







Human Resource Assessment in Hawassa Industrial Park

November 3rd, 2017

Topics

-  Reducing Absenteeism
-  Retention and Turnover
-  Welfare
-  Strengthen Middle Management

Background

The objective of the assessment is to review the HR structure, identify key labour related challenges and provide recommendations within the Hawassa Industrial Park. The report will shed light on understanding the impact of these challenges on the productivity of the factories. The study also provides action-plans complimented with defined stakeholder roles.

Enterprise Partners (EP) commissioned an international consultancy “Sustainability Agents SUSA GmbH” to conduct the study. 14 factories in Hawassa Industrial Park were interviewed for the assessment.

Reducing Absenteeism

Key Findings

HR manual and employee handbook: Most factories have an HR manual, but only some factories have an employee handbook. Also, these need to be adapted to Ethiopian context.

Induction and soft skill: A standardised training on soft-skill is in place; however standardised induction system is not in place and the training also needs improvement.

Sexual harassment and discrimination: Policies are in place to deal with sexual harassment; however lacks clear procedures.

Health and safety: Most workers are reassured with the health environment in factories, however safety issues have been reported with transport during night shifts and lack of safe water intake leading to hydration and kidney issues.

Retention and Turnover

Grievance procedure: Many perceived that their complaints were not heard. Some systems do not guarantee anonymity of workers.

Allowances and incentives: There is confusion on how incentives are applied with only 50% of workers aware of production incentives being in place.

Increments and career development: Increment policies vary vastly among factories and some do not have at all. Most workers did not consider building careers in factories due to lack of evident career path, promotion system and salary increment.

Welfare

Food: Some factories provide cash allowance, other provide food at factory premises. Workers receiving cash tend to use it for other purpose; leading to health and nutrition issues.

Housing: Most factories do not provide housing allowance and therefore workers spend **250-400 ETB/month** which is unaffordable.

Transport: Shortage of transport services coupled with affordability issue. Some factories provide transport but they don't reach proximity to accommodation.

Strengthen Middle Management

Supervisors: Lack of leadership skill of supervisors. Also, lack of alignment in terms of job expectation between senior management and supervisors is leading to lack of motivation for supervisors.

Recommendations

Localising the manuals: Language translation to Amharic and Sidama. It's required that factories coordinate to develop standardised HR policies and manuals.

Induction and soft Skill: Must not just be at the induction stage. There needs to be more refresher training including more HR elements added.

Sexual harassment and discrimination: Clear procedures with appropriate channels of confidentiality is necessary. A counsellor should be engaged (preferably a female).

Health and safety: Include training on occupational health and safety in their standard HR practice. Conduct water quality test and share results with workers.

Grievance procedure: Establish a workers committee to look at transparent and anonymous channels of grievances. Records of grievances verbal/written to be documented.

Allowances and incentives: The standardisation of core allowances and incentives and clear communication of details to workers.

Increments and career development: Increment policy and promotion system to be developed by HR departments; also conduct periodic trainings to increase awareness among workers.

Food: All factories should provide food as opposed to cash allowance.

Housing: Regulation of housing rent to avoid over pricing.

Transport: Relevant stakeholders, including Hawassa city administration should develop a transport system that is affordable and safe.

Supervisors: Standardise recruitment system and induction. Train the supervisors in soft skills to improve leadership skills.

Next Course of Action:

- Organise “Idea Lab” to link these findings with the action-plan developed by Hawassa Task Force
- The report will be a key ingredient to the labour system design for upcoming Industrial Parks