

Managing Labor Costs and Maximizing Productivity:

How SolTuna Uses Inclusive Employment Practices to Support Underserved Workers.

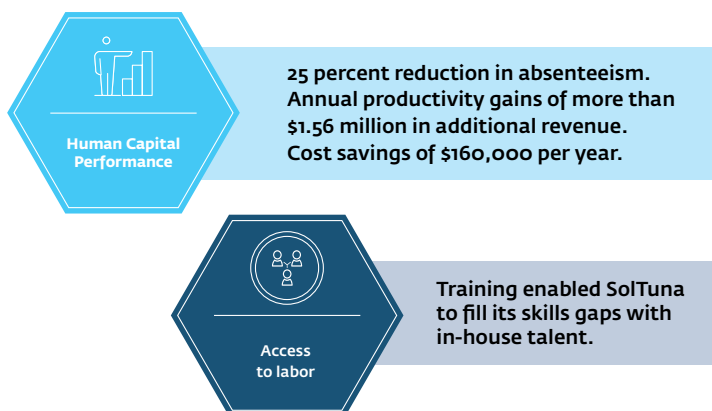
Companies can face greater pressure to manage labor supply when operating in remote locations. In the Solomon Islands, tuna processing company, SolTuna, used inclusive employment practices to solve high worker turnover and absenteeism, while increasing the productivity and well-being of its workforce, especially its female staff.



The Challenge

With more than 2,000 employees, SolTuna is a key employer in a sector that contributes almost 20 percent of the Solomon Island's gross domestic product.¹ In 2014, the company was facing high workforce turnover and absenteeism levels of 32 percent, primarily among women workers, which undermined the company's performance.² An IFC diagnostic revealed that financial insecurity led female staff to miss work for 'quick-fix' income-generating activities, such as selling fish in the market. Female workers were also concentrated in lower-paid, operational roles with few opportunities for advancement. This reduced their morale and loyalty, as did poor worker-management communications and ineffective complaint resolution. Domestic violence and sexual harassment were also key challenges that increased absenteeism and turnover.

Benefits for Business



Benefits for Workers

SolTuna's lowest paid workers received a 5 percent wage increase. As a result of financial literacy training, the number of workers able to save grew by 80 percent. In a country where women face greater barriers than men in securing quality employment, upskilling and training doubled the number of women in better-paid positions, such as fork-lift drivers and security guards. The number of women in management positions more than doubled too.

Inclusive Employment Solutions



Participation

Adopted a Respectful Workplace Policy to address gender-based violence and harassment. Opened childcare facilities for employees.



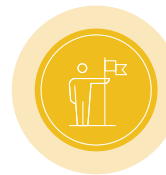
Advancement

Offered pay rises for its lowest-paid production line workers. Training prepared workers for higher-skilled jobs.



Resilience

Provides financial literacy education; helps employees set up banking and savings accounts.



Empowerment

Established an Employee Consultative Committee and introduced a comment box.



Creating Markets, Creating Opportunities



Industry: Tuna processing company

Country: Solomon Islands

Founded: 2007

Base of the Pyramid Workforce: 2,000 employees who are predominantly lower-skilled, with limited educational qualifications, and little prior work experience.

How SolTuna Puts Inclusive Employment Solutions into Practice



Participation: Address discrimination and harassment

To protect employees from gender-based violence and harassment (GBVH), the company adopted a Respectful Workplace Policy that focuses on preventing harassment and encourages positive communication at work. To implement this new policy, the company is training its line managers on how to identify and respond to workplace sexual harassment. It has also trained 20 staff to support their peers' safety at work, and to help those who experience domestic violence to access the services they need.



Participation: Reduce entry barriers

In early 2023, SolTuna opened an on-site childcare facility to support working parents with high-quality, affordable childcare. This is the first childcare facility in the Solomon Islands. It aims to reduce the burden of childcare on working mothers and enable greater participation of women in the workforce, while reducing absenteeism and boosting productivity and profitability for the company. The facility aims to support 300 women working at SolTuna.



Advancement: Offer fair pay

Low pay was a key challenge for some of the company's lowest earners. SolTuna used a small wage budget surplus, and temporarily froze the salaries of more senior employees, to provide pay rises for its lowest-paid production line workers. The decision to allocate all of a 5 percent wage increase to the lowest earning pay grades was voted on and approved by SolTuna's Employee Consultative Committee. Also, as part of a review on gender pay gaps, SolTuna reviewed and reclassified jobs with corresponding salary bands to ensure wages were tied to position not gender.



