

# Reducing absenteeism and turnover of female workers in the tuna industry

*The experience of SolTuna, in partnership with IFC: the business case for addressing gender-based constraints of female employees on the Solomon Islands*

## The SolTuna company

As the only tuna filleting and canning facility on the Solomon Islands, a country where the tuna industry accounts for 18% of GDP, SolTuna faces several challenges. The remote location of the facility means that the costs for labour, shipping, and support services are higher than for its traditional competitors from Thailand and the Philippines. To remain competitive and protect this significant sector, SolTuna needs to reduce its costs of operation.

One of the major costs that can be reduced are the costs associated with the high employee absenteeism and turnover, particularly among production staff - the majority of whom are women. For this purpose SolTuna, in partnership

with IFC, made a thorough gender analysis aiming at the identification of the major gender-based constraints faced by female employees. Based on this analysis, SolTuna is implementing a series of gender-smart initiatives.

## The employees

SolTuna employs around 1200 female employees, accounting for 2/3 of the total workforce in the facility. The production staff is absent 32% of the time on average, of which 18% without permission. To compensate for these leaves without a valid reason, the factory has to hire extra staff in each shift and staff has to work longer hours. This does not only increase costs, but also leads to lower productivity.



## Gender-based constraints

### Lack of financial literacy leading to cash flow problems

Most workers in the facility come from subsistence agriculture or informal work and have low literacy and numeracy levels. 86% of the workers have run out of money one day before payday. In order to cover the household costs, they have no choice but to sell their own goods such as local fish on the market, instead of working their shift at SolTuna. This way they do get money immediately, but they miss out on a significant attendance bonus at the factory.

### Family care and poor worker health

The absent workers are mostly young, married women, who have to take care of children and other family members. 44% of resignation letters cited child or elder care as the reason for leaving SolTuna.

38% of all absences at SolTuna are due to sick leave, and a further 10% are due to 'family problems', including gender-based violence.

### Limited career prospects

Women are often hired in low-paid positions. At SolTuna, women hold 67% of operational staff positions but only 14% of middle manager posts. Almost half of the female workers do not believe they have

fair opportunities to be promoted, which contributes to low morale and absenteeism.

### Unequal distribution of staff benefits

The housing committee in the factory is responsible for allocating and overseeing the sought-after company housing. The management team however noticed that male staff is more likely to get access to company housing than female staff.



**Result:**

**Reduced costs for overstaffing**



## Strategies

### Improving financial literacy and household budget management

Several modules of financial literacy and household budgeting were delivered to about 300 production workers, including:

- Understanding the payslips. Workers were helped to understand the calculation of salary based on the number of days worked and especially on the amount of overtime worked. This will ensure that workers are motivated to work overtime when necessary.
- Communication with their partners and family members about the use of money, and learning to make a household budget to manage the household cash flow.
- The importance of having a bank account. Local banks are invited to the factory, so workers can easily open their own account to receive their pay. This prevents it being taken by their husband or male relatives.

### Training women in non-traditional skills

Women are given the opportunity to become for example forklift drivers. Thus they learn new skills and can also achieve more lucrative positions.

### More gender equality in the distribution of benefits

To correct the imbalance in access to housing, SolTuna established a committee with a female chairperson and a balance in male and female members. The company also added gender equality as a criterion for housing allocation.

### Increase in lowest wages

In 2016, the SolTuna Employees Consultative Committee reached an agreement to spend the entire approved 5% wage increase on raising the lowest earning four grades, positions mostly held by women.

## Results



### Benefits for SolTuna

IFC calculated the financial gains associated with reducing controllable absenteeism to a level considered most realistic. These gains are significant: SolTuna stands to earn an additional \$1.58 million and to save \$166,000 a year, in several ways:

#### Reduced costs for overstaffing

Covering benefits such as housing and school subsidies for workers hired for overstaffing purposes costs the company over \$45,000 a year.

#### Reduced overtime

Overtime resulting from unanticipated employee absences costs the company \$121,000 a year.

#### Increased productivity

Increased attendance also increases the amount of fish SolTuna can process each day to 125 metric tons. Given current tuna prices and assuming full production, this change could produce an additional \$1.58 million in revenue a year.

#### In-house filling of vacancies

Apart from the above, with women taking up non-traditional jobs, SolTuna can fill vacant posts in-house. This is a cheaper and more effective means than identifying new talent outside of the company.



### Benefits for women

#### Access to training and increased skills on managing the family cash flow

As a result of a series of trainings, the percentage of workers with sufficient money until payday increased from 14% before the training to 31% after. Also, 39% of the workers made household budgets after the training, compared with only 12% before. This led to better management of the family cash flow.

#### Fair allocation of houses to men and women

As a result of the measures taken to balance the access to the company housing, 42 of the 128 housing units are now occupied by female employees.

#### Satisfaction in workplace and access to non-traditional jobs

Women are becoming more motivated on the work floor and are getting more opportunities for non-traditional jobs that pay better.



### Credits

IFC. 2017. *Investing in women: New evidence for the business case*, pp. 18-22. Washington, DC.

IFC. 2018 *Case study: gendersmart solutions reduce employee absenteeism and turnover in Solomon Islands*. Washington, DC.

IFC. 2016, *SolTuna – tuna processing, Solomon Islands*. Published in: IFC, 2016, *The Business Case for Women's Employment in Agribusiness*. Washington, DC.