Job Quality: What does it Mean, What does it Matter? Comparisons between Australia and the UAE

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This review article considers research into job quality that was undertaken in Australia and Europe before discussing the very different labour market of the UAE with a particular focus on Dubai. The paper will also explore the role that HRM that can play in improving job quality for employees in both countries, despite their different contexts. Improving job quality is firmly on the public policy agenda in Australia and the EU. Recent labour market reforms have been justified in part on the basis that they would improve job quality. In the UAE the labour market is heavily reliant on expatriate workers, largely from the Indian sub-continent and Arab nations (Tanmia, 2005). However, expatriate workers generally fall into two categories: white collar professionals and those who are working on construction sites and living in labour camps. As such, the analysis and discussion of job quality in the UAE takes place within a very different context from the OECD economies. It is concluded that there are a number of similarities between Australia and the UAE, such as labour shortages, a growing
service sector, feminisation of the workforce and employee concerns about job security. However, as indicated in the article, the reasons why employees lack job security are different in each country.

INTRODUCTION

HRM and the recognition of employees as assets emphasises the organisational importance of tracking job quality and developing programs to improve it. At the reporting level, organisations can develop quality enhancing programs so as to be recognised as an employer of choice and present annual human resource accounts to shareholders and external agencies. In fact employee performance metrics are becoming so important that industry analysts predict they will soon become part of Wall Street critiques and corporate annual reports (Creelman, 2007). Given the centrality of human resources to organisational performance, there is an imperative for HRM to identify how it is both retaining and attracting employees particularly in a buoyant labour market (Brown, Charlwood, Forde and Spencer, 2006).

Job quality can impact on employee identification, commitment and performance (Ugboro, 2006). Although job quality has been linked to productivity and organisational performance, it is also about the quality of life (Buchanan, 2006). Job quality is not an end in itself, but it can be regarded as being compatible with meeting organisational performance goals, which can be associated with national employment strategies that link improved job quality with improved quality of life and national economic performance.

So, what is the role for organisations and HRM programs in raising job quality? Lowe’s (2001) research into Canadian workplaces indicated that HR could assist in a number of ways, such as: by enhancing team based work, designing of flexible work with commitment to training and learning, encouraging employee workplace participation, sharing rewards and information, promoting worker wellbeing and by encouraging supervisors and line managers to be supportive of employees.
In his review of job quality across the OECD economies and through time, Clark (2005) was able to report on the survey findings from the International Social Survey (ISS) and the British Household Panel Survey (BHPS). The findings were that overall job satisfaction had remained static, but with variations across groups in terms of age and educational attainment. Overall, satisfaction with pay and with job security had increased but problem areas were the hours of work and the nature of work. From both surveys the respondents were asked to indicate what values of a job were regarded as being important. Both surveys reported that job security was very important, but also important was having an interesting job, being allowed to work independently (ISS) and the nature of the work itself (BHPS). Organisational HRM strategies are important in a job quality context in terms of the nature of the employment contract offered to workers, the design of the job, providing the opportunity for job autonomy and providing for rotation of the content of the job.

Currently, the analysis of workplace HRM programs and their effectiveness in improving job quality is piecemeal. While many corporations have HRM reporting mechanisms (Ferrier and Wells, 1999), there have been few systematic attempts that link HRM programs to job quality. Many of the studies on job quality are undertaken at the aggregative level, often analysing large scale surveys of employees (Green, 2006) to report on national or sectoral developments in job quality. At the organisational level, the concerns relate to how employee capabilities can be utilised in ways that achieve organisational objectives, while at the same time improve employee wellbeing. Implicit in this process is that employees matter, and following, that strategic HRM has a central function within organisations towards realising core organisational objectives. Consequently, it is important to understand, evaluate and monitor the relationship between HRM and job quality.

