills, and two of the three interviewees from the state-owned paper mill said that they were satisfied with the mills' human resources policies. They all agreed that their mills were well regarded in

the community because they provided jobs. They all took pride in their work and the quality of the mills' paper products.

#### **6.5.4 Summary of the findings**

The study found that the MPMC's permanent workers received more pay than their counterparts at Karnaphuli Paper Mills and Ananta Paper Mills. And, the MPMC's permanent workers yearly increments were more than the state-owned and private paper mills' permanent workers.

Attendance bonuses were the same across all three paper mills, and all three paid two festival bonuses to permanent employees. MPMC and Ananta Paper Mills made the same contributions in percentage terms to a provident fund, but the percentage contribution was higher at the state-owned paper mill.

Employees were not given productivity profits at the privatised, state-owned and private paper mills. Though state-owned paper mill's permanent workers were given allowances for medical, house rent, conveyance and tiffin, MPMC and Ananta Paper Mills' workers missed out.

MPMC and Ananta Paper Mills paid casuals the same rate, but this was less than that paid to casuals at the state-owned paper mill. Casual workers' attendance bonus at MPMC was same as at the state-owned paper mill, though Ananta Paper Mills' casual workers were not given such bonus.

Workers from the privatised, state-owned and private paper mills said that they had to work eight hours/day with a weekly rest day on Friday, and overtime work was two-to-four hours/day on average. Both permanent and casual workers at MPMC and the state-



owned KPM said that cash was paid for overtime work in their pay packet and their overtime pay was twice of hourly wages, but their counterparts at Ananta Paper Mills were paid standard hourly rates for overtime. Most of the interviewees of those three mills said that their workload was tolerable.

Interviewees from the privatised, state-owned and private paper mills also said that their mills had fire extinguishers and first aid kits, but no individual protective equipment. About 32% of the workers from MPMC, 59% of the workers from KPM, and 41% of the workers from Ananta Paper Mills regarded their workplaces as unhealthy.

Interviewees from MPMC and Ananta Paper Mills said that their mills gave them opportunities to perform several tasks to improve their capacity and skills, and most of the interviewees were satisfied with the opportunities. However, the state-owned paper mill workers were not given such opportunities.

Across the board, the interviewees said that their performances were evaluated fairly. However, Floor workers of those three mills were not given any opportunity to make decisions at their work.

Permanent workers at the state-owned paper mill had the strongest sense of job security, while 60% of the permanent workers at MPMC and 67% at Ananta Paper felt insecure about their jobs. All the permanent workers from MPMC and Ananta Paper, and most of those from KPM said that they were given fair opportunities for professional growth and promotion. However, every casual worker felt insecure about their jobs and said that they had less chances of professional growth.

No one complained of workplace discrimination, and everyone said that they were treated with respect and helped each other when needed. There was widespread satisfaction with workplace rules at all the mills.

Even so, MPMC and Ananta Paper did not allow workers to join trade unions. At the state-owned paper mill, workers were unionised. Across the board, most of the workers were positive about trade unions.

Workers also were satisfied with the schedule of work and rest. This was despite Ananta Paper Mills giving its permanent workers less leave than provided by the other mills. Casuals, regardless of employer, received no paid leave.

All the MPMC and Ananta Paper Mills' permanent workers and most of their counterparts at KPM were satisfied with the human resources policies under which they worked. However, casual workers at all mills complained of not being able to become permanent workers, even having worked as casuals for a few years.

In every case, workers (permanent and casual) took pride in their work and the products produced at their mills. They said that their mills had good reputations.

## **6.6 Case Study 5: Fishing Net Factory, Chittagong.**

### **6.6.1 Introduction**

The ‘Fishing Net Factory’ was located at Fish Harbour in the Chittagong district of Bangladesh. Established on 2,670 square metres land in 1986, the factory was controlled by Bangladesh Fisheries Development Corporation (BFDC) before privatisation. The Privatisation Commission sold the business through an international tender in 2006 to a wealthy Bangladeshi businessman for TK7.2 million (US\$92,190). The new owner added modern machines and built a new warehouse, so that the business comprised a small factory building and a three-storied office building. The office building included one floor that served as workers’ accommodation. The factory, which made nylon fishing net, employed 64 people and was profitable.



Photo 6.13: Fishing Net Factory

Working conditions at Fishing Net Factory with regard to quality of working life measures were compared with the working conditions at Chittagong Fish Harbour (a state-owned business run by BFDC) and Farid Nets Limited (a privately-owned business).

Chittagong Fish Harbour was founded as a state-owned business in Chittagong district in 1967. BFDC operated this state-owned fish processing and preservation plant, while all state-owned fishing net manufacturing factories were privatised or closed. The plant employed 97 people and made profits. Farid Nets was founded in Comilla district in 1978. It was a profitable nylon fishing net producer and employed 70 people.



Photo 6.14: Chittagong Fish Harbour



Photo 6.15: Farid Nets Limited

### 6.6.2 Document analysis

Documents relating to wages, benefits, leave, promotions, and other QWL aspects at Fishing Net Factory were analysed and compared with corresponding documentation

from Chittagong Fish Harbour and Farid Nets. All documents were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

### **Analysis of documents relating to workers' compensation**

Payroll documents from Fishing Net Factory revealed that permanent workers' minimum wages were TK4,000 (US\$51.2)/month, increment was TK100 (US\$1.3)/year, and two religious festival bonuses were TK3,000x2 (TK6,000 or US\$76.8). Casual workers at Fishing Net Factory received TK120 (US\$1.5)/day for 8 hours' work without any other benefits.

Chittagong Fish Harbour documents set minimum wages at TK4,150 (US\$53.1)/month for permanent workers, with a pay rise of TK135 (US\$1.7)/year, an attendance bonus of TK120 (US\$1.5)/year, a healthcare allowance of TK700 (US\$8.9)/month, an accommodation allowance equivalent to 50% of the basic monthly wage, a TK150 (US\$1.9)/month transport allowance, TK150 (US\$1.9)/month for tiffin, an allowance for children's education of TK200 (US\$2.6)/month for one child and TK300 (US\$3.8)/month for two or more, two religious festival bonuses equivalent to two basic wages, and a contribution to a provident fund equivalent to 10% of the basic monthly wage. Casual workers at Chittagong Fish Harbour received TK210 (US\$2.7)/day for 8 hours' work, but no other benefits.

Documents from Farid Nets revealed that permanent workers' minimum wages were TK4,150 (US\$53.1)/month, increment was TK120 (US\$1.5)/year, and two religious festival bonuses were equivalent to two basic wages. Its casual workers received TK135 (US\$1.7)/day for 8 hours' work, but no other benefits.

Therefore, permanent workers at the privatised Fishing Net Factory were worst off in terms of minimum wages, the yearly pay increase and festival bonuses. They also missed out on a retirement savings plan, as did their counterparts at Farid Nets. Only the state-owned Chittagong Fish Harbour made a contribution to a provident fund (a retirement savings plan). What is more, Chittagong Fish Harbour's workers received attendance bonus and allowances for medical, house rent, conveyance and tiffin, though Fishing Net Factory and Farid Nets' workers did not receive those bonus and allowances.

Casual workers' daily wages at Fishing Net Factory were also less than their counterparts at the state-owned and private organisations. Like their peers at Chittagong Fish Harbour and Farid Nets, casuals at Fishing Net Factory received no other benefits.

#### **Analysis of documents relating to health and safety at work**

Fishing Net Factory had no documented policy or statement relating to workplace health and safety. It ran to an eight-hour six-day working week, with overtime set at a maximum two hours/day. Overtime was paid at the standard hourly rate.

At Chittagong Fish Harbour, there was a stated policy of taking appropriate measures to protect workers from accident, fire and other workplace hazards; provide protective equipment; and maintain a clean workplace. The working hours were the same as at Fishing Net Factory, but employees received double pay for any overtime worked.

Farid Nets' occupational health and safety policies were to minimise risk at workplace and maintain a clean workplace. As with the other businesses, routine working hours

were eight hours/day with a day off on Fridays. Overtime was capped at two hours/day and was paid at the usual hourly rate.

#### **Analysis of documents relating to development of staff capacities**

Fishing Net Factory's documents mentioned that the factory focused on training, motivating, and evaluating employees' performance fairly to improve their capacities and skills.

Chittagong Fish Harbour and Farid Nets likewise put emphasis on training, guiding, motivating, and evaluating employees' performance fairly to develop employees' capacities and skills.

#### **Analysis of documents relating to professional growth and job security**

Fishing Net Factory's documents revealed that the factory was committed to provide equal and fair opportunities to employees' professional growth and training. And, employment disputes would be treated fairly.

