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# Pepperdine University

# Graduate School of Education and Psychology

# EMPLOYEE TRAINING TO INCREASE EFFICIENCY IN THE SAUDI PRIVATE SECTOR

A dissertation submitted in partial satisfaction of the requirements for the degree of Doctor of Education in Organizational Leadership

by

Megren Abdullah Altassan

June 2017

June Schmieder-Ramirez, Ph.D. – Dissertation Chairperson

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under the guidance of a Faculty Committee and approved by its members has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

# DOCTOR OF EDUCATION

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# DEDICATION

My parents Abdullah Altassan and Lyla Maghrabi were my support and inspiration to undertake this journey. I dedicate this dissertation to them, my wife Felwah Alzamel, and my son Naser.

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#### ABSTRACT

Saudis in the private sector tend to change employers, and this study sought information on whether training and education experience, and access to these, influenced their career choices. A study of a Saudi conglomerate was used as representative of larger firms who offered training to their employees; and the sample, 105 Saudi nationals, were self-selected for an online survey. Analysis of demographics, and the participants' employment and training experience and intentions are presented. Analysis included medians and percentages of demographic characteristics and employee experiences and intentions, then descriptive analyses for relationships between the main questions and the demographic characteristics.

The results were a sample median of 35.5 years of age, with 84.5 percent under the age of 41 years. The participants were well educated with 87.6 percent holding Bachelor's degrees or higher; a further 80 percent had family responsibilities. The median work experience was four years; however, 33.3 percent had two years or less in the workforce, and 42.9 percent had changed their employer three or more times (median 2 employers). Over half (58.1%) attended pre-employment training comprising job skills training (31.4%) and workplace behavior training (12.4%). Upon recruitment, nearly two-thirds (62.1%) attended induction courses and 41 percent of these courses were a week or longer. On-the-job training was conducted by a supervisor (30.5%) or a team member (42.9%).

A majority (76.2%) of the participants were in training, predominantly (45.7%) with their employer for promotion or higher pay (23.8%). The remainder were training in other parts of the conglomerate (16.2%) or externally (30.5%). Further, over half (58.1%) of the participants stated that their acquired knowledge and skills were portable and could be used with another employer; nearly a half (47.6%) also stated an intention to change employers. Significant relationships

between the demographic variables and survey responses were that older and more experienced employees assisted recruits; whilst older employees, those with family responsibilities and those who had more employers also intended to move. Those with higher qualifications were seeking more pay. In conclusion, experience with, and access to training and education were not associated with intention to stay with their employer.

## Chapter 1: Employee Training to Increase Efficiency in the Saudi Private Sector

This research examines the effects of the education system and employee training on the Saudi labor market, characterized by a large imported workforce. This is despite a longstanding policy of Saudization, or the replacement of foreign workers with competent Saudis, and the relatively more recent Nitaqat enforcement policy that imposes penalties on recalcitrant firms. Saudi Arabia's conservative society resulted in a low labor force female participation rate and a high unemployment rate, particularly for educated Saudi women. Another factor is the international nature of the workplace, where global firms' employee policies are derived from legal requirements of their country of origin. For example, equal employee rights to meet Saudi labor laws may not address the norms of traditional Saudi society, whilst job competencies including English literacy and technology-based skills may also be based on country of origin educational standards. There is therefore an on-going need for Saudi employees and recruits to undergo relevant training to achieve work-ready competencies.

This chapter comprises the background to the study, followed by the problem statement and the purpose for the research. This is followed by the importance of the study, definitions, theoretical framework, and research questions. Limitations, delimitations, and assumptions are explained prior to the chapter summary.

## **Background**

In a dynamic global economy where product and service markets grow and decline, there is continual technological change, and many countries are in a transition from a manufacturing focus for their workforces to a service economy where radically different knowledge and skills are needed. Saudi Arabia was built on oil production and the hydrocarbons industry will remain the driver of its economy for the foreseeable future; however, the government is adamant that the

services sector develops to provide a diversified economy to provide the millions of quality jobs that Saudis desire. The Kingdom's services sector requires educated and well-trained nationals who can compete for work with foreign workers who tend to fill the private sector's professional and managerial positions. Although the Nitaqat (Arabic for ranges) policy resulted in a growing national workplace presence, population growth resulted in a static labor force participation rate. This is despite foreign labor controls and extra training after graduation to make nationals work ready (Al-Asfour & Khan, 2014; Al-Sughair, 2014; Central Department of Statistics and Information, 2015a; Economist, 2014; Ministry of Economy and Planning, 2013).

Oil economy. The Kingdom of Saudi Arabia was established in 1932 when King Abdulaziz bin Abdelrahman al-Saud united the Kingdom. Oil was discovered in 1938 by an American consortium, Socol, and was subsequently developed as the world's largest hydrocarbon repository by the Arabian American Oil Company (now Saudi Aramco). Progress to forge an oil industry was interrupted by World War 2, although development was then rapid. To organize and market oil production, Saudi Arabia, Kuwait, Iran, Iraq, and Venezuela formed the Organization of Petroleum Exporting Countries in 1960 with Qatar and the United Arab Emirates joining during the 1960s. For Saudi Arabia, oil profits were first used to establish industrial infrastructure; however, population growth and the need to build a modern nation required long-term financial strategy and policy development. This culminated in 1970 with the first economic development plan (Organization of Petroleum Exporting Countries, 2015; Royal Embassy of Saudi Arabia, 2015; Saudi Aramco, 2015).

Government. King Salman bin Abdulaziz al-Saud rules Saudi Arabia as an absolute monarch. The King is advised by the Council of Ministers and the Majlis al-Shoura (Consultative Council), the latter comprising eminent representatives of society, religion, and

business (Royal Embassy of Saudi Arabia, 2015). The country is divided into 13 provinces, with the main cities Riyadh, the capital, Jeddah as the commercial center, and Dammam as the hydrocarbons processing center on the east coast. There is a similar Majlis al-Shoura to advise the provincial emirs and for municipalities within the provinces to administer local public services. Makkah and Al-Madinah, the Two Holy Mosques, are the sites for the *hajj*, an annual pilgrimage attended by millions of Muslims over a period of a week (Central Department of Statistics and Information, 2015a; Royal Embassy of Saudi Arabia, 2015).

Nationally, the Human Resources Development Fund (Doroob initiative), Ministry of Labor (through its employment responsibilities and subsidiary, the Technical and Vocational Training Authority), and Saudi Skills Standards are the lead agencies for Nitaqat. These organizations work with the Saudi Chambers of Industry and Commerce who use their databases to source firms from particular locations, industries and firm characteristics for jobs for unemployed Saudis (Doroob, 2015; Ramady, 2013). The Doroob initiative comprises general and firm-specific online courses at Saudi Skills Standards competency levels, which allow jobseekers and employees access to gain certification. In 2015, the first generalized occupational courses were produced in retail and merchandising, hospitality, help desk jobs, and accounting. These were delivered online for competency accreditation, then on the job by mentoring recruits (Doroob, 2015).

**Education system**. Another factor in the relatively minor number of Saudis in the private sector (1.5m) reported by the Central Department of Statistics and Information (2015b) is the education system, which remains under-developed (Abdul Ghafour, 2015). In its latest five-year development plan, the Ministry of Economy and Planning (2013) declared a renewed focus on career-based qualifications, that is, science and technology, commerce, and professions such as

health and education. Graduates, especially women, tend to aspirational and religious degrees and the Ministry reported that incentives were available for all Saudis who adopted a more job-focussed approach to their studies. Nevertheless, all public education and overseas scholarships, whatever the discipline, remain free (Ministry of Economy and Planning, 2013). The Ministry's focus has been strengthened by Vision 2030, a policy statement from the Council of Economic and Development Affairs (2016) that has committed to an education system that contributes to economic growth through a renewed curriculum for schools for literacy, numeracy and skills.

