

Assignment



Prioritizing Employee Wellbeing

Human Resource Management – BMMB7007

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Executive Summary

The assignment consists of report of a Chinese brand named as Shein. There is a detailed description about how Shein can improve the well-being of its employees by paying fair wages, providing safe and healthy working conditions, addressing exploitation, promoting work-life balance, providing training and development opportunities, and demonstrating its commitment to ethical and responsible business practices. Shein has been in the middle of several controversies, including trademark disputes, tax evasion, human rights violations, and health and safety concerns. Shein could improve its labour rights, supply chain management, diversity, equity, and inclusion practices, transparency and accountability, and ethical and sustainable practices to demonstrate its commitment to responsible business practices and build trust.

It further discusses Shein should consider improving its Human Resource Management (HRM) policies to prioritize employee well-being, attract and retain talent, comply with labour laws, improve productivity, and create a positive company culture. Improving employee wellbeing can lead to increased productivity, higher morale and work satisfaction, higher retention rates, and improved financial performance. Promoting the wellness of employees can have a variety of positive effects, such as better physical and mental health, job satisfaction, a better work-life balance, greater engagement, better career growth, and improved overall wellbeing.

The report concludes that Shein should prioritize employee wellbeing and take concrete steps to address any issues to create a healthier and more productive workplace, enhance reputation, and improve performance and financial success. Shein should provide adequate compensation, improve working conditions, provide resources for physical and mental health, foster a positive workplace culture, and provide training and development opportunities to improve productivity, job satisfaction, and organizational success.

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X. Introduction:

The current study will discuss a Chinese corporation named Shein and its chronic problems relating to the welfare of its employees. Together with this, the report focuses on what steps need to be performed to progress and resolve these problems.

Shein is a Chinese fast-fashion e-commerce company that has faced several issues and controversies related to its treatment of employees, including low wages, poor working conditions, exploitation of workers, lack of transparency, environmental concerns, and negative publicity. These issues have raised concerns about the company's commitment to ethical and sustainable business practices, and it is important for companies to address these issues and take steps towards more responsible business practices.

Shein can improve the well-being of its employees by paying fair wages, providing safe and healthy working conditions, addressing exploitation, promoting work-life balance, providing training and development opportunities, and demonstrating its commitment to ethical and responsible business practices. These steps can help to build trust with customers and stakeholders and contribute to the long-term success of the company.

Human Resource Management (HRM) is essential in an organization for several reasons like being responsible for recruiting and selecting the right candidates, developing employee skills and knowledge, managing performance, fostering engagement and retention, and ensuring compliance with laws and regulations. These factors contribute to the success and sustainability of the organization over the long term.

A good Human Resource Management (HRM) can play a crucial role in the growth and development of an organization. It can help attract and retain talent, develop a positive workplace culture, foster innovation, and creativity, manage change and growth, and ensure compliance with laws and regulations. These factors can contribute to the success of the organization over the long term.



SHOP ONLINE

XI. Organisational overview:

Shein is a Singapore-based Chinese internet retailer of fast fashion. Entrepreneur Chris Xu established Shein in 2008 under the name ZZKKO, and by 2022 it had grown to become the biggest fashion retailer on the planet.

After a fundraising round in April 2022, it was valued at \$100 billion and ships to more than 150 nations. It was initially compared to a drop shipping business but began to establish its own supply chain system in 2012.

Shein was not involved in the design or production of the garments; it functioned similarly to a drop shipping firm.

In 2012, the company established the current website and began using social media marketing. In 2014, Shein acquired a Chinese e-commerce retailer, making it a "fully integrated retailer."

By 2016, the company had 100 employees and established its headquarters in Guangzhou, China.

Shein was registered in Singapore in 2019 and de-registered its primary business in 2021. In 2020, it made \$10 billion in revenue and was the world's largest online-only fashion firm.

By November 2021, it was valued at \$30 billion and by May 2022, it was the largest fast fashion firm in the world.

In April 2022. In 2022, Shein generated US\$24 billion in revenue, as large as established retailers Zara and H&M.

In recent years, Shein has found itself in the middle of several controversies, including trademark disputes, tax evasion, human rights violations, and health and safety concerns.

XII. Areas of Improvement in Shein:

The online brand claimed that staff at two of its China sites were putting in overtime hours that were more than what was permitted. The investigation was conducted independently after claims of labour abuse were raised in a recent UK (United Kingdom) documentary.

