

African Leadership Excellence Academy የአፍሪካ አመራር ልህቀት አካዳሚ



Work Culture Transformation Center

December /2023

Addis Abab

Contents

1.	Introduction	3
2.	Background	5
3.	Types of Work Culture: The Competing Values Framework	7
	3.1 Workplace Culture Examples	10
	3.2 Tips for Improving Work Culture	11
	3.3 Work Culture in Africa	12
4. Center for Work Culture Transformation in AFLEX		15
	4.1 The Main Objective	15
	4.2 Specific Objectives	15
	4.3 Undertakings of the Center for Workplace Culture Transformation	15
4.	Operational Strategies of the Center	16
6.	Expected Outcomes	17
7.	Infrastructural and manpower requirements of the center	17
8. Stakeholders		18

1. Introduction

The work culture is defined as the attitudes and behaviors of employees within an organization. Many things influence the organizational culture, ranging from the work environment, policies, leadership, goals, values, and mission. Workplace culture is a unique sociological construct. While it may work in much the same way as any other type of culture does in a community, say in ethnic or religious culture, it differs in one major respect: it is inherently multi-cultural. In multi-cultural countries this is mostly common with its own challenges. For example, in South Africa multi-cultural workforce is particularly true, with the average workplace containing employees of all races, genders, religions, political affiliations and many other differentiating factors. In Ethiopia also this is true, more widely at federal level. This makes the creation and maintenance of a positive and unifying workplace culture all the more difficult – and all the more important.

There are manifold ways a strong company culture contributes towards business success. It makes the workplace more appealing to potential employees and helps to retain the best talent. This makes the hiring process more successful and also reduces staff turnover. A strong culture also contributes greatly towards a company's brand by aligning their employees' perceptions from the inside with their customers' perceptions from the outside, solidifying a positive public view of the company as a whole. Happy employees make the best brand ambassadors, and in this age of social media, both employees and customers alike broadcast their experiences for all to see.

In most countries and some continents, such as Europe, USA, Japan, South Kora, Tiwan, China, etc. population growth is slowing and a rising global median age are presenting potential economic opportunities for some developing economies, but rapidly aging and contracting populations in some developed economies and China will weigh on economic growth.

In contrast, Sub-Saharan Africa will account for around two-thirds of global population growth and is poised to nearly double its current population by 2050. Ethiopia in this sub-region and the African continent has the largest population growth. Relatively poor countries in Sub-Saharan Africa and South Asia will account for almost all global population growth during the next two

decades; they will be rapidly urbanizing at the same time, most likely overwhelming their capacity to provide the infrastructure and education systems necessary to fully harness their economic growth potential.

During the next two decades, demographic shifts and economic incentives are likely to increase pressure for migration out of developing countries, mostly from Sub-Saharan Africa, and primarily into aging, developed countries. Conflict and climate disruptions will compound these broader migration trends. These demographic and human development trends will put pressure on governments to increase public investment and control immigration, potentially fuel instability in some countries, contribute to a rising Asia, and add to the agenda of already strained international development institutions.

Africa then, needs workplace transformation for its future, because there is technological revolution across the world which is testing Africa today. Workplace cultural transformation is the most challenging kind of change management project. The "human" aspect of any change project is always challenging. Just think of a digital, structural, or merger transformation. In these cases, the changes in technology or structure are difficult enough to achieve. But then, it is even harder to make employees adapt quickly to the changes. With time, training, empathy, and support, staff will adapt to an easier working method.

Following unprecedented technological change, it is now obvious that, inter alia, the work as it stands now will be an affected by the ensuing change in the making. Thus, preparing Ethiopia and Africa for the future of work is a timely issue. To consolidate its regional power position and receive more recognition and credibility, Ethiopia needs to improve its internal political condition and increasingly play a more constructive role in the continent. Hence, the African Leadership Excellence Academy took the initiative to establish the Center for Workplace Culture Transformation in Africa. This document is, therefore prepared for the establishment of a viable workplace culture transformation center at the African Leadership Excellence Academy. It includes experiences of other countries, statement of the problem, objectives and undertakings of the Center, operational strategies and infrastructural and manpower requirements, expected outcomes and partners for its effectiveness.

2. Background

What is Work Culture and Why is it Important?

