Advancing Women in Non-Traditional Roles

CASE STUDY

Interloop Limited
Hosiery Manufacturing, Pakistan
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2121 Pennsylvania Avenue, N.W.
Washington, D.C. 20433

Internet: www.ifc.org

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IN COLLABORATION WITH
FOREWORD BY IFC

Pakistan’s economy is presently growing at just under 6 percent annually. The country’s GDP could grow by 30 percent if women and men participated equally in the workforce. Women’s education levels in Pakistan have increased over time. Yet, only a quarter of women are working compared to over 80 percent of men. The gap is staggering and closing it represents a huge economic opportunity for Pakistan.

In addition to Pakistan’s economy, closing gender gaps is also good for Pakistan’s businesses. The competitiveness and growth of Pakistan’s firms could be significantly enhanced if firms could bring into their company diverse skills and talents, which are urgently needed to be more productive and innovative. Despite competition over attracting and retaining skilled employees, few companies have widened their search for talent and skills by tapping into Pakistan’s vastly underutilized female talent pool.

A 2017 study by The Pakistan Business Council’s (PBC) Centre of Excellence in Responsible Business (CERB) found that women represent less than 20 percent of the workforce of 90 percent of the surveyed PBC member firms. Although this is higher than the national average of less than 10 percent women in the formal, private sector workforce, in most cases, women continue to be underrepresented in formal employment and earn less than men for equivalent work. Pakistan’s private sector has a critical role to play in ensuring that women have access to more and better jobs.

A growing number of forward-looking Pakistani companies are now starting to see the business case for gender diversity, even in sectors considered non-traditional for women. To expand this awareness and turn it into action, IFC partnered with PBC to bring to Pakistan IFC’s global research and advisory expertise on the business case and good practices for advancing women’s employment.

These case studies are part of a series of initiatives that IFC and PBC have jointly led over the past year to mobilize more companies in Pakistan to increase gender diversity in their workforce. The aim of the case studies is to provide guidance to Pakistani firms on successful approaches for recruiting, retaining, and promoting more women and achieving better business outcomes.

The case studies feature five PBC member companies that are promoting greater inclusion of women in their workforce in five thematic areas: Artistic Milliners Limited for the Women in Business Leadership theme, HBL for the Anti-Sexual Harassment theme, Interloop Limited for the Women in Non-Traditional Roles theme, National Foods Limited for the Family-Friendly Policies theme, and Packages Limited for the Equal Opportunity Recruitment Practices theme. HBL and Packages are IFC investment clients and Artistic Milliners and Interloop are IFC advisory clients.

Our aim is that these case studies will reach many businesses in Pakistan and help them better understand the business case for women’s employment, get insights into the approaches that work, and learn from each other’s experiences while replicating solutions.

On behalf of IFC, I would like to thank the companies that participated in this project and generously shared their data and good practices, and PBC for their commitment to this important agenda. IFC is committed to working with the private sector in Pakistan to create equal employment opportunities, decent working conditions, and lucrative career paths for women, and we will continue to do more.

Nadeem A. Siddiqui
Senior Country Manager for Pakistan
International Finance Corporation, World Bank Group
The Pakistan Business Council (PBC) is a business advocacy forum composed of the largest businesses including multinationals that have significant investment in and a long-term commitment to Pakistan. Members’ turnover represents 11% of Pakistan’s GDP and they contribute 25% of the taxes and exports. Our key advocacy thrust is on easing barriers for Pakistani businesses in the wake of progressive regional and global free trade, as well as improving national investment flows to match target GDP growth rates.

PBC works closely with the relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. It has submitted key position papers and recommendations to the government on legislation and other government policies affecting businesses. PBC also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, and other regulators with the objective to provide policy assistance on new initiatives and reforms.

The Centre of Excellence in Responsible Business (CERB) is the first of PBC’s outreach initiatives to build capacity and capability of businesses in Pakistan. CERB’s vision is to assist Pakistani businesses to pursue long term sustainability and value creation, and its mission is to contribute towards inclusive social development. As part of its strategic objectives, CERB engages with businesses and industry leaders to provide a clear direction towards conducting responsible business in Pakistan. It leverages private sector growth as a means for development and poverty reduction taking guidance from the United Nations Sustainable Development Goals framework.