It was discovered that employees at one of the factories put in up to 13-and-a-half-hour days and had two to three days off per month, but workers at the second location put in up to 12-and-a-half-hour days with no set schedule for days off.

These are some areas for development that the business might consider given the continuous problems with Shein and its employees:

- i. Labor rights: Shein could improve its labour rights practices, such as ensuring fair wages, safe and healthy working conditions, and respecting workers' rights to unionize and bargain collectively.
- ii. Supply chain management: Shein could improve its supply chain management practices to ensure that its suppliers are meeting ethical and sustainable standards, including prohibiting forced labour and child labour.
- iii. Diversity, Equity, and Inclusion (DEI): Shein could work to improve its DEI practices, such as promoting diversity and inclusivity in hiring, training, and promotions. This can help to create a more equitable workplace culture and reduce discriminatory practices.
- iv. Transparency and accountability: Shein could improve its transparency and accountability practices by providing regular reports on its labour and environmental practices, and addressing any concerns or violations that are identified.
- v. Ethical and sustainable practices: Shein could work to improve its ethical and sustainable practices, such as reducing its carbon footprint, using eco-friendly materials, and minimizing waste.

By addressing these areas of improvement, Shein can demonstrate its commitment to responsible business practices and build trust with its customers and stakeholders. This can also contribute to the long-term success and sustainability of the company.

XIII. Needs for Improvement of HRM policies in Shein:

Shein should consider improving its Human Resource Management (HRM) policies for several reasons:

1. **Employee well-being:** The ongoing issues with Shein and its employees suggest that the company's HRM policies may not be adequately addressing the well-being of its workers. Improving HRM policies can help to ensure that employees are treated fairly, with dignity and respect, and that their health and safety are prioritized.
2. **Attracting and retaining talent:** By improving HRM policies, Shein can attract and retain talented employees who are crucial for the success and growth of the company. This can be achieved by offering competitive compensation and benefits, providing opportunities for training and development, and creating a positive and supportive workplace culture.
3. **Compliance with labour laws:** Improving HRM policies can help ensure that Shein is in compliance with labour laws and regulations related to employment, such as minimum wage laws, overtime laws, and health and safety regulations. This can minimize legal risks and protect the company's reputation.
4. **Improved productivity:** By improving HRM policies, Shein can help to improve employee motivation and productivity. This can be achieved by providing employees with clear expectations, feedback, and opportunities for career growth and advancement.
5. **Positive company culture:** Improving HRM policies can help to create a positive company culture that fosters employee engagement and retention. This can lead to a more committed and loyal workforce, lower turnover rates, and a better reputation for the company.

In summary, Shein should consider improving its HRM policies to prioritize employee well-being, attract and retain talent, comply with labour laws, improve productivity, and create a positive company culture. By doing so, Shein can contribute to the long-term success and sustainability of the company.

XIV. Impact of poor Employee Wellbeing:

- Employee wellbeing issues in Shein is having a significant impact on the performance and effectiveness of the organization. Employee wellbeing encompasses a broad range of issues, including physical and mental health, work-life balance, job security, and career development opportunities.
- Firstly, poor employee wellbeing leads to high turnover rates, which can be costly for the organization. High turnover rates also lead to a loss of institutional knowledge and productivity, as well as increased costs associated with recruitment and training.
- Secondly, it leads to low morale and decreased motivation among employees. Employees who feel unsupported or undervalued will be less engaged and productive, which affect the overall effectiveness of the organization.
- Thirdly, poor employee wellbeing would increase absenteeism and presenteeism, which has prominent impact on the organization's performance. Absenteeism refers to the frequent absence of employees from work due to illness or other reasons, while presenteeism refers to employees who are physically present at work but are not productive due to physical or mental health issues.
- Additionally, it is majorly impacting the organization's reputation and ability to attract and retain top talent. Job seekers are less likely to apply for positions at a company that because of the reputation for poor employee wellbeing, which limits the talent pool for the organization.
- In summary, employee wellbeing issues in Shein is having a significant impact on the performance and effectiveness of the organization. It is crucial for the organization to prioritize employee wellbeing to ensure a motivated and engaged workforce and to attract and retain top talent.

