

Responsible Digital Wages:

An Industry Stakeholder Approach to Supporting Female Workers to Access, Use and Benefit from Payroll Accounts



Tanzila, Garment worker, Dhaka

“ I used to get paid cash in hand, which required standing in line to collect my salary with many hassles. With cash wages, I would spend a lot and hardly save at all. I felt excited when I found that my salary would be paid into a mobile account, and received help from my husband and factory management to use the account.

Now I know everything about my account. I find being able to send money and recharge my mobile helpful as I don't need to go out for these. Mobile money also helps me to save.

I have shared the learning with 40 co-workers. In my factory there are posters about the training and the welfare officers play videos and songs over the PA system in the morning.

Introduction

As the transition from cash to digital wages accelerates, there has been a rapid increase in the number of low-income workers being paid into accounts. In 2021, 165 million unbanked adults were estimated to receive their private sector wages in cash, compared to 230 million adults in 2017, an improvement of 28 percent.¹ This is a positive trend and with the right support can benefit workers and employers, because digital wages move people and businesses from transacting in risky, expensive cash payments to using safer, more efficient, more effective banking systems.

This has been driven by a number of different organizations with complementary, but different reasons: global buyers and their suppliers looking to improve efficiency and reduce risk with payroll; Financial Service Providers developing a new market segment; NGOs viewing the

transition as an opportunity to advance women's economic empowerment; and governments promoting digital payments as part of wider reforms to attain SDGs by 2030 and transform Bangladesh into a developed country by 2040.²

Global buyers including H&M and Inditex have made commitments to encourage their suppliers to digitize their wages.³ Financial Service Providers like bKash have invested in this sector and have over 800 garment factory payroll clients.⁴ In 2020, the Government of Bangladesh's COVID-19 subsidy package was only available to garment employers who had digitized their wages, leading to over 1.92 million workers being paid wages into accounts for the first time.⁵ All positive developments, but more work is required to ensure digitized wage payments translate into outcomes that support women's economic empowerment.



Enabling workers' access to and use of their financial accounts and providing ongoing support is vital to maximize the benefits of the transition to digital wages. This is especially true for women workers. Otherwise, workers may simply withdraw 100% of their wages on payday, or even hand over control of their accounts to someone else, because they don't know how to withdraw money. For example, in Bangladesh, following wage digitization without training, 17 percent of women interviewed for the Garment Worker Diaries simply did not know how to use their digital accounts, and 29 percent reported that the process of using digital accounts was too difficult.⁶ HERproject has demonstrated that supporting women workers to have the confidence and knowledge to use their payroll accounts and other financial services, as well as build skills to plan for their financial future can contribute to women workers' economic empowerment. There are 4,000 garment factories and over four million garment workers in Bangladesh. Supporting workers to be able to use their accounts safely and confidently requires a concerted effort from all of the different

organizations they come into contact with during the transition from cash to digital wages.

HERproject has therefore explored a new way of engaging stakeholders who are important touchpoints for workers during wage digitization. This includes financial service providers, global buyers, supplier groups and NGOs. HERproject built the capacity of these organizations so they can increase the ability of garment workers, especially women, to use and benefit from digital wages. This included embedding key elements of HERproject's Digital Wages program into their training in order to (i) increase workers' confidence to use their digital payroll accounts; (ii) increase awareness of PIN safety and fraudulent activities and; (iii) increase awareness of relevant and appropriate financial products. This is based on HERproject's experience that many workers – especially women – lack basic familiarity with financial services and technology, leading to worries about making mistakes and losing their money; and because they often share their account details, and can be deceived by fraudulent calls.

This report describes HERproject's industry stakeholder approach to expand support for workers to use and benefit from their payroll accounts, including:

- Case for transitioning to digital wages
- Overview of garment sector's digital wages ecosystem
- An industry stakeholder approach to supporting female workers to access, use and benefit from digital wages
- Advice for how key stakeholders can integrate digital wages training into existing programs, while especially considering the needs of female workers

The Case for Wage Digitization

A responsible transition to digital wages, accompanied with appropriate financial capability strengthening for garment workers, has benefits for global brands, garment factory employers, workers – both male and female, and Financial Service Providers.