CERB’s aim is to identify and impart good practices from within the PBC member companies and work towards changing the mind-set of the many businesses that are not members of PBC but contribute equally to Pakistan’s economy.

In the context of gender equality, PBC is privileged to have partnered with the International Finance Corporation over the past year and, as part of our collaborative efforts to enhance women’s employment in Pakistan, we have together worked on five case studies where opportunities among domestically-owned companies to do so have been highlighted. On behalf of PBC, I would like to thank our member companies for allowing our respective teams to carry out in-depth analyses of their good practices in this area and sharing with us their data that may be published.

Ehsan Malik
CEO
The Pakistan Business Council
Case Study: Advancing Women in Non-Traditional Jobs at Interloop Limited

WOMEN IN NON-TRADITIONAL JOBS IN PAKISTAN

Globally, as new technologies are emerging and changing the nature of work, a growing number of countries and companies are realizing that prioritizing science, technology, engineering, and mathematics (STEM) jobs can drive innovation and spur economic growth. In addition, gender diversity in STEM professions is particularly important for business growth in many ways, including through improved operational and financial performance, increased innovation, better problem solving and group performance, and enhanced company reputation.

Despite the business and economic benefits of gender diversity in STEM, globally, STEM jobs are traditionally male-dominated, and women are less likely to enter and more likely to leave STEM careers. Work experiences and environments often impact women’s decisions to leave. For example, isolation, unconducive male-dominated work environments, ineffective executive feedback, and a lack of effective sponsors are some of the factors that push women to leave STEM jobs.

In Pakistan, women make up less than 10 percent of STEM professionals, with the highest concentrations of women in natural and medical sciences. Women

Interloop’s Employee Profile (2018):
- Executive Level: 11% male to female ratio (1,091 men; 134 women)
- Staff: 5% male to female ratio (13,482 men; 768 women)
- Total: 6% male to female ratio (14,518 men; 882 women)
- Number of female engineers: 31, including textile, electrical, industrial, and civil engineers.

Interloop recruits more women in non-traditional roles through:
- Recruitment drives
- Training and career growth opportunities
- On-site daycare center
- Safe transportation
- Returnship program for women

Business impacts of Interloop’s gender diversity in non-traditional roles:
- 3% increase in the percentage of women in the workforce (from 3% in 2014 to 6% in 2018)
- Decreased absenteeism from 3.4% in Q4 2017 to 2.7% in Q3 2018
- Lower attrition rate from 19.8% in 2014 to 10.46% in 2018
- Improved Engagement Index from 61% in 2013 to 64% in 2015
- Improved productivity by 33% from 2012 to 2017
- Improved chances of building a sustainable business and attracting international buyers

1 Methodology: Information presented in this case study is based on HR data gathered and analyzed between September to November 2018 with Interloop’s HR team as well as a focus group discussion with 10 employees and 10 one-on-one interviews with Interloop’s Executive Director for People & Organizational Development, the HR team, plant manager, unit heads, and women working in various non-traditional roles. This research was conducted by IFC Gender Secretariat in collaboration with PBC.
5 Ibid.
are overwhelmingly concentrated in sectors such as agriculture, where 76 percent of Pakistan's employed women work, primarily as agricultural workers (62 percent).\textsuperscript{7} Women are also present, to some extent, in manufacturing (12 percent) and in education (6 percent), a generally 'feminized' sector.\textsuperscript{8} Overall, women are underrepresented in non-traditional, technical, high-skilled, and managerial roles\textsuperscript{9} across all sectors. One of the underlying reasons why women are underrepresented in non-traditional jobs in Pakistan is the country's Labor Code, which bars women from working night hours, in jobs deemed "hazardous, arduous, or morally inappropriate," and in the same industries and performing the same tasks as men.\textsuperscript{10} These legal restrictions in the country's Labor Code do not extend to men. Cultural barriers and social norms also keep women out of certain sectors and professions. Jobs such as the teaching and nursing professions are often deemed socially acceptable jobs for women as these jobs are often seen as extensions of women's traditional roles as caregivers.