A centralized student database (will be developed) tracking students from early childhood through to K-12 and beyond into tertiary education (higher and vocational) in order to improve education planning, monitoring, evaluation, and outcomes' (p. Our commitments).

Further, Saudis prefer university degrees to technical and vocational accreditation and they tend to avoid service work such as tourism or sales where the majority of private sector jobs lie (Brdesee, 2013). Business sectors that have sufficient semi-skilled positions suitable for Saudis are therefore the focus of the government, which, as noted, is coordinating the Nitaqat policy and directives through an increasing number of agencies (Peck, 2014; Ramady, 2013). Thus there has been a significant realignment of educational qualifications towards the numerate professions and reeducation courses for vocational and technical jobs are delivered by the Technical and Vocational Training Corporation (2015). The Council of Economic and Development Affairs (2016) addressed this situation in its Vision 2030 with business incubators and specialized training institutions.

**Saudi job preferences.** Saudi Arabia is substantially desert, with no permanent lakes or rivers. The summer temperatures can reach 50°C (122°F). These conditions result in Saudis

preferring office work rather than outdoor jobs, and the latter are frequently occupied by foreign workers, usually from other Arab countries and southern Asia (Royal Embassy of Saudi Arabia, 2015). Whilst the population reached 30m in 2013, the Central Department of Statistics and Information (2015b) reported that a third of these were foreign workers predominantly in construction and lower service jobs. Saudis prefer working in the public sector and tend to wait for such jobs to become available. The Nitaqat policy initiatives introduced in 2011 include employer incentives, removal of illegal labor to open entry level jobs, and pre-employment training. Further, structural changes to labor law and policy enforcement were designed to bring private sector standards into line with the public sector for Saudis, although these do not extend to expatriates who remain bound by their employment contracts to their firms under alternate labor regulations (Hertog, 2012; Saudi Gazette, 2014a).

Another focus of Nitaqat is to draw women into the workforce to improve Saudi citizens' labor force participation rate of 41 percent, of which women comprise 17.6 percent and men 65 percent (Central Department of Statistics and Information, 2015b). Under Islamic tenets, a woman's priority is her family. Whilst secular laws restricting women's actions are lifting, Saudi Arabia remains a conservative society where women's status and duties remain within the family structure (Mousa, 2013). Unrelated men and women cannot mingle in public, and this includes the workplace. As women cannot drive, commuting to work relies on an inefficient public transport system, a male relative, or expensive private drivers. Together with a tradition that women should not seek employment, Saudi women are substantially absent from the workforce, and those who seek work cannot find jobs within their qualifications or perhaps within commuting reach (Al-Asfour & Khan, 2014; Mousa, 2013). Vision 2030 has a goal of raising

women's participation in the workforce from 22 percent in 2016 to 30 percent by 2030 (Council of Economic and Development Affairs, 2016).

As noted, Saudis prefer the security and beneficial conditions of public services, rather than the English-speaking, six-day per week private sector with its performance reviews and lower pay. A representative of the Human Resource Development Fund noted problems with Saudis recruited under Nitaqat, where about 30 percent leave their employment within three months of commencement to seek jobs in public sector education or the military (Gerbich, 2015). However, Redvers (2015) reported that although progress was slow, Saudis were moving into the private sector as job growth slowed in the public sector. This was partially due to a shock in the price of oil in 2014, which halved in a few months (Abdulzaher, 2015; Nasdaq, 2015).

In his first speech to the nation, King Salman said that although the government was endeavoring to minimize the impact of lower oil prices on the nation, the fact was that the large public sector accounted for half the country's 2015 budget of SAR860b (\$US229b). The King acknowledged also that the Nitaqat policy was adding to firms' cost structures, making them less competitive. The focus of the government remained on diversifying the economy, increasing opportunities for small to medium size firms, and for industry and commerce to take up their responsibilities for the country's job creation (Abdulzaher, 2015).

#### **Problem Statement**

The problem to be investigated in this study is low recruitment and retention of Saudis in the private sector workplace. There is considerable evidence that Saudis prefer the cultural and beneficial conditions of the public sector, where they find less challenges to their skills and knowledge than firms offer, and this is symptomatic of all the Gulf countries (Al-Waqfi. & Forstenlechner, 2012). Whilst considerable national attention is directed towards unemployment

in sections of the community such as graduate women and youth, there is obviously a shortfall in employment from people who leave the education system but who do not appear in jobs, as only 2.5m of 20m Saudis are employed (Central Department of Information and Statistics, 2015b).

Nevertheless, Saudis are cautious in approaching private sector jobs, and once employed, they lack the competencies necessary to remain in these jobs (Abdulzaher, 2015). The government's policy of Nitagat, imposed in 2011, intensified, with reluctant compliance by firms as foreign workers finish their contracts and employers find difficulty in gaining extensions for their qualified staff. The government acknowledges this through Doroob (2015), a coordinated system for employers of both generalized and targeted competency training and on the job mentoring for recruits, with financial assistance to the companies and bonuses for employees who remain with their employers. Therefore, this study seeks to understand employees' experiences under the substantial job assistance packages undertaken by the government over the last several years. This differs from previous studies on the topic as authors' recommendations have largely been met by subsequent policy changes (Al Ahmadi, 2011; Al-Dosary & Rahman, 2009; Al-Waqfi & Forstenlechner, 2012). The question for this study concerns recent results of the government's initiatives and those of its Vision 2030 policy. This policy has significant repercussions for Saudi development, with goals for the next 15 years in all financial and industrial sectors, including raising the number of not-for-profit organisations and encouraging volunteering, an aid to gaining experience working with others. The government has adopted headline programs such as the Government Effectiveness Index, Logistics Performance Index, and increasing small firm performance in the economy. There will be better consultation between employers and the education system to align the curricula with business needs (Council of Economic and Development Affairs 2016).

## **Purpose**

The purpose of the research is to determine the factors that influence Saudis in seeking work and who are satisfied to stay employed and productive. There is considerable research pointing to issues such as legal and social gender restraints (Al-Ahmadi, 2011), youth unemployment (Hertog, 2012; Ramady, 2013); and retaining Saudis in employment (Alshitri & Abanumy, 2014; Hecker, Almutairi, & Holland, 2013). However, there is little identified research which investigates the competency issues raised; whether the education system remains the critical factor in Saudis meeting job specifications, or whether employers still prefer expatriate employees due to their competencies and understanding of the work ethic. These questions hinge on aspects of international workplaces such as culture and language as well. This research follows Kattuah's (2013) call for further attention to explore this important distinction between employee careers and employer productivity objectives.

## **Importance of Study**

Professional importance. The importance of the study is in identifying competency barriers between Saudis and job specifications, and the government and employer initiatives to improve competencies through training such as Doroob so that Saudis may pursue their careers. The predominant theory underpinning this research is Becker's (1962) human capital theory, which posits a social cycle whereby the government invests in individuals through the provision of services, including education, and individuals respond by repaying the debt through their contributions to society: entrepreneurship or the labor market.

**Methodological importance.** This is an investigative, quantitative study appropriate for social research, that is, participants' views and perspectives on their workplace experiences

(Punch, 2013). The methodology leads to data collection and analysis that optimizes results to inform the findings.

Practical importance. Findings from this research are aligned to the important questions of Saudi recruitment and retention in the private sector. Once employed, Saudis find that the international workplaces do not reflect the Arab culture and language, especially in regards to gender separation and performance imperatives. To overcome large-scale unemployment, a significant investment in training is necessary for Saudis to remain in their jobs and reach satisfactory performance criteria. Thus this study is the first to produce contemporary results for the government on employees' views of working in the private sector, their intentions to pursue a career with their employer, and to determine their perceived competency levels.

