

Good Practices

in Migrant Worker Retention Management in the Plantations Sector

Many industries battle with labour shortages and worker abscondment. In an attempt to maintain a steady workforce and to reduce the rates of abscondment, employers may undertake negative retention practices such as the withholding of passports, restricting freedom of movement, wage deductions, or requesting security deposits from workers. This tool is designed to raise awareness among palm oil and plantation companies on good practices for retaining migrant workers and avoiding practices linked to indicators of forced labour.

The good practices outlined here have been identified by the Earthworm Foundation (EF) through its field engagement with palm oil companies in Malaysia to identify rights-based worker retention practices and raise awareness about forced and bonded labour. Two case studies are provided to show what these rights-based retention strategies look in practice to guide company management and/or Human Resources personnel.

Calculating abscondment, turnover and retention rates

In order to obtain a baseline, look into your company's abscondment, turnover and retention rates. Here are simple guidelines to calculate the rates:

Obtain information on:

1. Number of migrant workers (MWs) at the start of the year
2. Number of migrant workers (MWs) at the end of the year

Calculation formulas:

Average number of workers:

$$\frac{\text{Number of MWs at the start of the year} + \text{number of MW at the end of the year}}{2}$$

Abscondment rate:

$$\frac{\text{Number of MWs who absconded within the year}}{\text{Average number of employees}}$$

Turnover rate:

$$\frac{\text{Number of MWs whose contracts ended} + \text{number who absconded within the year}}{\text{Average number of employees}}$$

Retention rate: $1 - \text{turnover rate}$

Implementing Rights-based Migrant Worker Retention Practices

This section is design to assist company in the journey of implementing practical steps on good migrant worker retention practices. The good practices take the form of 7 strategies which are proposed in the stepwise process of short, mid and long term action points.

Strategy 1 Integrating human rights into sustainability policies and human resources policies			
Short term (less than 3 months)	Mid-term (3- 9 months)	Long term (9 – 12+ months)	
<p>Determine whether your existing policies covered the topics below:</p> <ul style="list-style-type: none"> • no forced and bonded labour. • responsible recruitment and no fees for migrant workers. • child protection and not to employ child labour. • prevent violence and harassment in the workplace. • Freedom of association and collective bargaining. <p>Where needed, develop and adopt policies with a human rights focus.</p>	<ul style="list-style-type: none"> • Socialize the policies to all your employees, management, suppliers, business partners and other stakeholders. • Display policies in public places such as notice boards and on company websites. 	<ul style="list-style-type: none"> • Monitor the implementation of activities and revise the policies or the socialization process for continuous improvement. 	

Strategy 2 Upholding wage related regulations and providing for career progression to ensure workers' livelihoods.			
Short term (less than 3 months)	Mid-term (3- 9 months)	Long term (9 – 12+ months)	
<ul style="list-style-type: none"> • Examine if migrant workers are receiving the minimum wage through document review such as payslip. • Determine whether piece-rated workers are provided with sufficient work • Identify & investigate factors that lead to workers receiving below minimum wage. 	<ul style="list-style-type: none"> • Consider adopting bonuses and incentives above the minimum wage, based on attendance, productivity and other factors. 	<ul style="list-style-type: none"> • Consider providing worker a living wage – The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. 	
<ul style="list-style-type: none"> • Assess worker wage deductions to ensure that any salary deduction is permissible and lawful. Non statutory deductions would require a permit by Labour Department and written permission by the workers. 	<ul style="list-style-type: none"> • Obtain salary deduction permit from Labour Department for any non-statutory. • Obtain written consent from workers for mutually agreed deductions. 	<ul style="list-style-type: none"> • Ensure there is no unlawful deduction from the workers' salary. 	
<ul style="list-style-type: none"> • Assess the potential for workers' career progression or task rotation. 	<ul style="list-style-type: none"> • Recognize well performing workers. 	<ul style="list-style-type: none"> • Promote deserving workers to leadership roles and offer salary adjustment to 	

