

## 3. From an agrarian to an industrial lifeworld: understanding labor turnover in the context of social upheaval

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### 3.1 Introduction

This chapter discusses the high rates of labor turnover and absenteeism in the Ethiopian textile industry in the context of social upheaval. The results of the interviews with textile workers presented in previous chapters are supplemented by the views of rural communities and relatives of textile workers who were also interviewed. The chapter examines living conditions in rural areas, which form the backdrop for the majority of the textile workers. The chapter includes experiences of farmers that allow for a deeper understanding of urban-rural relations. By linking empirical data with theoretical approaches, the chapter aims to contribute relevant perspectives to the debate on the ‘mindset’ of women workers in the textile industry – a term frequently used by managers to problematize the work attitude of the employees. Following on from this, the promise of modernization is discussed according to which the orientation towards gainful employment in the textile industry leads to a better life for the laborers. The chapter begins with statements from executives in the textile industry.

The results of the JLU study<sup>1</sup> show that managers in textile factories primarily blame the lack of industrial work experience and poor work ethic of migrant workers from rural areas for low production levels in the textile and clothing companies. In interviews, managers often attribute what they perceive as a lack of discipline and understanding of the industrial work system to the rural, agricultural background of the workers.

An HR 30 year old manager at Hawassa Industrial Park (HIP) (he is from Sri Lanka) expresses his experience with the women workers as follows:

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1 The interviews cited in the following were conducted by the project team (mainly by Mitta & Teshale) as part of the JLU research on labor turnover and absenteeism in the Ethiopian textile industry in the time from 2020 to 2022.

“All the girls don't understand the work and what are the work ethics. All this things you have to teach from the start because most, or all the girls, are coming from like the farming background. Also their families are farmers. So my task, my challenge, is like to industrialize them, to train them, like give them the positive side of this industry as well as the negative side.”

A HR manager at BLIP (Ethiopian himsef) highlights the lack of career focus among the employees:

“But the problem is that the workers do not see this job as career development. I think one of the reasons for turnover is this issue. They do not have the vision of upgrading themselves in this profession. They come here temporarily, maybe to finish their education or their process of the visa application to go and work in an Arab country. And some are coming here just for the sake of being free from living with their families. Some others are coming with the intention of not being dependent on their husbands. These are mostly the reasons why they join the factory. They do not see it as a profession with which they could be able to develop their career. Apart from that, they do not have the problem of commitment. The other challenge is they mostly focus on social and family cases. We Ethiopians are intimate to our families. Whenever there is a funeral or death of a very nearer relative or distant relative, they [the workers] ask for annual leave; and if they are not given, they just get absent from the work duty. They prioritize their social responsibilities over their jobs in the factory.”

Another HR manager at HIP points to the gap between the industrial parks and local communities:

“As per the previous experience, Ethiopia issues are totally different. Most of the challenges are beyond our control, and there is huge gap between community and industrial parks. Communities do not understand the concept of factories.”

Oya (2019: 674) confirms that these are recurring themes in conversations with foreign managers about their experiences with employees:

“In Ethiopia, the perceived lack of work ethic and discipline is a major complaint among newly arrived factory managers, especially those from Asia, who invest in developing ‘social skills’ among new workers, i.e. precisely timekeeping, understanding incentives, and reactive speed to boost productivity.”

A older report from China (2017: 17f.) also links the low productivity of Ethiopian textile firms to the employees' lack of experience and industrial mindset:

“[...] labor productivity in Ethiopia was lower than in other low-cost manufacturing destinations (for example, one apparel manufacturer stated that productivity was around 25–30% of levels in Vietnam), reflecting the fact that most factory have very limited experience of modern industrial employment. Absenteeism, ability to ‘concentrate’ on the job, unresponsiveness to financial incentives to work overtime, and high turnover were identified as problems.”

The report also points to cultural differences between the predominantly foreign management and Ethiopian employees, which lead to misunderstandings. Due to low productivity, most of the production facilities surveyed were not operating at full capacity, which affects profitability and, in the long term, sustainability.

The interviews conducted as part of the JLU study also point to other causes for the high turnover and absenteeism rates. A HR manager from India who works at HIP sees the main causes for the high turnover rates in the working environment (unfamiliar factory work, stress due to high workloads) and in a lack of security (on the way between work and accommodation). He also attributes the high rates of absenteeism primarily to social obligations (numerous religious holidays, funerals or weddings that are associated with ceremonies lasting several days). In conversation, he criticizes the workers’ “mindset”, their lack of work discipline, time management and commitment towards the work. He notes with frustration: “if thursday is a holiday, then they won’t come on friday either. If friday is a holiday, then they will be absent on Monday as well. If there is a funeral, they are gone for days or weeks.”

Another foreign HR manager at HIP also emphasizes Ethiopia’s enormous potential as an important location for textile production. However, he also cites the workers’ lack of career orientation as a major challenge:

“I think stability of manpower is one issue. Second, I consider Ethiopia a green fill country because the industrialization is just starting. So industrialization, the culture which is associated with it and how people see their career going forward, their ambitions, how they see themselves, is a big challenge for me.”