Benefits for global buyers⁷

- Increased efficiency and transparency in the supply chain
- Enhanced reputation as a responsible buyer
- Improved relationships with suppliers
- Positive impact for garment workers
- Demonstrates commitment to UN Sustainable Development Goals, especially Gender Equality (Goal 5), and Decent Work and Economic Growth (Goal 8)

Benefits for garment vendors, factory owners and senior managers⁸

- Increased efficiency of payroll
- Decreased production time lost on payday
- Reduced costs for insurance and security
- Reduced risk of theft of cash wages
- Demonstration of transparency and compliance

Benefits for workers trained to use digital payroll accounts and financial service⁹

- Access to financial products and services that meet their needs
- Increased security and control over wages, especially for women
- Access to savings accounts, aiding financial resilience
- Increased convenience and time-saving through access to digital remittances
- Improved financial and digital capability

Benefits for Financial Services Providers¹⁰

- Expanding relationship with factory client base
- Incremental user base and revenue growth from previously untapped segment
- New, active customers with potential to use a range of products
- Multiplier effect in communities adopting financial services
- Improved government relations resulting from supporting government digitization policies

Engaging the Garment Sector Digital Wages Ecosystem

Across the garment sector ecosystem there are many organizations including global buyers, supplier groups, financial service providers, and worker associations, which could provide digital wages support for managers and workers. These organizations are all potentially interested in digital wages and can maximize the impact of wage digitization for workers.

- **Brands and Buyers** with in-house training teams provide capacity building support for managers and worker representatives, including digital wages support, so this group can train others in the workplace. Brands and buyers without in-house trainers can make recommendations to suppliers on where to get the support they need, and provide resources for this.
- **Supplier Groups** with in-house training teams integrate wage digitization into their existing capacity development and well-being programs for workers.
- **Financial Service Providers** provide payroll product training to workers during the transition from cash to digital wages which could be strengthened to further engage female workers.
- **Manufacturer Associations** share best practice materials with members, which could include the transition from cash to digital wages.
- **Worker Associations** advocate the benefits of digital payroll to their members, increase understanding of the needs of garment workers, and build their trust.
- **Governments** drive the transition to digital wages through policy and action.
- **Local NGOs** support and deliver financial capability training that engages male and female workers, driving their acceptance of, and benefit from, financial products and services.
- **Multi-stakeholder Initiatives** enable cross-sector collaborations to support the adoption and scaling of the transition to digital wages.



Steps to Support Female Workers to Access, Use and Benefit from Digital Wages

HERproject explored a new way to engage industry stakeholders who are important touch-points for workers during wage digitization with the aim to build up workers', especially women's, confidence for the digital payroll accounts, increase awareness of PIN safety, and use of relevant financial product and services.

HERproject-led Activities

- Capacity building for industry stakeholders on how to develop and implement digital wages programming and to support female workers
- Support and advice for industry stakeholders
- Collected feedback from workers and managers on their experience

Content included in HERproject-led training:

1. Overview of Digital Wages
2. Gender and Digital Wages
3. Best practices for engaging low-income women workers
4. Reviewing training plans and recommendations to integrate existing Digital Wages resources, such as curricula, videos, posters

Industry Stakeholder-led Activities

- Developed or strengthened existing digital wages programs
- Trained factory management to train workers
- Digital wages programs, may include:
 - Managers training on gender sensitivity and payroll
 - Awareness campaigns in the workplace for workers

