When the farm-gate becomes a revolving door: An institutional approach to high labour turnover

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By adopting an institutional theory lens, we gain a better understanding of the actions and mindset of managers towards labour turnover in the cut-flower industry in Ethiopia. Our mixed-method approach explores the ways in which managers deal with, and legitimize high levels of labour turnover. Our results show that they engage in three types of practices — predicting, containing and accommodating — whose objective is to make labour turnover tolerable, rather than reduce it. Interestingly, managers do not legitimize their practices through the use of cost-benefit arguments, as the literature would have suggested, but blame the institutional context. This paper highlights the context-dependent aspects of labour turnover and explains how managers may find themselves in a deadlock situation. It informs the debate in human resource management research about managerial practices at the bottom of global value chains.

Keywords: cut-flower industry, Global Value Chains, high labour turnover, institutional theory, intensive labour industries, legitimization, Ethiopia

1. Introduction

High labour turnover is a persistent phenomenon in low-skilled, labour-intensive industries in developing countries. This paper seeks to understand why managers legitimize practices that *tolerate* high labour turnover rather than *reduce* it, and do so by invoking the institutional context.

Labour turnover has been extensively explored in the academic literature (e.g. Abbasi & Hollman, 2000; Arthur, 1994, Griffeth, Hom, & Gaertner, 2000). However, in the specific context of developing countries and low-skilled industries, it remains poorly understood. Current studies of labour turnover have helped to identify the reasons why organizations do not always undertake action to reduce labour turnover by using a rational profit-maximising perspective (Abelson & Baysinger, 1984; Dalton, Todor & Krackhardt, 1982; Siebert & Zubanov, 2009; Williams, 2000). However, very little has been done to consider the subjective dimensions of labour turnover and to understand how managers legitimize persistent high levels of labour turnover in their organisations. Yet legitimisation is important, since it shapes managers' mindsets, and can help us understand the practices they develop to deal with labour turnover.

In order to better understand how managers legitimize high labour turnover, we focused our empirical efforts on the cut-flower industry in Ethiopia, which is a low-skilled, labour-intensive sector. High labour turnover has become a usual feature of the Ethiopian flower farm sector. We especially concentrated on managers' views and experiences, a perspective that has been largely neglected despite the critical role played by managers in creating and shaping the work environment and labour dynamics. In our empirical analysis, we addressed two research questions: 1) what kind of practices have managers developed to control labour turnover in this unique setting? and 2) how do managers legitimize persistently high levels of turnover?

To explore these questions, we adopted a mixed-method research design. Drawing on an institutional perspective, in particular on Scott's (1995) three pillars of institutions, we examined the ways in which managers legitimize high labour turnover. Thus, this article contributes to the literature on labour turnover by offering a critical and contextualized account of managerial practices to control labour turnover and the legitimization underpinning these practices of control.

The remainder of the paper is structured as follows. The next section starts with an introduction to Scott's (1995) three pillars of institutional theory — regulative, normative and cultural-cognitive — which we used as an organising framework. Next, the outline of the research context is presented, together with a detailed picture of our case study, and the methods used in this study. The empirical section presents managers' controlling practices and analyses the ways in which managers legitimize labour turnover. The last section concludes by discussing our contributions to this research field, and the implications of our study.

2. Theoretical lens: an institutional perspective on labour turnover

Labour turnover is *'the movement of people into and out of employment within an organisation'* (Denvir & McMahon, 1992: p. 143). It can be voluntary or involuntary (Cheng & Brown, 1998). Traditionally, much research attention has been devoted to increasing our understanding of the antecedents of voluntary labour turnover (Ma, Silva, Callan, & Trigo, 2015; Van der Aa, Bloemer, & Henseler, 2012); and to delineating successful retention strategies based on the assumption that voluntary labour turnover is expensive and has to be reduced at all times (Abbasi & Hollman, 2000). However, in certain cases, it has been argued that maintaining labour turnover is beneficial for the firm because the costs of facing labour turnover are lower than the costs of actually reducing it (Baruch, 1998; Dalton et al., 1982; Standing, 1989; Wallace & Gaylor, 2012). The benefits of turnover generally include: the flexibility for organizations to grow and decline over short time spans (Mount, 1995); the fact that dissatisfied

labourers would rather exit than organize themselves (Elger & Smith, 1998); low dismissal costs (Smith et al., 2004); and increased work performance for routine jobs (Standing, 1989). In sum, the literature suggests that when deciding whether to reduce turnover or not, organizations need to weigh these costs and benefits.

In this paper, we argue that although the cost-benefit explanation based on the logic of profit maximization has contributed to increasing our understanding of the persistence of high labour turnover, it is only a partial explanation. Subjective aspects, such as the institutional context, play an important role and therefore ought to be studied.

Institutional theory offers a useful lens to study high labour turnover because it helps us to understand that purely profit-maximizing claims do not suffice for organizations to be successful (DiMaggio & Powell, 1983). Indeed, institutional theory is based on the notion that organizations need 'legitimacy' because this enhances stability, fosters continuity and improves the chances of acquiring various resources needed for its survival and growth (Suchman, 1995; Zimmerman & Zeitz, 2002). Without legitimacy, organizations are vulnerable to claims that they are negligent, irrational and even unnecessary (Meyer & Rowan, 1977).

Suchman (1995: p. 574) defined legitimacy as *'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.'* This socially constructed system refers to the rules and norms of the environment in which the organisation operates and in which it needs to demonstrate consistency. The institutional environment is heterogeneous and consists of multiple, often conflicting pressures. These societal and institutional pressures can be classified into international, national, regional and local (Zimmerman & Zeitz, 2002); they are made up of a multitude of expectations from stakeholders, both primary (e.g. owners, workers, buyers, suppliers, and consumers) and secondary (e.g. NGOs or activists, local communities, or

governments) (Scherer, Palazzo, & Seidl, 2013). Hence, acquiring and maintaining legitimacy in the eyes of society is a challenging task (Suchman, 1995).

One possible strategy for winning social acceptance is to conform to the existing institutional environment (Suchman, 1995). An organisation that conforms does not question or challenge the social and institutional structure. Rather, it acquires legitimacy by complying with existing rules and norms. Thus, Scott (1995) proposed a distinction between three pillars of legitimacy: regulative, normative and cultural-cognitive.