Against the backdrop of these legal and cultural barriers, several forward-looking Pakistani companies are stepping up to address occupational sex segregation and advance women in non-traditional roles to reap the full benefits of a gender diverse workforce.

\textbf{INTERLOOP LIMITED: COMPANY OVERVIEW}

Interloop Limited is among the world's largest hosiery manufacturers and one of the top foreign exchange earners for Pakistan, producing around 600 million pairs of socks and tights annually for international brands and retailers, with an annual turnover of USD 270 million. A key player in the global hosiery business, Interloop is now entering the denim and seamless active-wear segments. It employs around 15,000 people in 4 factories across Faisalabad and Lahore in Pakistan, producing a range of socks for world-renowned brands and retailers. Although headquartered in Pakistan, Interloop's global footprint, including affiliates (manufacturing and sales), spreads across 7 countries and 3 continents, including Bangladesh, China, Japan, the Netherlands, Sri Lanka, and the U.S.

In countries like Bangladesh and Vietnam, the garment sector is primarily female-dominated. By contrast, Pakistan’s garment industry is male-dominated and generally perceived by employers and employees to be inappropriate for women workers, given the factory environment and the nature of tasks that need to be performed and the skills that are required. In 2012, Interloop set out on a journey to challenge


\textsuperscript{8} Ibid.


“Our experience shows that there are qualified women out there and they want to enter technical and non-traditional job roles. They like to be challenged. They know that these jobs are financially more lucrative than other low skilled jobs. We, as a company, have to be ready and make sure that we create the right environment for these women.”

Aqeel Ahmad, Plant Head, Interloop Lahore

these perceptions and meet its talent and skill needs by not only attracting women into its workforce but recruiting them in what are perceived as non-traditional jobs for women.

INTERLOOP’S BUSINESS CONTEXT FOR HIRING WOMEN IN NON-TRADITIONAL JOBS

To remain cost-competitive, Interloop must run 24/7 operations and produce at scale. The production of large volumes requires Interloop to maximize its resources and hire and retain a cadre of skilled workers. Companies in this fast-paced and evolving industry often compete over a limited pool of skilled workers, primarily male, for various specialized and technical job roles, including engineers and machine operators.

To rise above the competition and be ‘ahead of the curve’, Interloop has made efforts to widen the pool from which it recruits for skilled and technical positions by tapping into Pakistan’s underutilized female talent.

Led by a strong tone at the top and leadership commitment to gender diversity, Interloop aims to build an equal opportunity workplace and a sustainable business in the long-run, strengthen its international buyer relationships, and set an example for the rest of the industry in Pakistan. With this goal and commitment in mind, Interloop has set specific medium-term gender diversity targets:

- 10 percent representation of women at an overall business level by 2020
- 40 percent representation of women in Interloop’s new denim business by 2020
- Establish a new daycare facility at Interloop’s new denim plant, catering to a total of 120 children
- Provide affordable, equitable, and quality education to 4,000 children, 50 percent female, by sponsoring 25 The Citizens Foundation (TCF) schools in underprivileged communities
- Provide 500 young women (50 percent) and men (50 percent) access to technical and higher education by granting annual scholarships
HOW INTERLOOP RECRUITS AND RETAINS WOMEN IN NON-TRADITIONAL JOBS

As part of Interloop’s Vision 2020, women are now represented in every department and in a variety of roles at Interloop, including as machine operators, textile engineers, industrial engineers, electrical engineers as well as in executive positions. Interloop recognizes that the most important work often begins after women are recruited and targeted efforts are required to keep attrition and absenteeism rates low and ensure women stay in the workforce. To identify barriers that keep women out of the workplace and to develop an effective strategy to recruit women, Interloop held discussions with staff and carried out a staff engagement survey. Based on the results of these assessments, Interloop developed and instituted several policies and practices to recruit female candidates and retain the ones already engaged in non-traditional job roles.

