

Case Study: Empowering female workers in the garment industry through soft skills training

Promoting Responsible Value Chains in India for an Effective Contribution of the Private Sector to the SDGs
(PROGRESS Project)

Sector: Apparel and Textile
Organization: Shahi Exports



Centre for Responsible Business (CRB) and Aston India Centre for Applied Research (AICAR), Aston University, UK have teamed up to explore and investigate *how private sector companies - as part of Global Value Chains (GVCs), production networks and FDIs in India have/could better contribute towards achievement of specific SDGs, particularly inclusive education and life-long learning (SDG4), employment and decent work for the youth (SDG 8), women's social and economic empowerment (SDG 5) and sustainable consumption and production (SDG 12).* The generated evidence would be used to influence and support policy and practice (industry) level discussions and actions through multi-stakeholder processes in India, with various industry sectors that are part of GVCs, production networks and foreign investments, but continue to be vulnerable. The project is being undertaken with support from the International Development Research Centre (IDRC), Canada.

This case study has been developed as an example from the Indian apparel and textile sector on the contribution of industry-led initiatives towards some of the SDGs (indicated above).

SHAHI

Shahi Exports is one of the largest apparel manufacturer and exporter in India. Shahi runs a number of initiatives in its factories to improve lives and livelihoods of its workers, especially women. This case study on P.A.C.E. Program is submitted by Shahi to demonstrate that investing in soft skills of workers can have both social and business benefits.



Good Business Lab (GBL) is a not-for-profit labor innovation company incubated at Shahi. GBL uses rigorous research methods to find a common ground between worker wellbeing and business interests. The impact evaluation of the P.A.C.E. Program at Shahi was conducted by GBL.



Personal Advancement & Career Enhancement (P.A.C.E.) is a Gap Inc.'s proprietary life-skills training program launched in 2007 for women in the apparel supply chain. Shahi was the first manufacturer to pilot P.A.C.E. in 2 of its factories. Now, Gap Inc. has expanded the program to 17 countries in order to reach more women, including in rural community settings, academic and vocational institutions, emergency relief centers, and more.

Empowering female workers in the garment industry through soft skills training

Organization: Shahi Exports

Nature of Organization: Manufacturer and supplier to global fashion brands and retailers

Sector Covered: Textile and Apparel Manufacturing

Relevant SDG: SDG 5 - Gender Equality, SDG 8 - Decent Work and Economic Growth

Background:

Globally, the garment industry is one of the biggest employers of low-skilled female workers. Despite their large numbers in the workforce, opportunities to acquire the necessary skills to advance to high-level positions are limited. While companies traditionally invest in improving workers' technical skills, not much importance is given to soft skills. In response to this need, Gap Inc. funded development of the Personal Advancement & Career Enhancement (P.A.C.E.) (with [International Center for Research on Women](#) and [Swasti](#)), a holistic life-skills learning program for female garment workers (FGWs). Shahi was the first manufacturer to pilot P.A.C.E. in 2007 in two factories (in Faridabad & Bengaluru). Since then, **Shahi has enrolled 50,000+ FGWs** in P.A.C.E. We have also incorporated P.A.C.E. in the training curriculum at our community skill development centers where women from a low-income background are trained for sewing skills.

Objective of case study: To show that investing in soft skills of workers can have both social and business benefits.

About the organization:

Shahi was established in 1974 by Mrs. Sarla Ahuja, who started her journey as a sewing machine operator. From its humble origins, the family-owned business has grown to become India's largest apparel manufacturer and exporter. Shahi has 59 state-of-the-art manufacturing facilities across 8 states in India with a diverse workforce of over 115,000 people. Vertically integrated operations, diversified product range and a strong commitment to ethical operations and environmental sustainability have established Shahi as one of the most preferred garment manufacturers in the world.

Details of the initiative:

P.A.C.E. is Gap Inc.'s proprietary program which teaches managerial, interpersonal, organizational and other practical life skills needed to move forward in work and in life. Launched in 2007, it was initially created to support women in the global apparel industry. P.A.C.E includes 48-80 hours of training in eight modules which are - Communication, Problem-solving and Decision Making, Time and Stress Management, Execution Excellence, General & Reproductive Health, Water, Sanitation and Hygiene (WASH), Financial Literacy and Legal Literacy & Social Entitlements. Shahi has committed to training **58,000+ FGWs by 2024**. The program also includes sensitization sessions for "Key Influencers" at work and home. This includes training of supervisors, factory staff, and family members of the FGWs, to create an enabling environment for women to apply the skills they have gained from the sessions.