	<ul style="list-style-type: none"> • Provide trainings to the workers to enhance their skills. 	commensurate with the additional responsibilities.
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Strategy 3 Upholding workers' right to rest and need for access to recreational activities			
Short term (less than 3 months)		Mid-term (3- 9 months)	Long term (9 – 12+ months)
<ul style="list-style-type: none"> • Identify whether workers exceed legal overtime limits. If they do, conduct the root cause analysis to build understanding of the situation. Please include the following points in the analysis: <ul style="list-style-type: none"> ○ Identify if workers are given the choice to opt in and opt out of overtime. ○ Identify and investigate how often workers take their weekly rest day. ○ Determine if workers are not discouraged by supervisors or management from taking their rest day. 		<ul style="list-style-type: none"> • Conduct periodic checks on key roles where overtime is common. • Ensure overtime is voluntarily based through worker and management briefings and establishing opt-in and opt-out processes. 	<ul style="list-style-type: none"> • It is recommended to conduct a time motion study to look into overtime reduction and productivity improvement. Use the finding to make adjustment in resourcing needs (ex. If more workers are needed, the company should develop a plan to address it.
<ul style="list-style-type: none"> • Identify workers need for their leisure and recreational activities • Identify whether management and workers have opportunities outside of their work to build relationships of trust and respect. 		<ul style="list-style-type: none"> • Organize events for workers' leisure, sports and recreational activities • Support access to recreational facilities such as transportation provision. 	<ul style="list-style-type: none"> • Invest in long term solutions such as maintaining recreational facilities on site.

Strategy 4 Ensuring the welfare of migrant workers			
Short term (less than 3months)		Mid-term (3- 9 months)	Long term (9 – 12+ months)
<ul style="list-style-type: none"> • Assess whether migrant workers have the access to: <ul style="list-style-type: none"> • Medical facilities • General shop • Worship houses • Assess the quality of services provided or any maintenance needs to secure budget review. 		<ul style="list-style-type: none"> • Where relevant, improve access to: <ul style="list-style-type: none"> • Medical facilities • General shop • Worship houses 	<ul style="list-style-type: none"> • Ensure maintenance and upkeep of all facilities. • Consider upgrading or building new facilities where needed. • Consider training staff and/or hiring new staff.

Strategy 5 Ensuring a safe and healthy work and living environment			
Short term (less than 3 months)		Mid-term (3- 9 months)	Long term (9 – 12+ months)
<ul style="list-style-type: none"> Determine whether workers are given free personal protective equipment (PPE) according to their respective job 		<ul style="list-style-type: none"> Distribute PPE to the workers 	<ul style="list-style-type: none"> Replace any PPE that is no longer usable
<ul style="list-style-type: none"> Identify if there is sufficient health and safety trainings given to the workers. 		<ul style="list-style-type: none"> Conduct health and safety training monthly 	<ul style="list-style-type: none"> Consider inviting relevant agencies to give talks on health matters to raise awareness, for example TB and Dengue.
<ul style="list-style-type: none"> Evaluate condition of the accommodation provided and plan for repair/upgrade if needed. 		<ul style="list-style-type: none"> Ensure/monitor: <ul style="list-style-type: none"> Security Cleanliness/waste disposal Safety 	<ul style="list-style-type: none"> Where is relevant, consider renovating, upgrading, or building new housing.

Strategy 6 Ensuring freedom of movement, freedom of association including the availability of a grievance mechanism and preventing situations of forced labour			
Short term (less than 3 months)		Mid-term (3- 9 months)	Long term (9 – 12+ months)
<ul style="list-style-type: none"> Management should strive to not withhold passport and other identity documents of workers as it is an indicator of forced and bonded labour Review whether management, supervisors or other staff are holding migrant workers' passports and other identity documents. If so, address reasons for the practice. Identify alternative arrangements so that workers can safely keep their own passports and other identity documents. 		<ul style="list-style-type: none"> Organize an information session for migrant workers to inform on current legal and understand the importance of identity document such as passport. Organize a session with the management on current legal including prohibition of withholding worker documents. Provide full understanding of employee and employer responsibilities once migrant workers are allowed to keep their own passports. Display notices at strategic locations and in a language that migrant workers understand as a way to inform them of their right to hold their own passports. Preparation of MoUs for migrant workers to sign on the actual passport return day. Preparation of a letter of acceptance for migrant workers to sign upon receiving their passports. The letter of acceptance is to state that the worker holds the responsibility of the passport and return the 	<ul style="list-style-type: none"> Provide briefing to workers on their responsibility to safely keep their passports on the actual day of passport return. Provide information session to the management on understanding the importance of migrant workers to have access to their own documents. Ensure that all MoUs and the Letter of Acceptance are clearly explained to the migrant workers before making them sign.