1. Providing training and career development opportunities: To encourage and prepare women to step into non-traditional, technical, and specialized roles, Interloop developed a three-step training and career management strategy involving: a) Job Study Training: Female employees enroll in Interloop’s on-site Technical Training Center where skills training is imparted by a professional trainer; b) Trial: Female employees are given the space to practice and apply the skills gained during the training; and c) Formal Execution: Finally, female employees go through a skill demonstration and evaluation on the basis of which they are then able to either receive more training or fully step into the new job role.

2. Reaching female graduates through targeted recruitment drives: Interloop rolled out a comprehensive recruitment strategy focused on hiring female candidates from Pakistan’s top universities, including in the field of engineering. Interloop made efforts to engage these universities, organize career fairs, and identify female candidates for its Management Trainee Program. In 2017-2018, because of these efforts, Interloop was able to recruit 19 women and 21 men in its Management Trainee Program (48 percent females and 52 percent males).

3. Placing women in supervisory roles to enhance the safety and wellbeing of women: Through discussions with staff, Interloop learned that building a safe work

A Snapshot of Interloop’s Gender Diversity Progress

- Number of female engineers: 31
- Number of female managers and supervisors: 25 managers and 108 female supervisors
- 38 cells are managed by women employees with an average size of 8-10 people
- 9% representation of women in the Finishing Department
- 50% representation of women in the Management Trainee Program

“Interloop’s mission is to be an agent of positive change for our stakeholders. Hiring, retaining, and promoting more women is central to our mission. This benefits the communities in which we operate, and it strengthens our business as well.”

Faryal Sadiq, Executive Director, People & Organizational Development, Interloop
environment was one the most critical factors for recruiting and retaining more women, especially in non-traditional roles. Female staff also shared that having more women in supervisory roles across departments, especially male-dominated units, enhances perceptions of workplace safety. To that end, Interloop started hiring and promoting women into supervisory roles, especially tasked with supporting female workers and ensuring their wellbeing. In addition, welfare officer roles were introduced in HR department across all worksites and women were subsequently recruited or assigned to these roles. Welfare officers now serve as the first point of contact for female employees in case there is a workplace issue, request, or concern. Furthermore, female doctors are available at all worksites to cater to the health needs of female workers.

4. Creating a family-friendly work environment:
Recognizing that women are less likely to enter and more likely to leave STEM careers, Interloop has made various efforts to cater to the family and work-life needs of its female employees to make it easier for them to stay in the workforce. In this regard, Interloop offers three on-site daycare facilities across all its factories in Pakistan. The facilities include professionally trained teachers, offer curricula based on child development areas and a play-based learning philosophy, and follow strict health and safety guidelines. Interloop also offers returnship programs whereby women who left the company after marriage or motherhood and wish to return are prioritized over other potential candidates.

5. Raising awareness of gender diversity among workers:
Furthermore, the company’s management is keen to increase the level of awareness across the company about the importance of women in the workplace. The company provides regular training sessions about how to support the employment of women at the shop floor level. It also trains its staff on the company’s anti-harassment policies and the complaints and grievances mechanism. To address potential resistance from male employees towards gender diversity initiatives, Interloop also conducts gender-sensitization sessions.

“I plan to get married and have kids and I am so happy to see that we have a daycare facility here because then I will not have to leave my job once I have my kids. I will continue to rise in my career.”
Female engineer, Interloop

“When I first started operating these machines, I heard comments such as, ‘Please leave it, you will cause an explosion.’ But I did not give up and my male manager believed in me. Soon I was able to show my skills and I became a role model for both women and men.”
Female machine operator, Interloop
6. Offering women safe transport to and from work:
Mobility is often a key barrier to women’s labor force participation in Pakistan. As Interloop’s factories in Faisalabad and Lahore are in industrial zones that are far from residential areas, Interloop provides door-to-door pick and drop service to its female employees. To guarantee women’s safety, the company specifically introduced smaller cars to pick up women employees living in remote areas that are not connected to the main road and not accessible via mini vans.

7. Establishing appropriate shift hours: Interloop prioritized the placement of women in the company’s morning shift (from 06:00 AM to 14:00 PM) to address the challenge of women’s unavailability for working late shifts.

