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SUPPORT TO THE JORDANIAN APPAREL MANUFACTURING SECTOR

Recruitment and Retention Overview
Final Report

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SUPPORT TO THE JORDANIAN APPAREL MANUFACTURING SECTOR

RECRUITMENT AND RETENTION OVERVIEW
FINAL REPORT

USAID JORDAN ECONOMIC DEVELOPMENT PROGRAM

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1.0 EXECUTIVE SUMMARY

This report on the labor recruitment strategies of the apparel industry is compiled from several Mexican mature plant tours. The information offers a wide range of views on the apparel industry, including those of plant owners and supervisors, as well as those of factory workers. Using these sources, this report gives a broad perspective of the recruitment strategies used to attract new labor.

Recruitment strategies range from highly organized and intensive efforts to recruitment. This report will outline these strategies and explore some of the differences between the formal recruitment strategies that many factories claim to practice, and the more informal recruitment strategies that also appear to be used in response to the ground-level realities, demands and desires of the apparel industry. There often appears to be a discrepancy between the recruitment practices of some apparel factories and the reasons they gave to justify those strategies.

2.0 RECRUITMENT STRATEGIES IN THE APPAREL FACTORIES

2.1 SPONSORSHIP STRATEGIES INVOLVING WORKER NETWORKS

The employees at the factories aided recruitment in the apparel factory. Information about job openings might be discovered through ads placed in a newspaper and would then pass along by word of mouth among the current employees.

Word of mouth was believed by some to be an effective recruitment strategy due to the fact that most of the workers are part of large families and have very close family ties. There were incentive programs for employees who would bring new candidates. Payments were made after new employees passed a certain time interval or production level specified by each factory. This was by far the most effective way of attracting new candidates and ensuring their future retention.

2.2 LARGE-SCALE INDUSTRIAL SPONSORSHIP STRATEGIES

Recruitment by sponsorship in apparel factories could be a very organized and strategic process. A higher-level employee at one factory discussed its large-scale and group recruitment strategy. As part of a government and industry initiative, women workers were recruited from certain targeted areas.

2.3 GOVERNMENT RECRUITMENT STRATEGIES

Government recruitment and funding strategies play a role in the recruitment of workers from particular sectors of the population. A provincial government worker expressed that the apparel industry largely recruits employees from certain “disadvantaged groups”, such as workers from agricultural areas. The provincial government encourages this recruitment strategy by funding training centers. These training centers are often empty and funding is being passed on to sight factory training, where factories will get four weeks of training cost based on minimum wage. There will also be a money subsidy cap based on the size of the factory.

2.4 OTHER RESOURCES

Other resources include; Advertising, Job Banks, Resource and Employment Centers.

Many apparel factories pursued several different recruitment strategies at the same time in order to obtain new workers. In one factory, recruitment strategies included placing ads in the newspaper, and with the government's job bank.

2.5 CASUAL RECRUITMENT STRATEGIES: “OFF THE STREET” HIRING

Many apparel factories and their employees at many levels often reiterated that skills and experience are the important factors that shape their recruitment strategies. However, the patterns and general information on the skills and experience of workers, and the actual availability of experienced labor, challenge the necessity and practicality of these strategies. Virtually every apparel factory preferred experience and skilled workers. However, many sectors and employees in the apparel industry claimed that the most popular hiring practice is new workers that walked in off the street, in other words, with no experience. The factory's recruitment strategy therefore did not need to be extremely intensive, and it was expressed that it was difficult to present work in apparel industry to the public as an attractive job option, as the work was difficult, boring and repetitive. The degree of skill and experience necessary to work in this industry can also come into question. Facing the reality, casual recruitment strategies were used to deal with worker shortages and the need to fill positions quickly, possibly with the knowledge that such industry jobs are not highly attractive or in demand.

3.0 ANALYSIS

Recruitment strategies vary according to the sector and needs of the apparel industry, and show discrepancies between the explanation of why certain strategies are pursued, and the actual practices of recruitment. This fluctuation and discrepancy may be a result of—and response to—a very flexible, and dynamic industry, where technology and the skills required using it change on a regular basis. The apparel industry is also regulated by changes in demand and the necessity to supply that demand in the most expeditious yet profitable way. Workers in this industry are an important factor in maintaining profitability, although this fact is often overlooked or underplayed by higher-level factory workers and management.

Recruitment therefore often involves highly organized strategies, such as the sponsorship of women, in order to provide what is seen to be a willing and qualified workforce. In a tour of an apparel factory, it was noted that most of the sewers were women.

Stereotypes concerning what type of people are suitable and desirable workers evidently live on in the industry. As noted above, government funding for recruitment strategies often encourage the hiring of various disadvantaged workers, such as women in agricultural areas.