#### **Definition of Terms**

Saudization. Long-standing government policy to replace skilled expatriate labor and professionals with skilled Saudis.

*Doroob*. Training policy introduced in 2014 to support job seekers and new employees.

*Nitaqat.* In 2011, due to failure of the Saudization policy, the government embarked on a comprehensive program to evict illegal foreign workers, encourage employers to hire Saudis, and to train job seekers.

*Shar'ia law.* The Constitution is based on Shar'ia Law. Whilst there is a secular court system for commercial transactions, many matters of commerce and employment fall under both jurisdictions. Thus, judicial proceedings may be extended by months.

Vision 2030. Coordinated policy statement across economic and social criteria aimed at re-directing government agencies' focus towards job-related outcomes.

#### **Theoretical Framework**

As noted, the theoretical framework stems from human capital. This leads through to social capital, and the dense relationships among Saudis' highly conservative society (Putnam, 1995). Among the government's target populations of youth and women, dense social relationships may preclude external contact, Putnam's 'weak ties', with expatriates and employed persons that could act as enablers in finding a job, and as mentors once youth are employed. Psychological theories associated with longer term employment may still be valid: the Hawthorne effect (Bladen, 1948), job motivation (Alderfer, 1969; Herzberg, Mausner, & Snyderman, 2010; Lawler, 1969; Maslow, 1943; McClelland, 1965), expectancy theory (Vroom, 1994), job satisfaction (Locke, 1969) and organizational commitment (Gouldner, 1960). Theories associated with these authors who largely worked in mid-century American offices and factories were found by subsequent researchers in many cases to lack relevance or context. These issues are thus investigated within a theoretical framework of both human and social capital

# **Research Questions**

The research questions explore Saudis' workplace competency standards before and during employment from the perspective of employees in a large private corporation. The questions follow Kattuah's (2013) call to continue research investigation into private sector employee training and to determine the success of the government's Saudization and Nitaqat policies, to which Doroob was added. Thus, the supporting questions are:

1. What is the extent of training, including on the job mentoring, for Saudi recruits?

- 2. Overall, which career factors are most important in their career choices?
- 3. Are the importance ratings of the career factors related to their demographics (gender, age, nationality, education)?

## **Limitations of the Study**

The limitations for the primary research are those associated with restraints of time and statistical or research validity, risks in any study. These are set out in the Methodology chapter. Further, although this is a quantitative study, the findings from this research would not be generalizable to other Arab or international populations. These societies would not have the same conditions as exist in Saudi Arabia during the period of the research. The findings for this study are intended to lead to recommendations for the Saudi government and private sector decision-makers. However, the methodology and research approach can be used more widely in other jurisdictions to address a similar challenge (for example, Gulf countries)

# **Delimitations of the Study**

The scope or delimitations for this study are that it is confined to firms available for study that are listed on the Saudi Chamber of Industry and Commerce's database and which were defined as large employers by the business media firm, Zawya (2015). Of these firms, the sample comprised those Saudi-based firms that would be expected to deliver training to their and who allow their employees to be surveyed. The sample comprises a minimum of 100 Saudi nationals employed in large local and multinational Saudi-based organizations, predominantly in Jeddah, although head offices may be in Riyadh or Dammam (Zawya, 2015).

## **Assumptions**

One assumption is that the methodology leads to findings that aid effective training and on the job assistance for employers in attracting, recruiting, and retaining Saudis. Another assumption is that once alerted to the extent of the problem, employers will take steps to rectify deficiencies in their current employee training courses to address the gaps in employee knowledge and skills acquisition for Saudis. The final assumption is that insights from the findings will assist public decision makers in responding to structural change in the Saudi labor market.

## **Organization of the Study**

This study comprises five chapters. Following this introductory chapter, the dissertation moves to the second chapter, the literature review, which presents the context for the study, concerning raising the competency levels of employed Saudis. It describes the issues confronting other countries in seeking jobs for their youth, and ensuring those jobs are substantial and significant to the individual in pursuing a career. This leads to a discussion of the theories associated with employee perceptions and behaviors in an international workplace, given market pressures through disruptive technologies and economic challenges in finance and commodities. Next is the methodology chapter, which details the selection of the data collection and analysis and the administration associated with academic research. The methodology therefore includes the research design, construction of the survey instrument for an on-line survey, sample selection, data collection and analysis using a program similar to SPSS. An ethics statement, and reliability and validity evidence follow. The fourth chapter comprises a discussion of the findings within the theoretical and contextual framework and this chapter addresses the answers to the research questions. It may also assist in identifying systemic issues that could emerge on the

policies, or administration of labor policies of Saudization, Nitaqat and Doroob. The final chapter sets out the conclusions from the findings, offers recommendations to decision-makers both government and employers, and has a summary of the knowledge and evidence that emerged from the chapters. Suggestions for further research completes the study.

## **Chapter Summary**

This chapter set out the background for the study, and explained the social and educational antecedents for the current Saudi government enforcement policy (Nitaqat). It briefly considers the recent addition, Doroob, which supports employees through job searching, recruitment, induction and establishing themselves in a career.

Due to the recent development of an effective skills standards framework that can be implemented online, employers remain reserved regarding Saudi competencies. They prefer efficient and cost-effective expatriate labor. This raises the central research question of Saudi competency standards and whether Doroob and similar programs can raise recruits' skills levels sufficiently for the Kingdom to become an effective competitor in the global market place with a diversified economy. The chapter sets out the means by which the research questions are to be answered and the means to address scope and research risks. The following chapter provides the literature review, which concerns theories of workplace commitment and intention to remain employed.

## **Chapter 2: Literature Review**

The chapter commences with the theoretical framework which is based on capital theory and includes a summary of employee commitment and job satisfaction. This is followed by the contextual section, which discusses the Kingdom's population, social and economic characteristics, and its education system, fundamental to this dissertation on the need for preemployment skills and knowledge and then employee training. The nature of the labor market in Saudi Arabia follows, with its reliance on expatriate labor in the private sector and the absence of women from the workforce. This is followed by the government's unfolding employment policy, Saudization, whereby expatriate workers are replaced by skilled Saudis. The compliance program Nitaqat is explained and its focus on opening employment opportunities for women; also the new citizen-based Doroob initiatives, whereby young Saudis are enabled to match their skills and knowledge to incremental targets to gain employment. The chapter is completed with a short discussion on the contemporary Saudi employment environment.

#### **Theoretical Structure**

This section introduces the theoretical structures used to support the research. There are two aspects to theory; one is the support for the content of the dissertation, the other is the research design, that is, gathering and analyzing data to answer the research questions (Punch 2013). This chapter considers the content of the study; the following chapter, the methodology, is concerned with the theory of the research process. This chapter therefore predominantly concerns capital theory.

As the research questions are based on the relationships between the government, the private sector, society and the individual; the evolution of capital theory originally proposed by Adam Smith (1776) provides a wealth of theory for this study. Smith's original concepts of

capital, land, and labor were adapted during the industrial and financial revolutions into finance or capital, resources or land, and employees or labor (Storberg, 2002). These concepts became entrenched and by the middle of the 20<sup>th</sup> century, the French philosopher Bourdieu (2011) described capital theory as a social system that supported wealth from one generation to the next, creating a sustainable society. Given the continual change of the global economy, business technology, and capital structures, Bourdieu's sustainable society can only be created if education and training remain fundamental to the transfer of wealth from generation to generation. In fact, that is the Saudi government's stated objective (Ministry of Economy and Planning, 2013).

