

20,000 workers. If we say the current number of workers is close to 7,000, more than 13,000 workers have left their jobs.” (BLIP-HRM-2020-1) “Staff is the biggest issue,” that is the statement of another HR manager (at HIP). (HIP-HRM-2020-1)

The permanent recruitment and training of new workers is time-consuming and cost intensive (Moon et al., 2019). In their study on the Ethiopian textile and leather industries, Hardy and Hauge (2019: 16, 17, 18) describe turnover “as the most common and costly labour issue for firms.” They emphasize that production has fallen short of expectations, with high staff turnover seen as the main cause of the poor performance. In their work, the authors interpret high turnover as a form of protest by employees, which incurs high costs for companies and ultimately forces them to create better working conditions.

Gelashe (2018: 6) explains: “excessive turnover creates an unstable workforce and increase personnel costs and organizational ineffectiveness.” He describes the direct and indirect costs of turnover as follows:

“Direct personnel costs associated to employee turnover include recruitment, selection, replacement and training of new people. The indirect personnel costs include an increased workload, reduced productivity associated with low employee morale, time consume till the new employee acquainted with the new organization culture, system and his new job responsibility [...]. Another huge cost that might be associated with the employee turnover is the organizational loss of its intellectual capital which will affect heavily ist competitor [...].” (Ibid.)

2.2 Employee turnover and absenteeism: major causes at a glance

The following table provides an overview of the main reasons for employee turnover (and turnover intention) and absenteeism, based on interviews with workers (mainly from HIP and BLIP) (table a) and human resources managers from HIP and BLIP (table b).

Causes for turnover (and turnover intention) and absenteeism: What do operators say?

Tab. 2: internal causes (T/A = turnover and absenteeism)

on-the-job factors	T/A
number one: basic wage is disproportionate to high workload, long working hours and the cost of living (also considering high inflation)	T/A

on-the-job factors	T/A
perceived unfair payment (for example, employees with longer service should generally be paid more than new recruits)	T/A
poor quality of the canteen food (or no canteen meals); offered food is suspected of being a source of illness (gastric problems, typhoid); the quality of drinking water provided by companies is also criticized (complaints about water pollution); workers request government to control quality of food and water	T/A
lack of acceptance of sick leave on the part of executives (bureaucratic hurdles and work pressure, especially in times of high order volume)	A
difficulty in obtaining leave approval (for rest or personal/family issues); some companies do not allow any vacation time during the first year of employment	T/A
HR practices: lack of respect and understanding from supervisors in dealing with workers; poor treatment by supervisors, yelling at workers ("they shout and insult workers for every small reason"); little understanding of the workers' needs; perception of unequal/unfair treatment including unequal/unfair pay (or deductions)	T/A
lack of promotion prospects/career development	T
unequal promotion opportunities and unequal distribution of incentives ("benefits are more for front-line workers than for workers in cutting, packaging or storing departments"; role of "good relation" with managers); workers request incentives should be given equally according to their performance	T/A
conflicts with superiors; communication problems between employees and superiors (also due to language barriers)	T/A
health problems resulting from factory work (in particular kidney problems, which employees attribute to the repetitive sitting posture)	T/A
lack of movement, exhaustion, no time to rest, not enough off-time to address personal matters	T/A
pressure to work overtime, especially when there is a high volume of orders or when daily targets have not been met; unpaid and forced overtime was reported on occasion	T/A
work-related stress (due to high workload, simultaneous tasks, conflicts, lack of movement)	T/A
false promises made during recruitment and by supervisors at work (regarding wages, incentives, fringe benefits, and promotion opportunities)	T/A
workers appreciate offered bus service, but complain about the service quality (poor treatment of workers by drivers, who leave workers while they are on time); company buses sometimes do not leave until the employees working overtime have left the factory; workers request all companies should provide transportation services	T/A
inadequate health service and treatment (health service in companies is "weak and useless")	T/A

on-the-job factors	T/A
delays in the payment of monthly wages mean that workers struggle to pay their rent and meet their daily needs	T/A

Tab. 3: external causes (T/A = turnover and absenteeism)

off-the-job factors	T/A
lack of affordable housing near the workplace; lack of accomodation within the IP, and as a result, long commute to work for workers who live at the periphery (it is not unusual to commute 1 to 2 hours to work, especially in Addis Ababa due to traffic jams and long waits for taxis to get to the bus station)	T
house owners are continuously raising rents because they believe that textile companies have money (workers are calling for government intervention here)	T
lack of transportation options (e.g., when moving to a more affordable area: no bus stop nearby; or when visiting relatives in the countryside on holidays/during vacations)	T
high costs for transportation (taxi)	T/A
more attractive employment opportunities outside the textile industry or within the industrial parks (migration between companies in search of "better pay and more freedom")	T
high inflation and deductions (tax and pension) minimize the already precarious salaries	T

