The quality of jobs: the role of job security and the broader institutional context in European comparative case studies
Theme 3. Employee Wellbeing and Work Life Quality

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Abstract

This paper\(^1\) explores workers’ experiences of job quality in two economic sectors: manufacturing and knowledge industries. Drawing on comparative empirical research from three case studies in Poland, the UK and Belgium, it highlights tensions between the EU aspiration for ‘more and better jobs’ and the flexible strategies of companies reacting to market pressures. The objective of this paper is to explore employment security in the country context and to consider how organizations deliver job security in terms of workers’ contractual status and its effects on job quality.

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Introduction

It is claimed that not only job creation, but also the quality of those jobs, contributes to economic sustainability, social cohesion and individual well-being (European Commission, 2001). While the objective of raising job quality has been prominent, progress towards this aim has been challenged by wider external factors. The processes of globalization, financialization and technological change in combination with the effects of the economic crisis have led to growing pressure for the flexibilization of labour markets. In the EU, flexibility for employers is balanced by a set of prescribed ‘securities’ for employees in the concept known as ‘flexicurity’. However, there is a growing consensus that institutional changes that have taken place under this policy are biased towards increasing various forms of flexibility for employers while lowering levels of job quality and its polarization (Gallie, 2013). Where there have been recoveries they have either been poor in number of jobs, or rich in low productivity and bad-quality jobs (Carré et al., 2012). Little is known about the strategies practised by organizations as they respond to the market and political pressures, shaping the experiences of job quality for employees.

This paper first examines job quality as a concept, together with the major analytical approaches to it, and draws attention to how debates focusing on institutional frameworks do not entirely explain the changing drivers of job quality at an organizational level.

Second, the paper presents qualitative research evidence from three case studies in three countries representing two different manufacturing sectors and the software industry. Using the spirits industry
in Scotland, commercial transport vehicle manufacturing in Poland, and information and communication technologies (ICT) work in Belgium, the paper shows, for each country, the institutional framework of employment security within which the companies build strategies to remain competitive and flexible.

Third, the paper considers emerging patterns of employment dualization – the segregation of workers into groups with different forms of contracts. It shows how, within the same employment security arrangements, workers can experience different job-security and job-quality outcomes at the sectoral and organizational level.

**Analytical Framework**

**Job Quality**
There is no consensual definition of job quality. Muñoz de Bustillo et al. (2011) argue that its multidimensional nature has made this concept difficult to analyse in precise terms. Economists look at wage differentials; psychologists explore motivational aspects (Warr and Clapperton, 2009); and sociologists look at skills, task discretion and autonomy (Kalleberg, 2011; Kelliher and Anderson, 2008). Job quality can be analysed subjectively, by exploring what workers value in jobs, or objectively, by focusing on the features of the job itself (Muñoz de Bustillo et al., 2011). Nevertheless, it is agreed, “jobs do not exist in a vacuum, but in a social context in which there are public and private institutions like a welfare state and the family” (ibid: 457). These external factors may have a positive or negative impact on job quality. The dimensions commonly included in job quality discussions are pay, intrinsic quality of work (skills, autonomy, powerfulness, meaningfulness and social support), employment quality (job security and development opportunities), health and safety, and work–life balance (working time and work intensity) (Muñoz de Bustillo et al, 2011).
Debate on job quality has also been framed in wider institutional differences, including *Varieties of Capitalism* (Hall and Soskice, 2001) and *Employment Regimes* (Gallie, 2007). These approaches try to explain job quality using different economic paradigms at the European level, influenced by institutional frameworks (Holman, 2013). Despite the existence of an overarching European employment strategy (European Commission, 2007), workers in different countries are integrated into work-regulation institutions to differing extents. The employment regimes perspective (Gallie, 2007) is relevant for this paper as it allows for more detailed distinctions between institutional frameworks across European countries. The perspective is rooted in welfare-regime theory (Gallie, 2013): ‘Nordic systems’ aim to protect the workforce with strict employment regulations and high levels of welfare generosity (e.g., Sweden); ‘continental systems’ include countries with different levels of employment regulation but relatively high levels of welfare generosity (e.g., Belgium); in ‘liberal systems’ working conditions depend primarily on market power, with weak employment protection and low welfare generosity (e.g., the UK); ‘southern systems’ have little state intervention in the regulation of working conditions (e.g., Portugal); and ‘transitional systems’ are claimed to have relatively little state intervention in the regulation of working conditions, coupled with low welfare generosity (e.g., Poland). Gallie (2007) argues that ever greater international competition and more volatile product markets are increasingly influencing internal labour markets as companies look for more flexibility.