Similarly, Chittagong Fish Harbour and Farid Nets undertook to be equal and fair in providing opportunities for professional growth and training, and also in situations of employment disputes.

#### **Analysis of documents relating to social integration**

The key principles of the human resource management policies at each organisation were the same: to treat employees equally, and develop interpersonal relationships and cooperation among employees.

### **Analysis of documents relating to organisations' constitutionalism**

The Fishing Net Factory and Farid Nets both stated in documentation that they valued their workers, but did not acknowledge that workers were entitled to freedom of expression or join a trade union.

Chittagong Fish Harbour's documents related to the labour relations stated that it would treat workers with respect, value their freedom of expression and their right to join a union.

### **Analysis of documents relating to work and life space**

Fishing Net Factory granted employees two days/month annual leave and public holidays.

At Chittagong Fish Harbour, employees were entitled to 10 days/year as casual leave, a maximum 14 days/year sick leave, 11 days/year festival leave, 17 days/year annual leave, and public holidays. Farid Nets' documents disclosed that employees at Farid Nets received 6 days/year as casual leave, a maximum 12 days/year sick leave, 10 days/year festival leave, 12 days/year annual leave, and public holidays.

### **Analysis of documents relating to social relevance of work and organisation**

Documents from Fishing Net Factory revealed that the factory was committed to treat its employees fairly, create jobs for the local poor people, and contribute to the country's fishing industries by producing export quality fishing nets.

Similarly, Chittagong Fish Harbour was committed to treat employees fairly, contribute to the society by providing jobs and taking all measures for the development of fisheries



and fishing industries in Bangladesh. Farid Nets makes the same kind of statements, but also undertook to maintain international standards.

### **6.6.3 Interview analysis**

#### ***6.6.3.1 Overview of the research participants***

A total of 25 semi-structured face-to-face interviews were conducted with Fishing Net Factory employees. According to Ritchie et al. (2003) and Charmaz (2006, p. 114), 25 research participants are 'adequate' for qualitative studies. The findings of this study are applicable to the related organisations and employees and should not be generalised across other organisations. According to Denzin and Lincoln (2005), the qualitative research outcomes try to provide insights rather than proof. Hence, this study tries to provide useful insights about the impacts of privatisation on workers' QWL in privatised SOEs in Bangladesh.

The research participants from Fishing Net Factory were selected through proportional stratified random sampling from a list of staff to avoid bias and sampling errors. Of the factory's 64 employees, about 33% (21 persons) were male permanent workers, 20% (13 persons) were female permanent workers, 20% (13 persons) were male casual workers, and 16% (10 persons) were female casual workers, and 11% (7 persons) were management level employees (all male and permanent).

The 64 employees were divided into five stratum such as male permanent workers, female permanent workers, male casual workers, female casual workers, and management level employees. A proportional stratified random sampling was then conducted to obtain 25 interviewees from five stratum. Hence, eight interviews were

conducted with male permanent workers, five interviews were conducted with female permanent workers, five interviews with male casual workers, four interviews with female casual workers, and three interviews with management level employees. The age of the participants ranged from 18 to 55 years. Of the 25 interviewees, three had an undergraduate degree, one had a Higher Secondary School Certificate, one had a Secondary School Certificate, 11 had attended high school but left without any qualification, seven had only attended primary school, and two interviewees had not been to school. Their exact roles and positions have not been disclosed to ensure their anonymity.

QWL measures for Fishing Net Factory were compared with corresponding measures at the state-owned Chittagong Fish Harbour and privately-owned Farid Net's where semi-structured face-to-face interviews with employees were also conducted.

Semi-structured face-to-face interviews were conducted with 25 Chittagong Fish Harbour employees. Of the 97 employees at Chittagong Fish Harbour, about 37% (36 persons) were permanent workers (all male), 11% (11 persons) were male casual workers, 27% (26 persons) were female casual workers, and 25% (24 persons) were managerial staff (all male and permanent). After dividing employees into four strata, proportional stratified random sampling was conducted to obtain 25 names from the four strata. Hence, nine interviews were conducted with permanent workers, three interviews were conducted with male casual workers, seven interviews were conducted with female casual workers, and six interviews were conducted with managerial staff. The age of the participants ranged from 22 to 58 years. Of the 25 interviewees, three had an undergraduate degree, four had Higher Secondary School Certificate, three had

Secondary School Certificate, 12 had attended high school but left without any qualification, and three had only attended primary school.

Using the same methodology, 25 interviewees were selected at Farid Nets. Of its 70 employees, about 36% (25 persons) were male permanent workers, 17% (12 persons) were female permanent workers, 17% (12 persons) were male casual workers, 19% (13 persons) were female casual workers, and 11% (8 persons) were management level employees (all male and permanent). Interviews were conducted with nine male permanent workers, four female permanent workers, four male casual workers, five female casual workers, and three managerial staff. The age of the participants ranged from 18 to 52 years. Of the 25 interviewees, one had an undergraduate degree, two had Higher Secondary School Certificate, one had a Secondary School Certificate, 14 had attended high school but left without any qualification, six had only attended primary school, and one interviewee had not been to school.

The following sections present the analysis of the interviews with regard to quality of working life measures. Interview data were categorised and analysed according to the eight major conceptual areas of Walton's QWL model (1975).

#### ***6.6.3.2 Floor workers' interview analysis***

##### **Analysis of interviews relating to workers' compensation**

After conducting the interviews, it was found that permanent (male and female) workers were paid a minimum wage of TK4,000/month at Fishing Net Factory, TK4,150/month at Chittagong Fish Harbour, and TK4,150/month at Farid Nets. Casual (male and

female) workers were paid TK120/day at Fishing Net Factory, TK210 /day at the state-owned Chittagong Fish Harbour, and TK135 /day at Farid Nets.

14 of the 22 floor workers at Fishing Net Factory were neither satisfied nor dissatisfied with their wages, while four were satisfied and four were dissatisfied. 17 of the 22 interviewees said that they needed financial support from other family members to cover basic family expenses. Those who were single said that they could manage on their income. Some of the floor workers made the following comments about their wages and their living expenses –

*‘All of my wages are spent on buying household goods. My only son is going to kindergarten school. I can not save money for our future’.*

*‘Somehow I bear my expenses. I am not married yet. I can’t save, but I don’t have a loan’.*

*‘My father also works here. I give my wages to my father and he manages our family finances’.*

*‘Somehow I can meet my family’s needs on my wages. I can save a little bit. I am living in the factory’s compound and my family is living in my village. My child is still very little; he is not going to school yet. I don’t have debts’.*

Fishing Net Factory gave permanent worker a pay rise of TK100/year. This compared with Chittagong Fish Harbour’s TK135/year increase and Farid Net’s TK120/year increase. Similarly, Fishing Net Factory’s two festival bonuses (TK3,000x2) were less than those offered by the state-owned Chittagong Fish Harbour (TK4,150x2) and Farid Nets (TK4,150x2).

Chittagong Fish Harbour's permanent workers had a retirement savings plan and additionally were given an attendance bonus and allowances for medical, house rent, conveyance and tiffin. Their counterparts at Fishing Net Factory and Farid Nets had none of those benefits. None of the employers paid productivity profits. Casuals, regardless of employer, received no extra benefits.

### **Analysis of interviews relating to health and safety at work**

None of the interviewees from Fishing Net Factory and Farid Nets had protective equipment, but workers at the state-owned Chittagong Fish Harbour had and used protective clothing, gumboots and rubber gloves when at this fish processing and preservation plant. Eight of the 22 workers from Fishing Net Factory, 10 of the 19 workers from Chittagong Fish Harbour, and 10 of the 22 workers from Farid Nets regarded their workplaces as unhealthy.

At all three factories, routine working hours were set at eight hours/day with a weekly rest day on Friday. Overtime work depended on demand for products, but averaged 2-to-4 hours/day. Most described their workload as tolerable. Workers at the state-owned Chittagong Fish Harbour received double pay for overtime hours, but at the privatised and privately-owned net making factories overtime attracted only the standard hourly rate.

### **Analysis of interviews relating to development of staff capacities**

Interviewees from the privatised, state-owned and private organisations equally said that their work that they did had an importance to them and their colleagues, and they were satisfied with the work responsibilities given to them. Most of the interviewees of those three organisations also said that their performances were evaluated fairly.

However, interviewees from the privatised, state-owned and private organisations said that they were not given opportunities to perform several tasks to improve their capacity and skills. Interviewees of those three organisations also said that they were not given any opportunity to make decisions at their work.