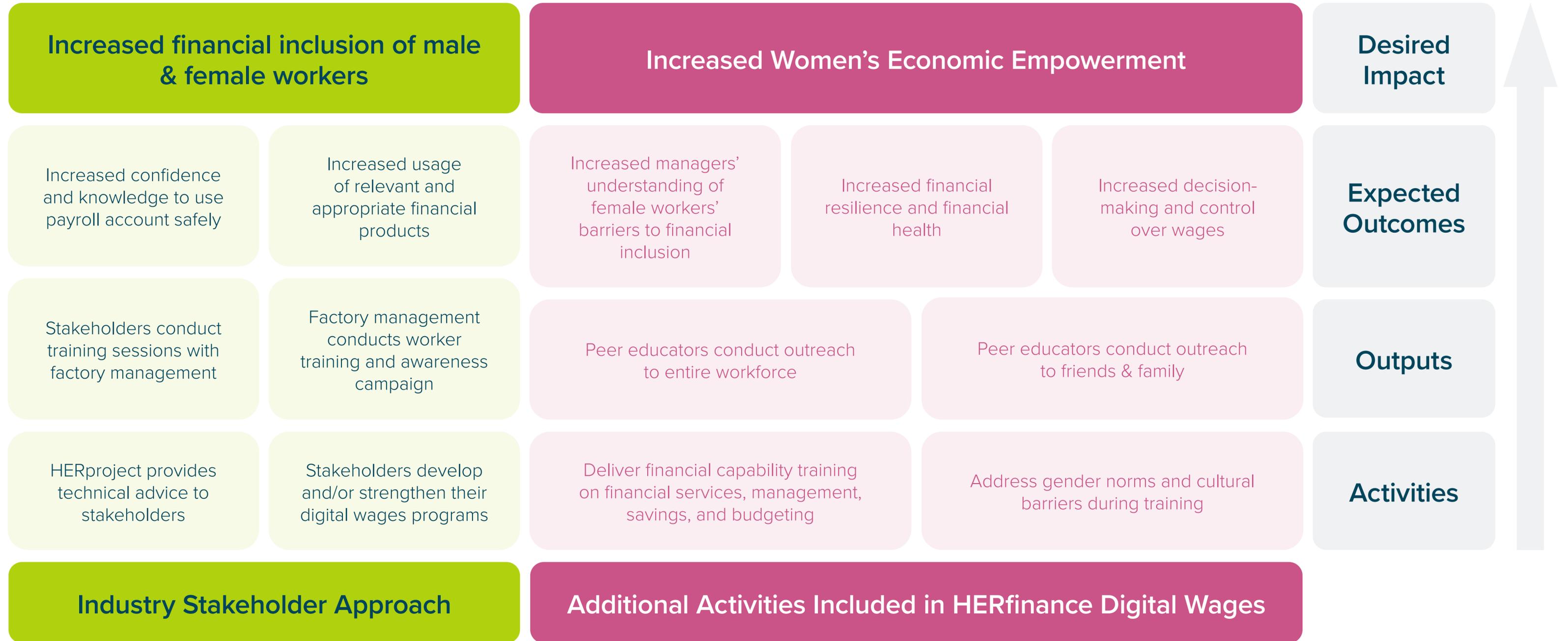
Factory Management-led Activities

- Worked with worker representatives to deliver training
- Led worker training on how to safely use payroll accounts, and an introduction to relevant financial products and services
- Organised awareness campaign, using posters, audio message and videos

Planned Outcomes for Workers

- Increase workers' confidence in using their digital payroll accounts
- Increase awareness of PIN safety and fraudulent activities
- Increase awareness of relevant and appropriate financial products
- Increased acceptance of digital wages

Digital Wages Industry Stakeholder Approach – Theory of Change



Results

HERproject developed the industry stakeholder approach in Bangladesh, working closely with eight industry stakeholders (bKash, H&M, Fast Retailing, Change Associates, Mamata, YPSA, Hameem Group, Beximco Group). These organizations delivered digital wages training in garment suppliers with quality oversight from HERproject.

HERproject supported the eight industry stakeholders to build their capacity on digital wages and consider the needs of female workers. These organizations then successfully delivered digital wages training in 12 garment suppliers with 40,680 workers (63% female).