A positive work culture doesn't just happen. It takes thoughtfulness and careful cultivation. If you haven't been thinking about your organization's culture, chances are it isn't where it needs to be. That can mean some major repercussions. A study in Sweden found that employees under "poor" leadership had a 25% higher incidence of heart problems. Physically and mentally stressed employees are not only less engaged. They're also more likely to call out of work and eventually leave the organization, leading to sky-high absenteeism and turnover rates. This can cost organizations big time.

Organizations with positive work environments conversely have more productive, loyal employees. Fortunately, there are a lot of ways to nurture the employee experience. Promoting diversity, transparency, and understanding can do wonders for a business. Furthermore, visible and accessible leaders inspire employees and keep management in touch with day-to-day problems. This means higher retention, reduced absenteeism, and best of all, happier and healthier employees.

Why Work Culture is Important?

How, exactly, will a strong work culture affect organization's bottom line? Here are just a few of the benefits one can expect to see if invest in building a strong culture. It's different with workplace cultural transformation. The complete change process is about human aspects of company culture. Every change is about the "hearts and minds" of staff. The core values of the company may change. It takes a special kind of expertise to support this.

No two workplace cultures are ever quite alike, because no two organizations are the same. To a certain extent, the industry in which it operates will dictate the company culture. In a law firm, for example, a strongly hierarchical structure, a certain sense of decorum and formal dress-code come standard, but cultural similarities in workplace organizations do reveal cultural patterns common to most companies. This provides a useful framework for leaders who want to assess or alter their organizational culture for the better. In this regard, this document is prepared to

establish the Centre for Work Culture Transformation at African Leadership Excellence Academy.

A Positive Work Culture Means Increased Retention Rates

High turnover isn't just bad for morale. A survey from Sweeden HRM showed that the average cost-per-hire is just over \$4,000. If turnover rate is high, business is most likely spending thousands of extra dollars a year just to keep positions filled. And that number doesn't even factor in the expertise and knowledge that departing employees take with them.

Workplace Culture Can Lead to a Growth Mentality

A positive work culture encourages growth at the personal, organizational and ultimately to national levels. Employees with a growth mindset will feel empowered to do their best work and pursue opportunities. Businesses can harness the expertise of long-standing workers who have stayed with the company and attract new talent with their positive atmosphere.

A Strong Work Culture Means Increased Productivity

A positive company culture leads to happier employees who feel valued and supported. Happy employees aren't just more pleasant to work with. According to Oxford University, happy employees are 13% more productive than their grumpy counterparts. And that's not all! Satisfied workers will also serve as brand ambassadors when they talk about their positive work experiences. That looks good to potential clients and future employees.

Financial Success

According to a long-term study, businesses with great work cultures saw an 682% growth in revenue over eleven years. Meanwhile, those without the right company culture only grew by 166%. The numbers are clear: businesses that create a positive environment are more likely to be successful.

Workplace Cultural Transformation

A **workplace culture** is the shared values, beliefs, attitudes, and practices that shape how people work in a company. It includes personal job satisfaction, interactions between staff, interactions with customers, and attachment to the organization. It can also be called "organizational culture"

or "corporate culture. Workplace cultural transformation is a wide-ranging effort to change an organization's members' fundamental values, beliefs, attitudes, and behaviors. The specific aims of a cultural transformation project will depend on the company's current challenges and hope for the future. Common goals include:

- Better Inclusivity and diversity
- Employee satisfaction and wellbeing
- Improving productivity
- Responding to new challenges.

Workplace cultural transformation can solve big business problems like mergers, emerging opportunities, and new company objectives. Other issues that need to start with a cultural change include institutionalized discrimination, sustainability activities, and other issues in social responsibility. Individual business units may face smaller problems that cultural transformation can solve. Those may include

- Too much emphasis on short-term goals
- Excessive internal competition.
- Distance between rank-and-file and leaders
- Routine project over-spends,
- Poor time management, scheduling, and deadline-breaking
- Perceived (or actual) favoritism of one department over another.

These challenges are relatively small. But they can impact the success of the whole company. So, three ways are put important to workplace cultural transformation.:

- ➤ Workplace cultural transformation changes a company at the **deepest level**. When it is done well, everything else can be improved.
- > The cultural transformation process **prepares an organization for other changes**.
- > Cultural transformation creates a **positive working environment**. A good company culture supports recruitment, retention, productivity, and engagement.