According to the dualization approach, which extends the job quality debate, the labour market is divided into two major segments – core and peripheral workforce, which differ in terms of job security, wages, opportunities for skills development, and social rights (Davidson and Naczyk, 2009; Palier and Thelen, 2010). The dominant approaches to dualization argue that: the globalization of markets and consequent competition requires firms to adopt ever more flexible practices (McGovern et al., 2007; Kalleberg, 2011); structural changes in the economy that are based on technological advances, the decline of industry and the rise of the service sector, have led to a growth in atypical
forms of employment (Castells, 2010); and in the regulation of the labour market and the welfare state, it is political actors that set the institutional context for labour-market behaviour, such as enabling or constraining the use of temporary contracts and temporary agency work, or the ease or difficulty of hiring and firing employees (Gash and Inanc, 2013).

Although these approaches can be useful in understanding how institutional settings affect the differences in job quality between countries and between groups of workers (Gallie, 2013; Holman, 2013), what is happening in the workplace may remain a ‘black box’, as they treat firms as equal and ignore the many differences between firms with similar features that operate in the same contextual framework. Moreover, employment relationships and work organization strategies, such as implementing practices related to flexible employment, occur at firm level. Therefore, this paper aims to shed light on how institutional frameworks feed into the organizational level, and impact on the outcomes in terms of job quality. By introducing the organizational level into the analysis while paying attention to the institutional context, this paper explores additional drivers, such as market forces, and creates a more comprehensive picture of the factors influencing job quality. Nevertheless, in the next section this paper focuses on the current European institutional framework, the principal aspiration of which was to shape the quality of employment and jobs across European countries, but which ended up creating the conditions for an ever more polarized labour market.

**Flexicurity and Job Quality**
The leading European employment strategy has been the policy of flexicurity, one of the aims of which is to raise job quality in Europe (Dieckhoff and Gallie, 2007: 487–490). The combination of security for employees and flexibility for employers is achieved by promoting elements of employment and social security policy, such as flexibilization of work contracts, lifelong learning, active labour-market policies and social security systems for support during periods of unemployment (European Commission, 2007). Critics of flexicurity discourse have pointed out that the objectives of this policy are mutually
incompatible and that it thus lends itself to the advocates of labour-market deregulation (Burowni and Keune, 2011). It is now acknowledged that the emphasis on flexibility, highlighted by the European economic crisis, has aggravated the trend towards labour-market polarization, where atypical forms of employment play a crucial role (Eurofound, 2012; Gallie, 2013). Although addressing job quality issues through the frame of flexicurity tends to produce a narrow formulation of job quality centred on employment security and job security (Smith et al., 2008), these issues are seen here as proxies for other job quality dimensions.

**Research Framework**

For the purposes of this paper, employment security will be analysed in different contexts to understand how companies take advantage of wider institutional frameworks and use different forms of contracts in order to adapt to economic and market variations. The paper explores how these dynamics influence other dimensions of job quality such as the intensification of work, autonomy, task discretion and skills development and usage. Employment security describes the ease of hiring and firing of an individual by companies, and the extent of social protection from the state for the unemployed (Körner et al., 2009; Davoine and Ehrel, 2006). It is operationalized through the combination of employment protection legislation (EPL) and unemployment insurance benefits (UIB), using the definitions given by the OECD (Clark and Postel-Vinay, 2009). The EPL index reflects the level of employment protection provided by statutory law and collective agreements in different countries. Greater employment protection is thought to reduce the permeability of the barrier between work and unemployment, discouraging both hiring and firing (Clark and Vinay, 2009). The UIB index is the level of social protection in terms of benefits that individuals get when unemployed, such as training, employment incentives, sheltered and supported employment and rehabilitation, and out-of-work income maintenance and support (Clark and Postel-Vinay, 2009).
Table 1 shows the research framework as a matrix representing employment security at a national level, following Gallie’s (2013) framework. This is operationalized using two OECD indices: (i) EPL, which is how far employees with regular and temporary contracts are protected from dismissal; and (ii) UIB generosity, which is the percentage of public expenditure on labour-market programmes that support unemployed individuals in a smooth and rapid transition between jobs (OECD 2015; Clark and Vinay, 2008). Thus the employment security of a case-study country can be described according to EPL and UIB levels. The boxes at the intersection of these two indices represent particular groups of workers, taking into consideration their contractual status – permanent or temporary.

Table 1: Research framework

<table>
<thead>
<tr>
<th>EPL high</th>
<th>UIB high</th>
<th>Case study 3: ICT workers in Belgium</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPL low</td>
<td>UIB low</td>
<td>3. Case study 2 (CommerTrans): permanent and temporary workers in Poland</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Case study 1 (SpiritsCo): permanent and temporary workers in the UK</td>
</tr>
</tbody>
</table>

Notes EPL: employment protection legislation; UIB: unemployment insurance benefits

Case Study Countries and Employment Security Contexts

The United Kingdom, Poland, and Belgium are represented in the three case studies analysed in this paper. Each of these countries is situated in the research framework on the basis of its employment security according to the OECD indices EPL (Figure 1) and UIB (Figure 2).