Forms of capital. Adam Smith's (1776) capital theory remained in the economic and accounting disciplines until the early 20<sup>th</sup> century. However, Chiapello (2007) referred to the 20<sup>th</sup> century debate on the conceptualizing of capital, and capitalism as theory. Chiapello explained that the German intellectuals Sombart (1916) and Weber (2002) posited that capitalism began with the double-entry bookkeeping system. For classical economists, capital as a commodity referred to an accounting convention, that of the non-financial assets of a firm. Commodity capital is renewable and can be produced by human endeavor, unlike land which is fixed and non-renewable (Chiapello, 2007). The form of double-entry accounting that emerged in the late 19<sup>th</sup> – early 20<sup>th</sup> century showed the circular relationships between finance, resources and human endeavor above and beyond the accounting function. Thus Chiapello explained that accounting practices embedded the notion of capitalist theory into social and organizational disciplines through labor as the driver of the other two concepts. Marx (1992) on the other hand saw capitalism as profit gained from capital, and predicted common ownership of the means of production.

Whether human capital theory preceded social capital theory is a debate that concerns other disciplines. Bourdieu (2011) proposed social and economic capital in the formation of cultural capitalism; Sweetland (1996) argued that human capital theory dated from Smith's (1776) original notion of capital, and primarily concerned education and training. Other forms of capital theory to emerge include health capital (Galama & Van Kippersluis, 2013) and intellectual capital (Khalique, Shaari, & Isa, 2013; Nahapiet & Ghoshal, 1998) as a subset to human capital; and natural environment capital (Kareiva, Tallis, Ricketts, Daily, & Polasky, 2011) involving, in their paper, geospatial mapping. However, this dissertation considers human capital, social capital, and cultural capital as the bases of the theoretical framework.

Human capital theory and practice. Human capital theory was introduced by Adam Smith (1776) as the interaction between human knowledge and skills, and production: more skills could lead to greater production. However, Smith pointed out the difference between productive labor in the firm that supports the unproductive labor of those who work, however, the latter does not produce revenue. Unproductive labor included people holding public office (including educators), domestic servants, and performing artists. According to Smith, their labor was maintained by revenue from productive labor. Thus service providers were not considered as producers of human capital, only those producing physical goods were capable of adding to wealth (Smith, 1776).

As noted in the introductory chapter, mid-20<sup>th</sup> century psychologists studied enhanced productivity in United States' manufacturers, both on the shop floor and in their administrative offices (Alderfer, 1969; Bladen, 1948; Herzberg et al., 2010; Lawler, 1969; Maslow, 1943; McClelland, 1965). However, as human capital theory is based on economic disciplines, it differs substantially from social psychologists, as capital theory was derived from a positivist

paradigm, which employs quantitative rather than qualitative data collection and analysis. As this study explores the views of employees on their education and training experiences, human capital theory is relevant as part of a theoretical framework.

Nevertheless, human capital theory was formalized by an American, Gary Becker (1962), who was both an economist and a sociologist. Becker argued that capital was bestowed on a child through birthright of society and family, including the child's attitude to employment, and skills and knowledge were acquired through schooling and subsequent tertiary education. Once employed or as an entrepreneur, the individual continued to learn through further training and work experience. The individual's enhanced characteristics thus lead to adult productivity, and Becker used remuneration scales as evidence of society's rewards for such knowledge and experience. Becker's human capital theory is therefore a curve, where society, family and government (security, education and health) 'pay' for an individual's productivity in the Adam Smith sense, and all stakeholders are 'repaid' in the next generation with a 'return' on the resources that were invested. This model of human capital thereby produces useful competencies for the firm as well as immediate profits, which are in part paid back to the individual (as wages for employees, agreed payments for contractors, or profits for an entrepreneur). Citizens' accumulated human capital rewards society (and the government) through economic growth. Becker's original version of human capital theory is thus appropriate for Saudi Arabia as their 'return' is a diversified economy and contributions to the nation's future society. Society therefore has a strengthened and deepened capital base that is less reliant on temporary expatriate workers and oil revenues.

For Schultz (1961), human capital stemmed mainly from education and training. Schultz cited increasing United States' income levels over preceding decades as evidence of a maturing

society, and this was achieved through the country's excellent education and training establishments. However, Schultz identified inherent barriers for parts of society through discrimination, biased legal structures, and suppressed wage levels. Nevertheless, the individual was mobile and could travel to areas where there was greater opportunity, a factor that is certainly consistent with labor movement in the global economy. Again, the Saudi economy benefits from such migration.

Whilst Schultz (1961) was working from a 20<sup>th</sup> mid-century perspective in a mature economy (the United States), Artuc, Docquier, Özden, and Parsons (2013) reported for the World Bank that the trend flows in international labor migration changed over the succeeding decades. Labor migration increasingly occurred between emerging economies (about 20% in 2000) rather than from emerging economies to mature nations. Whilst their panel data concerned global labor flows for the decade to 2000, Artuc et al. estimated that the trend would continue, citing increased flows of highly educated individuals between emerging economies. Indeed, Saudi Arabia benefits from professionals from Arab and Asian nations, such as healthcare workers and academics. However, there is the counterbalancing effect of Saudization on labor migration, and the contributions of Nitaqat and Doroob severely impacted immigration, although the effects were mainly directed at unskilled and semi-skilled workers.

The effects of human capital acquisition for individuals and countries were the subject of debate over time. In fact, an international database was set up in France to rate countries in their human capital endeavors of mathematics, science, reading and a general index for 105 countries between 1964 and 2005 (Altinok & Murseli, 2007). The data were taken from the international Trends in International Mathematics and Science Study, and Progress in International Reading Literacy Study undertaken by the International Study Centre at Boston College in Massachusetts.

The general index was dominated by eastern Asian countries and Singapore. Of the four Arab Gulf countries in the list (Bahrain, Kuwait, Oman and Saudi Arabia), Saudi Arabia ranked third at 62 (Altinok & Murseli, 2007). These matters are discussed further in this chapter, recording Saudi Arabia's commitment to reaching international standards.

Deloitte University's (2015) International Human Capital Report nominated the challenges for firms in the Arab countries as learning and development, revisiting the responsibilities of human resource groups, and leadership and engagement and organizational culture as equal third. The Deloitte report shows that the competency issues for Arab employees identified in the 2005 human capital index (Altinok & Murseli, 2007) have not yet been adequately addressed.

Social capital theory and practice. Whilst human capital necessarily focused on the characteristics of the individual, social capital theory concerned the relationships between the individual and the social environment. For this purpose, 'capital' was adopted by American sociologist James Coleman (1988) who used the theory of social capital to explain high school dropouts. Social capital, Coleman explained, extended the individual's influence through social norms, information channels, and obligations and expectations. For social capital relevant to this study, Coleman used the example of the El Khalili market in Cairo, where an enquiry from a tourist to a leather vendor may lead to an introduction to a money-changer or a jeweler as the case may be. Each seller is part of a social commerce circle of relations, tribes and friends who may gain commissions or social obligations through the introduction (note Putnam's [1995] 'dense relationships'). For another relevant example, the high school dropout, Coleman explained that in the United States, different family configurations produced different school dropout rates between grades 10 and 12. The largest differences occurred between families with

two parents and two children where the mother expected the children to pursue tertiary education (8% dropped out of school) and one parent with five children and no such expectations (30% dropout rate). To answer the research questions for this study, Coleman's Egyptian example based on trust is fundamental to understanding the cultural environment of Saudi Arabia and Coleman's stance was further supported by Bjørnskov (2006), who found that social trust alone was an indicator of governance and life satisfaction. For this study, Coleman's (1988) observation may be extended to Arabs' focus on job status, where the individual's success in gaining high rank at work is important for the social standing of the extended family. Further, the example of education and training applies as both human capital for individuals and social capital for families and society.