THE BUSINESS IMPACTS OF HIRING WOMEN IN NON-TRADITIONAL ROLES
In line with the company’s broader vision, increased gender diversity in its workforce has enabled Interloop to get closer to realizing its vision of being an ethical, sustainable, and more profitable business. While some of the initiatives, such as the on-site daycare facilities, require financial investments, Interloop believes that the benefits to the business often outweigh the costs.

Recruitment and Retention
Through its initiatives to increase the share of women in its workforce and in non-traditional roles, Interloop has experienced an increase in the representation of women in the company from 3 percent to 6 percent in just four years (2014 to 2018). Over time, Interloop’s efforts such as its family-friendly policies, have contributed to lower absenteeism and turnover. Absenteeism has decreased from 3.4 percent in Q4 2017 to 2.7 percent in Q3 2018. On the other hand, the attrition rate has decreased from 19.8 percent in 2014 to 10.46 percent in 2018, which includes shop floor attrition which is higher than management attrition.

Employee Engagement
Interloop has over time recorded an increase in employee motivation and productivity. Interloop’s Engagement Index improved from 61 percent in 2013 to 64 percent in 2015. Moreover, employee productivity has increased by 33 percent between 2012 and 2017. Interloop attributes a lot of this success to the policies and programs it has initiated since 2012.

Workplace Culture
Interloop has noticed that the increased share of women in its workforce has improved the organizational culture, instilled a healthy competition and discipline in male employees, and increased employee motivation and engagement. Initiatives

Women in Sports at Interloop
In addition to engineers, machine operators, and supervisors, women are breaking stereotypes and excelling at sports as well. Women are regular users of Interloop’s on-site sports complex and are champions in badminton, squash, and table tennis. Interloop believes that participation in sports builds team spirit and collaboration.
such as the HR help desks, welfare officers, and complaints and suggestion boxes in each location have enabled employees to raise their concerns and play an active role in driving Interloop’s gender diversity agenda. When staff feel heard and included, it impacts their job satisfaction and morale as well, as reflected in Interloop’s staff engagement surveys, which have consistently shown good results.

**Market Access and Compliance**

By investing in initiatives and policies to create an equal opportunity work environment, Interloop has been able to strengthen and maintain its relationships with its key international buyers. Globally, more and more buyers are requiring their suppliers, including Interloop, to follow international standards and best practices when it comes to equal opportunity recruitment, retention, and promotion, which include family-friendly workplace policies.

**WHAT’S NEXT FOR INTERLOOP?**

Interloop has doubled the share of women in its workforce but the company recognizes that it has a long way to go and its goal is broader than only recruiting more women into the company. Rather, Interloop’s goal also includes retention, promotion, and development of women at all levels. To continue building on the momentum generated by its existing initiatives, Interloop has prioritized key areas where it will focus its efforts moving forward:

- Conduct gender diagnostics to identify further areas of improvement and make diversity metrics part of the annual reporting process.
- Address challenges women face in working evening shifts, including by sensitively tackling social norms, care needs, and family objections to women working late hours.
- Increase the number of female knitting machine operators, which is a highly technical and male-dominated job role. Interloop aims to reassign women in administrative roles to more technical roles and increase male representation in administrative roles.
- Increase the depth and breadth of trainings available to executive staff. While there are several training opportunities available for staff at different levels of the organization, Interloop plans to offer more trainings and refresher courses for executive level staff on organizational policies and procedures. Interloop also plans to introduce additional trainings on conscious and unconscious bias as well as the role of male champions. In addition, Interloop plans to increase women’s participation in overseas lean manufacturing trainings.
- Introduce the roles of Management Representatives, who will have direct access to top leadership and whose fulltime role would be to address shop floor grievances and communicate company policies and benefits to shop floor employees. Employees will have the option to contact representatives through a hot line as well as confidential emails.
- Include men in ongoing gender diversity efforts and continue gathering feedback to see if the new policies and practices are having the desired impact on employee engagement and workplace culture.

“When we talk about sustainability, we talk about discipline, good work ethic, and attention to detail, and that is what a female employee represents at Interloop.”

Faryal Sadiq, Executive Director, People & Organizational Development, Interloop