Achievements include:

- All industry stakeholders successfully conducted digital wages training with garment suppliers and workers
- Increase in female and male workers who could conduct digital transactions without assistance
- Increase in workers, especially women, who would not share their PIN with others
- Increase in female and male workers using savings accounts
- Commitment from the industry stakeholders to continue to deliver digital wages training in the future





Worker Story

Rasel, Male Garment Worker, Bangladesh

“ My first experience of using an ATM was a struggle. The security guard had to help me. Nowadays [after workplace training] I can withdraw money from an ATM without taking any help from others. I’ve also learnt about keeping my pin number safe and it cannot be shared to anyone.

Manager case study

Md Rafiqul Islam, Assistant Manager (Compliance), ACS Textile

“ We have been paying our workers through South East Bank for more than 10 years now. Since it has been this long, we never noticed the existing problems that our workers, especially female workers, are facing with bank cards. Around 70-80% female workers were facing problems with their cards which we noticed only after we introduced the program in our factory.

There is an existing norm that workers do not usually come to managers. Things have changed after the program and now more and more workers are coming to me for financial suggestions. They are also opening up with other issues. Just a couple of weeks after the completion of the training, I was leaving my office and there were three workers waiting for me just outside of my office. They had opened up (recurring deposit accounts) in the bank and were waiting to thank me. Personally, it was a great moment for me. The training has definitely improved the relationship between workers and managers.



Tips for Workplace Digital Wages Training to Be Successful



1. The commitment of factory leadership and managers is important to success.

Encourage factory management to take an active role in the training. This allows management to have a greater understanding of the material and can build rapport between management and workers.



2. Include workers who have experience using digital accounts alongside those less confident.

Identify workers who have good communication and financial capability skills to support their colleagues, who can act as role models for workers with less confidence.



3. Ideal training session is 90 minutes, focusing on three key messages.

Give sufficient time for workers to digest the information. For many workers, this could be their first time learning about their payroll accounts.



4. Include more practical training and less theory to increase acceptance of digital wages.

Use engaging tools such as HERfinance digital wages tech learning tool to support workers to increase their financial health and benefit from digital wages.



5. Trainers need support and guidance to deliver gender-intentional training.

Emphasize the importance of engaging women by increasing trainers' knowledge and awareness of gender related issues.



6. Include financial health training to go beyond using financial services.

Provide guidance on financial management, savings, budgeting and family decision making for greater financial security and empowerment.

Advice for Global Brands and Buyers

- Make the business case to suppliers for the transition to digital wages, understand the true cost of cash and the cost savings of digital payroll.
- Ensure workers receive training to access and use payroll accounts that considers gender norms to support women to have more control over their finances.
- Engage brands' in-house trainers to deliver digital wages training, and make it part of the offering for suppliers.
- Strengthen supplier-led training to include gender intentional outreach; collaborate with organizations with training experience like HERproject.

Top Tip:

Support trainers to deliver gender-intentional training by reaching out to organizations like HERproject for guidance and consultation.



Read:

[HERproject's Garment Sector Wage Digitization - A Practical Guide for Global Brands and Buyers](#)

“A key success factor is ongoing training for women in order to help build their confidence and knowledge to use digital wages. Our in-house training team is delivering digital wages capacity building sessions for supplier managers, so that they can in turn deliver training for workers.”

- Prodig Gabriel Sku, Social Program Manager, H&M

“Since we introduced the financial capability training for our suppliers we have been pleased to see the benefits for factory workers. They have an increased understanding of financial products and potential fraud, and many have begun saving in formal banks using direct deposit accounts. We have introduced a wage club that builds on this model to further support workers with financial confidence and saving.”

- Tanusree Paul, Sustainability Department, Fast Retailing

Advice for Supplier Groups

- Integrate digital wages training into worker onboarding and training programs, including using HERproject's training materials.
- Provide support sessions and safe spaces where female workers can understand and practice account usage, including ATM operation, visiting agents, and checking messages on their phones.
- Work with factory managers to organize a women's rights awareness campaign in the factory around the importance of joint financial decision-making and control over resources.
- Test the approach in one factory unit before scaling across the entire supplier group.