The regulative pillar refers to *'explicit regulatory processes of rule-setting, monitoring, and sanctioning activities'* (Scott, 1995: p. 59). Legitimacy is derived from obeying the rules, applying the standards and fulfilling expectations that stem from government legislation or industrial agreements. Enforcement of these rules and standards can be formalised through police and courts, or informalised through more diffuse channels, such as shaming or shunning (Scott, 1995). However, legitimacy goes beyond merely avoiding sanctions. It involves a widespread sense that the organisation is operating according to the letter and spirit of the law and that the organisation is a 'good citizen' (Zimmerman et al., 2002).

The normative pillar encapsulates existing norms (*what* is preferred and considered desirable) and values (*how* things should be done) (Scott, 1995). Normative institutions prescribe what the appropriate or expected behaviour is in a given situation. They are less visible than the regulative pillar because compliance does not spring from coercive rules and sanctions, but rather from social obligations, that is to say: 'the way things *should* be done' (Wicks, 2001). Legitimacy arises from obeying and endorsing the moral norms and values prevalent within a particular context. Hence, the normative conception stresses *'a deeper, moral basis for assessing legitimacy'* (Scott, 1995: p. 61).

The cultural-cognitive pillar refers to the way in which individuals interpret and perceive their environment (Scott, 1995). Cognitive elements are 'constitutive' meaning that they facilitate *'the creation of social categories that are consequently applied to thought and action in order to provide social order'* (Wicks, 2001: p. 665). These subjective elements are common frames of reference and beliefs whereby certain practices are taken for granted and remain unquestioned (Price, Bailey, McDonald, & Pini, 2011; Scott, 1995). Legitimacy emanates from adopting these common frames of reference (Scott, 1995).

Using Scott's (1995) three pillars of institutions as the organising framework for our study, we investigated the way in which managers make sense of, and legitimize high labour turnover. In this way, our study explains the more nuanced and less visible aspects of labour turnover that cost-benefit approaches have overlooked in previous studies.

3. Context: Labour turnover in the Ethiopian cut-flower industry

The Ethiopian cut-flower industry is a relatively young, but rapidly growing sector. The first flower farms started their operations in Ethiopia in the early 2000s. In 2008, it was estimated that 64 farms were already operational (Mano, Yamano, Suzuki, & Matsumoto, 2011; Melese & Helmsing, 2010). Contrary to the well-established Kenyan floriculture sector, which has a year-round production, the Ethiopian floriculture sector targets seasonal production. Because of this, Ethiopian flower farms need great flexibility *'to grow and decline over quite compressed time periods'* (Smith et al., 2004, p. 372). This requires labour to be both available and disposable.

High voluntary labour turnover in the Ethiopian floriculture sector is therefore not considered a problem, especially given that the replacement costs of workers are considered to be low. Jobs are mainly allocated to low-skilled women (around 80% of the workforce), of which there is an ample supply in a developing country context marked by high unemployment figures (Mano,

Yamano, Suzuki & Matsumoto, 2011). When a flower farm decides to hire new workers, they simply have to ask current workers to bring with them interested family members or people they know from their neighbourhood. Moreover, the jobs consist of routine tasks, such as weeding, picking and packaging flowers — for which little training is needed (Barrientos, Dolan, & Tallontire, 2003). On average, a worker learns the job in two or three weeks, with another two weeks to work at high speed.

Some authors have highlighted the high levels of labour turnover on Ethiopian flower farms. For example, in their study on the industry's market formation, Gebreeyesus and Sonobe (2012) made reference to high levels of labour turnover on several Ethiopian cut-flower farms. A study undertaken by Mano et al. (2011) showed that, on average, a flower farm worker was in her early twenties, had already worked on 1.2 farms and had about six months of working experience in the industry at the moment of hiring, despite the relatively young nature of the industry. From these findings, Mano et al. (2011) concluded that high labour turnover was a persistent phenomenon in the industry. In a study by Staelens et al. (2016) on job satisfaction among Ethiopian flower farm workers, it was found that more than 67% of the workers had less than one year of work experience on a flower farm; and 46% of these reported a strong intention to leave their job in the near future. These figures are similar to those found in other studies on high labour turnover (Edwards & Scullion, 1982; Smith et al., 2004). So although there are to date no official records of labour turnover on Ethiopian flower farms, labour turnover has become a regular part of flower farms employment relations.

In 2015, Ethiopia hosted 81 flower farms (Ethiopian Flower Export, 2016). Around 1,500 ha in Ethiopia were allocated to flower production and this labour-intensive industry provided direct jobs for 20,000 to 25,000 low-skilled workers (Mano et al., 2011; Melese et al., 2010). Ethiopia counts eight flower farm clusters situated close to the capital Addis Ababa, in the vicinity of the airport. This article focuses on one specific cluster located in the region of Debre Zeyit. This

cluster is situated close to the city centre and its labour pool consists of a good mix of urban workers living in the city of Debre Zeyit and rural workers residing near the flower farms. This cluster is particularly interesting because at the time of the study, light manufacturing companies (including garments, footwear and plastics) were starting operations in the city centre, causing additional competition for labour with the neighbouring flower farms.

4. Methods

For the purpose of this study, we used a mixed-method research design. This is particularly suitable for gathering rich information on phenomena which previously have been ignored in the research literature (Eisenhardt & Graebner, 2007). We conducted two rounds of data collection. The first round helped us to identify high labour turnover and to refine our research questions: 1) what kind of practices have managers developed to handle labour turnover?; 2) how do they legitimize persistent high levels of turnover? Round two served to dig deeper into the issue and to gain a better understanding of its various aspects. In the next paragraphs, we will discuss the way the data were collected and the way they were analysed.