Motivation

Shahi has placed women's employment and empowerment at the heart of its business strategy. This commitment naturally led to a partnership with Gap Inc. in 2007. Positive business and social outcomes demonstrated by the impact evaluation study of P.A.C.E. at Shahi by [Good Business Lab](#) (GBL) further motivated us to scale up the program. P.A.C.E. is now running in 41 factories of Shahi with a dedicated team of 35 trainers. In 2015, Shahi became the first supplier to get the P.A.C.E. license to expand the program beyond factories of Shahi. In 2018, our experienced trainers trained over 40 women in one of our supplier factories. At our skill development training centers in Chhattisgarh, Haryana, Jharkhand, Karnataka, Odisha, and Punjab, we have more than 20 P.A.C.E. trainers who have trained 8000+ women. P.A.C.E. has become integral to Shahi's culture and way of doing business. We are aligned with Gap Inc.'s mission of "**Advancing Women to Advance the World**".

How/ if impacts are measured from the initiative:

Anecdotally we had heard, from many of our P.A.C.E. trained female workers, stories of how the program positively impacted their personal and professional lives. However, there was little empirical evidence to support this. To ascertain the impact of P.A.C.E. on workers' wellbeing and business outcomes, we partnered with [Good Business Lab](#) - a not-for-profit labor innovation company incubated at Shahi. Five factories of Shahi were selected for this evaluation wherein 80 production lines were randomly assigned to a treatment group (P.A.C.E. training) and 32 production lines to a control group (no P.A.C.E. training). From January 2013 to February 2015, data related to workers' productivity, salary, retention, and other workplace-related outcomes were collected by a team of researchers.

Results from the evaluation study are as follows:

Business Impacts

1. P.A.C.E. beneficiaries were 11% more productive than those who have not participated in the program
2. At the end of the program, the net rate of return was 73%, i.e. the training costs were entirely recovered at the completion of the program along with 73% additional returns
3. After eight months of the program, the net rate of return for Shahi through improved productivity, attendance and retention of workers was observed as 250%. This reached up to 258% after 20 months of the program

Social Impacts

P.A.C.E beneficiaries were:

1. 15% more likely to request for skill development training at the firm, state-sponsored pension, and subsidized health-care
2. More likely to save in general for their children's education
3. More rational in their risk and time preferences
4. More aspirational with regard to their children's ultimate educational attainment

Engagement with brands – if the initiative is driven because of brands' commitments; what is the mechanism to provide feedback on the requirements? In case initiative is self-motivated then is it recognized by brands?

As one of the largest suppliers to Gap Inc., Shahi had participated in the designing and piloting of P.A.C.E. in 2007. To increase the effectiveness of the program, we regularly communicate with Gap Inc. and give feedback on refining the modules.

The P.A.C.E. trainers are certified by Gap Inc. Program & Training Specialists through their Learning Management Platform. This is a rigorous certification process that onboard a potential trainer to the P.A.C.E. curriculum as well as help build their facilitation and program management skills. The implementation data from factories is recorded online on a MIS platform which is actively monitored by Gap Inc.

Gap Inc.'s team also regularly visits our factories to conduct quality assurance and to review the progress, observe training sessions, and take part in P.A.C.E. opening and closing ceremonies. Our certified trainers attend the offsite annual P.A.C.E. Refresher Program organized by Gap Inc.

This is a capacity-building program for trainers with focus on how the training content and methodologies can be continuously improved.

Challenges (to sustain the initiative, brands expectations, supply chain compliance (for further upstream, etc.)