Once the centrality of job quality is recognised in a strategic HRM context, it becomes important to reconcile job quality with operational goals. This is likely to require a combination of various forms of flexibility that are associated with labour deployment for the purposes of maintaining competitive position. This stance was evident in
recently formulated labour market policies such as the strategic agreement of the Catalan Economy. Here it was stated that agreement was reached to afford companies greater flexibility while at the same time guaranteeing a set of values that will allow for employment stability and quality jobs (Acord Estratègic, 2005). Also the Japan Labor Institute (Fujii, Matsubichi, Chiba, 2006) developed a national employment strategy that includes improving the ‘quality of employment’ that encompasses a collection of workplace programs including work-life balance, skill development, workplace communication and equality of treatment at the workplace.

Having considered the role of HRM in regards to job quality issues, the discussion will now move to what is meant by the term job quality.

**WHAT IS JOB QUALITY?**

Job quality is an inherent component of the quality of working life and hence an issue of growing significance in contemporary labour markets. Since the 1980s factors that have impacted on the quality of working life have included the expansion of global markets, advancements in technology, and the widespread restructuring of labour markets and of labour market regulations. While many recognise the opportunities offered through globalisation for job growth, wage increases and expanded career possibilities, with these opportunities come pressures on organisations and workers resulting from intensified international competition (Barroso, 2007). In turn, the working lives of many employees have been transformed due to strategies designed to improve productivity, such as downsizing, outsourcing, recontractualisation and the increased use of contingent employment arrangements (Felstead and Jewson, 1999). Hence, concerns about job quality have become more widespread, transcending many countries and industries (Standing, 1999).

While it is implicitly central to employment policy debates it is clear that not much is known about what constitutes job quality. Intuitively it appears to be associated with job satisfaction, pay and conditions, and relationships within and outside the workforce, but it is difficult to
establish whether these are attributes or determinants of job quality (Burgess, 2003). However, while job quality is also an issue concerning employee retention (Bond, Galinsky and Swanberg, 1998) with regard to those people who have permanent employment contracts it also concerns social issues for those people who are on temporary contracts, primarily, because job quality is associated with the quality of working life, including the ability to maintain a minimum standard of living, the ability to save and the ability to access credit (Burgess, Campbell and May, 2006).

There are three different categories into which the literature on job quality can be divided. The first is where the concept is associated with job satisfaction (see Juuti, 1991; Lau and Bruce 1999). The second is where understanding of this concept extends to the subjective wellbeing of workers (see Zapf, 1984, Sirgy, Efraty, Siegel, and Lee, 2001; Considine and Callus, 2001). The third relates to the quality of working life as a dynamic and multi-dimensional construct that incorporates any number of measures (see Levine, 1983; Pruijt, 2000; EFILWC, 2003).

The variations that exist in defining the quality of working life are exacerbated by the various approaches used to measure job quality. Burgess (2003) suggests that the literature can be divided into four key approaches (see Table 1). The first approach is described as the minimum standards approach and involves a process of identifying the basic standards that all working arrangements should meet. Those jobs that fall short of these standards are considered unsatisfactory. According to Burgess (2003) the most obvious example of this approach is that of the ILO and its specification of International Labour Standards. Many of these standards are linked to basic human rights such as the right to organise and the right to withhold labour. Whilst these approaches are useful for determining what constitutes sub-standard working conditions, they reveal little about which factors act as key determinants of job quality, and what influence these factors have on employees and organisations. This approach cannot delve into job quality for those jobs that satisfy the minimum standard.