Data collection

The first round of data collection took place in September-October 2012. One of the authors conducted open-ended interviews, primarily with general managers of flower farms across Ethiopia as well as with other stakeholders directly involved in flower farming. These interviews aimed to broaden our understanding of the challenges faced by the relatively new cut-flower industry and the opportunities it generates. The interviews lasted between one and two hours, and were conducted in English (14 interviews) — or Dutch if the general manager was Dutch speaking (7 interviews). To corroborate the information retrieved at management level, open interviews were also conducted with key stakeholders at sector level, including representatives of the Ethiopian Horticulture Producer Exporters Association (EHPEA), the

Ethiopian Horticulture Development Agency (EHDA) and the Confederation of Ethiopian Labour Unions (CETU). All interviews were recorded and transcribed. In addition, the researcher took extensive notes during and after each interview. These notes helped to improve and adjust the interview guidelines at every step. Thus the data collection followed a highly iterative approach designed to capture emerging themes during the fieldwork (Strauss & Corbin, 1990).

At the end of the first round of data collection, the responses were coded, using NVivo 10, and discussed by both researchers to give further guidance to the research project. High levels of labour turnover emerged from this analysis. We decided to further investigate this intriguing phenomenon and to analyse how flower farms responded to it. We refined our research area by focusing on one single cluster of flower farms. This allowed us to investigate the responses to high labour turnover by different farms situated in the same setting, and subjected to the same institutional pressures (Gibson & Birkinshaw, 2004), and to minimize extraneous variability (Eisenhardt, 1989). Choosing to focus on one single cluster also enabled us to investigate labour turnover meticulously and to collect data from multiple data sources: workers, managers, and the labour and social affairs department, who viewed the phenomenon of labour turnover from differing perspectives (Eisenhardt & Graebner, 2007). The second round of data collection took place in June-July 2013 and included a combination of data collection methods (in-depth interviews, surveys, focus group discussion).

In-depth interviews. We conducted in-depth interviews with the general managers of 8 horticultural farms in the region (7 producing flowers, 1 producing vegetables), 6 of which had already been interviewed during the first round of data collection. The purpose was to increase our understanding of managers' perceptions of high labour turnover and the type of practices they engaged in to deal with the phenomenon. Each interview took approximately one to one hour and a half, and was recorded and transcribed. We asked the five Ethiopian managers and

three foreign managers to describe labour turnover dynamics as they experienced it by drawing on a timeline.

At cluster level we also conducted one in-depth interview with two representatives of the Labour and Social Affairs department of the region of Debre Zeyit. This interview had a duration of one hour and was recorded and transcribed. The information retrieved from these external informants provided us with the specific understanding of the context within which the flower farms were operating.

Surveys. We collected survey data (n = 375) at worker level on five flower farms, stratified according to gender and job functions. The questionnaire included both open-ended and closed questions on socio-demographics, working conditions, work experience, overall job satisfaction and job rewards. For the purpose of this study, the survey data was used for triangulation: analysis of the survey data confirmed managers' assumptions that they could predict workers' quitting behaviour based on workers' characteristics. In addition, the survey data allowed us to reflect on managers' responses, and validated our findings about managers legitimizing persistent turnover and their coping practices.

Focus group discussions. We also organized six focus group discussions: one focus group discussion per farm and one focus group discussion combining workers from all five flower farms. Focus groups only targeted female workers and included from 4 to 14 participants. Each focus group took approximately two hours and was organized on the workers' day off; it was held in an informal setting; it included a researcher and a local moderator, who fluently spoke both Amharic and Oromo. There was a discussion guide, which was not intended to be strictly followed but to aid the researcher and moderator during the discussions.

Participants were asked about their experiences with high labour turnover, the causes of this according to them, and how this related with their personal situations. We made use of

comparisons between farms and other job opportunities in the area in order to unravel the working conditions that really mattered and to gain more insights into workers' perceptions. Each focus group was recorded and transcribed, and the accompanying researcher took extensive notes during the discussion. This worker perspective on labour turnover helped us to improve the quality of our research since it allowed us to triangulate our findings (Yin, 1994).

Table I provides an overview of the data collection tools and of the way the data was used in the analysis. As depicted in the table, the 30 interviews at management level form the core of the analysis. Data collected at the level of workers, cluster and sector helped us to triangulate and corroborate our findings.

Insert Table I about here

Data analysis

Phase I: Identifying management practices

During the first phase of formal analysis, we followed an inductive approach (Glaser & Strauss, 1967). The first author started reading the raw data collected at management level and coded all practices related to labour turnover that emerged from the interviews, using NVivo 10 software. Both authors then discussed the extensive list of practices and together they reflected on each separate practice, asking the following questions: 'Does this practice reduce turnover? And if not, what is it then that this practice achieves?'

Three types of codes emerged from this analysis: (i) practices designed to predict the labour turnover pattern; (ii) practices aiming to contain current levels of turnover; (iii) practices aiming to accommodate to high labour turnover. We did not find any practices that actually served the purpose of reducing labour turnover; nor did we find any differences between the practices used by local and foreign investors. The in-depth interviews clearly showed that local and foreign managers maintained good relations with each other. At cluster level, there were regular

meetings during which common issues were discussed, such as the poor quality of roads, burglary or the organization of social initiatives. At the same time, managers maintained informal contacts by visiting each other's farms or having an occasional drink together. When we analysed the set of practices that managers had developed to deal with turnover, we found that certain practices were diffused intentionally (e.g. entering into cluster agreements, sourcing strategically), whereas the legitimization efforts of managers may have been the result of unintentional imitation. Hence, when it comes to the actions and mindsets of flower farm managers towards labour turnover, we believe that they may have engaged in mimetic behaviour, making farms behave very homogeneously with regard to high turnover (DiMaggio & Powell, 1983).

Finally, we turned to the data collected at worker level to augment and validate our findings (Miles & Huberman, 1994; Silverman, 2006). By way of an example, this triangulation of data supported our finding that managers could predict labour turnover on the basis of workers' characteristics. In addition, we previously doubted whether small surprise gifts could really lower labour turnover, but the focus group discussions confirmed our intuition to classify this practice under the category 'containing labour turnover'; because focus group participants sneered at the idea that they would become loyal workers in return for a small surprise gift such as a bottle of milk. A detailed table, including representative quotes of the three types of practices that managers employed, can be found in Appendix 1 (available upon request).

Phase II: Understanding managerial practices

During the second phase of data analysis, we followed a deductive approach. The focus of this analysis was to understand how managers made sense of persistently high labour turnover. We used Scott's (1995) three pillars of institutions (regulative, normative and cultural-cognitive) as organizing framework. During this phase we followed a highly iterative approach, moving back

and forth between theory, data and literature in order to work out how these pillars fitted in our context (Strauss and Corbin, 1990).