The UK scores low on both EPL and UIB. Employees with regular contracts can easily be fired, and it is easy for companies to hire and use workforces with temporary contracts. Support for the unemployed
is weak. Employees with both permanent and temporary forms of contract are placed in cell 4 of Table 1.

Belgium scores high on both EPL and UIB indices. There are strict restrictions on the firing of employees with regular contracts, and on the use of temporary labour. The unemployed enjoy relatively high levels of support from the welfare system. Therefore, employees in case study 3 are located in cell 1 of Table 1.

In Poland, the EPL indicator is moderately strict for both permanent and temporary contracts while the UIB support is weak for the unemployed population. Permanent and temporary employees in case study 2 are both placed in cell 3.

This interpretation matches, to some extent, Gallie’s (2013) employment regimes categorization. The UK exemplifies a ‘liberal system’ with weak employment protection and welfare generosity; Belgium represents a ‘continental system’ with strict employment regulation and high levels of welfare generosity; Poland is a ‘transitional system’, although there are some differences from Gallie’s argument in that, rather than low state intervention, the OECD measures for statutory employment regulation reflect relatively strict protection levels for all employees. However, the actual protection level for employees here may be affected by problematic state enforcement combined with weak trade unions (McKay et al., 2012).
Job security can be understood as an individual dimension involving a cognitive factor – estimation of the likelihood of losing one’s job or affective-factor worry about losing one’s job (Greenhalgh and Rosenblatt, 1984). Here it is considered as an organizational mechanism in the face of volatile and uncertain market demands (Hudson, 2002). In order to achieve flexibility, companies often hire individuals on temporary, fixed-term or part-time contracts (Hudson, 2002); labour casualization and cost reduction are thus achieved by externalizing the bureaucratic control to temporary work agencies, which has a detrimental impact on the quality of jobs (Kalleberg, 2011).

Using the logic of flexicurity, the risk of job loss should be mitigated by the promise of employment security and support in the form of transitions from job to unemployment and back with opportunities for lifelong learning, active labour-market policies and financial support through social security systems. However, workers are embedded in different contexts of work regulation to different extents and thus exposed to different market pressures making them more or less vulnerable (Gallie, 2007). Due to the economic crisis which has weakened welfare state mechanisms and decreased labour-market opportunities, employees face a two-fold risk to their well-being – insecurity can itself act as a stress factor through lack of control over a critical aspect of life (Virtanen et al., 2013) but also often
results in the transfer of risk from employer to employee (McGovern et al., 2007). Haidinger and Flecker (2015) demonstrate that the peripheral workforce usually bears the costs of highly flexible employment relations. The fear of losing jobs forces individuals to comply with increasingly demanding management mechanisms that extract more effort from workers (Taylor, 2013).

Individuals from the case studies have, in principle, different experiences of job quality for two reasons: (i) the employment security context in which they are embedded; and (ii) the level of job security they have with the employer. The approach taken in this paper allows us to explore how institutional systems impact organizations and affect individuals by shaping their job quality.

**Description of Case Study Organizations and Research Approach**

**Case study 1 - Scottish Spirits Company in the UK**
The Scottish spirits industry employs around 45,000 workers directly and indirectly in the UK, (Scottish Whisky Association, (SWA), 2013). The quality aspect of the product means the industry is self-regulating. Scotch whisky is only labelled as such when it has been matured and bottled solely in Scotland (Food (The Scottish Whisky Regulations) Order, 2009).

The company analysed, SpiritsCo, is a privately owned multinational involved in every stage of production – cooperage, distilling, maturation, bottling and packaging – and is one of the four leading Scottish spirits producers. Shop-floor workers are well remunerated (compared to those in the industry and elsewhere in Glasgow for the same type of job), and receive a generous pension scheme and training programme, so the company is considered a good employer. This case study focus on the bottling and packaging site, which is located in Glasgow and employs around 200 shop-floor workers. The data was gathered at the bottling site, where 27 semi-structured interviews were carried out with
managers, core and peripheral workers, and shop stewards, as well as three focus groups with middle and senior managers. SpiritsCo’s bottling site is known for high commitment/performance practices, such as weekly team meetings for problem solving, a partnership deal with the local trade union, emphasis on employee engagement and long-term relationships with them. The recent market expansion in the spirits industry has resulted in SpiritsCo’s management seeking greater flexibility, which is operationalized in terms of utilizing different forms of employment contracts, multiple shifts, and multitasking teams. This functional and numerical flexibility of labour is used to adjust production to the increasing demand and is suited to the unpredictability that typifies the spirits industry.