According to Burgess (2003), the second approach, described here as the second tier standards approach, involves identifying those
attributes that go beyond the minimum labour standards to constitute a ‘decent’ job. This second layer of attributes distinguishes between those jobs that merely meet the core labour standards, and jobs that satisfy additional conditions that every worker should reasonably expect through their work. The work currently being carried out by the quality of work division of the European Foundation for the Improvement of Living and Working Conditions (EFILWC, see 2002; 2003; 2004; 2004a) fits this category well. The EFILWC, a European Union body, has actively sought to research and lift employment standards across the European Union, placing specific emphasis on four key work attributes: ensuring career and employment security; maintaining and promoting the health and wellbeing of workers; developing skills and competencies; and reconciling working and non-working lives. Nevertheless, this approach suffers from the same problem as the first: that is, it fails to provide insights into factors that determine quality in employment from the perspective of those experiencing them, the workers. Moreover, it overlooks the influence these factors have on workers and their workplaces. As Somovia (2006), the director of the ILO, has argued, the global economy is not delivering enough decent jobs. This is despite the many benefits of globalisation.

As a result, Somovia (2006) maintains that we see again and again how the dignity of work has been devalued. This has resulted in economic optimism for some and profound social pessimism for many, which is why he stresses the need for policies that replace jobless growth with quality, ‘job-rich’ growth.

The third approach, referred to here as the job quality index approach, is described as a process of developing an index of job quality based on careful quantifications and measurements, and assumptions relating to the identification and inclusion of relevant job quality measures, separation of data, and the weighting of specific job characteristics. Three Australian studies, namely Considine and Callus (2001), Watson (2000) and Burgess (2003), have used this approach to address the absence of data on job quality in Australia.
Table 1: Four Different Approaches to Ascertaining Job Quality

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<tr>
<th>Four Approaches</th>
<th>Process</th>
<th>Examples</th>
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<tr>
<td>Minimum standards approach</td>
<td>Specifying that all jobs should satisfy certain prescribed standards.</td>
<td>ILO</td>
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<td>In Australia: Australian Council of Trade Unions (ACTU) - Minimum Standards Code for Call Centres</td>
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<tr>
<td>Second tier standards approach</td>
<td>Identifying the attributes, above the core labour standards, that a ‘decent' job should possess</td>
<td>European Foundation for the Improvement of Living and Working Conditions (2002; 2003; 2004; 2004a)</td>
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<tr>
<td>The job quality index approach</td>
<td>Developing an index of job quality</td>
<td>Jencks, Perman, and Rainwater (1988)</td>
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<tr>
<td>The job characteristics approach</td>
<td>Identifying elements of job quality and examining these elements against jobs.</td>
<td>Walton (1975)</td>
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<td>Lau and Bruce (1998)</td>
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<td>Gallie (2003)</td>
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<td>In Australia: Roan and Diamond (2003)</td>
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Source: Burgess (2003)

The fourth approach described by Burgess (2003) as the job characteristics approach, consists of identifying the key elements that contribute to job quality and examining these elements against specific jobs (Burgess, 2003). This is the most commonly used approach in the job quality literature. When determining the key elements of the quality of work, a combination of objective and subjective factors can be identified. Researchers (for example, Zapf, 1984; Juuti, 1991; EFILWC, 2003) highlight the visible and tangible conditions of work, which include factors such as income, family relationships and social
participation. Subjective aspects, on the other hand, incorporate the experiences of employees, and the views they themselves articulate about their working lives and employment conditions. The extant literature indicates that the emphasis placed on these two elements varies between researchers and the job quality frameworks they utilise. This paper will now turn to examining current research on job quality in Australia.

**JOB QUALITY IN AUSTRALIA: DEVELOPMENTS AND DEBATE**

The discussion and analysis of job quality in Australia has largely taken place at three levels. The first is at the macro level and surrounds debates over aggregate changes in the quality of jobs. These are captured in the reported studies of Considine and Callus (2001) and those studies that examine the nature of new jobs in the economy (Watson, Buchanan, Cambpell and Briggs, 2003). The interest here is public policy, since many of the changes in labour market and workplace programs in Australia have been predicated on the basis that both more and better quality jobs will be generated. While more jobs have been generated over the past decade (over a million additional jobs) the change in job quality is less obvious. Here there are debates concerning job turnover, job insecurity, employee voice and job satisfaction (Watson et al., 2003).