If a company in Africa need results like these – maybe workplace cultural transformation is a worthwhile investment and timely now.

3. Types of Work Culture: The Competing Values Framework

Charles Handy, Irish philosopher and a world-leading figure in organizational culture, identified four overarching types of workplace culture.

Power culture: In some organizations, power is held in the hands of very few trusted and authorized decision-makers. These people enjoy special privileges in the workplace and delegate responsibility to the rest of the company. Employees in these types of environments are expected to follow their superiors' instructions to the letter and do not have the liberty to express alternative viewpoints. Such cultures often suffer in the long run, falling victim to high staff dissatisfaction at the lower hierarchical levels.

Task culture: In a task culture, solving problems and achieving the targets of the company are at the heart of the team's interactions. In these types of companies, small teams (generally four to five people) with similar interests and specializations are grouped and expected to contribute equally to the task at hand. These employees tend to remain stimulated and content, and are given the room to innovate and think creatively.

Person culture: In these organizations, the wellbeing of the company takes a backseat to the personal importance of each employee – and eventually suffers for it. When employees place too much emphasis on their own concerns in the absence of a strong sense of teamwork or common goal, productivity, staff satisfaction and loyalty all tend to be low.

Workplace culture comes in all shapes and sizes and is never static. In 1983, researchers Robert Quinn and John Rohrbaugh decided to define the structural differences in organizational culture with something known as the "Competing Values Framework." According to the Competing Values Framework, companies tend to have characteristics that tie them to one or more of the following types: Clan Culture, Adhocracy Culture, Hierarchy Culture or Market Culture.

Now, let's go through the meanings of each workplace culture type, one by one. We will outline the qualities of each, as well as the overall implications. Understanding these helps to choose one or two of these models for your organization.

Clan Culture

Clan cultures are characterized by horizontal, close-knit connections between employees. Basically, clan cultures are more or less the opposite of hierarchical cultures.

Emphasis is given to teamwork, workplace equality, mentorship, internal communications, apprenticeship, and one-on-one employee training. Unsurprisingly, employee engagement is often high in these nurturing and communicative environments. Many smaller and family-owned businesses closely resemble a people-oriented clan culture. However, it becomes increasingly more difficult to maintain this particular model as businesses grow and connections become more complicated.

Adhocracy Culture

An adhocracy culture is commonly found in start-ups and tech businesses like Google and Apple Combining the terms 'Ad hoc' and bureaucracy, an adhocracy culture is largely uninhibited from the regulations and complexities of bureaucratic processes. Instead, these cultures are known for **flexibility**, **agility**, **and innovation**.

An adhocratic culture works especially well for tech companies that need to stay on top of changing trends and continually push out new ideas. With this particular workplace culture, a workforce can adapt and move forward at a faster pace. The only complication arises when companies experience considerable growth. Under these circumstances, it may be impossible to comply with certain legal and business practices. Rather than adopting an adhocratic culture throughout the entire organization, it may be best for growing companies to have an adhocracy culture within certain departments.

Hierarchy Culture

As the name suggests, a hierarchical culture is **defined by structure and levels of authority.** It is one of the most commonly found workplace cultures in larger corporate environments. In this particular type of working model, roles, responsibilities, and goals are clearly defined. In a nutshell, hierarchical cultures have clearly organized power structures, which can equate to **efficiency and overall stability.** However, this particular type of workplace culture might also mean hindered flexibility and agility. Depending on the type of business needs and industry, it may or may not be in the best interests for a company to adopt this model.

Market Culture

In a Market culture, results drive the processes. For organizations that have a strong market culture, the focus is on the competition and staying ahead of the curve. Basically, the focus is on the outside market, rather than internal processes.

Although a market culture has its advantages, especially in fast-changing and customer service industries, there are some drawbacks to this type of work culture. Often, leaders and employees are under a high amount of pressure to continually innovate and stay ahead of the game. This can lead to increased levels of employee burnout and workplace toxicity.

3.1 Workplace Culture Examples

It's easy to talk the talk, but are you ready to walk the walk? Here are our top three companies with interesting organizational cultures and what you can learn from them. This is how creating a thriving culture looks in the real world.

