

# **THE IMPACT OF HIRING CONTRACTUAL WORKERS ON SUSTAINABLE SUPPLY CHAIN**

**By**

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A thesis presented to the Department of Management Sciences,  
Bahria University Karachi Campus, in partial fulfillment of the  
requirements  
of the MBA degree



**SPRING, 2018**

**Bahria University Karachi Campus**



## MBA Thesis 2<sup>nd</sup> Half-Semester Progress Report & Thesis Approval Statement

### Supervisor – Student Meeting Record

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## **ABSTRACT**

### **PURPOSE**

The textile industry of Pakistan is one of the biggest industries in the world and has the longest creation chain with inborn potential for esteem expansion at each stage. Pakistan is among top 10 textile exporters of the world, many of well-known international retailers outsource textiles goods from Pakistan. Social compliance issues is one of the important areas of most of the international retailers to ensure the quality of the product they outsource. A code of conduct is a voluntary policy tool, which includes environmental and social standards for especially manufacturing industries practicing global supply chain operations. These codes of conduct includes ethical working conditions, labor rights, and health and safety.

### **METHADODOLOGY AND DESIGN**

This research investigates the impact of issues regarding the hiring procedures of contract based workers and their maintenance of workers contract in the factories. Hiring workers through third party / labor agencies do not received equal benefits and compensation because they are not registered as formal employees of the factory and management do not identify them as their workers and avoid to maintain their work records. A total of 90 , Secondary and unpublished Social Compliance onsite Audit reports of export oriented Textile factory of Pakistan having contractual labor will be analyzed. This research is based on quantitative data from a sizeable population. To test the hypothesis we used Z-TEST and REGRESSION techniques.

### **FINDINGS**

The research hypothesis suggests that through third party hiring of workers that is contractual workers will lead to no adequate hiring procedures of workers available, lack of clear or composed employment contract issues , absence of paid leave and weak after weak rest days , lack of payment of other non-wage benefits. Although contractual workers generally suffers substandard conditions to their specifically utilized partners, specifically

bring down wages and poorer access to social security benefits (Man-Kwan Chan, WIEGO, 2013). As far as social and ethical compliance is concerned it difficult for international buyers to be sure that the good or services they purchase or procure were not produce in sweatshop conditions in the factory.

## **KEYWORDS**

**Hiring contractual workers**

**Ethical compliance**

**Hiring procedure issues**

**Missing workers contract**

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