### **Analysis of interviews relating to professional growth and job security**

All the permanent floor workers from Fishing Net Factory and Farid Nets said that they were treated equally in terms of opportunities for professional growth and promotion. However, two of the nine permanent workers from Chittagong Fish Harbour said that they had missed out on promotions. Casual workers at all three mills said that they had failed to achieve permanent positions for a long time and so felt that they had little chance to get ahead.

At all three factories, the interviewees said that they received practical training when they were first employed and their supervisors encouraged them to further develop their skills.

In terms of job security, all the Chittagong Fish Harbour workers felt safe in their jobs. At Fishing Net Factory, 62% of the workers felt insecure, as did 70% of Farid Nets' floor workers. Across the board, casual workers felt their jobs were vulnerable to management decisions.

### **Analysis of interviews relating to social integration**

All the interviewees from Fishing Net Factory said that they were not discriminated at the workplace on the basis of race, religion, age, gender, or marital status. Interviewees from Chittagong Fish Harbour and Farid Nets also said that they were not discriminated

at the workplace. In addition, interviewees from the privatised, state-owned and private organisations equally said that their relationships with their colleagues and bosses at work were good, and their colleagues helped each other when needed.

### **Analysis of interviews relating to organisations' constitutionalism**

All the interviewees, regardless of employer, expressed satisfaction with the rules they worked under, and said that they were treated respectfully at work.

However, Fishing Net Factory did not allow workers to form and join trade unions. Since floor workers were poorly educated, seven out of 22 workers did not know about trade unions. Fifteen workers knew about trade unions' activities, but six of them had negative view about unions. One said that a trade union would create division, anarchy, and shut down the factory through strikes and politics. Generally, workers had to follow a chain of command in terms of making complaints or highlighting problems. Similarly, Farid Nets did not allow workers to form a trade union. Five workers there did not know about unions, while 10 were positive and seven were negative about the activities of unions. Workers at the state-owned Chittagong Fish Harbour were allowed to be unionised and most of the interviewees were positive about trade unions.

### **Analysis of interviews relating to work and life space**

Fishing Net Factory's permanent workers were given less leave than the state-owned and private organisations. Fishing Net Factory gave its permanent workers two days/month annual leave and leave on public holidays. Yet most said that they were satisfied with the schedule of work and rest, and their work did not influence their family life. They could request for days off in urgent situation, they said. In general,

however, their vulnerability, lack of education, and poor employment opportunities elsewhere compelled them to accept the company's holiday policy.

Chittagong Fish Harbour's permanent workers received 10 days/year as casual leave, a maximum 14 days/year as sick leave, 11 days/year as festival leave, 17 days/year as annual leave, and public holidays. And, Farid Nets' permanent workers received 6 days/year as casual leave, a maximum 12 days/year as sick leave, 10 days/year as festival leave, 12 days/year as annual leave, and public holidays. Interviewees who were casual workers of the privatised, state-owned and private organisations said that they were not entitled to any paid leave.

#### **Analysis of interviews relating to social relevance of work and organisation**

All the interviewees from Fishing Net Factory, Chittagong Fish Harbour and Farid Nets felt proud of their work and the output of their factories. Each factory was said to have a good reputation in the community on account of providing jobs and local development.

The permanent floor workers from Fishing Net Factory and Farid Nets said that they were satisfied with the human resources policies at their work and the treatment of workers. Most (7 out of 9) of their counterparts at Chittagong Fish Harbour shared that view. However, the casual workers at all the factories took the opposite stance on human resources policies, citing inability to get a permanent position.

#### ***6.6.3.3 Interviews with management level employees***

All the management level employees from Fishing Net Factory said that they were satisfied with their pay structure. At the state-owned organisation, five of the six interviewees said that they were satisfied while one was neutral about his remuneration.



And, all three interviewees from Farid Nets said that they were satisfied with their salary.

All the management level employees from Fishing Net Factory also said that they were given the same salary as other employees doing the same type of job as they did. This was the same stance taken by the managerial employees at the other two factories.

Across all three factories, the interviewees said that they received an annual pay increase, but no productivity profits. The managerial staff from Fishing Net Factory received two religious festival bonuses every year, but the cash value of those bonuses was less than those paid by the state-owned Chittagong Fish Harbour and privately-owned Farid Nets.

As with the floor employees, management level employees at Fishing Net Factory and Farid Nets had no access to a retirement savings programme, though their counterparts at the state-owned Chittagong Fish Harbour had.

Management level employees of the Fishing Net Factory were expected to work eight hours/day and sometimes had to stay back if needed. They received no overtime pay, with the exception of supervisors. It was the same situation at the state-owned and privately-owned factories.

Most of the interviewees from the privatised, state-owned and private organisations said that their workload depended on demand for products, but was tolerable. Interviewees from the privatised, state-owned and private organisations also said that their factories used many old machines which made factory floor work hard.

All the interviewees from the privatised and privately-owned factories said that their factories did not have protective equipment, though the state-owned Chittagong Fish Harbour had. Two of the six managerial staff from the state-owned Chittagong Fish Harbour said that the workplace was unhealthy, though none of the interviewees from Fishing Net Factory and Farid Nets said that their workplaces were unhealthy.

All the managerial interviewees said that they were given opportunities to make decisions at work and could perform several tasks to improve their capacity and skills. They regarded their work as important and were satisfied with the responsibilities they held.

All the interviewees from Fishing Net Factory and Farid Nets, and five-of-the-six interviewees from the state-owned factory said that they were given fair opportunities for professional growth and promotion. However, one interviewee from the state-owned Chittagong Fish Harbour said that he felt he had been deprived of a promotion.

Across all three factories, all the interviewees said that they were given training opportunities and that their bosses encouraged them to develop their skills. All the interviewees from the state-owned Chittagong Fish Harbour said that their jobs were secure, though one of the three interviewees from both Fishing Net Factory and Farid Nets said that their jobs were not secure and were in the hands of the owners.

None of the managerial employees felt that he had been discriminated against at work. They reported having good relationships with colleagues, with employees helping each other out, and a sense of appreciation from the bosses.

Fishing Net Factory and Farid Nets had no trade union, and most of the management employees had negative opinions of unions. At the state-owned organisation, where

workers could join a union, three of the six management interviewees were positive about unionisation and three were neutral.

All the managerial staff from the privatised, state-owned and private organisations equally said that they were treated respectfully at work, were satisfied with the rules they had to follow and the level of pay they had at work.

At Fishing Net Factory, the managerial staff – like the floor workers – had less leave than their counterparts at the other two factories. Most of the management employees were satisfied with the schedule of work and rest, and said that work did not impede family life.

All the interviewees from Fishing Net Factory and Farid Nets, and five-of-the-six interviewees from the state-owned Chittagong Fish Harbour said that they were satisfied with the way that the organisations treated the workers. Interviewees from those three organisations also said that their factories were viewed positively in the community because of the jobs created, the quality of the products and services that their factories provided were good and they felt proud of performing their work.

#### **6.6.4 Summary of the findings**

After analysing the documents and interviews, it was found that permanent workers' minimum wages at Fishing Net Factory were less than those paid by the state-owned and private factories. And, Fishing Net Factory's casual workers were paid less than their counterparts at the other factories. Most of the Fishing Net Factory floor workers said that they needed financial support from other family members to support their families.

Fishing Net Factory's permanent workers also received a lower yearly pay increase and festival bonuses than the workers at Chittagong Fish Harbour and Farid Nets. Indeed,

the permanent workers at the state-owned factory did best of all on account that they received not only contributions to a retirement savings plan, but also an attendance bonus and allowances for healthcare, accommodation, transport and tiffin.

Casual workers, regardless of employer, received no other benefits. And, none of the three organisations provided productivity profits to its workers.

In every case, the factory workers had an eight-hour day, with a rest day on Friday. Overtime was typically two-to-four hours/day. The state-owned Chittagong Fish Harbour paid floor workers double-time for overtime, but at the other two factories overtime was paid at the same rate as routine hours. Most interviewees, regardless of employer, said that their workload was tolerable.

All the interviewees from Fishing Net Factory and Farid Nets said that they did not have protective equipment, though the state-owned organisation's workers used protective equipment. About 36% of the workers from Fishing Net Factory, 53% of the workers from the state-owned organisation, and 45% of the workers from Farid Nets said that their workplaces were unhealthy.

Most interviewees from the privatised, state-owned and private organisations said that their performances were evaluated fairly. However, Floor workers of those three organisations were not given opportunities to make decisions at their work, and they were not given opportunities to perform several tasks to improve their capacity and skills.