The Workplace Culture of Twitter

Twitter has become famous for having employees who truly believe in their work. It's not just the gimmicky stuff startups are known for like rooftop meetings, free lunches, and gym memberships. Even though extra benefits can be appealing, studies show that these perks don't matter to employees as much as positive workplace cultures do. Employees want to work for a company with a mission they believe in. Twitter has done a great job unifying workers toward a common goal. Twitter has also prioritized creating a diverse and inclusive environment, which is key to creating a good work culture.

Etsy Work Culture: Personal and Professional Support

Etsy, the online retail platform, encourages workers to be themselves from the moment they start work. New workers receive a \$50 credit to decorate their office space and encouragement to perform a special talent at the next all-hands meeting. Etsy also provides benefits which support employee's work-life balance, such as 26 weeks of parental leave to both new mothers and fathers. Employees can pursue professional development through Etsy's learning and engagement program. Employees in this environment feel valued for who they are as much as what they can do.

Define Costco's Work Culture: Participation at the Forefront

Costco is well-known for having generous compensation and benefits in comparison with its competitors. For example, they offered their workers a \$15 minimum wage in 2019. But they also create a culture that allows employees to speak up, offer suggestions, and take initiative. Having a good work culture means making employees feel heard, and Costco encourages employees to participate in decision-making processes.

3.2 Tips for Improving Work Culture

If your work culture still has some room for improvement, don't worry. Here are some best tips on how to change work culture and create an environment that employees feel excited about.

Clearly Define Your Cultural Values

To establish a strong work culture, make your vision clear. Express values clearly through a mission statement and reiterate these values through all communications. Most importantly, make sure that your business is taking action to represent these values in the world. Employees will be excited to contribute to an organization making a difference.

Encourage Collaboration and Communication

Employees will perform better under open and honest leadership. In short: transparency is key! Keep employees in the loop and make sure that they have opportunities to give feedback or offer suggestions. Check-in regularly with employees about expectations, goals, and performance. By communicating regularly, you can reduce misunderstandings and make sure problems are addressed as they arise.

Create a Diverse and Inclusive Workplace

It is vital to cultivate a diverse workforce. This won't just make your workforce more creative, innovative, and agile. It will also help create an open work culture that supports and nurtures all employees. Valuing individual differences gives employees the opportunity to leverage their unique skills and abilities. For example, use inclusive signage, stay alert for unconscious bias, and adjust your hiring practices to be more inclusive.

Work Culture Means Empowering Employees

Provide employees with opportunities to further their careers and follow their interests. This can be done by implementing training programs. It can also happen through open discourse and regular communication about desires and aspirations. Celebrate successes! But when things don't quite meet expectations, work with employees so that they can do better next time. Don't blame or dwell. Work culture definition means supporting employees and helping them to build new skills.

Improving Work Culture Takes Time

If you are bogged down with manual tasks, administrative paperwork and other boring tasks you probably feel drained. It's hard to focus on employee well-being when you can't even find the time to take care of yourself. Luckily, not all manual tasks have to take so long. Nowadays, HR automation and even AI can help lessen your workload. Don't believe us? Check out HR software to learn more about how you can cut the time you spend on manual administrative tasks and start spending it on things that need more attention: your team's well-being.

3.3 Work Culture in Africa

The Culture of Africa is varied and manifold, consisting of a mixture of countries with various tribes depicting their unique characteristic and trait from the continent of Africa. It is a product of the diverse populations that inhabit the continent of Africa and the Africa diaspora. Generally, culture can be defined as a collective mass of distinctive qualities belonging to a certain group of people. These qualities include laws, morals, beliefs, knowledge, art, customs, and any other attributes belonging to a member of that society. Culture is the way of life of a group of people. The purpose of this paper is not just to see culture of Africa in general, but to remind these may have imprints on their work culture, because over the centuries, African culture has meshed with

cultures from around the world, although much of traditional African customs have remained throughout.

When it comes to their work culture, it is completely different, because of the global market competition. Because most African countries face different development challenges such as lower levels of productive technology adoption and more under-employed people than other regions, an increase in digital technology adoption has the potential to have a positive effect on economies. "If widely adopted, digital technologies hold the promise of helping firms grow, and most importantly, create more jobs for everyone, not just a privileged few. But it won't happen unless governments put in place an appropriate business environment.