Top Tip:

Encourage factory management to take an active role in the training. This allows management to have a greater understand of the material and can build rapport between management and workers.



Read:

[Digital Wages Toolkit for Managers](#)

“The training session covered topics that workers need to know about digital wages such as the benefits, financial services, taking cash out, avoiding fraud. The workers were responsive and engaged with the training, sharing their challenges and success with digital accounts and saving. Sharing examples from experienced users to motivate other employees worked well. The factory management were happy to be able to share the training with the workers. We plan on rolling this out to the rest of our factories.”

**- Ahmed Abdul Kabir Chowdhury,
General Manager, Human
Resources & Compliance, Beximco
Industrial Park**

Advice for Financial Service Providers

- Understand the financial behaviours and needs of garment sector employers and workers and develop financial solutions which would be in high demand.
- Provide relevant product information to garment workers that explains how to access and use the payroll accounts. The materials should also provide clear information on fees and charges to avoid misunderstandings and grievances, and information on fraud awareness and protection information.
- Build the capacity of sales teams and agents to serve male and female garment workers by working with local NGOs, including developing capacity to engage female workers.
- Offer training to all existing and new payroll clients.

Top Tip:

Prioritize practical training for workers to build up their confidence in digital wages and financial products, avoiding lecture-heavy trainings.



For more details refer to [HERproject's Garment Sector Wage Digitization - A Practical Guide for Financial Service Providers](#)

“We believe financial capability training is especially important for garment workers as it helps build the foundation for a sustainable ecosystem. We have partnered with HERproject to strengthen our payroll training and plan to roll this out in more factories with our clients. In the near future, this should be the norm for all key players in the Mobile Financial Services industry.”

- **Sarabar Kumar Chanda, bKash, a bank-led mobile financial service provider in Bangladesh**

Advice for Government, Local NGOs, and Worker Associations



Governments

- Promote responsible wage digitization that includes financial capability training that considers the needs of female workers as part of financial inclusion strategy
- Share wage digitization resources in low-income worker communities
- Identify opportunities for government-led training on responsible wage digitization, with a focus on women



Local NGOs

- Incorporate gender-sensitive digital wages training into existing programs
- Use open-source digital wages resources for workers, such as HERfinance tech learning tools in training spaces to provide gender sensitive Training of Trainers sessions for program teams
- Engage with community level gender awareness providers on wage digitization and the impact and challenges for women. Support campaigns in the worker communities, particularly at non-brand-facing factories



Worker Associations

- Conduct digital wages awareness campaigns at federation offices, taking the opportunity to share materials
- Distribute digital wages materials, such as posters and videos through networks



For more details refer to [HERproject's Practical Guide for Gender-Responsive Wage Digitization in the Garment Sector](#)

Worker Case study

Maria, Garment worker, Dhaka

“ I am 23 years old and working as a quality inspector in the sewing section. My husband is a businessman, and we have a three year old daughter named Tahsina. I am from Satkhira and live 20 minutes from the factory. I am currently studying at a local college in my spare time.

From the beginning I have been receiving my salary in a mobile account and have never faced any troubles with my account. During the training, I was most interested in the idea of saving in my own account. There are posters in factory about training and welfare officers play songs about training which helped us a lot. I have shared my learning with my co-workers and family members.

I am happy with my account and after receiving training, I can control my money and can save. I find other services of the mobile account such as payment, sending money, and recharging mobile phone very helpful and this account has also been a great support in an emergency. I can send money or receive from others immediately and can even recharge my mobile at midnight.

My life is very different from my mother's and grandmother's. They were not allowed to go outside alone. They were not allowed to say anything in family matters as well. But I have full freedom to work outside, study and have access to any family decision.