The permanent workers at Chittagong Fish Harbour felt secure in their jobs, but 62% of the permanent workers at Fishing Net Factory and 70% at Farid Nets felt vulnerable. All the interviewees who were permanent workers at Fishing Net Factory and Farid

Nets, and seven of the nine interviewees from the state-owned Chittagong Fish Harbour said that they were given fair opportunities to professional growth and promotions. Casual workers from those three organisations equally said that they had less chances of professional growth and their jobs were not secured.

Across the board, all the workers said that employees helped each other out and there was no sense of workplace discrimination. Everyone expressed satisfaction with the rules they had to follow at work and said that they were treated respectfully.

However, Fishing Net Factory and Farid Nets did not allow workers to form trade unions; the organisations had set protocols for workers wishing to inform management of problems. Workers at the state-owned Chittagong Fish Harbour were allowed to form trade unions, and most of those employees were positive about unionisation.

Fishing Net Factory's permanent workers had less leave than their counterparts at the state-owned and private factories. Yet most said that they were satisfied with the schedule of work and rest, and their work did not negatively influence family life. None of the casual workers, regardless of employer, received paid leave.

Across the board, all the permanent workers – with the exception of two Chittagong Fish Harbour employees – were satisfied with the organisations' human resources policies. However, casual workers were unanimously dissatisfied, citing a long-time inability to shift into permanent roles.

Permanent and casual workers from Fishing Net Factory, Chittagong Fish Harbour and Farid Nets likewise said that their factories enjoyed good reputations and they were proud of their work.

## **Chapter 7: Cross-Case Analysis and Major Research Findings**

### **7.1 Introduction**

In Chapter 6, employees from five case study organisations shed light on their working conditions, helping to build a picture of how privatisation may influence the quality of working life for factory workers.

This chapter brings together the five case studies. It compares and analyses the findings, creating a platform for writing conclusions. According to Yin (2003) cross-case analysis is a technique that is particularly useful in the analysis of multiple case studies, and such an analysis is generally easier to follow and more robust. The findings of the five case studies were analysed and synthesised according to the eight major conceptual areas of Walton's QWL model (1975) in the following sections.

### **7.2 Floor workers' compensation**

In three privatised organisations (the sugar mill, textile mill and fishing net factory), permanent workers' minimum wages were less than those at comparable state-owned and private businesses. In one case (the jute mill), minimum wages were aligned to the minimum monthly wage rate at other jute factories (state-owned and private). And, in another case (the paper mill), permanent workers received a higher minimum wage than their counterparts at comparable state-owned and private factories.

In four privatised organisations, casual workers were worse off than casuals working in similar state-owned and private factories. And, in one case (the paper mill), casual

workers' daily wages were same as their counterparts at the private organisation, but less than those paid by the state-owned.

In most cases, floor workers reported that their wages were not enough to support their families, and a large number of the floor workers said that they relied on financial assistance from other family members to buy basic necessities.

Of the five privatised organisations, only one (the textile mill) did not give its permanent workers a yearly pay increase. Two businesses, the jute mill and fishing net factory, gave permanent workers an annual pay increase, but it didn't match increases at the comparable state-owned and private factories. At the privatised sugar mill, annual pay increases matched those of another private sugar mill, but were less than the increases at the comparable state-owned sugar mill. The privatised paper mill paid its permanent workers greater yearly pay increases than those offered at the comparable state-owned and private paper mills.

Permanent workers had access to a provident fund (a retirement savings programme) in three case study organisations. However, those three organisations' contributions to the provident funds were less than the state-owned organisations' contributions and same as the private organisations' contributions. In two cases (the textile mill and fishing net factory), workers had no access to a retirement savings programme.

Of the five case study organisations, only one paid a production bonus to its permanent workers. None of the state-owned or private businesses provided workers with that benefit.

Three privatised organisations, like state-owned organisations, paid permanent workers two religious festival bonuses each year, each being equivalent to one month's basic wage. One privatised organisation (the textile mill) did not pay a festival bonus, while Fishing Net Factory paid a reduced bonus.

In three cases, permanent workers' attendance bonuses were same as their counterparts at the state-owned and private organisations. In two cases (the textile mill and fishing net factory), workers received no attendance bonuses.

Permanent workers employed by state-owned businesses received allowances for healthcare, accommodation, transport and tiffin. This did not happen at the five privatised case study organisations and four-of-the-five private businesses.

In most cases, casual workers were only paid a daily wage and none of the other benefits paid to permanent workers. However, casuals working at most of the state-owned factories were paid an attendance bonus.

### **7.3 Health and safety at work**

The study found that all five privatised case study factories, four of the five state-owned businesses, and four of the five private businesses failed to provide workers with protective equipment. However, documents from most of those organisations mentioned provision of safety gear as a key component of their employees' health and safety policies.

On average 40% of the workers at the five privatised factories, 50% of the workers at the state-owned factories, and 38% of the workers at the private factories described their workplaces as unhealthy.



All the floor workers worked a regular eight-hour day. Overtime depended on demand for products, but typically meant that employees stayed another two-to-four hours each day. In three case study organisations, like all five state-owned organisations and three private factories, overtime was paid at twice the hourly rate. However, in two privatised organisations and two private factories, overtime was equivalent to the routine hourly remuneration. Most workers, regardless of employer, said that their workload was tolerable.

#### **7.4 Development of staff capacities**

The study found that none of the case study organisations, state-owned organisations and private organisations gave floor workers any opportunities to make decisions at work.

In three cases (the jute mill, sugar mill and paper mill), workers were given opportunities to perform a variety of tasks to improve their capacities and skills, and most of the interviewees were satisfied with those opportunities. None of the workers from the state-owned factories were allowed to try different tasks, but three-of-the-five private factories did let workers try out different roles in order to improve their skills.

All the interviewees, regardless of employer, said that their work had an importance to them and their colleagues, and they were satisfied with responsibilities they held. Most of the interviewees also said that their work was fairly assessed.

#### **7.5 Professional growth and job security**

The study found that permanent workers at the state-owned factories felt secure in their jobs. By contrast, an average of 67% of permanent workers at the five privatised organisations and 64% at the five private factories felt insecure about their jobs.

Every interviewee, from each of the factories, said that they received practical training when first employed and that their supervisors encouraged them to further develop their skills and abilities.

All the interviewees who were permanent workers at the privatised and private factories, and most of the permanents at the state-owned factory, said that they were given fair opportunities for professional growth and promotion. Across the board, casual workers reported having less chance of getting ahead professionally and felt insecure about their jobs.

## **7.6 Social integration**

Workers at four privatised organisations said that they were not discriminated against on the basis of race, religion, age, gender, or marital status. Similar opinions were made by workers from the five state-owned organisations and four private organisations.

In the recruitment process, gender sometimes was considered, depending on the nature of the work and the employers' policy. Females worked at three privatised, three state-owned and three privately-owned factories. Female casual workers at one privatised organisation and one privately-owned organisation were discriminated against on the basis of gender as they received less pay than male colleagues for the same type of work. This conflicted with non-discrimination statements by those two organisations.

Across the board, the interviewees said that their relationships with colleagues and bosses at work were good, and their colleagues helped each other when needed.

## **7.7 Organisations' constitutionalism**

All the interviewees from the privatised, state-owned and privately-owned organisations similarly said that they were satisfied with the rules at their work, and they were treated respectfully on the job.

All the five state-owned organisations valued workers' freedom of expression and allowed employees to form trade unions. However, four-of-the-five privatised organisations and three private organisations banned unionisation. Some workers at those factories were unaware of unions and their rights to form trade unions. These workers had minimal education and were very poor. Some workers had negative opinions of trade unions and voiced concerns that unions created anarchy and frequent disruptions through strikes and politics in Bangladesh, threatening the livelihood of ordinary workers.

Most of managerial employees held negative views about trade union activities. Floor workers were wary of going against management wishes by forming a trade union as they feared for their jobs. So in most cases, workers were effectively helpless and obliged to follow set protocols in seeking to raise problems or resolve any disputes. They had to rely on the compassion of management with respect to any unfair action against them.

## **7.8 Work and life space**

In three privatised organisations (the sugar mill, textile mill and fishing net factory), permanent workers received less leave than their counterparts at the state-owned and private organisations. Yet most said that they were satisfied with the schedule of work

and rest, and their work did not interfere with family life. In fact, floor workers had to accept the amount of leave because of their desperate conditions and the tough job market in Bangladesh. Some of the floor workers did not know how many days were allocated for sick leave, casual leave and annual leave because they were poor and lacking in education, they were not careful about their rights and were ready to work regardless of the conditions. Casual workers of the privatised, state-owned and private organisations had no entitlement to paid leave.