The willingness of many factories to recruit workers off the street appears to be linked to the industry's awareness that a great deal of work is unattractive, tedious and repetitive. While many higher-level industry employees seemed hesitant to portray the industry's jobs in this light, many admitted that they would hire off the street, take any willing worker, and train employees themselves if necessary. The acceptance and use of these casual recruitment strategies seems to indicate an often unspoken awareness of the unappealing and demanding nature of apparel factory work, and the challenge that this presents to recruitment.

3.1 WORKERS' RETENTION IN THE APPAREL INDUSTRY

Labor turnover has historically been a concern for managers because it disrupts production schedules and is costly as new workers with appropriate skill sets must be recruited, trained and brought up to speed. This can be specifically problematic when skilled workers leave, particularly when this occurs during periods of heightened competition and tight labor markets.

While the number of studies of turnover that focus upon individual attributes continues to grow, less attention is paid to the issue of retention other than the assumption that workers who stay are somehow satisfied or at least resigned to their job. In other words, people do not stay because of the absence of job satisfaction. Retention becomes relegated to a residual category; workers stay because the opportunities or pressures to leave do not emerge. Many workers stay because of the positive features associated with work and that the ensuing organizational commitment is a function of managerial attitudes as well as work structure. Principally, the argument is that managers can play an instrumental role in creating a work environment that neutralizes the otherwise problematic aspects of the job

and work/family linkages. While other reports have demonstrated the importance of pay, work organization, and work conditions in shaping job satisfaction, this report concentrates on managers who influence worker's attitude.

3.1.1 SATISFACTION, COMMITMENT AND ORGANIZATIONAL CULTURE

If dissatisfied workers are leaving a factory because of inadequate pay, insufficient stimulation from the work itself, pressures from extra-work imperatives, or simply more attractive job opportunities elsewhere, then those who remain basically are content with their circumstances. Human resource systems built on commitment rather than control is often associated with lower turnover and higher productivity. Such high commitment management practices are characterized by the use of "information dissemination, problem-solving groups, minimal status differentials, job flexibility, team working" coupled with a conception of employees as "resources to be developed" rather than as disposable factors of production. Invariable, where managers share information with workers and create a "sense of ownership" amongst employees. However, such high commitment work organizations are not a norm, especially in the apparel industry and most factories operate under basic work principals in which pay and tolerable work conditions provide sufficient motivation for the average worker to remain at his/her job.

In order to diminish job dissatisfaction, employees need adequate remuneration, a minimal degree of job security and working conditions that minimize otherwise problematic aspects of the job. But in a labor intensive and highly competitive industry such as the apparel industry, where pressures on cost containment frequently lead to wage depression and work intensification, such goals are not easily attainable. Without elaborate work restructuring of the type associated with high performance work place;

- Can organizations diminish negative aspects of the job (routine, repetitive work and low pay) to reduce turnover and maximize performance efficiency?
- Can employee motivation and job satisfaction be advanced by managerial initiatives that effectively neutralize other worker concerns?

In other words, workers that remain at their jobs are neither resigned to, nor immensely satisfied with, their job. Their stay relates to the environment at work, which enables them to cope with external contingencies, and their perception that such circumstances are typical. Hence, there exist disincentives to seek alternative employment even when opportunities are available.

3.1.2 INDUSTRY SETTING

Labor turnover showed a positive association with low pay, but some small factories in the lowest pay segments of the industry had very low rates of turnover. Despite the fact that low pay is cited as a reason for leaving, many of those workers went to work to other apparel factories (where the wage differential is not that significant).

These ambiguous findings suggest a more complex dynamic at work, involving features that shape individual expectations and responses. It was realized that demographically similar workers in the same industry, with identical job specification and pay, have widely different

rates of turnover. The salient feature of a low turnover factory in an industry where high turnover rates are the norm, is the style of management that is (a) considerate of work/family issues, (b) provides requisite levels of training and support for workers to meet their performance (and earnings' potential) and is (c) based on open communication.

3.1.3 LOW TURNOVER FACTORIES

Low turnover factories had good working conditions and management style that provided open communication with workers and an understanding of their day-to-day problems. Managers were cited as being “accessible and approachable”, “respected and trusted”, and “help you out if you have a problem”.

Manager's approach to the work force is generally pro-active. In each of these factories, initiatives have been introduced to ease work/family conflicts such as;

- Having flexible hours,
- Ignoring occasional lateness,
- Providing transportation for workers.

Maintaining open communication was important because it is the only way to identify problems before they disrupt work. In each factory, the majority of workers were cross-trained so that absences could be easily covered. Workers saw this in a positive light since it suggested that the factory was committed to them. Managers stated that this fostered a culture of cooperation and maintained productivity levels.