The emerging results were discussed regularly by both authors. At the end of the analysis we also shared our findings with several peer researchers to test our insights. Moreover, we presented our findings in informal settings attended by Ethiopian colleagues who were familiar with the context. A more detailed table, including representative quotes of the arguments that managers employed to justify high labour turnover, can be found in Appendix 2 (available upon request).

5. Findings

This section is organized around our two research questions. The first part presents the practices used by managers to cope with labour turnover; these have been classified in three main types. The second part analyses the way in which managers make sense of high labour turnover and how they legitimize the set of practices they have developed.

Management practices

Given the limited costs involved with high labour turnover, it would probably be more expensive to reduce turnover than to tolerate it. Reducing turnover would have involved several human resource practices, including raising wages substantially. Our survey data shows that 84% of our respondents considered that their wages were not enough to meet their basic needs. This was one of the major reasons to search for better job opportunities.

While tolerating high labour turnover was less costly than reducing it, general managers did describe it as a time-consuming and challenging phenomenon. They sometimes had to deal with a sudden, mass departure of workers, which forced them to find immediate solutions. Indeed, much effort was made to devise practices to 'control' labour turnover. We categorised these practices into three main types: (i) predicting the pattern of labour turnover; (ii) containing

current levels of labour turnover and, (iii) accommodating to high labour turnover. Each type is discussed in the sections below.

(i) Predicting labour turnover

The first set of practices consisted of predicting the ebb and flow of labour turnover. To this end, managers developed ways to identify patterns of labour turnover. They had a very good understanding of those patterns, which they easily could draw on the timeline that we used during the interviews. The different timelines collected displayed very similar patterns. This knowledge was built up by observing three main elements: the worker's background, the Ethiopian calendar, and informal social ties established on the shop floor. Those three elements helped managers to predict an individual worker's quitting behaviour and, more generally, the labour turnover pattern.

The notion of 'worker's background' referred to two parameters: whether the worker was from a rural or urban area; and whether it was a school-aged person. In most cases, workers from rural areas had their own farming activities and therefore had to quit during the farming season to take care of their plots of land. Managers said that they saw rural men leave the farm at the beginning of the rainy season to plough and sow their own land, followed by the rural women in September, who were in charge of weeding. Both rural men and women were involved in harvesting, so because of this, managers only saw their rural workers return to the farms at the end of January — when the harvesting season had ended.

Urban workers also had a good reason to quit: alternative job opportunities, which were becoming increasingly available in the city centre. When flower farms started their activities, the city of Debre Zeyit and its surroundings was considered underdeveloped and there were few job alternatives. However, over the years the floriculture sector bloomed and other horticultural farms, together with light manufacturing industry, settled near the city centre. This increased

competition among farms, and with other sectors, created many job alternatives for the unskilled female labour force. In addition to job alternatives in the region, foreign brokers also came to the city offering local women the opportunity to work in Arab countries as maids. Managers pointed out that, in general, Ethiopian workers lack means of transportation. Hence, they knew that workers living in the rural surroundings of the city were often excluded from these alternative job opportunities. So the increased competition was said to largely induce high levels of turnover among the urban workers living close to the city centre, where these alternative jobs were created.

The second parameter concerned workers who were school-aged and most probably wished to return to school. Although managers expressed great reluctance to hire students, since few of them showed long-term commitment to work on the flower farms, students apparently hid the fact that they were attending school. However, as with rural farming activities, students looking for a job on flower farms followed a recognisable pattern. In other words, managers did take into account that when young workers aged between 16 and 18 years came to look for a job at the end of May (when school had just closed), they probably would leave the farm in September when the academic year resumed. With this information in hand, managers could predict the labour turnover flow to a large extent.

The analysis of the survey data of anonymous (2016) confirmed managers' assumptions. A Chi-square test of independence was calculated comparing the intentions to leave of urban and rural workers. A significant interaction was found, $\chi^2(4, N = 358) = 10.19$, $p < 0.05$. Rural households were more likely to leave (65.7%) than urban households (56.4%). The same test also showed that students were more likely to leave (78.9%) than non-students (52.5%). The difference was significant, $\chi^2(4, N = 358) = 26.44$, $p < 0.001$. Appendix 3 (available upon request) summarises the year-round labour turnover dynamics on flower farms operating in the region of Debre Zeyit.

The second element needed to predict labour turnover is knowledge and understanding of the Ethiopian calendar. Managers named two critical moments. The first one is in September: during this month, demand for cut flowers in the northern hemisphere starts increasing as it marks the end of the summer period in these countries. During the same period, the rainy season in Ethiopia ends, resulting in a more favourable climate. This is a crucial period for flower farms; they restart production and take intensive care of their flowers, which may have been affected by diseases during the rainy period. But at the same time, September marks the end of the year for Ethiopians. Students return to school, women go to the fields to weed them, and all celebrate New Year on 11th September. Hence, flower farms are faced with an important number of workers leaving the farm at the same time.

The second critical period is towards the end of April or beginning of May, when flowers are in peak production. Demand for flowers in the northern hemisphere is high due to Mother's Day and the climate is perfect. Night temperatures are very high and the air is dry, right before the rainy season begins. Flower farms are fully operational; they need workers willing to work 7/7 and do overtime to meet their targets. This period, however, coincides with Ethiopian festivities. It is a common wedding time for Christians, and many Ethiopians celebrate the fasting season and Easter. As a result, most workers wish to go home to visit their family and relatives, and flower farms are faced with a shortage of workers.

The third factor influencing a worker's intentions that was mentioned by managers was: being a member of an 'ikub' (sometimes spelt differently: iqub or iqqub). An 'ikub' is a horizontal, informally organized savings scheme among workers of a work unit (e.g. a single greenhouse). It involves a small monthly contribution, which is given at the end of the month to one member by means of a rotation scheme (e.g. the often mentioned ROSCA schemes) (Anderson and Baland, 2002). Being a member of an ikub involves a long-term commitment. To be eligible as a member, one needs to contribute as many months as there are members. Although this

informal system is not visible to non-members, managers referred to this savings net as an important predictor of turnover.