Social capital theory received research support in many disciplines and environments. Putnam (1995) argued that successful communities in Italy and the United States were based on the extent of civil engagement within communities to contribute to a cause, a town, an association, or a school. Arguing that there was nothing new about social capital and that researchers were restating known situations and contexts under another title, Portes (2000) stated that social capitalists merely described such issues without using theory to develop practices to alleviate such conditions.

In its turn, social capital theory was adapted by economists who used the term social networks to identify phenomena that influence economic activity (e.g., Bramoullé, Djebbari & Fortin, 2009; Jackson, 2008). Such networks create intellectual capital for the firm, developing commercial advantage (Nahapiet & Ghoshal, 1998). Granovetter (2005) explained that organizations' communications occurred along these social networks, where people used trusted sources to explain and elaborate external facts or rumors.

Recently, social media emerged as the focus of social networking, and this technology disrupted the channels for communication depicted by Coleman (1988). Proximity is no longer of primary importance in social networks, which, apart from time zones, can readily be shared anywhere. Interestingly, Doerr, Fouz, and Friedrich (2012) found that the proliferation of a rumor through social media is a social phenomenon as well as a technological channel. The pathways of a rumor are slower through average small network nodes, then proliferate at larger social media nodes. Doerr et al. consider that the rumor has reached the limits of the population after about eight iterations. Nevertheless, for organizations that use social media in their marketing, rumors can be devastating if used against a product or the firm's reputation (Pfeffer, Zorbach, & Carley, 2014).

Social networks are often cited as the source of contacts for job-seekers (Acquisti & Fong, 2013; Galeotti & Merlino, 2014). In Arab countries, *wasta* (influence or perhaps nepotism) is cited as a strong source of job acquisition (Forstenlechner & Baruch, 2013). Alharbi (2014) and Gatti et al. (2013) noted the influence of wasta in both finding a job and accessing training in employment and this is discussed in the following section.

Other theories of capital. Organizational capital was proposed by Tomer (1987) whereby organizational behavior was aligned with economic theory to explain that institutional structures contribute to both social and economic outcomes for society. In defining organizational capital, Tomer used the factors of individuals' characteristics and attitude, and the organization's structure, objectives, and cultural environment. Later, Black & Lynch (2005) redefined organizational capital as a mix of work design, workforce training and employee input, and thereby created a matrix of elements that could be measured.

Organizational capital continued to be reassessed as researchers produced new concepts. One of these was high-performing workplaces, which occurred when an array of positive elements of capital were in alignment for an organization, although this notion was debunked by Godard (2004). Another was intellectual capital (Bratianu, Jianu, & Vasilache, 2011; Nahapiet & Ghoshal, 1998). Bratianu et al. nominated factors that contributed to the firm's intellectual capital as its mission and goals, management and leadership, technology, and organizational culture. In a contemporary study to Bratianu et al., Radaelli, Mura, Spiller, and Lettieri (2011) took a different approach, conceptualizing intellectual capital as residing in professionals in a healthcare institution; knowledge-sharing among the professionals led to higher intellectual capital for the organization. Again, this time in a financial institution, Murthy and Mouritsen (2011) attributed intellectual capital to factors of organizational, human, and relational (social) capital. They were studying the effect of intellectual capital on financial capital. Interestingly, Murthy and Mouritsen found no direct relationship between the three elements of intellectual capital and financial capital, rather that:

It may be that investment(s) in information technology are investments in organisational capital, but investments in training aimed at improving the effectiveness of information technology is only human capital for formal rather than for functional reasons. Such investments in human capital emerge as *a product of organisational capital* and are not only contingently related to organisational capital but an inherent part of its productivity (p. 643).

Issues in attributing names to concepts continued, with Cricelli, Greco, and Grimaldi (2013) setting a model to measure "organisational intellectual capital" (p.140) in Italy; and Chahal and Bakshi (2015) in India studying intellectual capital as competitive advantage. Chahal

and Bakshi nominated capital elements of intellectual capital as organizational, social, innovation, process and customer forms of capital. As this research concerns the relationship between the firm's productivity and employee training, human capital theory is appropriate for this study. An individual's human capital of personal characteristics including education, work experience and training may be hired by any organization as an employment contract.

Theories of productivity. Besides theories of capital which emerged from economics and accounting disciplines, 20<sup>th</sup> century psychologists, social psychologists, and organizational psychologists studied how and why people work. The accepted origin of these studies was work conducted at the Hawthorne plant of Western Electric in Chicago for two decades from 1920. Hassard (2012) explained the evolution of Elton Mayo's Harvard University research within the evolving labor environment of the organization and an emerging economic depression in the 1930s. Later, psychologists such as Maslow (1943), Vroom (1994), McClelland (1967), Alderfer (1969), Locke (1969), and Herzberg et al. (2010) proposed theories relating to improving productivity. These matters are briefly discussed as theories of motivation, job satisfaction, organizational commitment, and culture.

Motivation theories. From the Hawthorne studies (Bladen, 1948), Maslow (1943) developed a pyramid of physiological and psychological elements, a hierarchy of needs, that individuals must successively fulfill to produce the motivation to attain the next level of their careers. First there were physiological needs where people work to put a roof over their heads and food on the table. Next were safety needs: physical safety, income security, health maintenance, and providing for retirement. Further up the pyramid there were needs to belong to a group, love and family, and to enjoy a congenial working environment. The next levels on the pyramid were to gain esteem or status from the working environment, then there was self-

actualizing, that is, reaching for some personal ideal as a goal; winning a race, contributing to a community, or achieving fame. Transcendence, the final state, flowed later from self-actualization, where the person entered some inward realm of ethics, altruism or spirituality. Of interest to this study of a workplace in an Islamic jurisdiction, Guillén, Ferrero, and Hoffman (2014) contended that to envisage a holistic individual, morality and spirituality must be included as aspects of the workplace in studying motivation of workers. Guillén et al. argued that without specifically including morality and spirituality, a working environment may develop that could be regarded as self-interested, amoral, and without spirituality.

Motivational theorists following Maslow (1943) proliferated in the mid-20<sup>th</sup> century, aiming to improve production in the manufacturing sector by attributing theory to employment policies in the firm. In 1959, Herzberg et al. (2010) concurred with Maslow's fulfillment of needs theory; however, Herzberg added a two-factor theory: that hygiene or employment policy factors could result in job dissatisfaction; and motivators or job satisfaction factors were separate phenomena. Hygiene factors included remuneration and workplace conditions, hours of work, leave, job security; and an individual's status in the organization. Motivational factors on the other hand included the inherent value of the job: meaningful work that contributed to society and the nation, a sense of accomplishment through continual challenges, responsibility for the work produced and recognition for achievements. Herzberg et al. posited that the absence of hygiene factors leading to dissatisfaction did not necessarily lead to job satisfaction or 'switch on' motivation, and the absence of motivators may not necessarily lead to dissatisfaction if the workplace conditions were amicable. However, the Herzberg model came under relatively severe criticism (Henne & Locke, 1985): "(there is) no general theory of the behavioral and psychological consequences of job dissatisfaction" (p. 221).

Among other motivational theorists that followed Maslow (1943) and Herzberg et al. (2010), psychologist McClelland (1965) developed the needs concept, publishing a measure for three dimensions of needs: achievement, affiliation, and power (the Thematic Apperception Test) as motivators. For example, McClelland found that executives evidenced more power than affiliation in their scores; those who were high in the achievement category sought moderate challenges and recognition, and those high in affiliation preferred a congenial workplace environment. The test was criticized for its gender insensitivity and validation issues (Chusmir, 1985). Another contemporary theorist was Alderfer (1969) who placed needs as existence, relatedness and growth. Alderfer posited that there was no need for complete fulfillment of lower-order needs, as Maslow (1943) suggested, before high-order factors emerged, although there was an element of frustration regarding higher-order needs if the basic needs intruded.