In each of the factories in this category, workers commented that managers “seemed to care about what happened to workers” as well as responding to their perceived needs (and complaints) in a positive manner. Many cited the pleasant social atmosphere in the workplace; “the factory is a friendly, happy environment, a nice place to work...more like a family.” Workers also cited loyalty to the company as being an important factor.

3.1.4 HIGH TURNOVER FACTORIES

The retention of workers in this category of factories is less a function of satisfaction and more of the absence of employment opportunities elsewhere. While some talked of their satisfaction with their current employment it appeared to be based more upon resignation than any intrinsic pleasure derived from work. Some of these workers saw themselves as survivors and built a sense of a protected group. Most took an instrumental approach with pay seen as assuring the otherwise negative aspects of work. As one employee mentioned, “I stay here because I can earn more than I could elsewhere. Is it enough? No.

Interviews with workers produced varied results since the mix was great. Many of the workers had short job tenures and clearly did not expect to stay long at the factories. They

were most likely to voice negative aspects about work; saw managers as “uncaring bosses”; and often failed to build much rapport with their fellow workers. The general consensus that those who stayed got along with, or were indifferent to managers.

The consensus amongst managers in these factories was that workers were not to be trusted; that they were expendable and therefore turnover was somehow inevitable. In accepting the inevitability of high turnover rates, they were reluctant to invest in new workers other than the minimal training assistance. However, they spoke kindly of the older, established workers, to whom they clearly had a more positive disposition. By their own admission, they did little to foster open communication, largely because they viewed the managers’ role as one of control and coordination of work.

3.1.5 MANAGEMENT ATTITUDE AND RESPONSES TO TURNOVER

Given the greater likelihood of quitting among the young rather than the older workers, and the fact that pay, work conditions and industry image appears as salient factors behind high turnover rates, it can be assumed that labor turnover is recognized as a major problem for factories. However, managerial recognition of this problem and their response to it widely differed between low and high turnover factories.

4.0 CONCLUSION

By exploring how managers shape the creation of social norms within the workplace and how these interact with workers' economic motives, it is easier to discern how workers individually construct logics of action that balance these sometimes contradictory demands.

In order to keep turnover low, it appears that managers must create the conditions for:

- Young workers to acquire the necessary skills to perform efficiently, and
- Enable older skilled workers to maximize their earnings.

This implies that investment in training and appropriate support mechanisms is necessary to facilitate the transition from a training wage to a production wage. When skilled workers complained about pay it was often because the work process was poorly organized and they were left idle for extended periods of the day. Since for factories labor turnover by skilled workers is more problematic than turnover among unskilled workers, it remains to be an important work organizational issue that managers need to address. The fact that they have in some instances reaffirms the importance of managers in shaping instrumental aspects of work.

Second, a supportive and considerate work environment appears to be a crucial feature of factories with low rates of turnover. Having managers who are sympathetic to, and understanding of, workers domestic constraints can, as we have seen, mediate the overall worker concerns of low wages endemic to the industry. Not only had low turnover factories facilitated and encouraged informal inter-personal networks and friendship-based work groups, but they have created a culture of mutual trust with their predominantly female workforce. At this stage managers' role is significant because they were aware of the problematic aspects of work in this industry (pay, status, work pressure) and sought to ameliorate this as much as possible.

The third and a similarly expressive function of managers refer to the importance of friendship attachments at work. Many workers view working with friends as crucial to maximizing their individual production effectiveness and this can significantly reduce the probability of leaving. The longer the tenure at work is translated into stronger bonds of friendship and attachment to the work place.

Finally, perhaps the low turnover factories are the exception rather than the rule in this industry. Evidence from other studies indicate that too many managers remain captive of extant operational paradigms in which high turnover is seen as normative with little to be done to rectify the problem. This passive acceptance was in stark contrast to low turnover factories where managers were more pro-active in creating a workplace culture to minimize

such an occurrence. If this is the case and the majority of factories display managerial intransigence, we need a better understanding of why a few deviate from this norm.

In the face of heightened competitive pressures, why don't more managers foster a work environment based upon information sharing, training and skill development and symbolic empowerment that appears in the low turnover factories of this study to harness worker's motivation and build organizational commitment? And why are managers who replace their work force annually and face costly recruitment reluctant to address these organizational shortcomings in a more penetrating fashion? If we are to find answers to these questions, we need to focus attention on management behavior as an explanatory feature of turnover and retention rather than focusing exclusively on workers. Employment relations are complex and interactions at work often tenuous but only by addressing the complex dynamic of work organization can we move beyond notions of satisfaction and dissatisfaction in explaining worker behavior.

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