At the second level of discussion the public policy concern has been about specific issues linked to job and workplace attributes. In Australia, three issues have dominated discussion about new jobs and the workplace environment. The first is the growth and extent of contingent or non-standard forms of employment. The second is linked to regulatory changes regarding workplace bargaining, forms of bargaining and voice arrangements (Peetz, 2006). In particular, the developments associated with the 2006 Work Choices industrial relations legislation is of concern where employee rights and entitlements can be potentially eroded (Stewart, 2006).
The third level of discussion is at the workplace level. With the shift towards decentralised bargaining arrangements and the growing focus on workplace mechanisms to manage employment arrangements, there is an ongoing examination of HRM programs at the workplace and how these impact upon job quality. This issue will be explored later in this paper.

In such a context, it is suggested that there is a strong policy imperative to pay more attention to job quality as opposed to job growth. Organisations need to attract and retain workers within the context of a tightening labour market. Likewise, with a workforce where many workers have care responsibilities and many young workers are studying, the reconciliation of work and non-work commitments increases in importance as a strategic challenge for organisations and for public policy. With more emphasis on developing workplace programs to achieve these ends the link between HRM programs and job quality assumes importance for both the organisation and for the economy.

**JOB QUALITY IN THE UAE: DEVELOPMENTS AND DEBATE**

Examining job quality in the UAE, and in particular in Dubai, is not a straightforward exercise, primarily because the data required is not available. In order to discuss the topic of job quality this section will outline information from various reports, while including some anecdotal information gathered from HR specialists on job quality in the region.

It is worth pointing out that thirty years after its establishment, the United Arab Emirates (UAE) has become the longest surviving successful experiment in federation anywhere in the Arab world. Having experienced dramatic economic and social development the UAE is widely recognised as having a significant role to play within the global community of nations. Dubai in particular ranks as one of the world’s leading trading centres offering a gateway to a market of more than one billion people. It has established trading links throughout the AGCC, Iran and other neighbouring markets (Al Darwish, 2006). Dubai
possesses a rapidly developing manufacturing sector and the port and airport facilities are unrivalled in the region in terms of size, flexibility and efficiency. However, the population itself is small, although since the discovery of oil over forty years ago there has been rapid growth, particularly in the numbers of expatriates moving to the region over that period (Al Abed and Hellyer, 2001). Today, expatriate workers comprise three quarters of the total population. A factor which influences the UAE labour market is the low participation of national women, although this rose from 5.4 per cent in 1995 to 16.1 per cent in 2004 (Tanmia, 2005), largely due to the increasing numbers of females accessing higher education and the weakening of social barriers that have allowed women to become more empowered. That said, nationals constitute less than ten per cent of the UAE workforce.

The UAE labour market generates approximately 300,000 new jobs each year, but there is a mismatch between the employment opportunities available for nationals and their educational qualifications. Finding meaningful employment for UAE nationals led to the introduction of the Emiratisation policy, which imposes quotas on sectors such as banking and insurance to ensure that they employ local staff (Tanmia, 2005).

As a result of the abundant supply of workers who move to the UAE from neighbouring countries, there now exists a two-tier labour market. On the top tier are the nationals and below them foreign workers. Since the 1970s foreign workers have been employed in various capacities including both the skilled and unskilled areas. Moreover, unemployment in the UAE stands at 0.5 per cent which represents virtually full employment (Al Abed and Hellyer, 2001).

In terms of employment the service sector is the largest in the UAE, comprising 58 per cent of the labour force. This sector includes trade, restaurants, hotels, transport, storage, communication, finance, insurance, real estate, business services, community, social and personal services. In common with many other developing countries, the UAE pursued a diversification strategy in order to reduce its dependence on oil. Although the quarrying, petroleum extraction and mining sector employs only 1.6 per cent of the labour force it still has
primary importance in the region reflecting the sector’s capital intensity (Al Abed and Hellyer, 2001).