	<p>passport to the management for renewal of work permit.</p> <ul style="list-style-type: none"> • Preparation of administrative work such as documenting worker's passport details for reference, making photocopies of worker's passports, etc. • Identify alternative arrangements for passport safekeeping (lockers/in house safe at accommodation) 	
<ul style="list-style-type: none"> • Determine whether company policies allow for freedom of association and collective bargaining for all workers and staff, local and migrant. 	<ul style="list-style-type: none"> • Brief workers on their right to freedom of association and collective bargaining. 	<ul style="list-style-type: none"> • Provide a space for worker union meetings.
<ul style="list-style-type: none"> • Evaluate accommodation rules and regulations, including any policies that restrict workers' free movement • Interview workers about how such policies or restrictions impact them. • Identify any negative impacts to be remedied. 	<ul style="list-style-type: none"> • Change policies and practices of accommodations or hostels that restrict movement of workers or that cause other challenges for workers. 	<ul style="list-style-type: none"> • Monitor, review and amend the rules and regulations when needed.
<ul style="list-style-type: none"> • Investigate whether the workers are asked to pay a security deposit or collateral when they want to take annual leave, retrieve passports or for any other purposes. 	<ul style="list-style-type: none"> • Change any such policies and practices to ensure no such collaterals or deposits will be taken. • Prepare a memo or a Standard Operating Procedure (SOP) for all management to ensure the new policies are adhered to and all previous deposits or collateral taken shall be returned. • Hold a briefing for workers to ensure they understand the new policies and be reimbursed for any amounts held by management. 	<ul style="list-style-type: none"> • Monitor and review policies and SOP implementation. Update processes where needs for improvement are identified.
<ul style="list-style-type: none"> • Identify how workers' concerns are currently reported to the management and how it being addressed. • Determine whether workers are comfortable to raise issues to the management. 	<ul style="list-style-type: none"> • Establish a worker committee which can be represented according to nationality. • Set up a grievance mechanism that includes an option for anonymity • Disseminate information among workers about how to access the grievance mechanism 	<ul style="list-style-type: none"> • Ensure there is no retaliation on the grievances raised by monitoring periodically. • Annual monitoring/review to ensure grievances reported are resolved and documented. • Allow migrant workers access to external services.

Strategy 7		Practicing responsible recruitment	
Short term (less than 3 months)		Mid-term (3- 9 months)	Long term (9 – 12+ months)
<ul style="list-style-type: none"> • Contact recruitment partners and determine if workers' pre- recruitment briefing orientation covers: <ul style="list-style-type: none"> - Employment terms, conditions and benefits - Detailed description of job roles and working environment. - Laws & regulations in Malaysia - Company policies - Fee reimbursement - Accommodations and their accurate description (including specific location). 		<ul style="list-style-type: none"> • Engage recruitment partners (agents) in Malaysia or the country of origin of the workers to add more information for workers. 	<ul style="list-style-type: none"> • Interview next batch of arriving workers to get feedback on the pre-recruitment briefing and identify areas in which improvement can be made
<ul style="list-style-type: none"> • Familiarize yourself with the subject of ethical recruitment and due diligence, and where potential human rights risks exist in the labour supply chain. 		<ul style="list-style-type: none"> • Engage your labour agent to build transparency • Engage your workers to understand their journey to Malaysia. • Verify information by comparing information gathered from interviewing your labour agent and workers. 	<ul style="list-style-type: none"> • Mitigate the risks where possible and/or use responsible labour agents
<ul style="list-style-type: none"> • Determine whether migrant workers are provided with employment contracts in a language that they understand before they are deployed and guidance about the content of contracts. • Determine whether migrant workers are given a detailed briefing about their employment contract by recruitment agent. 		<ul style="list-style-type: none"> • Engage with embassies, recruitment agents and/or certified translators that could help in translating the employment contract. • Conduct briefings to the workers on their contract in a language that they understand before deployment and ensure they agree to the contract terms. • Ensure that migrant workers are provided with a copy of their employment contract. 	<ul style="list-style-type: none"> • Ensure that any addendums or changes to contracts are communicated to workers. They should also be provided with a copy of their revised employment contracts.
<ul style="list-style-type: none"> • Determine whether the migrant worker induction process adequately covers: <ul style="list-style-type: none"> - Employment Contract briefing - Specific job function training - Workplace health and safety - Company policies - Accommodation rights/responsibilities - Company grievance mechanisms and right to freedom of association 		<ul style="list-style-type: none"> • Update the induction process to reflect any missing elements. • Conduct briefing for all workers and staff. • Ensure attendance is documented. 	<ul style="list-style-type: none"> • Ensure newly arriving migrant workers are provided with the updated induction process.

- and other relevant information.		
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For more information on these topics and resources to support companies on the implementation of good practices, please visit the Tool For Transformation website at: <https://toolsfortransformation.net/>.



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