

Trends and tensions in Middle Eastern employment



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Malaysia has its Bangladeshi workers, South Africa its Mozambiquans, the European Union its North Africans and the USA its Latinos - all are essential to keeping these economies working but there is a tendency for their presence to be resented. The oil rich states of the Middle East face this issue on a much larger scale – huge dependency on foreign workers but at the same time a need to create employment opportunities for host country nationals.

The consequent severe distortion of internal relativities has a serious adverse impact on staff morale, on attitudes to performance and on productivity. Some banks, particularly subsidiaries and associates of foreign banks such as HSBC, Citicorp and ABN AMRO, use job evaluation methods and share salary data to correct internal and external imbalances, but directors of locally-owned banks are very often reluctant to do so, lest it increases salary costs.

Notwithstanding this, employers are swamped with unsolicited applications either directly from applicants or from those seeking jobs for relations or friends. Rather than reject a candidate and risk upsetting the customers or staff who supported him (it usually is a 'him' – see below), many companies leave applications in limbo! Employers are reluctant to advertise a vacancy knowing that applicants or those canvassing on their behalf will swamp them. In the United Arab Emirates (UAE) the government recently estimated that it receives between 150 and 200 applications from citizens for each vacancy it has. On the other hand many of those with useful skills do not wish to apply for a job because they fear being rejected in favour of those with more assertive supporters.

Many of the nationals seeking employment have been educated in subjects that are little if at all in demand within the modern economy. They prefer to study philosophy, arts and social sciences rather than technical subjects such as engineering and finance. Moreover many of them do not have the work discipline demanded by employers, such as attending on time and concentrating on work. Older workers who have learned 'on the job' and who have risen on the basis of length of service are also ill-equipped to meet the changing demands of the workplace. Family commitments for old and young take priority over those of the employer so, for example, taking children to school is seen as a legitimate reason for poor timekeeping.

Family commitments and traditions keep the proportion

of women in employment at a low percentage in most of the Gulf States, although Bahrain and Kuwait are exceptions, with a number of banks having heads of human resources who are local women, including Burgan Bank in Kuwait and HSBC in Bahrain. There is a gradual change in attitudes towards female employment, and banks (*with all female branches*) are seen as offering a type of work which does not bring 'Aib' or shame to the family that has a female member working there.

In the period before oil wealth, when a pastoral form of agriculture dominated the region, women worked alongside their male relations in productive work. Modern commercial methods of work organisation, however, cause problems for women in the societies where it is forbidden to mix with men who are not very close relations.

Some banks have established all female branches or sub offices where women customers are served by female staff. In banks in Saudi Arabia which have such branches, there is no contact between male and female staff (including the boss) except in writing or by telephone. These restrictions on women, while understandable in terms of social norms, mean that there is a large proportion of the host country's nationals who cannot be employed.

Not surprisingly, therefore, there has been considerable dependence on foreign workers, but that really has led to a two-tier workforce. Virtually all employers pay foreign workers less than nationals. The only exceptions are the seconded expatriates who have come from another part of an international organisation or the few specialists (usually from North America and Europe) who are paid more than nationals.

In addition to being on a higher pay scale, nationals will usually get a range of other benefits such as marriage allowance, children's allowance (which could amount to three or more times' basic salary for those with a very large family) and vacation allowance. Expatriates will not get such allowances and will usually have to pay for medical and education facilities - free for nationals, as well as fees to a local sponsor and/or the high costs of residence permits.

But the fact is that employers are quite content to pay very low wages to foreigners, knowing that, if one expatriate leaves, there are thousands of highly-skilled and well-trained bank staff from poor regions of the world waiting to take their place. For those from south Asia and parts of the Arab world outside the Gulf States