Whereas the other two elements described above were markers of a stronger intention of workers to leave, this element meant just the opposite: it was a marker of a strong intention to stay. Indeed, the ikub increased the loyalty of the workers towards other ikub members by creating a bond between them. As a result they were less inclined to leave. Hence, managers put some effort into identifying those work units where an ikub had been set up, since labour turnover in those work units was said to be drastically lower. The analysis of our survey data (anonymous, 2016) again confirmed managers' assumptions. Ikub members had a much lower intention to leave (39.1%) than non-ikub members (62.2%). The difference was significant, $\chi^2(4, N = 358) = 18.37, p < 0.001$.

(ii) Containing labour turnover

The second set of practices consisted in containing labour turnover so that the turnover rate was manageable. Interestingly, high labour turnover as such was not the problem, but unpredictable labour turnover was. To avoid additional unpredictable labour turnover, managers of the flower farms developed a number of strategies. The first strategy was to enter into agreements with neighbouring farms not to compete with each other. This oral, informal collusion at cluster level included paying comparable wages and increasing wage rates on the same day. In addition, managers promised not to hire workers coming from neighbouring flower farms. They also agreed to source workers from different areas than neighbouring farms. Though promises were not always kept, managers said that these measures did help to discourage worker mobility and inhibited competition within the sector. In this way, cluster agreements ensured that turnover did not become uncontrollable.

A second strategy was to source geographically. Most workers lacked any means of transport to get to the flower farms and because land rights are difficult to obtain in Ethiopia, people are reluctant to move. Therefore, farms need to provide bus services to transport their workers. Managers seemed to make use of workers' lack of mobility by targeting different villages than their competitors to source their workers. This practice makes it virtually impossible for workers to compare working conditions and to choose which farm to work for. Hence, by sourcing from different areas, it seemed that managers again managed to contain labour turnover caused by internal cluster competition.

The third strategy consisted in providing small incentives to the workers during peak production and at critical moments. Working overtime in the pack house or being shifted from one work unit to another to complete unfinished work is not an exception at peak times, and alternative job opportunities may then become more attractive; moreover, seeing colleagues leave the farm may strengthen this feeling. Managers indicated that, during these moments, it was important to keep the remaining workforce and that they did so by providing small incentives, for example giving one litre of milk or one kilogramme of bananas at the end of the day. These small presents were said to have a short-term, lowering effect on labour turnover.

However managers recognised that containing labour turnover caused by alternative job opportunities remained a difficult task, especially because it did not follow a clear seasonal pattern — in contrast with rural activities or school activities. Managers said that they could do very little to reduce competition for labour with other sectors.

(iii) Accommodating to high labour turnover

The first two sets of practices emerging from our data have to do with predicting labour turnover patterns and making high labour turnover containable so that it is manageable. A third set consists in practices enabling accommodation to high labour turnover situations.

‘Accommodation’ means that management seeks ways to adapt to the highly fluctuating workforce. In our study, accommodating practices included the segmentation of the workforce, task simplification and hiring more workers than needed.

On flower farms there are two main types of jobs. Either one works in the greenhouse or in the pack house. Greenhouse workers are responsible for weeding, cleaning and harvesting the flowers. Workers assigned to the pack house sort flowers in terms of quality and size, and package them accordingly, before they are placed in cold rooms. Both jobs are done by low-educated female workers; however, managers highlighted the fact that work in the pack house requires some more training, because it is there that a difference in terms of quality control is being made. In addition, work in the greenhouse can be rearranged while this is not the case for work in the pack house. For these two reasons (more training needed in the pack house together with fewer opportunities for task simplification), managers sent rural women who were likely to leave in September to the greenhouse, while more stable workers, i.e. urban women, were assigned to the pack house. This segmentation of the workforce is a way of accommodating to high labour turnover as it lessens its negative impacts.

Another practice developed to overcome periods of labour shortage is task simplification and task rearrangement in the greenhouse. Workers are asked to postpone less critical tasks, such as weeding, or to harvest only twice instead of three times that day. They might also be asked to cover for absent co-workers.

The last practice that we identified consisted in hiring more workers than were actually needed during quiet production periods. This was a way for managers to cover potentially large drop-outs and to make sure that they would not have to train new workers during peak production.

Managers’ legitimization of labour turnover through an institutional lens

In the context of flower farms in Ethiopia, we wished to better understand how managers make sense of (i.e. construct and interpret) the issue of high labour turnover. Using an institutional perspective, we argue that they make sense of it by developing coherent accounts based on institutional systems that provide them with a justification for the practices they have developed. Building on Scott's (1995) institutional pillars, our analysis reveals that managers mobilise regulative, normative and cultural-cognitive arguments to justify high labour turnover.

(i) Regulative pillar

Regulative elements are probably the most visible, explicit forms of institutions (Wicks, 2001). Legitimacy arises from compliance with the requirements of the regulatory system (Scott, 1995). In the context of the cut-flower industry, managers blamed Ethiopian policies and labour regulations for causing high labour turnover. At the same time, they indicated that they felt constrained by government legislation when trying to take more effective measures to overcome high labour turnover.

Policies and regulations as causal factor. Managers blamed the government for contributing directly to high labour turnover. Government policies and regulations were criticised for promoting alternative livelihood strategies and encouraging education, thereby stimulating rather than stabilising labour turnover. For instance, most farms are located in clusters near Addis Ababa, since they are export-oriented. However, the government has also allocated land to other industries, such as the garment industry, in these clusters. This centralisation has resulted in strong competition for labour among different industrial sectors. The agricultural sector, to which the cut-flower industry belongs, finds it difficult to compete with the light manufacturing sectors in terms of wages. Managers also blamed the current government for encouraging the migration of low-skilled women to Arab countries to work as household maids — flower farms require exactly these same workers. Managers did however understand that

government was promoting the education of their low-skilled labour force, seeing it as an indication of Ethiopia's ongoing development. Nevertheless, they pointed out that higher school attendance negatively affected their labour supply.