The workers contracted by SpiritsCo are employed on a permanent or temporary basis. The percentage of casual labour varies, reaching 60 % of the total workforce in more demanding periods of production. Around 80 % of the permanent workforce is unionized. The permanent workforce is divided into two types of contracts: ‘core full-time’ and ‘core-flexi’ workers. The latter were introduced to increase flexibility and to eliminate overtime that was being paid to full-time workers, opening up more vacancies to give temporary staff the opportunity to apply for permanent positions. It also fitted the ‘good employer’ image. The core full-time workers are employed on a full-time (38 hours) and permanent basis, whereas the core-flexi workers are employed on a zero-hours and permanent basis. The number of hours that the core-flexi workers work in one year is decided at the beginning of each year according to the forecast production demand, from 0 to 30 hours a week. This allows management to keep core-flexi workers at home during periods of lower production demand usually at the beginning of the year), and bring them back to the plant site in ‘rush periods’ (from April to December), when they make up for the hours they have not worked.

In some cases, the long-term employer–employee relationship is applied to the temporary workforce. SpiritsCo employs temporary workers directly and emphasizes that most of them are employed year after year even if only for a few months. This saves the company on training costs and time, and gives
the opportunity for individuals to have a decent paid job once a year. Temporary workers are recruited preferably from within the area where the bottling site is located, which is an area with low job opportunities. According to the interviewees, the majority of temporary workers have been experiencing long-term or various periods of unemployment. This company’s temporary recruitment strategy creates two major dynamics that relate to the EPL and UIB. First, employment regulation in the UK allows the use of temporary work with almost no restrictions, at the same time creating a very weak contractual relationship between employer and employee, even as regards permanent contracts. According to Gash and Inanc (2013), hiring and firing permanent and temporary employees in the UK is equally easy due to the low levels of regulation of temporary and permanent employment. Second, the combination of workers’ low skill level, the limited financial support provided by the welfare state to unemployed individuals, and the high unemployment rate in Glasgow, results in huge pressure to go back to the job in an area with few employment alternatives.

Case study 2 - Commercial Transport Vehicle Manufacturing in Poland
At company level, permanent contracts can be regarded as too protective for employees, since they preclude changes in the level of the workforce in response to market pressures. Flexible forms of employment were therefore introduced in Poland to reduce the unemployment rate and to enable more flexibility for employers. There has been a rapid increase in atypical types of contract: short-term contracts, temporary agency work, civil contracts and self-employment. About 24% of all employment in Poland is carried out on short-term contracts, the highest rate in the EU (Trappman, 2011). Unlike civil contracts and (bogus) self-employment, which are not covered by labour law and offer very limited social security provision, there are relatively strict legal limitations on temporary forms of work such as agency work – equal treatment clauses, restrictions on the use of agency workers around certain environmental hazards and limitations on consecutive contracts. Temporary contracts differ from permanent contracts in the notice period (2 weeks instead of 3 months) and the fewer

2 In 2015 Glasgow was the jobless capital of the UK, with no one employed in 30.2% of households (Source: ONS).
opportunities for unemployment benefits, which are calculated on the basis of tenure (at least 6 months of employment to be entitled to benefit, 80% benefit if the tenure is less than 5 years). Even though on paper temporary agency work seems to be a rather protected form of atypical work, it is still short term and easily cancelled, leading to low job security and insecurity during unemployment. Although a third consecutive short-term contract with one employer should automatically be converted to permanent status, temporary work agencies often transfer workers between themselves in order to avoid having to employ them permanently. Temporary agency workers have no trade union representation, as trade union regulations are incompatible with the triangular relation between the company, the agency and the workers.

Poland is the third-largest producer of commercial transport vehicles in Europe. CommerTrans, a Polish subsidiary of a publicly owned multinational manufacturing company, is one of the biggest in its sector. In the mid-1990s the company acquired production facilities in Poland, continuing a similar type of production, and taking over existing personnel and trade union organization. For case study 2, eight interviews were carried out with line managers, HR representatives and permanent and temporary workers in CommerTrans.

CommerTrans prides itself both on adopting a high-road strategy in product quality and in employee relations, emphasizing its corporate social responsibility policies. The production system includes lean production elements — high performance through cross-functional teamwork, a focus on value-adding processes, just-in-time principles, continuous improvement, eliminating errors at source and using quantitative data to monitor progress. Organizational policies cover open dialogue, engagement, development opportunities and respect for the individual. CommerTrans prides itself on safe working conditions and strict adherence to all legislative requirements. General guideline targets for workforce flexibility are provided by the headquarters while local workplace regulations concerning pay, hours,
and use of the flexible workforce are negotiated with company-level trade union representation. Temporal, financial, functional and numerical flexibility of labour are used to adjust production capacity to production needs in a product market that is characterized by heavy competition and volatility.