Construction or the ‘ordinary labour’ category worker receives the lowest average monthly wages of all occupational groups in the UAE (Tanmia, 2005). In fact Dubai construction workers went on strike on 11 March, 2007 as they allegedly had not received a pay rise for eighteen years in some cases. Eight thousand of the 45,000 employed by one construction company come from India, Pakistan, Bangladesh and Nepal. Their main aim of coming to Dubai was to be able to send money to their families back home. However, on wages as low as 550 AED per month they are reportedly finding that they can barely survive to keep themselves (7Days, 2005).

As stated earlier in this section, apart from job categorisation and wages data (which is not overly reliable), it is difficult to determine what constitutes a quality job in the UAE. As a result it was decided to interview three people involved in HR and recruitment to establish their views on quality work and UAE perspectives. The three personnel from different organisations had been resident in the UAE for between four to seventeen years. Each person was asked what they found were the most challenging aspects of placing people in employment, what people to be looking for when they sought work, and what were the issues for UAE job seekers. There was similarity in the responses from the three interviewees.

Of major concern to job seekers was the high cost of living in Dubai specifically. As a result, salary and salary packages were a major factor when job seeking. Another concern was the insecurity of the job itself. This is largely attributed to the UAE labour laws which were constituted in 1980. Employees under this law can be asked to leave an organisation without notice and for no particular reason. Once a person has left an organisation it can then be difficult to find work (due to a six-month waiting period that is required) and visa conditions may also be broken, meaning a person has to leave and return to their home country. Another issue affecting job seekers was the heavy traffic, meaning candidates will not travel a long way to and from work. In addition, many organisations work a six-day (forty-eight-hour) week so these factors would also affect perceptions of job quality. From the
perspective of the HR personnel interviewed they all stated that their major challenge was finding quality people to fill the positions available.

COMPARISONS BETWEEN AUSTRALIA AND THE UAE

Why examine job quality in Australia and the UAE? Both countries provide contrasts. Australia has a long established set of rules, laws and institutions governing employment. Australia is also an example of a liberal market economy with an emphasis on market based resource allocation but within the context of rights, labour standards and safeguards such as safety net employment conditions. In contrast, Dubai, as an economy, has a very short history (around thirty years). In a sense Dubai is a greenfield site where development has taken place at a breathtaking rate over a short period of time. This has arisen due to oil revenue, a base of few institutions and a rudimentary economy. Both economies have a dependence on immigrant labour. In the case of Australia this has been a long-term dependence, whereas in the case of Dubai, the degree of dependence is extraordinarily high by the standards of Western immigrant economies such as Australia, New Zealand and Canada. Also, both economies have been satellites of colonial powers and have a history that is linked to the British Empire.

That said, with regard to the focus of this paper, does the history of an economy, the form and type of labour institutions, the stage of development and the degree of dependence on immigrant labour have an impact on job quality? While comparing the job quality situation between Australia and Dubai it is evident that in both countries more jobs have been generated over the past few decades due to fairly rapid economic growth. It is also evident that in both countries the services sector represents the largest employment growth. Whether new jobs in the services sector represent improvements in job quality is less obvious, however. As Watson et al (2003) argue, there are debates concerning job turnover, job insecurity, employee voice and job satisfaction. Where issues of voice are concerned there are, in fact, no unions in the UAE, although there are discussions being conducted
with the International Labour Organisation concerning the introduction of unions for the construction industry and they are expected to be introduced by the end of 2007. At present, unions are illegal for construction workers in the UAE, although there are massive construction booms in the main cities of Dubai and Abu Dhabi (BBC News, 2006).

Areas of concern to workers in both Australia and Dubai also centre on job security. In Australia, there are increasing numbers of temporary workers, while in the UAE the large expatriate workforce is on temporary (usually three-year) contracts. However, in the UAE workers are not protected by labour laws as they are in Australia, so temporary and contract workers in both countries face job security issues.