Taking a different path, Lawler (1969) cited the nature of the job itself as motivation; that a well-designed job description provided meaningful work, challenge, feedback to the occupant and productivity rewards. This led to job satisfaction, a wide area of enquiry associated with Locke (1969, 1996) who in later years added goal-setting theory to the affect nature of job satisfaction of the theorist's earlier studies (Locke, 1996):

Two broad attributes of goals are content (the actual object sought) and intensity (the scope, focus, complexity etc. of the choice process). Qualitatively, the content of a goal is whatever the person is seeking. Quantitatively, two attributes of content: difficulty and specificity have been studied (p.118).

Expectancy of reward (Vroom, 1994) as a motivator supported Locke's (1969) position, and may have influenced goal-setting theory. Expectancy theory comprises the desirability of a

reward (valence), a low level of risk in pursuing the reward (expectancy), and willingness to try (force). Vroom posited that people will work hard if the reward is desirable and the task manageable.

The strength of the debate of motivation on individual and organizational level productivity continues into current times. For Arab countries, particularly those of the Arabian Gulf, there is little debate on motivation, as the focus is job satisfaction for nationals given the relatively low labor force participation rates and high unemployment rates, particularly for educated women (Ministry of Economy and Planning, 2013). These matters are discussed in succeeding sections.

Job satisfaction. The relationship between job satisfaction and productivity at either an individual or the organizational level was studied before the Hawthorne studies (Bladen, 1948). Mid-century, Locke (1969, 1996) revisited job satisfaction, modelling it as the degree of tension between an idealized job and workplace reality (affect theory) and later as goal theory. Many others also viewed job satisfaction from different disciplines, different models and thus different variables in surveys. At the time, Spector (1997) described five measures for job satisfaction: two job satisfaction measures one of which was the Minnesota Satisfaction Questionnaire; and three surveys on aspects of the job including a job descriptive index and a general scale. Whilst these job satisfaction scales were directed towards understanding impediments to productivity, there were also considerations of retaining employees and professions, especially when a global shortage of nurses occurred around 2007 (Aiken, 2007). For example, Nagy (2002) measured one facet of job satisfaction, and Sibbald, Bojke, and Gravelle (2003) measured job satisfaction and intention to retire for British physicians. The proliferation of measures indicated the popularity of job satisfaction as a topic in the academic literature and the management media.

Examples of job satisfaction measures, generally using one of Spector's list of surveys are very much in evidence in the current literature. Böckerman, and Ilmakunnas (2012) used European panel data from 1996 to 2001 to find a positive relationship between job satisfaction and the firm's productivity. However, when studying academics in the United States through cross-sectional data analysis, Mamiseishvili and Rosser (2011) found increased productivity decreased job satisfaction. Healthcare workers remain of interest to researchers such as Han et al. (2014), who found that high quality training led to increased job satisfaction for nursing assistants in the United States. In an interesting study of cultural fit on expatriate workers (N = 191), Peltokorpia and Froeseb (2014) found that expatriate workers in Japan had higher job satisfaction when they reported high cultural empathy, whilst foreign workers in Brazil were more satisfied in their jobs when their social initiative was higher.

There is a considerable body of recent Arab-focussed research regarding job satisfaction. Researchers approached job satisfaction in Arab countries from many perspectives, including nationalities, gender, and professions. On nationalities, the United Arab Emirates is well represented, with Abdulla, Djebarni, and Mellahi (2011) studying job satisfaction in the police force and finding both organizational and personal characteristics influenced police views towards their jobs. Shallal (2013) also studied individual characteristics in job satisfaction (see under), whilst Badri, Mohaidat, Ferrandino and El Mourad (2013) showed that job satisfaction for school teachers (N = 5022) in the Emirates was influenced by working conditions, progress towards personal goals and positive affect. In the Emirati private sector, which is predominantly expatriate workers, Randeree and Chaudhry (2012) reported that job satisfaction was affected by leadership in the construction sector (N = 251). In Egypt, Mohamad (2012) studied transformational leadership and job satisfaction with university students (N = 160). However,

there is little research on job satisfaction under these conditions for Saudi Arabia. One of the few such studies used organizational justice, that is, perceived workplace fairness. Elamin and Alomaim (2011) found that Saudis were not influenced by justice factors, although expatriates certainly were (N = 793).

Again in the United Arab Emirates, Shallal (2013) studied demographic variables in women workers (N = 1272), finding income, age and education influenced satisfaction. However, in Jordan, Tlaiss and Mendelson (2014) (N = 346) discovered that age, religion and tenure were factors influencing women's job satisfaction. Job satisfaction factors are important, and training was shown to be influential (Han et al., 2014) in retaining people in their work. Job satisfaction as a function of training is therefore a factor of the primary research in this study.

Organizational (employee) commitment. Gouldner (1960) proposed that productivity could be enhanced if employees aligned their objectives with those of the organization, and thus the organization was obliged to modify its aims beyond survival and profit to incorporate values and ethics. It should reflect these values its social environment where employees as individuals could align their separate objectives and values with those of the employer, and which all could ethically pursue. Whilst admirable, aspirations for organizations were found to be difficult to measure and the singular focus on empirical studies in mid-century American offices and factories were found by subsequent researchers in many cases to lack relevance or context beyond that environment. Later, Mowday, Steers and Porter (1979) revised the concept, developing an organizational commitment questionnaire, which along with the job index survey mentioned in relation to job satisfaction, was found to be more predictive of employees' intention to stay or leave the employer than job satisfaction.

Organizational commitment then received attention from researchers. Meyer and Allen (1991) argued that organizational commitment was a fully psychological state with at least three separable components reflecting (a) a desire (affective commitment), (b) a need (continuance commitment), and (c) an obligation (normative commitment) to maintain employment in an organization (p. 61).

Their three-part model was adopted and used extensively; however there was criticism of the validity and reliability of their scale (Cohen, 2007; Culpepper, 2000). Nevertheless, the organizational commitment scale, together with a job satisfaction scale and a range of other concepts continues to be widely used in social research:

- with work performance in Malaysia (Rose, Kumar, & Pak, O. 2011)
- a range of organizational variables for U.S. nurses (Gutierrez, Candela, & Carver, 2012)
- turnover intention for Australian police (Brunetto, Teo, Shacklock, & Farr-Wharton,
   2012)
- Pakistani sample to test job performance (Imran, Arif, Cheema, & Azeem, 2014).

Aligned with job satisfaction, organizational commitment measures gained interest in the Arab region. Dirani and Kuchinke (2011) developed a combined Arabic measure of the two concepts, testing the model in the Lebanese banking sector. As noted, Randeree and Chaudhry (2012) studied leadership style and job satisfaction on organizational commitment in the expatriate Emirati construction sector. Again, in the Emirates, Mazayed et al. (2014) also found strong relationships between the variables of organizational commitment and job involvement on performance. Suliman and Al Kathairi (2012) considered perceived fairness (organizational

justice) with continuance and affective commitment in the Emirati public services (N = 500), finding these elements aligned with self-rated performance.