To achieve numerical flexibility, the company has contracts with three temporary work agencies. There are about 1350 production employees, approximately 20 % of whom are hired through temporary work agencies (a threshold of 15 % negotiated with the trade union was exceeded at the time of the interviews). About 50 % of the directly hired production employees are unionized (temporary agency workers are not unionized). Temporary work agencies are strategically used for recruitment – the only way into the organization for a lower-skilled production worker is on a temporary agency contract lasting from a month to a year, but which cannot exceed 18 months by law. It is agreed that if the company-wide threshold for agency workers is exceeded, some agency temps will be offered temporary contracts with the company itself, but it is extremely unusual for these types of contracts to be converted to permanent contracts with the company. Most often temporary workers’ contracts are not renewed after the two consecutive contracts permitted by law, and they are replaced by new temporary hires. This approach is justified by the high protection level of regular permanent employment in Poland. The voluntary turnover in the company is low and average tenure high; letting go of permanent employees is time-consuming, expensive, includes union negotiations and carries the risk of ‘negative publicity’.

Case study 3: ICT Sector in Belgium
The third case study concerns Belgian IT workers: software developers and infrastructure workers (networking and system administration). It is based on interview data gathered from 25 interviews with people working in software development or network administration in various companies. The strategic role of the ICT sector in market globalization continues to strengthen in the national
economies of the most industrialized countries. This sector continues to record profound growth rates. As shown in Table 2, according to the ‘barometer of the information society’ published by the Belgian Ministry of Economy in 2014, the total number of companies active in Belgium’s ICT sector in 2013 was 36,057, an increase of 20.2% compared with 2008 despite the Great Recession. Significantly, the only sub-sector where there is a decline in the number of companies is the industrial branch of the ICT sector.

Most Belgian ICT companies are situated in the service sector. In 2013, according to Belgian Social Security, out of a total of 3.8 million employees, 73,422 worked in ICT, representing 1.9% of the total; 3.25% of Belgian employees possess specialized ICT skills.

**Table 2:** Number of companies in the Belgian ICT sector

<table>
<thead>
<tr>
<th>Nace</th>
<th>2008</th>
<th>2013</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacture of computer, electronic and optical products</td>
<td>26</td>
<td>577</td>
<td>545</td>
</tr>
<tr>
<td>Wholesale information and communication equipment</td>
<td>46,5</td>
<td>1,660</td>
<td>1,777</td>
</tr>
<tr>
<td>Software publishing</td>
<td>58,2</td>
<td>569</td>
<td>560</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>61</td>
<td>5,403</td>
<td>6,189</td>
</tr>
<tr>
<td>Computer programming, consultancy and related activities</td>
<td>62</td>
<td>19,445</td>
<td>23,454</td>
</tr>
<tr>
<td>Data processing, hosting and related activities; web portals</td>
<td>63,1</td>
<td>1,458</td>
<td>2,594</td>
</tr>
<tr>
<td>Repair of computers and communication equipment</td>
<td>95,1</td>
<td>875</td>
<td>938</td>
</tr>
<tr>
<td>Total</td>
<td>29,986</td>
<td>36,057</td>
<td>20.25</td>
</tr>
</tbody>
</table>

Source: Belgian Ministry of Economy (2014)
Table 3: Employment by enterprise size class, computer programming, consultancy and related activities (NACE Division 62)

<table>
<thead>
<tr>
<th></th>
<th>Total (thousands)</th>
<th>SMEs (% of total)</th>
<th>Micro</th>
<th>Small</th>
<th>Medium-sized</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-27</td>
<td>2 614.8</td>
<td>67.1</td>
<td>28.2</td>
<td>20.0</td>
<td>18.9</td>
<td>32.9</td>
</tr>
<tr>
<td>Belgium</td>
<td>65.1</td>
<td>75.1</td>
<td>37.0</td>
<td>19.5</td>
<td>18.6</td>
<td>24.9</td>
</tr>
</tbody>
</table>

Source: Eurostat 2012

Table 3 shows that in 2012 (the most recent year for which data are available) 78.6% of the Belgian workforce in computer programming, consultancy and related activities worked in small and medium enterprises (SMEs), companies with fewer than 250 people. This is higher than the EU-28 average and has mostly to do with the relatively large number of micro-sized companies with fewer than 10 people working in them. In table 2 we can see that 65% of the Belgian ICT sector was involved in computer programming, consultancy and related activities. It may be estimated that most software developers are employed as consultants in micro-sized companies or are self-employed. The nature of the work requires rather small teams of 5–10 people working on a project. This work can range from functional analysis of a customer’s needs to deciding on a technological course of action in a technical analysis, translating this into modules of programming code, and finally actually coding and bug testing, usually but not always in contact with the customer.