Tab. 4: personal causes (T/A = turnover and absenteeism)

personal partly job-related	T/A
factory work is seen as a temporary solution (desire for a better-paid job; desire to start their own sewing business; disappointment with the nature of textile work: only individual work steps are learned, not sewing as a profession; many respondents work in factories to finance their education - university studies/school graduation - and intend to leave their jobs as soon as they have achieved their educational goals)	T
job termination in order to complete school education or to start a study/college program; absenteeism due to (further) education (courses, exam, learning)	T/A
social/family responsibilities (nursing, childcare, marriage, visiting relatives/visit by relatives, participation in cultural/religious celebrations)	T/A
migration to another area	T
lateness (possible causes: fatigue, lack of transport, no clock)	A
personal errands/issues (e.g. laundry)	A
illness	T/A
menstruation (lack of hygiene products, pain/feeling unwell)	A

Main reasons for park internal employee turnover

The most frequently reason for park internal migration cited by workers was the search for a better pay or benefits. Workers change companies even for minor opportunities for improvement (wage, incentives, overtime pay). It should be noted that workers also choose their employer according to whether the company is operating more wage-based or rather based on incentives. Some women prefer a secure, somewhat higher basic salary and forego the possibility of an increase through performance-related bonuses. Others accept a lower basic salary if the company offers attractive incentives in return, through which the salary can ideally be increased, based on the personal performance of the worker. These differences among the workers are related to different personal attitudes on the one hand and different life circumstances on the other (e.g., single, married, children, no children). Further reasons to change the employing company (or factory shed) are:

- searching for more personal freedom
- searching for more pleasant working atmosphere, better treatment/understanding by superiors
- changing the working position (from standing to sitting or or vice versa)
- getting better non-wage benefits (transportation service, canteen food or payment of allowances instead of services, etc.)
- getting better conditions regarding allowances (e.g., companies have different practices in dealing with incentives resp. disciplinary measures, like attendance bonus; see “salary schemes” below)
- escaping conflicts with superiors
- changing the work system (company with shift work or company with general shift)
- hoping for better promotion prospects

Causes for turnover and absenteeism: What do the HR managers (or company managers) say?

Tab. 5: internal causes (T/A = turnover and absenteeism)

on-the-job factors	T/A
low pay (cited by some managers as the main reason for high turnover; managers sometimes complain about the Ethiopian government's lack of commitment and call for more affordable housing, tax exemptions, and social benefits for employees to increase real wages)	

on-the-job factors	T/A
unethical practices of some textile companies: change of company name in order to 1) avoid taxation of income after tax-free period (tax-exempt period is extended in this way); 2) undermine salary increases for long-term employees as employees are given new contracts when the company changes its name lack of transparency on the part of companies regarding productivity/efficiency gains in order to keep workers' wages low involuntary termination: dismissal by the employer (e.g., due to inefficiency or lack of discipline on the part of the employee; dismissals apparently also in breach of contract)	T

Tab. 6: external causes (T/A = turnover and absenteeism)

off-the-job-factors	T/A
number one: poor work ethic among employees (and thus low productivity, which justifies low wages)	T/A
agricultural background of employees (different work habits in agriculture); lack of experience with formal wage labor (duties, rights, contracts, regularities, formalities such as medical certificates in case of illness, timely application for leave); problems adapting to factory work (punctuality, regularity)	T/A
park-internal competition (poaching), "They will change for 50 birr"	T
religious holidays, cultural festivities	A
pride/sensitivity of the Ethiopians (workers hardly tolerate harsh tone or other disrespectful treatment by superiors)	T/A
education (school graduation, college studies)	T/A
social, family responsibilities (marriage/motherhood, nursing, childcare, funerals, weddings)	T/A
pressure from families to terminate job in the factory	
migration to another area	T

2.3 Experiences of management personnel and (women) workers

For the textile companies, high rates of (unauthorized) employee absences are a major challenge. To compensate for the daily absences, the companies use "jumpers" who are trained on different machines and can therefore be used flexibly. A human resources manager in a garment company at Hawassa Industrial Park explains:

"One production module has 20 employees. So out of 20 employees, 18 employees are machine operators. If one of them is absent, you have jumpers to cover. But, let's say, the percentage of jumper's is around 3 to 3.5%. So let's say, the absentee-