Sometimes HR managers draw comparisons with experiences they have had in other countries:

“I had an experience visiting the working condition in Asia at different times. Once I have stayed for six months. And there the employees have understood the work culture, but here [in Ethiopia] I can’t find that.” (HRM at HIP)

“This company is a Chinese company, and the work culture needs to be different from what the Ethiopians are used to. When we look at Ethiopian workers, the way

they use their time and the focus they provide for their jobs, it is different.” (HRM at Adama Industrial Park, AIP)

However, there are also HR managers who see the challenges with the labor force in the context of low pay:

“The sense of belongingness is indeed very low. It is not because the workers do not want to have the required sense of belongingness, but it is related to their income levels. [...] The workers assume that they can get a better salary each year in the same way as the government employees. When they lose hope, they develop a sentiment that the company is no longer theirs. Anyway, this thing differs from one person to another. As far as I am concerned, the problem is not emanating from the lack of good work culture but is because of salary-related issues.” (HRM at AIP)

The same HR manager believes that sweeping negative characterizations often serve to fend off demands from employees:

“I think that this kind of accusation comes from the investors and is usually made to deter claims coming from the workers. Every owner is trying to make a profit. So, it is a mechanism used to deter further demands coming from the workers. It is true that, if I talk to you by siding with my company, I would say that there is a problem. [...] But if a single individual makes a certain mistake, they [the managers] generalize the issue and make a claim: ‘All Ethiopian People are like this.’ I do not accept such claims.”

Another HR manager at AIP emphasizes the need for a thorough investigation to understand the root causes of the problem in order to be able to improve the situation by adapting to Chinese work culture:

“Staff work culture is poor. For the employees, working eight hours per day is very daunting. Yet, salary issues should not be ignored. It could be asked if their salaries do enable them to survive for the month. I think it is indeed difficult to sustain living with the salaries they are being paid. Extensive research on this issue and measures are needed. We need to know the main causes to tackle the problem. This is not something that can be left with the HR managers. It should also be of great importance to the general management. In my view, absenteeism is related to the working culture of our operators. If you look at the Chinese: even if members of their families pass away, they will still be at work. This is what we should be able to adopt. The main reason is our work culture. The workers are expected to work 48 hours per week. But the workers are not able to do that. If you want to see the

Ethiopian's work culture, go to the government offices and see how long they work in a day. When it comes to private companies, it is a must to work for 8 hours as the company's profitability depends on the labor of the workers.”

Overall, debates on the challenges of the Ethiopian textile industry show a one-sided focus on the ‘mindset’ of workers, who are blamed for the poor performance of textile companies, while the ‘mindset’ of managers themselves, who view their employees through their own cultural lens, is not really reflected. However, some companies have implemented soft skill trainings for HR managers to make them more aware of Ethiopian customs.

Oya (2019) identifies the complex structural barriers to building a stable workforce in a country like Ethiopia that is transitioning from an agrarian to an industrial economy. The process involves various factors and dynamics that are closely intertwined, as Oya states. Among other things, Oya mentions the ‘work culture’:

“socio-cultural barriers and the problem of ‘work cultures’ and work ethic; sourcing workers, managing and especially housing migrant labour; scarcity of employable skills (including soft skills); mismatch in expectations between employers and workers, largely related to wage-setting mechanisms, non-wage conditions, and labour productivity.”<sup>2</sup>

From an economic point of view, one can agree with Oya “that the process of building an industrial working class is uneven, protracted, and requires interventions and important economic and social shifts over long periods of time” (ibid.). By incorporating historical experiences of early and late industrialization into his analyses, Oya seeks to gain a deeper understanding of the changes taking place in contemporary Ethiopia. He argues that this process cannot be reduced to economic changes alone, but that the emergence of an industrial workforce is largely linked to social and cultural changes:

“The development of skills and adaption to industrial work environments depends on the process of change in social norms, i.e. on the social construction of a work ethic for industrial capital [...]” (Oya, 2019: 674)

Oya and Schäfer (2021:10) understand high fluctuation and absenteeism rates as an expression of friction associated with the transition to industrial work as it can be observed also in other countries:

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2 See the abstract of Oya's chapter “Building an industrial workforce in Ethiopia” (full reference see the references at the end of this chapter).

“high turnover rates were not uncommon in early stages of similar investments in other countries [...] Some managers reported having faced comparable rates [to Ethiopia] in their operations in Southeast Asia, illustrating the frictions that accompany processes of transition to industrial work [...]. The most experienced suppliers in GPNs [Global Production Networks] seemed the least concerned by the evidence of high turnover [...]. Their expectation was that, after one or two years, worker turnover would stabilise and eventually decline as the firm was able to retain the best workers.”

Referring to literature on classic low-wage labor regimes, the authors suggest that high turnover may be tolerable to a certain extent from a management perspective if it means that the most productive and qualified employees remain with the company. (Ibid.) The authors refer to Hardy and Hauge (2019), who suggest that this could be the reason why many companies in Ethiopia do not make any serious concessions to their employees. (Ibid.)

In order to understand the phenomenon of high employee turnover, various perspectives must be taken into account: economic, organizational, socio-cultural, and psychological. The employees surveyed as part of the JLU study mainly referred to economic (wage-related) and organizational (workplace-related) aspects in their explanations. Socio-cultural aspects, on the other hand, became more apparent in conversations with communities about work in the textile companies, but here too, economic arguments were at the forefront. The following sections discuss results of 1) *focus group interviews with two communities*, 2) *interviews with relatives of textile workers*, and 3) *interviews with farmers*, and link these to theoretical approaches.

### 3.2 The textile work from a community perspective

Tula is a small village around twenty kilometres away from Hawassa, a regional centre south of Addis Ababa in Ethiopia. The place is characterized by small farming households. The main crops are cereals, khat, enset and coffee. Khat is the Ethiopian drug of everyday life, while enset is a root (also known as a false banana) that is staple food for 20% of the Ethiopian population. Enset is an important plant: highly resistant to drought and available throughout the year. Five women and four men sit together in Tula to talk about how they see the work in the textile industry.<sup>3</sup> The religious diversity of the country is reflected in this group: Protestants, Orthodox and a Muslim. The community is an example of religious

3 The two focus group interviews were carried out (and later transcribed and translated) by Setisemhal Getachew Teshale and Gifawosen Markos Mitta as part of the JLU research project. The