While Ethiopian development policies were said to have an influence on labour dynamics at a macro level, Ethiopian labour law was said to induce greater labour turnover at farm level. For instance, labour law prescribes that a worker working on a flower farm for 45 consecutive days must receive a permanent contract. Although at first sight this measure would seem to protect a worker's rights, it has had a pervasive effect in the sense that workers see their wages decline once they become a permanent employee. Managers explained that this was because permanent workers had to pay taxes and pension contributions, whereas daily or seasonal workers did not. As a result, this created dissatisfaction among the workers, often resulting in their departure. Although managers acknowledged the problem, none of them spoke about making up for the difference by increasing wages. They argued that they were complying with the rules. In other words, the legitimacy of this practice arose from the taken-for-granted character of the labour law.

Regulations as constraining factor. Regulations were also presented as constraining factors: they were too lenient — favouring the workers, protecting their rights too much and leaving managers with no means to overcome labour turnover. Managers said that they had no means to *"discipline"* the workers. This sense of powerlessness over workers was touched upon by many managers through anecdotal examples. For instance, a worker is said to be within the parameters of the law if he/she is absent for less than ten days a month. Managers stated that giving workers permission to be absent for one third of a working month was unimaginable in any other context. They also claimed that Ethiopian workers abused this rule regularly by not showing up for work without notifying their supervisors. Managers said that they tried to discipline their workforce by giving warnings but ultimately these warnings were ineffective,

since labour law does not allow any wage deduction or other form of penalization for less than ten absence days a month. In other words, managers emphasised that they did not have any means to take action. They perceived the regulative environment as a constraint and thought that it limited their scope for action to reduce labour turnover. This prevented them from doing anything about their unpredictable, slippery labour force.

(ii) Normative pillar

Normative elements refer to those *"normative rules that introduce a prescriptive, evaluative and obligatory dimension into social life"* (Scott, 1995: p. 64). Legitimacy arises from doing things the way 'it *should* be done' (Wicks, 2001). In the context of the flower farms, managers explained high labour turnover as a consequence of existing gender roles and social obligations.

Gender roles. The cultural-cognitive frames in which women are viewed as soft, caring and patient, while men are seen as strong and tough, underpin socially-accepted work and non-work roles. In Ethiopia gender roles are clearly defined (Aguilar, Carranza, Goldstein, Kilic & Oseni, 2015; Kumar & Quisumbing, 2015). Men are seen as the breadwinner of the family while women are responsible for a multitude of tasks within the household. They are expected to go to the market, cook, clean and take care of their children, as well as of elderly or sick household members (Aregu, Bishop-Sambrook, Puskur & Tesema, 2010). Referring to these traditional gender roles, managers considered high labour turnover as a typically female phenomenon. A full-time job on a flower farm is 48 hours spread over six days in a week. Managers acknowledged that the combination of work and non-work responsibilities for many female workers might be challenging. Thus absenteeism would rise on market days, or women would be absent for a number of days without notifying their supervisors in advance. Pointing towards these traditional gender roles, managers argued that high labour turnover was an external phenomenon, caused by Ethiopian norms and values. Legitimacy here came from acting in line

with these institutionalised norms and values. In other words, *tolerating* high labour turnover rather than trying to reduce labour turnover had become the appropriate action, since reducing labour turnover would imply that one challenged these taken-for-granted, institutionalised gender roles.

Social obligations. Ethiopians are said to be very close to each other and to attach great importance to ceremonies. One manager illustrated this powerfully: it was considered normal that whenever one worker was sick, two or three people would be absent to take care of this person. Funerals or weddings would attract many people, resulting in high absenteeism on those days; the same was true for other important holidays and festivities. Easter, for example, is one of the most celebrated times of the year in Ethiopia, especially among Christians, because for them it falls together with the wedding season. Most workers wish to go home to visit family and friends, which some managers perceive as a real problem since the Ethiopian Easter coincides with the peak production season. Unsurprisingly, managers are very reluctant to give holidays during this period, so many workers just quit their jobs. As with gender roles, managers pointed to the social obligations of their Ethiopian workers as a driving force of high labour turnover. As such they emphasised that high labour turnover was the product of external elements about which they could do nothing; all they could do was to find a way to cope with it.

(iii) Cultural-cognitive pillar

Finally, cultural-cognitive elements of institutions are those *'shared conceptions that constitute the nature of social reality and create the frames through which meaning is made'* (Scott, 1995, p. 67). In the context of the cut-flower industry, managers would draw on cultural-cognitive elements to make sense of their organisation's structure, to explain the underlying logic of high labour turnover, and justify their actions.

Feminine qualities. Worldwide the cut-flower industry is dominated by female, unskilled workers: they make up around 80% of the total workforce on each farm. There was a shared understanding among managers that women were more suited for jobs on flower farms than men, due to their feminine qualities, which were described as: careful, patient and sensitive. It was mentioned that routine work on flower farms was easier for women; they were said to be more responsible and less likely to complain. Few managers had ever questioned this workforce composition, let alone thought of changing it — even though they considered high labour turnover much more common among their female than among their male workers. By emphasising these feminine qualities, managers explained why the majority of their workforce were women and why they were not going to change this workforce structure, even if this meant that the organisation was constantly going to face high labour turnover figures.

Image of the flower farm worker. Working on flower farms *"doesn't require intellectual or something. Just labour horse is needed" (interview1000b).* So what workers typically have in common is that they are low educated. Managers associated this lack of formal education with being irresponsible and incapable of long-term thinking. Thus this explained why their workers would voluntarily quit their permanent job at the farm for an alternative job opportunity in the city, for example in the construction sector, on a short-term basis. This image that managers had of their workers made them also conclude that workers were susceptible to all sorts of information, making them constantly move from one job to another even though, according to the managers we interviewed, there was no rational motive to do so.

In addition, with flower farms being new in the country, most workers would have their first work experience in this sector. Managers associated this lack of work experience with a lack of a decent work ethic. Managers illustrated this by pointing out that workers often stayed at home "*for fun"* (interview 10.000), or when they "*simply have received a bit of money"* (interview 100.000a). These cultural-cognitive frames, presenting workers as irresponsible and irrational,

were used by managers to blame their workers for high labour turnover. In addition, these frames also affected managers' practices, since managers had to *"discipline"* them and *"teach"* them proper work ethics.