Conclusion

Through building the capacity of garment industry stakeholders to deliver gender-intentional digital wages training, HERproject developed a new model for expanding responsible wage digitization. All stakeholders involved successfully supported the activities at their respective test workplaces, and committed to continue to support digital wages in the future. Following the support via the industry stakeholders, workers were able to conduct fundamental transactions like cash-out and sending remittances on their own without assistance. A greater number of workers also reported they started using saving accounts. Finally, workers, especially women, demonstrated greater awareness of fraudulent activities and the importance of PIN safety.

This approach to building workers' knowledge of their financial accounts and providing ongoing support is vital to maximize the benefits of the transition to digital wages and to address the trend of workers and workplaces returning to cash.

Building on this foundation, additional training from HERproject Digital Wages program can increase financial resilience, improve financial health (e.g. financial management, savings and budgeting), increase decision-making and control over wages, and increase managers' understanding of female workers' barriers to financial inclusion.

Creating the right type of awareness, and investing in building workers' confidence, safety, and understanding of digital financial products is key to responsible wage digitization, especially for women. These are essential stepping stones towards a thriving financial ecosystem, ensuring workers benefit from digital wages as it scales, and ultimately advancing women's economic empowerment.

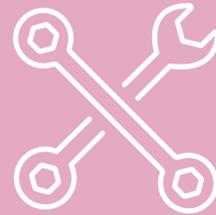


Digital Wages and Financial Capability Resources

The following HERfinance resources are readily available online.
To find out more please visit www.herproject.org/resources/herfinance

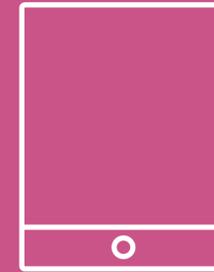
HERfinance Digital Wages Toolkit for Managers

Sets out best practice and guidance for managers to transition towards digital payroll in a responsible and efficient manner. Available online in Arabic, Bangla, English, Khmer, and Mandarin. For offline access, can be [downloaded from Google Playstore](#).



HERfinance Digital Wages Tech Learning Tool for Workers

Developed by HERproject in collaboration with QuizRR, uses engaging films, quizzes, and animation to support workers to increase their knowledge of financial services, improve financial health and build their digital literacy. Download at www.herproject.org/programs/herfinance/digital-wages



HERproject Youtube Channel

HERfinance Digital Wages videos and animation, developed with QuizRR, can be used during training, or shown on their own – such as in factory canteens. Playlists are available in [Arabic](#), [Bangla](#), [Khmer](#) and [Vietnamese](#).



HERfinance Posters

A set of posters with information about financial services and financial management. Available also in [Arabic](#), [Bangla](#), [Gujarati](#), [Hindi](#), [Kannada](#), [Khmer](#), [Tamil](#) and [Vietnamese](#).



HERfinance Audio

Song about financial services and money management available in [Assamese](#), [Bangla](#), [Gujarati](#), [Hindi](#), [Kannada](#), [Tamil](#), [Urdu](#) and [Vietnamese](#). Audio messages also planned in Khmer.



Garment Sector Wage Digitization: Practical Guides

A series of practical guides detailing insights and lessons for wage digitization for global buyers, financial service providers employers, and financial inclusion and gender practitioners.

- [For brands and buyers](#)
- [For financial services](#)
- [Gender-responsive guide](#)



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BSR's HERproject™ is a collaborative initiative that strives to empower low-income women working in global supply chains. Bringing together global brands, their suppliers, and local NGOs, HERproject drives impact for women and business via workplace-based interventions on health, financial inclusion, and gender equality. Since its inception in 2007, HERproject™ has worked in more than 1,000 workplaces across 14 countries and has increased the well-being, confidence, and economic potential of more than 1,230,000 women and 775,000 men.

For more information about digital wages – please visit:

www.herproject.org/resources/herfinance

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- ² Statement by Her Excellency Sheikh Hasina, Prime Minister of the People's Republic of Bangladesh
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