The strong associations between employees and organizational perceptions in the Arab region arguably relate to the Islamic social ethic that permeates all Arab decisions and actions, thus organizational goals must align to social goals. In Saudi Arabia, this observation includes the Basic Law, a civil adaption of Shari'a Law and discussed in another section. However, Islamic societies are collectivist by nature and tend to identify more with family and social groups and their interpersonal relationships than on the abstract notion of an organization as an entity (Hamid, 2014; Klein, Waxin, & Radnell, 2009). Gaining Saudi commitment to the employer (organization) and to its workplace ethic and performance goals are therefore fundamental to the government's policies of Saudization and Nitaqat (Ministry of Economy and Planning, 2013; Jehanzeb, Rasheed, & Rasheed, 2013).

Culture. There are two forms of culture in the literature. The first is the culture of a society which may be national, such as Germany, or regional, such as Arab; the second is the organizational culture of workplace environment, and the unity of the organizational members in their belief structures and goal attainment (Meek, 1988). Saudi firms are frequently multinational and thus differ from firm to firm in their organizational culture; given the turnover rate of contracted staff, norms are difficult to establish (Showail, Parks, & Smith, 2013).

Societal culture's effect in the workplace, on the other hand, has produced significant research in Saudi-based studies. Hofstede's (1983) initial model had four dimensions: power distance, individualism, masculinity, and uncertainty avoidance. Later, two further dimensions were added: long term orientation, and indulgence (Itim International, 2015). According to Itim International, power distance refers to the "degree to which the less powerful members of a

society accept and expect that power is distributed unequally", or the hierarchical order of society (p.1). Individualism in a society is the degree of self-sufficiency individuals and families hold in that society. The other end of the continuum, collectivism, refers to a tightly consolidated society where individuals use loyalty to gain support in their social structure. A continuum of masculinity and femininity refers to a measure of achievement, heroism, and material success on the masculine end to cooperation, care, and quality of life on the femininity end. Uncertainty avoidance is a measure of tolerance for ambiguity and uncertainty, with acceptance of risk at the other end. A long-term orientation refers to prefer to the pragmatism of a society that value education and practice thrift, with short-term societies clinging to past traditions and resenting change. Indulgence refers to a society that permits enjoyment of life and encourages play within limits (Itim International, 2015).

The major differences between two countries, Saudi Arabia and the United States, with Saudi Arabia (25) recording its collectivist society and the United States (91) shown as an individualistic society. Next is power distance where Saudi Arabia's highly structured society (95) is shown against the relatively open society of the United States (40). The third of aspect of the two societies is uncertainty avoidance, where the avoidance of risk by Saudis (80) overshadows that of Americans (46). The least difference is masculinity, where overt shows of power and wealth are avoided by both societies (Saudi Arabia 60, United States 62) (Itim International, 2015).

Hofstede's cultural indices did not enjoy universal acclaim (Baskerville, 2003). Further, Kirkman, Lowe, and Gibson (2006) posited at the time that Hofstede's cultural dimensions changed and were losing relevance in a global society. More recently, Venaik and Brewer (2013) found that for marketing purposes cultural indices such as Hofstede's did not allow

differentiation within societies, were over-simplified, and had little predictive power. Nevertheless, researchers such as Andreassi, Lawter, Brockerhoff, and Rutigliano (2014) continued to use the measure to study job satisfaction and job characteristics in a large international study (N = 70,000). Andreassi et al. found that, whilst a sense of achievement was the most common driver, Hofstede's dimensions remained valid for employment policy decisions.

Summary of theoretical framework. The theoretical structures for the research questions, the content framework, are based on capital theory, predominantly human capital. Human capital relates to employee measures such as job satisfaction and commitment that indicate career-building, such as Bourdieu (2011) advocated. Becker's (1962) human capital was derived from the individual's place in society and the economic resources used to attain a career. Saudi Arabia gained substantial benefit from the migration of labor, although the gain of imported skills and knowledge resulted in entry-level jobs being closed to Saudi youth. The extent of the Saudi-expatriate skills divide was also an issue for the Saudi education system, which was unable to produce work-ready school leavers, certificated or qualified young Saudis, despite the proliferation of jobs being created in the robust economy. In advising firms on their Saudization policies, Deloitte University (2015) nominated competency standards, policies in recruiting and retaining Saudis, and supervision and workplace engagement as fundamental to progress in employment.

Because Saudis are not yet predominant in their private sector, there is an issue with social norms in the workplace, which tend to be international, non-Islamic, and related to English language speakers. The literature on social capital and organizational capital relevant to this study is thus presented as predominantly cultural, and discussed in that section. Productivity

theories, on the other hand, were popular with Arab researchers, particularly the Emirates. They found that employment policies, leadership, and organizational commitment were influential in self-assessed employee productivity.

This survey showed that theories of human and social capital are intertwined for the human capital purposes of this research problem. The individual must acquire workplace skills including English language competency (human capital) prior to employment to be capable of the 'intellectual competency' to contribute to the goals and vision of the corporation (social norms and social capital).

## **Characteristics of Saudi Arabia**

This section describes the context of the research. It begins with a history of the Arabian Peninsula, the structures of government, and summarizes the economy by way of the 5-year economic development plans.

Geography and history of the arabian peninsula. Saudi Arabia occupies the greater part of the Arabian Peninsula. The Peninsula is a hot desert with no natural lakes or rivers, and bordered on one side by the rift valley of the Red Sea, and on the other by the oil-rich Arabian Gulf and western Asia (Royal Embassy of Saudi Arabia, 2015). The Peninsula is steeped in history, and was the center of the spice and luxury goods trade from ancient times between eastern Asia and the lands of the Mediterranean Sea. North-south trade between Egypt to Mesopotamia in the Tigris- Euphrates river system and sea trade also ensured the importance of the Peninsula over millennia (Chew, 2014). Caravan routes from the ports of Muscat and Aden wound up through Makkah and Al Madinah to Petra and on to Damascus (Haynes, 2013; United Nations Educational, Scientific and Cultural Organization, 2015).

The characteristic social feature of the region is Islam. Early in the 7<sup>th</sup> century, the Prophet Mohammed was born in Makkah. Learning of a plot to kill him for his religious views, Mohammed escaped to Yathrib (now Madinah) in 622CE, and that migration (Hijrah) was the beginning of the Islamic calendar (Royal Embassy of Saudi Arabia, 2015). By 628CE, Mohammed re-entered a converted Makkah and Islam subsequently spread through the trade routes west to Spain, north to the Balkans, and east to parts of China. Islam attracted pilgrims (hajji) to Makkah, and Jeddah on the Red Sea became the point of entry for the hajj. The Royal Embassy of Saudi Arabia (2015) noted that although the Islamic center moved to Baghdad in present-day Iraq in the 8<sup>th</sup> century CE, the adoption of Arabic as the primary academic and trade language allowed the Islamic empire to remain intact until the 17<sup>th</sup> century CE. Makkah remained as a center of study of scientific, cultural, arts and religious studies (Ernst, 2013).

Widespread disruption caused by Ottoman and Egyptian intrusions, as well as internal tribal feuds kept the Peninsula destabilized until Abdulaziz bin Abdurlrahman al-Saud regained control, founding the nation in 1932CE. Whilst attempting to forge a nation, there was little funding available to the nascent government. However, when oil was found on the northern border of the Arabian Gulf in 1938CE development of the massive fields formed the income to build a nation (Saudi Aramco, 2015; Vassilev, 2013).

Governance. King Salman bin Abdulaziz al-Saud rules Saudi Arabia as an absolute monarch under Shari'a law. As part of Shari'a custom, each King is advised by a Majlis al-Shoura (Consultative Council) comprising eminent representatives of society, religion, and business. In 1953, as part of the machinery of government, King Saud established a Council of Ministers of 20 (now 22) and took the place of Prime Minister. For the purposes of this dissertation, the relevant ministries are Commerce and Industry, Education, Labor and Social

Affairs, Finance, Justice, and Planning and National Economy (Royal Embassy of Saudi Arabia, 2015).