Rural vs urban identity. Another characteristic that managers would draw upon to make sense of their working environment was the worker's geographical origin. Managers described rural employees as hard-working people who already had some agricultural experience because they also cultivated their own land. Workers with an urban background, on the other hand, were categorized as fast, smart and focused. Because of their exposure to city life, however, they were also labelled as pickier than rural workers. Drawing on these cognitive frames, managers would justify their workforce segmentation. Rural workers were more likely to be placed in greenhouses, where they were responsible for agricultural tasks such as weeding and harvesting flowers. Urban workers, on the other hand, would be put to work in the pack house, where they would have to select flowers according to quality criteria and package them for shipping. According to our interviewees, in general urban women preferred the pack house because work there is done in the shade, and is cleaner than the tasks carried out in hot, muddy greenhouses. In this way, managers legitimized the segmentation of their workforce. The fact that greenhouse tasks were less adversely affected by high labour turnover than tasks in the pack houses, and that rural workers employed in greenhouses were more likely to leave the farm than urban workers employed in the pack houses, was viewed as a coincidence. Within their cultural-cognitive frames, managers sought to legitimize their workforce segmentation by pointing out that this was the logical thing to do.

6. Discussion

The paper explores high labour turnover through the lens of institutional theory. Indeed it is a call to broaden our understanding of high labour turnover by considering not only rational profit-maximising objectives but also the subjective dimension. We argue that these two

perspectives, rather than being in conflict, are complementary and allow us to better deal with the complexity of the issue.

Two main questions are investigated in the paper: the practices developed by managers to cope with high labour turnover, and the justifications underlying their practices. Our analysis sheds light on the importance of the institutional system in shaping managers' mindsets with regards to high labour turnover. This mindset, that is the propensity of managers to appreciate, understand and make sense of labour turnover, plays an important role in the way managers deal with labour turnover.

Managers perceived labour turnover as the outcome of external institutional forces, and this contributed to shifting the problem outside their (perceived) sphere of influence. Building on *regulative* elements, managers made sense of high labour turnover by picturing it as a consequence of a macro regulative environment facilitating alternative work opportunities. The *normative* elements helped managers to attribute high levels of turnover entirely to women's social and cultural obligations. Finally, the image of workers as unskilled, irresponsible and lacking a decent work ethic constitutes a *cultural-cognitive* construction, and it affected managers' practices. Consequently, managers pictured high labour turnover as a phenomenon entirely situated on the workers' side rather than as a problem arising from organisational practices. As a result, managers felt deprived of the means to reduce labour turnover. The analysis of practices shows that the managers in our case studies did not intend to reduce labour turnover or to develop a more stable workforce. Instead, their practices were meant to offset the negative effects that high labour turnover might have on the organisation's performance.

Our analysis also highlights that high labour turnover cannot be associated with a passive management style: it necessitates the development of active counter-mechanisms. Indeed, we identified nine practices used by managers to ensure a certain degree of control of high labour turnover. Even if managers do not aim to reduce turnover, this does not mean that they simply

ignore the issue. This article shows that managers do invest time and effort in identifying, containing and accommodating to high levels of turnover.

Reflecting on our findings, we suggest a model representing the manager's mindset towards labour turnover (Figure 1). It shows how managers attribute high labour turnover to the institutional environment, and how this mindset influences the formulation of practices helping them to tolerate turnover rather than reduce it.

Insert Figure 1 about here

Our findings reveal that managers did not envisage that the work environment — such as working conditions or wages — might be a cause of turnover. Instead, they considered high labour turnover to be entirely caused by external pressures. This is surprisingly different from what is generally accepted within the academic literature, where high levels of turnover are considered to be caused by job dissatisfaction; accordingly, retention strategies, to be effective, need to focus on improving working conditions so as to improve job satisfaction (Mobley, 1977; Mueller & Price, 1990).

Theoretical contributions

The current study contributes to research on labour turnover by providing an empirical exploration of the ways in which managers accommodate and accept high levels of turnover. Building on institutional theory (Scott, 1995), we have developed a model showing how the institutional context — regulative, normative and cultural-cognitive dimensions — shapes managers' mindsets and helps them to legitimise (and thereby maintain or tolerate) high levels of turnover. Although there is still much empirical and theoretical work to be done on labour

turnover in low-skilled, labour-intensive industries, this study — by collecting empirical data and including the subjective dimension — is an important step forward in this research field.

This model makes several important contributions. First, it emphasizes the efforts required to control and tolerate labour turnover. Though *tolerating* labour turnover may sound like a passive management strategy, it actually involves active mechanisms. Flower farm managers developed and engaged in different types of practices to predict, contain and accommodate to labour turnover. Although the very specific practices we identified in this study may be context-dependent, the efforts made by managers to familiarize themselves with their workers and the specific institutional environment may apply to any other context. Other studies have shown that similar approaches were deployed in companies in the West (Edwards & Scullion, 1982; Smith et al., 2004).

Second, our research demonstrates the importance of institutional forces in dealing with high labour turnover. Thereby, it shows how essential it is to consider subjective determinants as complementary to the more rational lens of the cost-benefit approach. Although several studies have identified the reasons why organizations do not always undertake action to reduce turnover, they all have taken a rational profit-maximizing perspective (Abelson & Baysinger, 1984; Dalton, Todor & Krackhardt, 1982; Siebert & Zubanov, 2009; Williams, 2000). Few studies have considered the subjective dimension of controlling labour turnover or tried to understand how managers legitimize persistent high levels of labour turnover within their organizations. Yet legitimization is important: it affects managers' practices and can help us understand why high labour turnover persists. Indeed, our analysis reveals that managers do not legitimize high labour turnover through economic and profit-maximization claims, as argued in the literature. Instead, legitimation is based on the particular, local context. We posit that viewing labour turnover as being entirely caused by external institutional pressures hinders the

development of effective retention strategies focused on improving the work environment. Our model captures this 'deadlock' that managers have put themselves in.

Practical implications

One of the most significant implications of the study relates to the deadlock situation. As a consequence of the deadlock, it is very unlikely that high labour turnover will properly be addressed in the near future, unless managers are subject to internal or external pressures. Only then might managers stop blaming the institutional setting, and the situation might change.