XV. Positives of Employee Wellbeing:

A. On organisation:

Improved Employee Wellbeing will have various positive impact on the organisation as follows:

- An organisation that prioritises employee well-being can strengthen its image as a preferred employer, attracting top talent and enhancing its employer brand.
- Enhanced customer experience as employees are more likely to provide outstanding customer service when they are happy and engaged, which can lead to increased customer satisfaction and loyalty.
- Employee turnover rates are reduced, lowering associated expenses which leads to saving additional cost.
- Improved financial performance as Increased employee well-being can lead to increased productivity, lower absenteeism, and better customer service, all of which can contribute to improved financial performance for the organisation.
- In conclusion, improving employee well-being can provide numerous benefits to an organization, including increased productivity, higher morale and work satisfaction, higher retention rates, and improved financial performance.

B. On Employees

Numerous advantages for employees can result from good employee wellbeing, including:

- Healthy Employees tend to perform better which will lead to optimum utilisation of resources.
- Those who are in good mental health perform their jobs more effectively than those who are not. Mental health is just as vital as physical health.
- Workers that are more satisfied with their jobs are more motivated and engaged.

- Employees will have a better work-life balance because to improved employee welfare policies.
- Opportunities for career growth, like as training and development programmes or mentoring, can contribute to the health of employees by enabling them to pick up new skills and enhance their careers.

In conclusion, promoting the wellness of employees can have a variety of positive effects, including better physical and mental health, more job satisfaction, a better work-life balance, greater engagement, better career growth, and improved overall wellbeing.

C. On other stakeholders:

The following stakeholders of company can gain from improved employee well-being:

- Customers: Employees are more likely to deliver outstanding customer service when they are physically and psychologically healthy, which increases customer happiness and loyalty.
- Owners and investors: A company's financial performance may increase as a result of its employees' welfare, which may be advantageous to owners and investors.
- Suppliers and partners: When a company puts employee wellbeing first, it may build a good reputation and draw in partners and suppliers with similar goals and values.
- Local communities: Businesses that place a high priority on employee well-being can benefit the neighbourhood by fostering job growth and economic development.
- Government and regulatory bodies: A company that has happy employees is more likely to follow labour rules and regulations, which can foster good ties with these organisations.

In summary, other stakeholders, such as clients, shareholders and investors, suppliers and partners, local communities, as well as the government and regulatory organisations, can gain from high employee wellness.

XVI. Conclusion:

In conclusion, the employee wellbeing crisis in Shein raises serious concerns about the company's commitment to ensuring the physical, mental, and emotional health and safety of its employees. The reports of low wages, long working hours, poor working conditions, and human rights violations suggest that the company is not prioritizing the wellbeing of its employees.

This lack of commitment to employee wellbeing can have significant negative consequences for both the employees and the organization. Poor employee wellbeing can lead to decreased productivity, increased absenteeism and presenteeism, low job satisfaction, high turnover rates, and damage to the organization's reputation.

It is essential for Shein and other organizations to prioritize employee wellbeing and take concrete steps to address any issues that may be affecting their employees. By doing so, they can create a healthier and more productive workplace, enhance their reputation as an employer of choice, and improve their overall performance and financial success.

XVII. Recommendation:

There are several recommendations that can help Shein address the employee wellbeing crisis and improve the physical, mental, and emotional health and safety of its employees:

1. Conduct a comprehensive review: Shein should conduct a comprehensive review of its policies, practices, and procedures to identify any areas where improvements can be made to support employee wellbeing.
2. Provide adequate compensation: Shein should ensure that its employees are paid fair wages that are in line with industry standards and local labour laws.
3. Improve working conditions: Shein should take steps to improve working conditions, such as providing safe and comfortable working environments, adequate breaks, and reasonable working hours.
4. Provide resources for physical and mental health: Shein should provide resources and support for physical and mental health, such as wellness programs, gym memberships, and employee assistance programs.
5. Offer work-life balance support: Shein should provide policies and programs that support work-life balance, such as flexible work arrangements and paid time off.
6. Foster a positive workplace culture: Shein should foster a workplace culture that values employee wellbeing, encourages open communication, and promotes a positive work environment.
7. Provide training and development opportunities: Shein should provide opportunities for employee training and development to enhance their skills and advance their careers.

By implementing these recommendations, Shein can create a healthier and more supportive workplace that prioritizes employee wellbeing and ultimately leads to improved productivity, job satisfaction, and overall organizational success.

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