This is also reflected in the employment practices in the sector: while there are employees on fixed or permanent contracts, as in every sector, the number of self-employed people increased from 600 in 2002 to 3100 in 2012 (Belgian Ministry of Economy 2012). A large proportion of ICT workers are also employed through consulting firms and work on a project-by-project basis. Nine of the 25 interviewees work on this basis. Formally employed on fixed or permanent contracts, in reality they
change their workplace from once every two years to as often as three or four times a year. Turnover and rate of job change are also quite high.

**Case Analysis**

This paper presents initial findings about how companies organize work around job security in order to achieve flexibility within a framework of employment security; it also explores how that impacts on job quality outcomes. The analysis starts with the form of contract and follows the consequences on two levels where job quality can be studied: the organizational level where skills, training and corporate culture are reviewed; and the individual level where employees, having regard to their job security and job quality, determine their strategies regarding engagement in work and other labour-market options. Both levels function in the context of EPL and UIB regulations.

**Job Quality in a Scottish Spirits Company**

At SpiritsCo, temporary and permanent (full-time and core-flexi) workers are integrated in the same teams regardless of their form of contract; their pay is equal, and they work the same hours in the three existing shifts. Nevertheless, segmentation of the workforce can clearly be seen on site in two ways. The first relates to contractual typology, with both groups of permanent employees enjoying long periods of job tenure, while the temporary workers are employed on a very short-term and casual basis. The second way relates to skills utilization and development.

The permanent workforce perceive their jobs as very secure, admitting that someone would “have to commit murder, seriously, to be sacked” (permanent shop-floor worker). SpiritsCo wants to be perceived as an employee-friendly company that does not want to lay off employees. Despite the weak employment security (EPL and UIB), permanent workers do not feel vulnerable to unemployment. The company’s approach to permanent employees shelters them from a weak welfare state.
The job quality outcomes are different for permanent full-time and permanent core-flexi workers. Although pay and pay-related schemes are equal, according to interviewees the core-flexi workers were “pushed into” a greater variety of tasks, which meant more effort and flexibility. To adapt to market demands and rising overtime costs, SpiritsCo implemented more shifts. After negotiations with the trade union, in addition to the normal day shift (7.30 a.m. to 4.30 p.m.) management introduced a permanent twilight shift (4.30 p.m. to 11.30 p.m.), and night shift (10.00 p.m. to 7.30 a.m.). The allocation of employees to the different shifts depends on the skills needed on a particular shift. An individual with more skills is more likely to be allocated to the twilight and night shifts where high functional flexibility is required. This restructuring of working hours resulted in further segmentation of the workforce and more varied job quality outcomes in terms of both hours of work, and skills utilization and development. Employees on core-flexi contracts wait to be called in for the more demanding production periods, when they work different shifts and have to make up their hours. They work up to 10 or 12 hours on different shifts, depending on production requirements. According to the interviews, these patterns of work result in a skewed work–life balance, sleep deprivation, and sometimes exhaustion. Skills development also depends on production requirements. If management needs more people to be trained on a specific machine, core-flexi workers will go on a training course to develop the specific skill required. This contrasts with full-time workers who are on a fixed shift (usually the day shift) and can request training themselves. This means that full-time workers have control over their skills development, and consequently over which tasks and shifts they will be allocated to.

Pay conditions for the temporary workforce are equal to those of permanent workers, but their contractual link to SpiritsCo is much weaker. Individuals can be hired for a minimum of two weeks, their contract can be extended according to production requirements, and they can be laid off at a
week’s notice. According to the interviewees this creates a sense of uncertainty when the “rush period” is coming to an end. SpiritsCo management argues that because individuals come back to work every year they are able to develop a significant range of skills. Employees and shop stewards report that the skill level of temporary workers is generally lower than that of permanent workers. However managers acknowledge that the training opportunities are not the same for temporary and permanent workers. SpiritsCo is not interested in investing in training people employed on a short-term basis, and therefore newly hired temporary workers are trained on the job to do the specific task they were hired for; the long-term temporary workers do not receive any training because they are already trained on the machines, tasks, culture and premises of SpiritsCo. Despite temporary workers’ weak relationship with SpiritsCo they want to come back to work for the company the following year because the wages there are higher than in other companies in Glasgow. This unbalanced employment relationship allows the company to take advantage of temporary workers. The performance assessment system encourages temporary workers to develop further skills (handling forklifts and specific packaging machines) outside the company when unemployed. Most temporary employees emphasized that getting training during such periods was key to coming back to work for SpiritsCo the next year and to eventually getting a permanent contract. SpiritsCo thus externalized the training effort and responsibility to individuals.