The report cites a recent study showing that faster internet speeds in African countries increased the employment rate not only for university graduates, but for those workers who had a secondary or even only a primary level of education. But while there is innovation and growth potential, the report warns that the success of digital and related technology adoption depends on having the right supportive policies in place. Governments need to ensure sufficient market competition, better entrepreneurial and worker human capital, and better physical infrastructure, according to the report, as well as stronger capacities to increase public investments in social protection.

"The region's underlying conditions, such as a large informal sector and persistently low levels of human capital, do not need to be a disadvantage" said Jieun Choi, World Bank Senior Economist and a report author. "Because Africa has a smaller manufacturing base, automation is not likely to displace many workers over the next years. At the same time, digital technology adoption can help businesses reduce their costs and prices, enabling them to expand their production and employment across all sectors, while access to internet and mobile apps can help low-skilled workers to learn better farming practices or sell more effectively in markets."

To take advantage of these opportunities, the report offers several fundamental public policy recommendations for governments to consider, including:

• Ensure that digital infrastructure is available and affordable to all rural and urban areas, and across all demographics by developing digital infrastructure regulation that

spurs competition, supports universal access, and promotes integration across countries to create bigger markets;

- Provide complementary physical infrastructure such as reliable electricity;
- Support the inventors and entrepreneurs that are needed to develop tools both for upskilling the stock of low-skilled workers in their current occupations and for the new tasks that the adoption of new technologies will enable;
- Develop interventions to facilitate the productivity upgrading of informal farms and firms and to upgrade the skills of their workers;
- Expand the coverage of social protection and labor systems, especially to workers, to spur greater entrepreneurial and worker risk-taking, and to facilitate worker transitions between jobs.

The World Bank's World Development Report (2019) has depicted a report about the Future of Work in Africa. It says that the region has an opportunity to forge a different path from the rest of the world if digital technologies are harnessed correctly by governments and businesses by ensuring that critical transformational policies and investments are in place. The work culture in Ethiopia is not much different form Africa.

Slowing population growth and a rising global median age are presenting potential economic opportunities for some developing economies including Ethiopia. Relatively poor countries in Sub-Saharan Africa and South Asia will account for almost all global population growth during the next two decades and will be rapidly urbanizing at the same time, most likely overwhelming their capacity to provide the infrastructure and education systems necessary to fully harness their economic growth potential. These demographic and human development trends will put pressure on governments to increase public investment and control immigration, contribute to a rising Asia, and add to the agenda of already strained international development institutions. In contrast, Ethiopia and the sub-Sahara Africa will account for around two-thirds of global population growth and is poised to nearly double its current population by 2050. This requires a well structure workplace culture transformation, that should be incubated through a center.

4. Center for Work Culture Transformation in AFLEX

The Workplace Culture Transformation Center in AFLEX is responsible for studying the status of workplace culture, devising strategies, and monitoring and evaluating the implementation of workplace culture transformation in Ethiopia and Africa.

4.1 The Main Objective

The African Leadership Excellence Academy will establish a workplace culture transformation center that will formulate workplace culture strategies for Ethiopia and Africa to solve their problems through ideation, research, publication, dialogue, and debate.

4.2 Specific Objectives

- To Establish a Centre of Excellence for the study and practice of workplace culture transformation in Ethiopia and Africa.
- To conduct innovative research on matters relating to the status of workplace culture in Ethiopia and Africa.
- To develop a historically sound, geopolitically nuanced understanding of workplace culture that engages a wide array of cultural, political, medial, and social problems and challengers pertaining to workplace cultures in Ethiopia and Africa.
- > To devise viable strategies for the transformation of workplace cultures in Ethiopia and Africa.