### **7.9 Social relevance of work and organisation**

All the permanent workers of the five privatised organisations and five private organisations, and most of those from the five state-owned organisations were satisfied with the human resources policies under which they worked. However, casual workers of the privatised, state-owned and private organisations were not satisfied with the organisations' human resources policies because they had not progressed to permanent positions.

All the interviewees, regardless of employer, said that the quality of products and services that their organisations provided were good and they were proud of their work. Additionally, they said that their factories were viewed favourably in the community on account of the jobs they provided to needy people and their contribution to development locally and nationally.

### **7.10 Summary of the findings**

So far this chapter has compared and analysed the results of the five case studies in order to find out the impact of privatisation on the quality of working life of floor workers.

The study found that in most cases, floor workers were paid less after privatisation. For permanent workers, minimum wages were less than those at state-owned and private organisations in three of the case studies. In four cases, daily wages for casual workers were less than those paid by the state-owned and private organisations.

In three cases, yearly pay increases were not given or were less than those offered by state-owned and private organisations. In two cases, permanent workers had no access to a retirement savings plan. At the three case study factories where workers did have a provident fund (a retirement savings plan), employer contributions to those funds were less in percentage terms than the contributions of comparable state-owned organisations but the same as the contributions of comparable private enterprises.

Three of the five case study organisations paid two religious festival bonuses every year, with one festival bonus equivalent to one month's basic wage. This was the same to the situation at the state-owned organisations. However, in two privatised organisations, festival bonuses were less than that or not paid at all.

State-owned organisations' permanent workers were given allowances for healthcare, accommodation, transport and tiffin, but this was not the case at the five privatised factories and four of the comparable private enterprises. At most of the privatised and privately-owned factories, casual workers received no other benefits, but most state-owned organisations paid them an attendance bonus.

In three case study organisations, like five state-owned organisations and three private organisations, overtime was paid at double the usual hourly wage. However, in two privatised organisations and two private organisations, workers received only the routine hourly rate when they stayed back late.

The study found that most of the factories, regardless of ownership, gave published commitments to provide employees with safe and healthy working conditions. However, in reality, none of the privatised organisations, only one state-owned organisation, and one of the five private organisations provided protective equipment. Many workers (40% from the privatised organisations, 50% from the state-owned organisations, and 38% from the private organisations) said that their workplaces were unhealthy.

Most of the privatised organisations took slightly better initiatives to develop staff capacities. For example, at three factories, workers had opportunities to perform several tasks to improve their capacities and skills, while none of the state-owned organisations' workers were given such opportunities.

Though permanent workers felt secure about their jobs at the state-owned organisations, most permanent workers at the five privatised and five private organisations expressed some insecurity about their employment. Casual workers across the board had less chances of professional growth, and also felt insecurity about their jobs.

In four cases, workers said that they were not discriminated against at work on the basis of race, religion, age, gender, or marital status. At one of the three factories which did employ both men and women, the female casual workers said that they were discriminated against on the basis of gender and were paid less than male colleagues. This was despite published statements by their employer promising to treat employees equally. Overall, workers said that they had good relationships with their colleagues and bosses, and employees helped each other when needed.

All five state-owned organisations allowed workers to form trade unions, but four privatised case study organisations and three private organisations banned unionisation. In most cases, workers were effectively helpless and obliged to follow set protocols in seeking to raise their problems or resolve any disputes. In the factories where unions

were banned, some workers did not know about trade unions or their rights to form trade unions. Most managerial interviewees held negative views about trade unions.

In three privatised organisations, permanent workers had less leave than their counterparts at the state-owned and private organisations. They had to accept the leave offered because of their desperate conditions, the absence of trade unions, and the tough job market in Bangladesh. Some workers did not know their full leave entitlements because they lacked education and were not careful about their rights. They were ready to work, regardless of the conditions.

Most permanent workers, regardless of the ownership structure, were satisfied with the organisations' human resource policies, though casual workers felt the opposite, as long-time attempts to go permanent had failed. Regardless of that, most permanent and casual workers across the board felt proud of their work and the quality of products and services that their organisations provided. In every case, the factories were said to enjoy a good reputation in the community because they provided jobs for poor people. Table 7.1 summarises the findings.

**Table 7.1**  
**Summary of the cross-case analysis and findings**

Factors	Impact of privatisation on workers
1. Workers' compensation	<p>At three case study organisations, permanent workers' minimum wages were less than those at state-owned and private organisations.</p> <p>At four cases, daily wages for casual workers were less than those paid by the state-owned and private organisations.</p> <p>At three cases, yearly pay increases were not given or were less than those offered by the state-owned and private organisations.</p> <p>At two cases, permanent workers had no access to a retirement savings plan. At three case study factories, employer contributions to the retirement savings fund were less in percentage terms than the contributions of comparable state-owned organisations but the same as the contributions of comparable private enterprises.</p> <p>Three case study organisations paid two religious festival bonuses every year, with one festival bonus equivalent to one month's basic wage. This was the same to the situation at the state-owned organisations. However, in two privatised organisations, festival bonuses were less than that or not paid at all.</p> <p>State-owned organisations' permanent workers were given allowances for healthcare, accommodation, transport and tiffin, but this was not the case at the five privatised factories and four of the comparable private enterprises.</p> <p>At most of the privatised and privately-owned factories, casual workers received no other benefits, but most state-owned organisations paid them an attendance bonus.</p>



<p>2. Health and safety at work</p>	<p>All the five privatised case study factories, four of the five state-owned businesses, and four of the five private businesses failed to provide workers with protective equipment.</p> <p>On average 40% of the workers at the five privatised factories, 50% of the workers at the state-owned factories, and 38% of the workers at the private factories described their workplaces as unhealthy.</p> <p>Most workers, regardless of employer, said that their workload was tolerable. In three case study organisations, like all five state-owned organisations and three private factories, overtime was paid at twice the hourly rate. However, in two privatised organisations and two private factories, workers received only the routine hourly rate when they stayed back late.</p>
<p>3. Development of staff capacities</p>	<p>None of the case study organisations, state-owned organisations and private organisations gave floor workers any opportunities to make decisions at work.</p> <p>In three cases, workers were given opportunities to perform a variety of tasks to improve their capacities and skills. None of the workers from the state-owned factories were allowed to try different tasks, but three-of-the-five private factories did let workers try out different roles in order to improve their skills.</p> <p>All the interviewees, regardless of employer, said that their work had an importance to them and their colleagues, and they were satisfied with the responsibilities they held.</p>
<p>4. Professional growth and job security</p>	<p>Permanent workers felt secure about their jobs at the state-owned organisations, though most permanent workers at the five privatised and five private organisations expressed some insecurity about their employment. Casual workers across the board had less chances of professional growth, and also felt insecurity about their jobs.</p>

5. Social integration	<p>Workers at four privatised organisations said that they were not discriminated against on the basis of race, religion, age, gender, or marital status. Similar opinions were made by workers from the five state-owned organisations and four private organisations.</p> <p>Female casual workers at one privatised organisation and one privately-owned organisation were discriminated against on the basis of gender as they received less pay than male colleagues for the same type of work.</p> <p>Across the board, the interviewees said that their relationships with colleagues and bosses at work were good, and their colleagues helped each other when needed.</p>
6. Organisations' constitutionalism	<p>All the five state-owned organisations valued workers' freedom of expression and allowed employees to form trade unions. However, four-of-the-five privatised organisations and three private organisations banned unionisation. In most cases, workers were effectively helpless and obliged to follow set protocols in seeking to raise their problems. They had to rely on the compassion of management with respect to any unfair action against them.</p>
7. Work and life space	<p>In three privatised organisations, workers had less leave than their counterparts at the state-owned and private organisations. They had to accept the leave offered because of their desperate conditions, the absence of trade unions, and the tough job market in Bangladesh.</p>
8. Social relevance of work and organisation	<p>Most permanent workers, regardless of employer, were satisfied with the organisations' human resource policies, though casual workers felt the opposite. Regardless of that, most permanent and casual workers across the board felt proud of their work and the quality of products and services that their organisations provided. In every case, the factories were said to enjoy a good reputation in the community.</p>

## **Chapter 8: Conclusions**

### **8.1 Introduction**

The main purpose of this study has been to examine the impact of privatisation on workers' quality of working life (QWL). Workers' QWL has been analysed according to the eight major conceptual areas of Walton's QWL model (1975). The research finds that workers' compensation, job security, access to trade unions, and leave entitlements in most privatised case study organisations are less than their counterparts in comparable state-owned and privately-owned organisations. The study also finds that most privatised organisations have taken slightly better initiatives to develop staff capacities, though workers' health and safety at work, social integration, and social relevance of working life are not significantly different to those in the state-owned and privately-owned organisations.