Advancement: Upskill

To enable women production line workers to advance, SolTuna trains them for higher-skilled jobs in other business areas, including jobs traditionally held by men. For example, women now receive training to become forklift truck drivers—a recognized qualification with substantially higher pay. Between 2015 to 2019, the company increased the number of women in jobs traditionally held by men from nine to 22.³ SolTuna also supports women to move from lower-wage operational roles into leadership by opening up new career pathways for them. Through such efforts, SolTuna has made impressive progress: women now comprise 25 percent of middle managers (up from 14 percent in 2015), 24 percent of senior managers (up from 8 percent in 2015), and 50 percent of top managers (up from 20 percent in 2015).



Resilience: Facilitate access to finance and financial literacy

SolTuna provides training in financial literacy to help mitigate cash shortfalls that previously caused women to skip work in order to earn extra money at local markets. Along with improving workers' understanding of their pay slips and available financial products, this training provides strategies to improve household budgeting. SolTuna also invites local bank representatives to visit its factory so they can help workers to set up a bank account and automatically deposit their paychecks, which protects their earnings from theft, and pays them interest.

Following financial literacy training, the proportion of SolTuna workers who reported that they 'always' have money left the day before payday increased from 14 to 31 percent, and the share of workers using a household budget grew from 12 to 39 percent. The company also observed an 80 percent increase in the number of employees who save.



Empowerment: Provide communications and grievance channels

To improve worker-management communications, SolTuna established an Employee Consultative Committee. This body, which includes selected worker representatives from each department, is tasked with improving communications about company policies and practices and tackling the company's previously ineffective complaint resolution process. The committee provides an alternative pathway for employees who do not want to take a grievance to their supervisor.

The company has also introduced a suggestion box for employees, which is a simple but powerful mechanism for employees to anonymously raise grievances and make suggestions. Each issue raised by an employee—and the employee's suggested solution—is presented in the company's newsletter, along with management's response and action points.

The Benefits for Business: SolTuna's Experience



Human capital performance

Since the company introduced practices to improve financial resilience, skills, and working conditions for its workforce, SolTuna has seen significant improvements in employee loyalty, engagement, and satisfaction, and this has resulted in substantial financial gains for the company. In 2016, a year after these initiatives began, the company saw a 25 percent (four percentage point) reduction in absenteeism across the workforce. IFC's diagnostic indicated that as little as a three-percentage point drop in absenteeism could cut overtime and additional staffing costs by an estimated \$160,000 per year and achieve annual productivity gains of more than \$1.56 million in additional revenue.

In a single year, inclusive employment practices that reduce absenteeism and improve employee productivity have helped SolTuna save \$1,750,000.



Access to labor

Upskilling women production workers so that they could take on better paying roles such as forklift drivers, security guards, and managers has enabled SolTuna to fill its skills gaps with in-house talent, which is both cheaper and more effective than finding new talent outside of the company.



Endnotes & Sources

¹In 2014, IFC provided SolTuna with a loan of \$10 million to upgrade the company's processing plant and increase capacity. From 2015 to 2019, IFC provided SolTuna with a diverse range of gender advisory services that included a gender diagnostic, support for certification by EDGE (a global business certification tool for gender equality), assistance to strengthen grievance mechanisms and workers' voice, a childcare needs assessment, an initiative to recruit women into non-traditional roles, and leadership training for women. SolTuna also participated in Waka Mere, a private sector peer learning platform led by IFC and the Solomon Islands Chamber of Commerce and Industry. In addition to gender support, IFC also advised on nutrition (sourcing fresh produce from local farmers for the canteen) and worked with the company to build human resources management capacity in line with IFC Performance Standard 2: Labor & Working Conditions.

²IFC (International Finance Corporation). 2017. Gender-Smart Business Solutions: Case Study: Gender-Smart Solutions Reduce Employee Absenteeism and Turnover in Solomon Islands. Washington, DC: IFC.

<https://documents1.worldbank.org/curated/en/496821511506069697/pdf/121543-WP-SB-Gender-Case-Study-SolTuna-PUBLIC.pdf>

³IFC (International Finance Corporation). 2019. Waka Mere Commitment to Action: Improving business outcomes in Solomon Islands through advancing workplace gender equality. Washington, DC: IFC.

<https://documents1.worldbank.org/curated/en/285671582543980825/pdf/Waka-Mere-Commitment-to-Action-Improving-Business-Outcomes-in-Solomon-Islands-through-Advancing-Workplace-Gender-Equality.pdf>

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