Other factors where there are similarities between Australia and the UAE are the increasing feminisation of the workforce and the emergence of labour shortages. The latter issue is quite acute in Australia, while in the UAE the HR professionals that were interviewed currently indicated that it is a ‘job seekers’ market’.

**CONCLUSIONS AND IMPLICATIONS FOR HRM**

Despite significant improvements in living standards and reductions in poverty, the ILO (2006) highlights an ongoing decent work deficit in many countries. The ILO points to falling real wages, very long working hours, an entrenched gender wage gap, and a high workplace fatality record across the Asian region in particular (estimated at over one million people per year). Hence, there remain challenges not only in terms of job generation, but also with regard to improvements in the quality of jobs and in community infrastructure to support living standards (Stiglitz, 2003).

It is argued by Overell (2004) that as soon as the question of what ‘good work’ might constitute is raised, economics stands exposed in all its true hollowness as it can calculate hours and pay, but it is devoid of insight as to whether jobs are individually meaningful or socially beneficial. As the ILO (2006) stipulates, although there are many
benefits of globalisation, there has also been devaluation in the dignity of work. Thus, before any discussion concerning the measurement of job quality can take place in the UAE, at least the stipulation of a ‘minimum standards’ approach would be beneficial. Pertaining to the assurance of job quality are working hours, elements of job security and a decent working wage. Hence, the minimum standards approach outlined here would be of benefit to the construction workers based in the UAE in particular. As stated previously, these workers are at the lower level of the two-tier labour market that has developed in the UAE.

It is also worth considering the role HRM has to play in promoting job quality. With regard to strategic HRM, Brewster (1999) suggests that developing human capability and improving employee commitment is important in realising competitive advantage. Hence, there is a need to examine the many contradictions that are present between strategic HRM programs and growing non-standard employment arrangements (Hall, 2004). Currently, the analysis of workplace HRM programs and their effectiveness in improving job quality is piecemeal. While many corporations have HR reporting mechanisms (Ferrier and Wells, 1999), there have been few systematic attempts that link HR programs to job quality. Finally, it is clear that although globalisation offers opportunities for wealth and improved living standards, it can also lead to social and economic exclusion with the benefits being unevenly distributed both within and between countries (Burgess and Connell, 2007) as evidenced by the discussion in this paper.

As stated previously, the imperative at the macro level is to ensure that policies are put into place to encourage job quality as opposed to purely job growth. Moreover, at the organisational level, human resource managers can be instrumental in promoting job quality through consideration of the nature of the employment contract offered to workers, the design of the job itself, providing the opportunity for job autonomy and for job rotation where applicable. Recently, in certain quarters, more attention is being paid to the realisation of both employee and organisational objectives. For example, as mentioned earlier, the strategic agreement of the Catalan Economy is designed to
afford companies greater flexibility, while at the same time guaranteeing a set of values that will allow for employment stability and quality jobs (Acord Estratègic, 2005). In addition, the Japan Labor Institute’s (Fujii et al, 2006) national employment strategy includes improving the ‘quality of employment’ that encompasses a collection of workplace programs including work-life balance, skill development, workplace communication and equality of treatment at the workplace. If more attention is paid to such measures at both the macro and micro levels, then benefits should flow at both the employee and organisational levels, also promoting competitive advantage. Moreover, with the current interest taking place in human resource reporting this will make the measurement of such strategies simpler over time.

ENDNOTES

ACTU Australian Council of Trade Unions
AED United Arab Emirates Dirham (currency in use)
AGCC Arab Gulf Countries Council
EFILWC European Foundation for the Improvement of Living and Working Conditions
EU European Union
ILO International Labour Organisation
OECD Organisation for Economic Cooperation and Development
UAE United Arab Emirates

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Job Quality: What does it Mean, What does it Matter? 75


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