Though the findings of this study are applicable to the related organisations and employees, common findings and patterns from the case study organisations' interviews and documents suggest that the findings of this study can be applied and generalised across other privatised organisations' workers QWL.

The findings have important implications for privatisation programmes as they raise issues associated with the uncritical application of privatisation schemes. In particular it questions the assumption that private ownership *prima facie* leads to improved profits and, by extension, improved workers' conditions. This thesis argues that there is a need to place greater emphasis on a more context sensitive approach to structural reforms in Bangladesh.

The subsequent sections of this chapter discuss the major findings and implications of this research, the contribution to the body of knowledge, the limitations of this study and propose new directions for further research.

## **8.2 Major findings of this study**

The major findings in relation to the research question are presented below to attain the research aims.

The key research question posed at the beginning of this thesis was:

*What is the impact of privatisation on workers' quality of working life in Bangladesh?*

The study found that floor workers' compensations were not improved after privatisation in most case study organisations. The minimum wage for permanent workers was below that offered by state-owned and private organisations in three cases, and casual workers received less than their counterparts in four cases.

In most cases, floor workers could not support their families. This situation worsened in three case studies on account of the absence or low value of yearly pay increases compared with state-owned and private organisations. In two cases, permanent workers had no access to a retirement savings plan. Though workers at three privatised factories had access to a provident fund (a retirement savings plan), employer contributions to those funds were below (in percentage terms) the contributions made by state-owned organisations but the same as the contributions of comparable private organisations.

As with the state-owned organisations, three of the privatised organisations paid two festival bonuses every year. However, one privatised factory paid less than that, and the other offered none at all.

State-owned organisations' permanent workers received allowances for healthcare, accommodation, transport and tiffin, but this was not the case at any of the privatised case study organisations or most of the private organisations. Casual workers generally did not receive any of the extra benefits paid to their permanent co-workers at most of the privatised and privately-owned factories, but most state-owned organisations paid casuals an attendance bonus.

In three case study organisations, like all five state-owned organisations, payments for overtime work were twice of hourly wages. However, in two privatised organisations and two private organisations, overtime pay was the equivalent to the hourly remuneration.

None of the privatised organisations, one of the five state-owned organisations, and one of the five private organisations provided protective equipment to employees. Many regarded their workplaces as unhealthy (40% of the workers from the privatised organisations, 50% of the workers from the state-owned organisations, and 38% of the workers from the private organisations).

In three cases, workers had opportunities to perform several tasks to improve their capacities and skills, but this did not happen at any of the state-owned organisations.

Permanent workers felt secure about their jobs at the state-owned organisations, unlike most of the permanent workers at the privatised and private organisations. Casual workers had less chances of professional growth and they did not feel secure about their jobs, regardless of employer.

In four cases, workers did not feel discriminated against at workplace. And, their relationships with colleagues and bosses were said to be good. Employees helped each other when needed.

However, workers were not allowed to form trade unions in four privatised and three private organisations. All the five state-owned organisations allowed workers to form trade unions. In four cases, where trade unions did not exist, some workers did not know about trade unions or their rights to form trade unions. And, most management level employees held negative views about trade unions at all cases. So in most cases, the workers were helpless and had to follow set protocols when trying to inform management of their problems or solve disputes. This meant that in reality they were effectively at the mercy of management and had to rely on their sympathy in cases of unfair action.

In three cases, workers had less leave than those at state-owned and privately-owned factories. Some workers did not know their full leave entitlements because they lacked education and were not aware of their rights. They were prepared to work, regardless of the conditions.

Most permanent workers from the privatised, state-owned and private organisations were satisfied with the organisations' human resource policies, though casual workers were not satisfied, citing a long and unsuccessful struggle to become permanent. Yet most permanent and casual workers from all the various workplaces felt proud of their work, the quality of the output and the image of their employers in the community.

*The relationships between relative levels of workers' QWL and organisational size, industry and ownership type*

The study found that organisational size of the privatised organisations did not affect workers' QWL. For example, workers' minimum monthly wages were less, yearly increments were less (or absent), and the amount of leave was less at the privatised sugar mill, textile mill and fishing net factory compared with similar state-owned enterprises.

Similarly, there was no relationship between industry type and levels of workers' QWL. The measure of workers' QWL varied within the privatised organisations. For example, yearly pay increases at the privatised jute mill were less than those at the state-owned jute mills, though the minimum wage was the same in both cases. Workers at the privatised paper mill received a higher minimum wage than peers at the state-owned paper mill, but the privatised paper mill made a smaller contribution to the provident fund in percentage terms.

To check the impact of privatisation on workers' QWL, this study compared workers' QWL at privatised organisations with workers' QWL at factories that were still state-owned. This study also checked the status of workers' QWL at private factories. It found that some aspects of QWL for workers at the privatised organisations were different from those at state-owned businesses, but almost same as those at private businesses. For example, all five state-owned organisations allowed workers to form trade unions, but four privatised case study organisations and three private organisations disallowed unionisation. This thesis argues that privatised organisations should obey Bangladesh Labour Law, despite the change in ownership. In Bangladesh, under the

Labour (amendment) Act of 2013, every worker employed in any establishment has the right to form and join a trade union of their own choice. State-owned organisations in Bangladesh generally comply with the Bangladesh Labour Law regarding workers' rights, such as leave entitlements, overtime pay rates, and freedom of expression.

*How policymakers can generate positive outcomes for workers*

This study suggests that the following steps are more likely to generate positive outcomes for workers in Bangladesh –

- ✧ The government should be highly cautious when selecting state-owned enterprises for privatisation because most of the privatised organisations (52%) are closed down after privatisation (please see figure 1.1) and working conditions have not improved in most of those that do continue operating (as found by this study). International institutional donors also need to be wary of a 'one-size-fits-all' approach before suggesting any policy such as blanket privatisation of SOEs. International institutional donors should focus on a more context sensitive approach and put emphasis on capacity building, including institution building, so that the suggested policies are successfully accomplished.
- ✧ A technical committee of experts should be formed to conduct studies and prepare an up-to-date list of appropriate SOEs for privatisation on a regular basis. Each state-owned enterprise should be judged on its respective merit and the realistic chances of its success as a privatised business. The committee should also give advice about procedures to protect workers' rights and interests because this aspect of existing privatisation policy fails to be upheld (please see chapter five).



- ✧ Minimum wages set by the National Wage and Productivity Commission should be increased to allow workers to meet their minimum daily life requirements. Wage structure for factory workers were adjusted more recently in 2012.
- ✧ The Privatisation Commission should be given authority through law or condition of privatisation to monitor privatised organisations' activities and ensure that every privatised organisation strictly follows Bangladesh Labour Law and allows workers to form trade unions, while paying the correct rate of overtime pay and providing the right number of leave days.
- ✧ More attention should be given to post-privatisation support and rehabilitation of non-performing privatised SOEs to stop their closure.
- ✧ The Privatisation Commission should regularly organise meetings, seminars, and open discussions with workers to increase awareness of their rights.

### **8.3 Implications of this study**

The outcomes of this research will help international donors, Bangladesh's policymakers, privatised organisations, and workers in various ways. The international institutional donors attach conditions to their aid in Bangladesh, requiring privatisation of SOEs; they argue that their prescribed policies will help to increase private investments, improve socio-economic conditions and the welfare of citizens. However, this study finds that most of the privatised organisations are closed down after privatisation and privatisation of SOEs has not improved workers' quality of working life in most of the running privatised organisations. International institutional donors, therefore, can gain a better understanding of the challenges of privatisation programmes from this study and should review their 'one-size-fits-all' approach before suggesting any policies, such as extensive privatisation of SOEs.

This research finds that there is much room for the Bangladesh Government and the Privatisation Commission's thinking about their privatisation programme. Bangladeshi policymakers should be highly cautious when selecting state-owned enterprises for privatisation. Indeed, a technical committee should be formed to identify appropriate SOEs for privatisation and give advice on procedures to protect workers' rights and interests. The Privatisation Commission should be given authority through law or a condition of privatisation to monitor privatised organisations' activities and ensure that every privatised organisation strictly follows Bangladesh Labour Law. There should also be programmes to educate workers about their rights.

The research findings identify some areas where privatised organisations should pay their attentions to improve workers' QWL and job satisfaction. For example, the government's set minimum wages, a retirement savings plan, regular increments, festival bonuses, medical allowances, house-rent allowances, transport allowances and protective equipment should be provided to improve workers' QWL. The privatised organisations should also follow Bangladesh Labour Law by letting workers form trade unions and giving correct overtime pay and leave entitlements.