While there have been challenges in institutionalizing P.A.C.E. as a part of Shahi's work culture, the positive impact on our workers inspired us to work through these challenges. Some of the challenges are mentioned below:

1. Initially, we faced difficulties in finding a schedule for the training which suited management and workers. Through several negotiations and demonstrating the positive impact of P.A.C.E. to factory management, we were able to figure out a mutually beneficial time slot for every factory
2. P.A.C.E. is a resource-intensive program where we require a team of in-house trainers for conducting daily sessions. These trainers have to undergo a rigorous training of the trainer (ToT) and pass several tests to become a Certified Trainer
3. A dedicated central team has to continuously ring the quality and effectiveness of the program. As we scale up P.A.C.E. to train 58,000+ FGWs by 2024, our Master Trainers will train new trainers to conduct the training
4. P.A.C.E. is designed for classroom training sessions with a batch of 30-40 candidates. Due to the **COVID-19 crisis**, all in-person trainings have been suspended. To continue the program, our training team is taking part in regular discussions with Gap Inc. to develop digital learning content

Sustainability Communication – where does the firm communicate and how? (To stakeholders: suppliers, customers, etc.)

We communicate with our customers and the wider industry to demonstrate the positive impacts of soft skills training on both, the workers and the business. Following are the different modes of communication:

1. P.A.C.E. participants' data and progress of the program are updated on a digital MIS platform provided by Gap Inc.
2. Regular sustainability updates on our website blog ["From the shopfloor and beyond"](#)
3. Quarterly newsletters which are shared with our partners and key stakeholders
4. We were invited to share experiences of P.A.C.E. at Gap Foundation's 40th Anniversary Celebration in 2017 and other P.A.C.E. partner conferences

5. Our trainers also collaborate with trainers from other P.A.C.E. partners in the country during the P.A.C.E. Annual Refresher Program (2-3 day offsite event)

Awards and Recognition- Shahi Exports

1. Awarded by Gap Inc. for achieving our maximum pledged scale and disciplined data management in 2019
2. P.A.C.E. Graduates from Unit 7 were given the 'P.A.C.E. Champions' award for demonstrating positive changes in their professional and personal lives and supporting the program for over 10 years
3. Our employee Sujata was featured in the Gap Inc. P.A.C.E. video "[My Sister Sujata](#)"
4. Featured with Ashley Judd for a panel discussion on P.A.C.E. at the [UNGA 2017 event](#) in partnership with ICRW

P.A.C.E. Program- Global Recognitions

1. Bill Clinton, Former President of the United States of America, in his article, "[The Case for Optimism: From technology to equality, five ways the world is getting better all the time](#)", has recognized P.A.C.E. as an important contribution of the private sector to help female garment workers advance in their life and the workplace
2. In 2010, Gap Inc.'s P.A.C.E. was awarded the 2010 Financial Times - [Justmeans Social Innovation Award](#) for "Most Strategic Philanthropic Program"

Conclusion and Road Ahead

In this highly competitive world, it is often perceived that employers of large workforce with low-profit margins would have no incentives for investing in soft skills training and personal development of the workforce. But the business and social outcomes of P.A.C.E. at Shahi has established a strong business case for investing in the soft skills of workers. We have committed to training **58,000+ FGWs by 2024**. To reach our goal, we are certifying a pool of P.A.C.E. trainers among our employees who can speak multiple languages, to facilitate P.A.C.E. training. The ultimate goal is to build their capacity to run independent training sessions in factories and skill development training centers. The impact evaluation study of P.A.C.E. at Shahi had helped to inform Gap Inc.'s global expansion of P.A.C.E. It has also contributed to Gap Inc.'s licensing of select firms such as Shahi, to expand P.A.C.E. in their factories or outside factories in community settings. Gap Inc. has a goal of reaching 1 million women and girls in the program by 2022. Moving

ahead, we would also explore opportunities of how our Master Trainers can impart ToT for other labor-intensive sectors with a large proportion of women.

Collaboration between brands and suppliers has the potential to greatly expand this program. Gap Inc. has provided a no-cost license to industry and community partners including other fashion brands. In partnership with PVH Corp. - which has acquired P.A.C.E. license from Gap Inc. - Shahi has pledged to train 13,000 women in 17 factories by 2022 in P.A.C.E. (This is included in the overall target of 58,000+ FGWs by 2024). We will continue to explore and partner with like-minded organizations to extend P.A.C.E to all our factories, skill development training centers, and in larger community settings through Women Self Help Groups and Non-Government Organizations.