The case of SpiritsCo highlights the connection between the company’s need for flexibility and the consequences in terms of segmentation of the workforce and individuals’ job quality. For the workers, the use of flexibility as an organizational strategy decreases the quality of jobs. The low EPL and the weak social security in the UK serve to highlight poor aspects of employment and work conditions for both groups of workers.
Job Quality in Commercial Vehicle Manufacturing

In Poland both permanent and temporary employees can be placed in the high EPL-low UIB quadrant and in CommerTrans they share such aspects of job quality as pay, hours of work and work environment. Nevertheless, there are critical differences in job quality relating to skills development and job security. There is a clear division between permanent workers with long tenure and high skills, and temporary agency workers on short-term contracts with low opportunities for skills development.

Employees on permanent contracts are protected through high EPL as well as their specific skill set. CommerTrans seeks skills that are in short supply in the labour market and devotes significant time to training. According to the interviewees it takes almost two years for an employee to be fully qualified to work according to company standards. CommerTrans emphasizes its unique corporate culture, which plays a crucial role in achieving the necessary level of excellence in performance. As the process of internalization of corporate values and norms takes time and is viewed as an investment, permanent employees are considered a valuable resource and their attitudes are regularly monitored through employee engagement surveys. Although the overall benefits package on offer is low, permanent employees get higher and longer-lasting benefits compared with temporary workers. In conditions of high EPL and generally low UIB, the level of skills and knowledge of values, along with the protective regulations attached to the permanent employment contract, enhance the job quality of permanent employees in CommerTrans.

Temporary agency workers are placed in the high EPL-low UIB quadrant due to restrictive statutory regulation, but their working lives differ from those of permanent colleagues. Most contracts used in CommerTrans are for periods of between one and six months to retain the necessary level of flexibility. If the two consecutive contracts allowed by law have been used up, there are the legal options of termination of the employment contract or signing a direct contract with the user firm, as well as the semi-legal option to transfer the worker between ‘friendly’ temporary work agencies while
retaining the same user firm. Even though the latter is not common practice in CommerTrans, the
direct hire of agency workers is very rare – only the very best can get temporary direct contracts and
transfers to permanent direct contracts are practically unheard of. Due to the short tenure and lower
skill base, temporary workers are assigned to jobs that require lower skills and neither the agency nor
the user firm is motivated to provide them with long-term competency development. None of the
parties in this triangular relationship is prepared to invest in the internalization of corporate culture,
and agency workers are not involved in engagement surveys.

The high level of EPL has ambiguous consequences for both company and workers in Poland. The
company implements the headquarters’ targets on workforce flexibility while aiming for an
‘employee-friendly’ image, by not laying off the permanent workforce when orders decrease. This
trade-off also creates difficulties. Managers are aware that if temporary workers on two weeks’ notice
are not satisfied, they can easily seek jobs elsewhere. Interviewees pointed out that temporary
workers make more mistakes and do not have a vested interest in teamwork, which is considered a
bad example for permanent workers.

From the employees’ point of view CommerTrans is the employer of choice in the area – pace and
intensity of work and managerial control can be far higher elsewhere. Temporary agency workers are
aware that opportunities to switch from agency contracts to direct employment are scarce, and that
the only option is a temporary direct contract. Their low level of engagement may be seen as a
strategy for dealing with low job security by distancing oneself; there is little to compete for in terms
of performance excellence. Nevertheless, they return for consecutive contracts, as CommerTrans is
the best prospect in comparison with low UIB and other labour-market offers.
The case of CommerTrans shows the connection between job quality and flexibility in a situation where, even though two groups of employees are both exposed to relatively high levels of EPL (albeit with different standards) and low UIB, the organizational strategies based on available legal provisions have led to further dualization of working conditions. Permanent workers’ job security is enhanced by continuing skills development and protection from dismissal, whereas temporary agency workers have few opportunities for skills development, little hope of a more secure contract and limited options for unemployment benefits once the temporary contracts end. The use of flexible work patterns to adjust production capacity has led to increased security for permanent workers for whom temporary workers act as a buffer, while those same temporary workers are trapped in an insecure working future.

**Job Quality in the ICT Sector**

The case study presents an ICT sector with two defining features. The first is a tight labour market: all indicators point to a shortage of skilled labour in the Belgian ICT sector. According to Agoria (2015), the Belgian employers’ organization for the technology sector, there are about 4000 job vacancies which take a very long time to fill, if they are filled at all. According to the Flemish labour consultancy and platform, there are 6438 long-term vacancies (VDAB, 2015). Its Wallonian counterpart Forem reported 1052 such vacancies (Forem, 2013), while the Brussels Observatory of Employment reported 496 such vacancies for the city of Brussels (Actiris, 2013). Recall that in Table 3 the number of people employed in the Belgian ICT sector stood at 65,100, so the hard-to-fill vacancies represent a significant percentage of the total employment in the sector.