To date, most research on privatisation in Bangladesh has examined the links between privatisation and profitability. Little scholarly attention has been paid to how privatisation affects workers. The findings of this study show that international institutional donors, Bangladeshi policymakers, and the owners of privatised organisations should revise their strategies and pay greater attention to its affects on wages, bonuses, retirement savings plans, and other aspects of quality of working life for workers. Workers also need to be concerned about their rights and interests; they should be organised to protect their rights and try to resolve disputes through negotiation.

#### **8.4 Contributions of this study**

This thesis looks at the human face of privatisation and tests workers' quality of working life in privatised organisations in Bangladesh. Major contributions from this study are:

- ✧ Discussion of the role of international institutional donors in the policy making process in Bangladesh.
- ✧ Assessment of the impact of privatisation on workers' quality of working life.
- ✧ Inspection of workers' quality of working life in state-owned and privately-owned organisations.
- ✧ A description of workers' living expenses, which informs the call for an increase in minimum wages, and regular annual adjustment thereafter to meet their living expenses.
- ✧ Revelation of management level employees' views regarding workers' rights, for example access to trade union.
- ✧ Identification of the issues needing greater government attention. For example, there should be a vigorous awareness campaign to inform workers of their rights, and labour laws should be strictly enforced.
- ✧ Identification of strategies to generate positive outcomes for workers in Bangladesh, and suggestions to international institutional donors and Bangladeshi policymakers.

#### **8.5 Limitations of this study**

This research is exploratory in nature. Thus, it concentrates mainly on the 'what' but not the 'why'.

This thesis has used some self-report type of interview questions in which respondents read/hear the questions and respond without the researcher's interference. It asks participants about their feelings and attitudes. Self-report studies have validity problems as self-report studies are inherently biased by the person's feelings at the time he/she responds.

Also, workers may exaggerate in order to make their situation seem worse, or they may under-report the difficulties they face as a way of minimising their problems. Workers might also simply be mistaken or misremember the material covered in the interview.

The power difference between a poor factory worker and a Bangladeshi researcher from an Australian university is also an issue. The factory workers may have attempted to give answers that they thought the interviewer desired. To minimise this issue the researcher spent significant time in getting to know respondents and ensuring they were at ease with him. Also, many open ended questions were included in the interviews that allowed participants to expand on their replies. Confidentiality was also reinforced to put respondents at ease and minimise concerns about the consequences of participation. All identifying details relating to participants have been removed from this thesis.

## **8.6 Further research opportunities**

As with most research, this study cannot stand alone and further research is suggested. The findings of this research are based on case studies of five privatised organisations in Bangladesh. There is potential for further research using this methodology but among a different sample. Another study can be conducted to find out the reasons of closure of more than half of the privatised organisations after privatisation.

In particular, an avenue of further research can be to compare the findings of this study with the experiences of workers in privatised firms in other developing countries. Given that privatisation has become a key instrument of international institutional aid donors, and its consequences affect millions across the developing world, the need to unveil the human face of privatisation policies has never been more prescient. To ignore the breadth of the impact of privatisation, including its impact on working conditions for workers in privatised firms, is to ignore the broader role of privatisation and the extent to which it can deliver true and broad-based improvements to the lives of workers in the developing countries.

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## **Appendices**

**Appendix A** - UTS Human Research Ethics Committee Approval Letter

**Appendix B** - Information Letter

**Appendix C** - Consent form for case study organisations

**Appendix D** - List of questions for face-to-face interviews

## Appendix A

### UTS Human Research Ethics Committee Approval Letter



25<sup>th</sup> November 2010

Dr Bronwen Dalton  
School of Management  
KG04.05.16  
UNIVERSITY OF TECHNOLOGY, SYDNEY

Dear Bronwen,

**UTS HREC 2010-376 – DALTON, Dr Bronwen, GREEN, Ms Jennifer (for MAMUN, Mr Mehadi All, PhD student) – “The impact of donor-driven privatization on real wages and quality of working life of employees in recently privatized enterprises in Bangladesh (2006-2010): a case of five privatized state-owned enterprises”**

Thank you for your response to my email dated 21/10/10. Your response satisfactorily addresses the concerns and questions raised by the Committee, and I am pleased to inform you that ethics clearance is now granted.

Your clearance number is UTS HREC REF NO. 2010-376A

Please note that the ethical conduct of research is an on-going process. The *National Statement on Ethical Conduct in Research Involving Humans* requires us to obtain a report about the progress of the research, and in particular about any changes to the research which may have ethical implications. This report form must be completed at least annually, and at the end of the project (if it takes more than a year). The Ethics Secretariat will contact you when it is time to complete your first report.

I also refer you to the AVCC guidelines relating to the storage of data, which require that data be kept for a minimum of 5 years after publication of research. However, in NSW, longer retention requirements are required for research on human subjects with potential long-term effects, research with long-term environmental effects, or research considered of national or international significance, importance, or controversy. If the data from this research project falls into one of these categories, contact University Records for advice on long-term retention.

If you have any queries about your ethics clearance, or require any amendments to your research in the future, please do not hesitate to contact the Ethics Secretariat at the Research and Innovation Office, on 02 9514 9772.

Yours sincerely,

Associate Professor Marion Haas  
Chairperson  
UTS Human Research Ethics Committee

## Appendix B



### *INFORMATION LETTER*

Research Topic: The impact of donor-driven privatisation on real wages and quality of working life of employees in recently privatised enterprises in Bangladesh (2005-2010): a case study of five privatised state-owned enterprises.

Dear Sir,

My name is Mehadi A Mamun and I am a student at the University of Technology, Sydney, Australia.

I am conducting a research and the findings of this research may help to take right strategy to improve employees' quality of working life in privatised enterprises.

I need some interview for carrying out research successfully and I would welcome your assistance. Interview should take no more than one hour of your time.

Your name and address will not be collected during the interview. The interview will be audio recorded with your permission and all information will remain in a locked cabinet when not in use by me.

You are under no obligation to participate in this research.

Please be assured that you can freely withdraw your participation at any time during this research, without giving any reason.

Yours sincerely,

Mehadi A Mamun

C/O: Dr. Bronwen Dalton, Room no: KG04.05.16, University of Technology, Sydney  
PO Box 222, Lindfield, NSW 2070, Australia.

UTS email address: [MehadiAll.Mamun@student.uts.edu.au](mailto:MehadiAll.Mamun@student.uts.edu.au)

Bangladeshi address: C/O: Assistant Professor Md. Mahbub Ahmed, Bangladesh National University, Kalukhali Degree College, P.S.- Kalukhali, Dist.- Rajbari, Bangladesh.

## Appendix C

### Consent form for case study organisations

I.....O  
n behalf of .....agree to participate in  
the research project ‘The impact of donor-driven privatisation on real wages and quality  
of working life of employees in recently privatised enterprises in Bangladesh (2005-  
2010): a case study of five privatised state-owned enterprises.’ ‘UTS HREC 2010-376’  
being conducted by Mehadi A Mamun, C/O: Dr. Bronwen Dalton, Room no:  
KG04.05.16, University of Technology, Sydney, PO Box 222, Lindfield, NSW- 2070,  
Australia, for his degree PhD in Management.

I understand that the purpose of this study is to find out the impact of donor-driven  
privatisation on real wages and quality of working life of employees in recently  
privatised enterprises in Bangladesh and the findings of this research may help to take  
right strategy to improve employees’ working conditions in privatised enterprises in  
Bangladesh.

I agree that the research data gathered from this project may be published in a form that  
does not identify or harm our participants in any way.

I am aware that I can contact Mr. Mehadi A Mamun or his supervisor Dr. Bronwen  
Dalton if we have any concerns about the research. I also understand that we are free to  
withdraw our participation from this research project at any time we wish, without  
giving any reason.

I agree that Mr. Mehadi A Mamun has answered all my questions fully and clearly.

---

Signature (on behalf of organisation)

---

Signature (researcher)



## Appendix D

### List of questions for face-to-face interviews

#### List of questions for face-to-face interviews with floor workers

Thank you for consenting to participate in this research. This research aims to find out the impact of privatisation on quality of working life of employees in privatised enterprises in Bangladesh. To do this, I would appreciate learning more from you about your experience and opinions relating to your quality of working life.

Can I start by asking a few background questions?

How old are you? -----

Which gender do you belong to?

M  F

What is your highest level of education?

Primary school  High school

Secondary School Certificate (S.S.C)

Higher Secondary School Certificate (H.S.C)

Technical college diploma

Other, please specify: -----

How many years have you been employed in this organisation? -----

What is your job title? -----

Are you a permanent or casual employee?