4.3 Undertakings of the Center for Workplace Culture Transformation

- a) Diagnoses the status of Ethiopian and African workplace culture,
- b) Devises viable work culture transformation strategies to transform workplace culture in Ethiopia and Africa,
- c) Ideates and generates ideas on the workplace culture of Ethiopia and Africa through research, discussion and debate;
- d) Implements the workplace transformation strategies in the workplace culture frameworks.
- e) Sponsors researches on workplace culture transformation in Ethiopia and Africa.
- f) Disseminates ideas on workplace culture transformation through media outlets, publications and dialogues;

- g) Monitors the process of implementation of strategies to evaluate workplace culture transformation,
- h) Provides trainings on workplace culture management, digital leadership in future work culture, innovation, entrepreneurship and communication,
- i) Organizes events of ideation, debates and dialogues on workplace culture building and societal development through the media, in a transparent forum where people gather, in print and so on:
 - o With scholars from the field and various sectors of society,
 - o With labor affairs elites and leaders,
 - o With employer federations and company leaders,
 - With labor union leaders
 - o With stakeholders and international and continental labor organizations,
 - With stakeholders and works and skill development institutions,
- j) Collects the resources needed for the achievement of its mission in a coordinated manner from donors and partners; according to the center's financial system, it uses the resources properly.

4. Operational Strategies of the Center

The Center for workplace culture transformation in AFLEX carries out the following strategies:

5.1 Trainings programs

The center will deliver tailored training programs for governmental and non-governmental leaders on workplace culture management, digital leadership in future work culture, innovation, entrepreneurship, work culture transformation communication and related issues.

5.2 Research programs

The center will conduct researches on Africa's work culture transformation issues and advocate for solutions so that, the Center can make the continent has productive and efficient manpower. Based on the research outputs the Center will develop strategies and policies, advise leaders, inspire the next generation of leaders.

5.3 Partnership and Cooperation

The center will have strategic partners for its quality, relevant, and timely research and training programs on the workplace cultures in Ethiopia and Africa. Accordingly, the center will make agreements with institutions and think-tanks who are working on the same issue in Ethiopia and Africa. These can have local, continental and international bases.

6. Expected Outcomes

- ➤ The status of African workplace culture is diagnosed and explored.
- ➤ Workplace culture-building strategies that will be implemented at the Ethiopian and African levels are formulated.
- The African Workplace Culture Transformation Center has been established and is equipped with the necessary physical infrastructure, staff, and resources.
- Ethiopian and African workplace cultures have been transformed.

7. Infrastructural and manpower requirements of the center

To achieve the objectives outlined above, the center for workplace culture transformation will have the following arrangements:

7.1 In terms of manpower, the center will have:

- one general director who can effectively manage the operations of the center and has the best leadership skills in the field.
- two co-directors—one from the natural sciences and another from the social sciences;
- o 11 high-caliber professors and researchers in the same field of study.
- The directors and co-directors will be selected through a competition based on merit.
- The professors and researchers will be selected based on their experience and educational background in Ethiopia and other African countries.

7.2 In terms of infrastructure, the center will have:

- a modern building equipped with resources to carry out its operations efficiently,
- a research center to conduct studies on workplace culture transformation activities,
- o a fully equipped conference hall that can accommodate 500 people at a time;

Likewise, it will have 10 modern syndicate rooms, each of which can accommodate 50 people at a time. Apart from this, the center will have:

- o 500 modern dormitories that can accommodate 500 people at a time,
- o 14 offices for 1 director, 2 co-directors, and 11 professionals,

Salaries and benefits for the staff will be covered by the academy from project resources.

7.3 In terms of technology and resources:

- o The center will have complete ICT infrastructure and broadband internet service;
- It will be equipped with modern electronic resources (laptop, computer, CCTV cameras and so on),
- o Will be equipped with necessary furniture, utilities, facilities, etc.

8. Stakeholders

The workplce culture transformation center of AFLEX will enhance the experience of working in collaboration with local, continental, and international stakeholders that have a high stake in the successful achievement of its objectives.

Accordingly:

- 8.1 From institutions in the country
 - > FGRE Ministry of Works and Skill,
 - > FDRE Women, Children and youth
 - > Ethiopian Employers Federation
 - ➤ Ethiopia Labor Union/Federation
 - > FDRE Ministry of Trade and Regional Integration

8.2 From the continent

- African Union (AU),
- Intergovernmental Authority on Development (IGAD),

8.3 From international institutions

- United Nations (UN)
- World Bank
- Frederic Ebert Foundation
- ILO
- UNDP
- USAID
- Norwegian Embassy (NORAD)