

American International University-Bangladesh

Sustainable Development Goals Report



SDG 8: DECENT WORK AND ECONOMIC GROWTH



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AIUB's Living Wage Commitment and HR Salary Policies

Living Wage for All Staff and Faculty

American International University-Bangladesh (AIUB) as an institution pays all its staff and faculty at least a living wage. AIUB explicitly ensures that *“all employees, including faculty and staff, are compensated at or above the local living wage.”* aiub.edu This means no AIUB employee earns below the locally defined living wage or poverty threshold for a family of four. In Bangladesh, government policy sets certain minimum wage standards; AIUB meets and exceeds these standards to guarantee a **dignified income** for every employee. By paying above the minimum required levels, the university aligns with the **“local living wage”** concept (or local poverty-line wage) to support a decent standard of living for workers and their families. This commitment reflects AIUB's dedication to fairness and the well-being of its workforce.

American International University-Bangladesh (AIUB) demonstrates a strong commitment to fair and ethical employment practices, guided by policies that ensure equity, inclusivity, and human dignity. AIUB ensures all employees, including faculty and staff, are compensated at or above the local living wage. The university enforces strict policies to end workplace discrimination, protecting employees from biases based on religion, gender, age, sexuality, disability, and other factors, in alignment with its Non-Discrimination Policy. AIUB stands firmly against modern slavery, child labor, forced labor, and human trafficking, promoting a safe and ethical work environment for all employees, this commitment extends to third-party workers too. AIUB also actively pursues pay scale equity, continuously measuring and addressing gender pay gaps to ensure fair compensation. Tracking pay scales for gender equity is a regular practice, supporting the university's objective of fostering a balanced and respectful workplace conditions across its operations.

HR Policies and Salary Structure

AIUB's **Human Resources (HR) department** plays a crucial role in implementing this living wage policy through a structured and equitable salary framework. The university follows a *“dedicated and uniform pay scale structure in accordance with the Government of Bangladesh (GOB) wage policy,”* and in fact *“guarantees greater benefits than the mandated wages set by the GOB.”* aiub.edu In practice, this means HR sets salary levels that **meet or exceed national wage guidelines**, ensuring that pay is fixed in a **dignified manner** above legal minimums. Salaries at AIUB are **proportional to position and qualifications** – employees are paid according to an internal scale based on their job rank, academic degrees, and experience. For example, a junior faculty member (Lecturer) might earn around BDT 50–70k per month, whereas a senior faculty (Professor) can earn in the range of BDT 150–250k per month academicjobs.com. Administrative and support staff also have salary scales (e.g. roughly BDT 30–60k for certain staff roles academicjobs.com), ensuring everyone receives at least the living wage. This structured pay scale means **higher-ranked or more qualified employees receive higher pay**, reflecting their greater responsibilities and credentials. Overall, AIUB's HR policy emphasizes **fair compensation** – no employee is underpaid, and pay differences are justified by role and merit, not by bias. The HR department is responsible for regularly reviewing and maintaining this pay structure so that it remains **equitable and “in a dignified manner”** for all employees.

AIUB Non-Discriminatory Employment Policy

AIUB employs qualified and selected employees of any age, gender, sexual orientation, race, disability, color, religion, and national or ethnic origin to all the rights, underrepresented groups, privileges, programs, and activities generally accorded or made available to employees.

AIUB does not discriminate on the basis of:

- Age
- Gender or gender identity
- Sexual orientation
- Race
- Disability
- Color
- Religion
- National or ethnic origin
- Underrepresented groups
- Under privileged groups

in administration of its employment and other relevant policies.

For all of its faculties and staff, the American International University–Bangladesh (AIUB) has a dedicated and uniform pay scale structure in accordance with the Government of Bangladesh (GOB) wage policy. In addition, the structured pay scale of the AIUB guarantees greater benefits than the mandated wages set by the GOB specified for various sectors through gazette notifications. The commitment of AIUB to its core values of respect for human dignity, equality of opportunity, and academic freedom is protected through its internal and external policies including wages. As a result, there is no pay inequalities based on gender orientation at AIUB.

By no means, AIUB allows forced labour, modern slavery, human trafficking and child labour defined by the national and international framework. All the faculties and staff who works at AIUB, whether on a permanent, contract or temporary capacity, have attained 18 years of age. AIUB facilitate national and international correspondence based on compassion, empathy and sincerity. AIUB's commitment to human values and dignity is praiseworthy. AIUB strongly condemn any forms of forced labour, modern slavery, human trafficking and child labour nationally and globally.