**Table 4:** ICT specialists, statistics on hard-to-fill vacancies in enterprises in 2015

<table>
<thead>
<tr>
<th>EU-28</th>
<th>Belgium</th>
</tr>
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<tbody>
<tr>
<td>% enterprises</td>
<td>% enterprises</td>
</tr>
<tr>
<td>20</td>
<td>8</td>
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<td>28</td>
<td>12</td>
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Source: Eurostat (2015)
As table 4 shows, in 2015 8% of EU enterprises recruited or tried to recruit ICT specialists, and of these, 38% reported difficulties in filling vacancies. For Belgium, numbers in the categories ‘employ ICT specialists’, ‘hard-to-fill vacancies’ and ‘training to other persons’ deviate from the European average.

The second defining feature is the constant uncertainty about which skills to learn or maintain in order to remain employable, given that technology changes at an increasing rate, especially when measured over an entire career. According to some interviews this is a real fear, as not being sent out on projects by your consultancy firm can be a real problem career-wise. To cite an analyst/consultant: “standing still in my sector is the same as moving backwards”. This is an external pressure beyond the worker’s control, which makes it weigh more heavily. According to the interviewees, the question for a great many ICT workers becomes whether they should stay with their current employer, gaining more responsibility through the years and building a stable career in one place, or change employer frequently, building up a broad portfolio of skills and knowledge in different surroundings through different projects, constantly learning and remaining employable for a wide variety of projects.

Software professionals need continuous skills and knowledge development to ensure they remain up to date, due to the expansion and rapidly changing nature of technology. Even Belgian high-tech workers, squarely in the group that scores high in the EPL and UIB index, who enjoy high employability, are required to be increasingly flexible to maintain their security, resulting in a high number of ICT professionals working as consultants in small firms on a project-by-project basis. Their work is governed by software development contracts in which vendors are hired to build a custom software solution for a customer. The vendor then sends software developers on payroll out to this customer. During the present study 9 of the 25 people interviewed were working on this basis.
The key issue as regards job quality is the payment scheme for services rendered: is the customer paying a lump sum for the entire project, or is the consultancy firm paid by the day? In the former case the vendor puts pressure on the developers to spend as little time as possible on the project while fulfilling its technical and functional specifications so that all spare time covered by the lump sum becomes profit. In the latter case customers try to negotiate the lowest price per time unit possible and, according to our interviewees, prices can range from €300 to 1000 a day. This is a serious cost to the customers, who try to reduce it by imposing stringent and precise demands on the work promised by the consultancy firms and by carefully monitoring the work. The consultancy firms try to keep the price they get for hiring out their software workers as high as possible relative to these workers’ salaries in order to maximize profits. Often this means promising extra features that the worker then has to deliver. In effect, depending on the contractual arrangements between the two companies, workers experience pressure from different sources that affects their job quality.

Despite being an apparently successful example of a sector where a labour shortage gives workers considerable individual bargaining power and a national framework that scores high on the EPL and UIB indices, the system produces some undesirable outcomes in terms of job quality, such as pressures at work and a lack of long-term career security and stability.

**Conclusion**

The initial findings from our three case studies demonstrate the organizational aspects of job security within the overall framework of employment security, and how these influence individual workers’ experience of job quality. The focus on two economic sectors – manufacturing and knowledge industries – in three European countries provided a diversity of contexts for examining job quality. This paper has outlined how organizations in general take advantage of countries’ employment regulations and use job security to adapt to market demands. It has also discussed the outcomes for the quality of jobs in the three different case studies.
The matrix presented in Table 1 shows that none of the country cases studied represent the flexicurity model – low levels of EPL together with high levels of UIB. However, unlike flexicurity, market pressures are a widespread phenomenon influencing companies in each of the countries. At the organizational level the pressure for workforce flexibility can be seen in flexible contracts or constant pressure to upgrade skills. In each case, this negatively affects job quality, with different dynamics for different employee groups. The research shows incremental dualization of the workforce in manufacturing, with temporary workers more vulnerable and experiencing a reduction in their job quality, despite being covered by relatively strict employment security arrangements, which confirms the need to look at the organizational level when studying employment security. Even though this dualization was not found in our ICT sector case study, the changes driven by market pressures affect the job quality of the workers we interviewed. The case studies presented here show how the employment security system of each country affects the way job security is handled by employers and, in turn, the individual workers’ experience of job quality.

References


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