Internal pressures may be the result of an increase in the costs of turnover. According to the cost-benefit approach, changes may occur when the costs of high turnover exceed its benefits, as was for instance the case in the Kenyan cut flower industry. Riisgaard & Gibbon (2014) showed that due to the stabilization of the Kenyan production system, Kenyan cut flower managers sought a more stable workforce and, consequently, made improvements to the labour management system so as to retain their workers (e.g. higher wages, promotion opportunities, the right to collective bargaining). If the Ethiopian cut flower sector ever reaches a maturity level similar to that in Kenya, this will most probably create the necessary internal pressures on Ethiopian managers to deal more proactively with high labour turnover. To be able to respond to these pressures, managers will have to re-evaluate the causes of high labour turnover.

External pressures, on the other hand, may come from actors who are concerned with workers' well-being and have an interest in improving working conditions. Those actors might be, for example, the Ethiopian government, international certification bodies, or non-governmental organisations. Our findings point at the necessity for these actors to understand the institutional logic that managers draw upon to legitimize high turnover — because this has far-reaching consequences for the organisational structure and managerial practices. Given that the current mindset of managers hinders the development of effective retention strategies and the

improvement of working conditions, external actors will have to come up with convincing arguments to change this mindset.

Future directions

Our study provides insights that indicate the direction for future research. The fact that managers seek to achieve legitimacy and social acceptance for high levels of labour turnover illustrates the need for more contextual research that will serve to improve our understanding of the complexities of this phenomenon. We acknowledge that our analysis is based on a single industry in a specific country context, and that the legitimization practices of the managers interviewed are specific to our empirical setting. However, it is conceivable that similar patterns may occur in other situations bringing together high turnover and stakeholders who are concerned about poor working conditions. In this regard, further research should be conducted in other low-skilled, labour-intensive industries and other institutional country contexts. This would make it possible to verify and expand upon the managers' legitimation and coping practices presented here.

Insert Appendices about here

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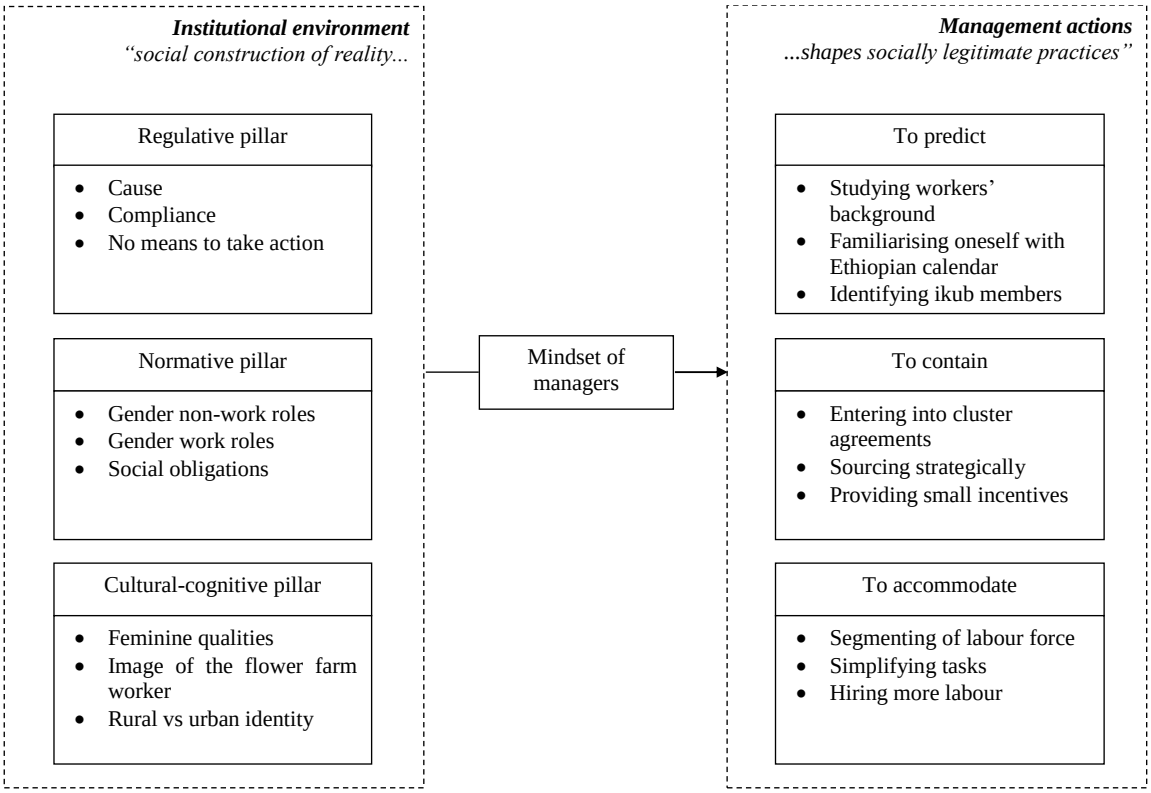

Figure 1. Manager's mindset with regard to persistently high turnover and coping practices

Table I. Data sources and use

	Source level	Type of data	Use in the analysis
1st round of data collection September-October 2012 Cut-flower industry	Sector level	*Preliminary interviews (3)* with representatives of the Ethiopian Horticulture Producer Exporters Association (EHPEA), Ethiopian Horticulture Development Agency (EHDA) and Confederation of Ethiopian Labour Unions (CETU)	Familiarise ourselves with context of cut-flower industry
2nd round of data collection June-July 2013 Cut-flower cluster	Management level	*Preliminary interviews (22)* with general managers of 21 flower farms (12 Ethiopian managers, 9 foreign managers)	Identify management practices and how they legitimize these practices
	Management level	*Focused interviews (8)* with general managers of 7 flower farms and 1 vegetable farm (5 Ethiopian managers, 3 foreign managers)	
	Worker level	*Focus group discussions (6)* were organised for each targeted farm (4 to 14 female participants) and 1 focus group discussion brought together workers from all five farms (9 female participants) *Surveys (375)* of workers from five targeted farms in Debre Zeyit. Stratified random sampling procedures were used to ensure an adequate representation of, on average, 75 workers who had different job functions within the farm	'Triangulate' interpretations emerging from management interviews
	Cluster level	*Focused interview (1)* with 2 representatives of labour and social affairs department, Debre Zeyit	