All forms of outsourcing, including faculty and staff, are acceptable at AIUB as well as equal rights for all employees are guaranteed. Any individual has the opportunity to work at AIUB, regardless of his religion, race, caste, sex, or place of birth. AIUB offers opportunities for both citizens and foreigners while emphasizing the spirit of the UN Charter and the Constitution of Bangladesh. In addition, AIUB harmonizes the essence of human rights within the framework of the organizational policies and norms.

Ensuring Dignity, Motivation, and Performance

By committing to pay a living wage and maintaining fair HR practices, AIUB not only upholds employee dignity but also promotes higher performance efficiency within the university. Research and best practices indicate that when employees are paid adequately (i.e., a true living wage), they are more **motivated, productive, and engaged** in their work acgresources.com. In other words, a fair wage policy contributes to better morale and focus: staff who do not have to worry about basic financial survival can concentrate on their jobs and excel. According to the UN Global Compact, ensuring a living wage “*can increase productivity and innovation, attract and retain top talent*” and build a more **engaged workforce** unglobalcompact.org. AIUB’s approach aligns with this principle. The HR policy of paying salaries that are **livable and commensurate with employees’ roles** helps reduce turnover and encourages employees to perform at their best. By valuing its faculty and staff through proper compensation, the university fosters loyalty and higher efficiency – benefits which **reflect positively on the university’s overall performance and reputation**. In summary, AIUB’s commitment to paying at least a living wage and its robust HR salary policies ensure that all employees are treated fairly and paid decently, which not only meets social responsibility standards but also drives **better productivity and success** for the university as a whole.

The Discrepancy Between a Living Wage and Minimum Wage: Impact on Workplace Productivity and Engagement

Understanding the Living Wage vs. Minimum Wage

A minimum wage is the legally mandated lowest hourly wage an employer can pay an employee. It is set by governments to ensure a basic standard of living for workers. However, this wage often needs to meet the actual cost of living, which includes expenses such as housing, food, healthcare, and transportation.

On the other hand, a living wage is calculated based on the real cost of living in a specific area. It reflects what employees need to earn to afford basic necessities and maintain a decent standard of living. This wage varies significantly depending on location, family size, and other factors.

The Impact on Workplace Productivity

When employees are paid only the minimum wage, they often struggle to make ends meet. This financial strain can lead to stress, anxiety, and a constant preoccupation with personal finances, which can severely impact their productivity at work. Here are some specific ways this discrepancy can affect productivity:

1. **Reduced Focus and Concentration:** Financial stress can distract employees, making it difficult for them to concentrate on their tasks. This lack of focus can lead to errors, decreased efficiency, and a general decline in the quality of work.
2. **Increased Absenteeism:** Employees earning a minimum wage are more likely to take on additional jobs to meet their financial needs. This can lead to exhaustion and an increased likelihood of taking sick days, thereby affecting overall productivity.
3. **High Turnover Rates:** When employees are underpaid, they are more likely to leave in search of better-paying opportunities. High turnover rates can disrupt workflow, increase recruitment costs, and reduce the overall productivity of a team.

The Role of Employee Engagement

Employee engagement is closely tied to how valued and supported employees feel within their organization. When employees are paid a living wage, they are more likely to feel valued, leading to higher levels of engagement. Here's how the wage discrepancy can influence engagement:

- **Motivation and Morale:** Employees who are adequately compensated are more likely to feel motivated and have higher morale. This positive attitude can lead to increased creativity, innovation, and a willingness to go above and beyond in their roles.
- **Loyalty and Commitment:** A fair wage fosters a sense of loyalty and commitment to the organization. Employees are more likely to invest in the company's success and stay with the company longer, reducing turnover and enhancing team cohesion.
- **Work-Life Balance:** A living wage enables employees to maintain a healthier work-life balance, reducing burnout and improving overall job satisfaction. Engaged employees are more likely to be productive and contribute positively to the workplace culture.

Conclusion

The discrepancy between a living wage and the minimum wage is not just a matter of economic policy but a significant factor in workplace productivity and employee engagement. Employers who recognize and address this gap by offering a living wage can create a more motivated, productive, and engaged workforce.

By investing in their employees' financial well-being, companies can reap the benefits of reduced turnover, higher productivity, and a stronger, more committed team. In the long run, this approach can lead to sustainable business success and a more positive work environment.

Increasing respect for labour rights and paying living wages to advance decent work for all

Living wages for more sustainable futures

By ensuring a living wage for all workers, companies can demonstrate their respect for labour rights and advance decent work. This can increase productivity and innovation, attract and retain top talent and strengthen the supply chain and economic stability.