Permanent

Casual

Now I am going to ask you relating to your quality of working life.

**1. Regarding a fair and adequate compensation:**

1.1. How satisfied are you with your remuneration (wages) at this company?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

1.1a. How do you spend your earnings?

---

---

[Prompts: Can you afford basic needs for your family and good schooling for your children?]

1.2. How fair is what you earn on your job in comparison to others doing the same type of work you do at your workplace?

- Much less than you deserve
- Somewhat less than you deserve
- About as much as you deserve
- Somewhat more than you deserve
- Much more than you deserve

1.3. Do you receive any productivity profits?

- Yes
- No

1.3a. If yes, please describe your company's policy about allotment of productivity profits.

1.4. Does your company offer any extra benefits (e.g. festival bonuses, access to retirement savings plan)? If yes, please describe the benefits -----

1.4a. If you are given festival bonuses, how many times do you receive festival bonuses per year? How do you spend it?

1.4a.i. If you are not given festival bonuses, how does non-receipt affect you?

1.4b. If your company offers any retirement savings programme, please describe the programme.

1.4b.i. If your company does not have any retirement savings programme, what is your plan for living after retirement?

## **2. Regarding your working conditions:**

2.1. How many hours do you usually work each week, including any overtime or extra hours?

2.1a. How many overtime or extra hours do you usually work each week, whether paid or unpaid?

2.2. Is your workload too heavy or okay for you?

2.3. What is the level of salubrity (healthy working conditions) in your workplace?

2.4. Does your company provide personal protective equipment? If yes, please describe the types of the equipment-----

2.4a. How satisfied are you with the personal protective equipment provided by your company?

Very satisfied

Satisfied

Neither satisfied nor dissatisfied

Dissatisfied

Very dissatisfied

**3. Regarding the development of your capacities at the work:**

3.1. Are you given any autonomy (opportunity to make decisions) at your work? If yes, please give an example for your statement -----

3.2 Does your work that you do have an importance to you and your colleagues?

3.3 Regarding the polyvalence (possibility to perform several tasks and works) at work, how do you feel?

Very satisfied

Satisfied

Neither satisfied nor dissatisfied

Dissatisfied

Very dissatisfied

3.4. Do you think that your performances are evaluated fairly?

3.5. Regarding possibilities conferred (work responsibility given to you), how do you feel?

Very satisfied

Satisfied

Neither satisfied nor dissatisfied

Dissatisfied

Very dissatisfied

**4. Regarding the chances of growth and security that you have at your work:**

4.1. Does your company give the opportunity of professional growth fairly? If not, please give an example for your statement -----

4.1a. Currently, do you feel promotion is or is not a possibility?

Is a possibility

Is not a possibility

4.1a.i. If not, why? How does it affect you?

4.2. Does your company give you the opportunity for training? If yes, please describe how? If not, why?-----

4.3. Does your supervisor encourage you for further learning? If yes, please describe how?-----

4.4. Do you think your job is secured? If yes, please describe how? If not, why? -----

**5. Regarding the social integration at your work:**

5.1. Do you experience any discrimination (i.e. racial, religious, and sexual) against you at your workplace? If yes, please give an example -----

5.2. Please describe your relationship with your colleagues and bosses at work -----

5.3. Does your team (colleagues) compromise sometimes for you at work?

**6. Regarding the constitutionalism (respect to the laws and norms) at your work:**

6.1. Does your company respect the workers' rights? If yes, please give an example for your statement -----

6.2. Does your freedom of expression (opportunity to give opinions) exist at your workplace?

6.2a. Are you allowed to form and/or join a trade union?

6.2b. What do you think about unions? -----

6.3. How satisfied are you with the norms and rules at your work?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

6.4. Are you given respect to your individuality (individual characteristics and particularities) at work?

**7. Regarding the space that the work occupy in your life:**

7.1. Does your work influence on your family life/routine? If yes, please describe how?

7.2. Does your work influence on your possibilities of leisure? If yes, please describe how?

7.3. How satisfied are you with the schedule of work and rest?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

7.3a. How many days leave do you receive per year?

**8. Regarding the social relevance and importance of your work and organisation:**

8.1. Do you feel proud of performing your work?

8.2. What is the image of this company in society? Please give an example for your statement -----

8.3. How are the services and the quality of products that the company makes? Please give an example for your statement -----

8.4. How satisfied are you with the human resources policies (the way that the company treats the workers) that the company has?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

Thank you very much for taking part in this research. Do you have any questions?

**List of questions for face-to-face interviews with management level employees**

Thank you for consenting to participate in this research. This research aims to find out the impact of privatisation on quality of working life of employees in privatised enterprises in Bangladesh. To do this, I would appreciate learning more from you about your experience and opinions relating to your quality of working life.

Can I start by asking a few background questions?

How old are you? -----

Which gender do you belong to?

M  F

What is your highest level of education?

Higher Secondary School Certificate (H.S.C)

Technical college diploma

Undergraduate degree

Postgraduate degree

How many years have you been employed in this organisation? -----

What is your job title? -----

Are you a permanent or casual employee?

Permanent

Casual

Now I am going to ask you relating to your quality of working life.



**1. Regarding a fair and adequate compensation:**

1.1. How satisfied are you with your remuneration (wages) at this company?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

1.1a. How do you spend your earnings?

---

---

[Prompts: Can you afford basic needs for your family and good schooling for your children?]

1.2. How fair is what you earn on your job in comparison to others doing the same type of work you do at your workplace?

- Much less than you deserve
- Somewhat less than you deserve
- About as much as you deserve
- Somewhat more than you deserve
- Much more than you deserve

1.3. Do you receive any productivity profits?

- Yes
- No

1.3a. If yes, please describe your company's policy about allotment of productivity profits.

1.4. Does your company offer any extra benefits (e.g. festival bonuses, access to retirement savings plan)? If yes, please describe the benefits -----

1.4a. If you are given festival bonuses, how many times do you receive festival bonuses per year? How do you spend it?

1.4a.i. If you are not given festival bonuses, how does non-receipt affect you?

1.4b. If your company offers any retirement savings programme, please describe the programme.

1.4b.i. If your company does not have any retirement savings programme, what is your plan for living after retirement?

## **2. Regarding your working conditions:**

2.1. How many hours do you usually work each week, including any overtime or extra hours?

2.1a. How many overtime or extra hours do you usually work each week, whether paid or unpaid?

2.2. Is your workload too heavy or okay for you?

2.3. Does your factory use new/old technology? How does it impact on your and factory's performance?

2.4. What is the level of salubrity (healthy working conditions) in your workplace?

2.5. Does your company provide personal protective equipment? If yes, please describe the types of the equipment-----

2.5a. How satisfied are you with the personal protective equipment provided by your company?

Very satisfied

Satisfied

Neither satisfied nor dissatisfied

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- Very dissatisfied

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3.5. Regarding possibilities conferred (work responsibility given to you), how do you feel?

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Is a possibility

Is not a possibility

4.1a.i. If not, why? How does it affect you?

4.2. Does your company give you the opportunity for training? If yes, please describe how? If not, why?-----

4.3. Does your supervisor encourage you for further learning? If yes, please describe how?-----

4.4. Do you think your job is secured? If yes, please describe how? If not, why? -----

**5. Regarding the social integration at your work:**

5.1. Do you experience any discrimination (i.e. racial, religious, and sexual) against you at your workplace? If yes, please give an example -----

5.2. Please describe your relationship with your colleagues and bosses at work -----

5.3. Does your team (colleagues) compromise sometimes for you at work?

5.4. How satisfied are you with the valorisation (value) of your idea and initiative at work?

Very satisfied

Satisfied

Neither satisfied nor dissatisfied

Dissatisfied

Very dissatisfied

**6. Regarding the constitutionalism (respect to the laws and norms) at your work:**

6.1. Does your company respect the workers' rights? If yes, please give an example for your statement -----

6.2. Does your freedom of expression (opportunity to give opinions) exist at your workplace?

6.2a. Does your company allow to form a trade union?

6.2b. What do you think about unions? -----

6.3. How satisfied are you with the norms and rules at your work?

Very satisfied

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8.1. Do you feel proud of performing your work?

8.2. What is the image of this company in society? Please give an example for your statement -----

8.3. Does your company act for the communitarian integration (contribution to the society)? If yes, please describe how? -----

8.4. How are the services and the quality of products that the company makes? Please give an example for your statement -----

8.5. How satisfied are you with the human resources policies (the way that the company treats the workers) that the company has?

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- Satisfied
- Neither satisfied nor dissatisfied
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- Very dissatisfied

Thank you very much for taking part in this research. Do you have any questions?