The Kingdom is divided into 13 provinces, with the main cities Riyadh, the capital, Jeddah as the commercial center, and Dammam as the hydrocarbons processing center on the east coast. The other large cities Makkah and Al-Madinah are the sites for the annual *hajj* attended by millions of Muslims over a period of a week. As noted in the previous chapter, there are similar Majlis al-Shoura to advise the provincial emirs and heads of municipalities within the provinces that administer local public services (Central Department of Statistics and Information, 2015a; Royal Embassy of Saudi Arabia, 2015). At the national level, many subsidiary organizations were formed for specific responsibilities; semi-autonomous committees and councils which continued as the proclamations under which they were formed were never revisited. However, in early 2015 King Salman abolished many of these, consolidating many functions into the Councils of Economic and Development Affairs, and Political and Security Affairs, under the Council of Ministers (Royal Embassy of Saudi Arabia, 2015). This may have the effect of streamlining decision-making in regards to youth employment.

The judicial system for both criminal and civil purposes is Shari'a law, with the King as court of last appeal. The Royal Embassy of Saudi Arabia (2015) explained that there are three complementary legal systems in the Kingdom, the Shari'a Courts, the secular Board of Grievances, and others relating to specific ministerial domains. The Shari'a courts comprise Courts of the First Instance (Summary and General Courts), Courts of Cassation, and the Supreme Judicial Council. Judges and lawyers for the Shari'a courts are *ulema*, the elite of the Islamic scholars who are trained in various aspects of the law. As Shari'a law is derived from several sources, the Qur'an, the Sunnah (Mohammed's guides), Ijma' (precedent), and Qias

(analogy), there can be variation in the outcomes of court cases. Further, Kéchichian (2013) claimed that at times fewer than 50 magistrates adjudicated over 80,000 cases per year, significantly slowing or affecting outcomes of justice. In 2005, a secular system of a High Court and separate tribunals for commercial-based courts more responsive to international practices were proposed for trading, labor, and administration. The innovations included training for judges and court officials; university education as entry point for legal practice; and special courts dedicated to family, criminal cases, traffic, sports, and commerce. Promulgated in 2007 as the Judiciary Regulation and the Boards of Grievance Regulation, the positions were defined by the Ministry of Justice in 2008 (Kéchichian, 2013). Saudilegal (2015) further noted that the pre-2007 Commission for Labor Disputes, then under the Ministry of Labor, was transferred to the Shari'a court system.

Litigation by an aggrieved employer or employee under the Commission for Labor

Disputes begins with filing a complaint, followed by summons for a hearing (Saudilegal, 2015a).

This is followed by further hearings for written and oral argument, and evidence. Due to time constraints, the hearings may be delayed by weeks or months before the case is set for judgement, there is therefore no timetable for resolution (Saudilegal, 2015a). Saudilegal (2015b) further refers to labor regulations that committed firms, pre-2007, to 75 percent Saudi employment (Saudization), but that were not enforced. As noted in the previous chapter, Nitaqat is the current (2015) enforcement policy, and this defines the processes of Saudization for each firm.

## **Socio-economic Development**

As discussed in the introductory chapter, Saudi Arabia was united under King Abdulaziz less than a century past, and after the discovery of oil, advanced its nationhood only from the late

1960s. Planning began, and this section briefly considers the country's development as an influential international power, its regional influence, and its religious significance.

Economic development. Saudi Arabia formed the Organization of Petroleum Exporting Countries in 1960 to regulate oil production (Organization of Petroleum Exporting Countries, 2015). For Saudi Arabia, population growth and the need to build a modern nation required long-term financial strategy and policy development. International agencies such as the World Bank warned the Saudi government in the 1960s that economic planning was necessary to allocate priorities and distribute funds equitably (Royal Embassy of Saudi Arabia, 2015; Saudi Aramco, 2015). Ramady (2010) noted that the initial planning was based on a rentier system, where income was obtained from a resource, in this case oil, and distributed as services to the citizens. Saudis do not pay personal taxes, although they pay zakat (tithes) as an Islamic charitable donation, whilst businesses pay taxes (Issa & Stull, 2014).

In 1970, the first of ten successive economic plans was put in place, with the latest being 2015-2019. The Ministry of Economy and Planning (2015) established targets during each year of the first plan for 9 percent growth in gross domestic product (for the 9<sup>th</sup> plan from 2010 the target was 5.2% and for the 10<sup>th</sup> plan estimates follow this discussion), with about 18 percent of the budget attributed to each of administration, education and training, and transport and communications. The first economic plan noted that about 46 percent of the population of 5.8m (in 1969) were under the age of 15 years (by 2013 this was down to 27% [World Factbook, 2014]), although only 0.41m attended school (by 2013, this was 6.7m. although that includes 15 year-olds and older [Central Bureau of Statistics and Information, 2015a]). The birth rate was 47 per thousand (in 2015, down to 18.8 per thousand [World Factbook, 2015]). For the first economic plan, tertiary education was constrained, with the College of Petroleum and Minerals

under development (now King Fahd University of Petroleum and Minerals), and the King Abdul Aziz University was just accepting students. In 2013, there were 6.7m students at school, 96,157 in vocational and technical training, and 1.16m at university. Given 111,852 university graduates in 2012, there were more degree-holding young Saudis looking for jobs than were seeking work-ready skills in technical colleges (Central Bureau of Statistics and Information, 2015a).

From the first plan, the themes remained relatively constant: provide for the citizens' health, education, and continually improving living conditions. However, construction of sea ports and airports, roads, hospitals, schools and accommodation for the increasingly urban population hinged on the vagaries of oil revenues. The government learned through oil shocks and regional conflicts in the 1970s – 1990s to establish cash reserves that allowed relatively unhindered flows, and this prudent approach saw expenditure maintained through the economic crisis of 2007 – 2008 (Ramady, 2013). The 10<sup>th</sup> economic plan, 2015-2019, continues themes past the five-year horizon in light of short and medium term objectives:

Short term: strengthen the economy, support entrepreneurs, improve productivity including the public sector, improve competition, and avoid inflation (the riyal is pegged to the U.S. dollar)

Medium term: promote diversification, improve the economic growth rate, provide suitable jobs for Saudis in the private sector; promote a knowledge-based economy; minimize social disparities between social groups, and women in particular (Kingdom of Saudi Arabia, 2014).

The Kingdom of Saudi Arabia (2014) offered the following financial forecasts at the G20 meeting in Australia in 2014 (table 1).

Table 1

Tenth Economic Plan: Financial Forecasts 2013 - 2018

Indicators	2013***	2014	2015	2016	2017	2018
Real GDP (% yoy)(2)	2.3	4.6	5.2	5.6	5.8	6.0
Real GDP (% yoy)(3)	3.95	4.5	3.3	4.3	4.4	4.4
Nominal GDP (% yoy) (1)	1.5****	5.5	5.5	6.6	6.9	7.3
Output gap (% of GDP)*						
Inflation (%, yoy) (4)	3.03	4.1	5.1	1.7	3.5	3.3
Fiscal Balance (% of GDP)**(1)	12.2	8.1	5.5	2.2	-1.2	-4.4
Unemployment (nationals) (%)	11.2	11.6	10.3	9.1	7.8	6.4
Savings (% of GDP) (1)	46.4	45.1	43.9	43.7	42.7	41.6
Investment (% of GDP) (1)	23.3	24.8	26.9	28.6	30.4	31.99
Current Account Balance (% of GDP) (1)	17.7	15.9	13.7	10.8	7.9	5.1

Source: Kingdom of Saudi Arabia, 2014, p.3

GDP: Gross domestic product

<sup>\*</sup> A positive (negative) gap indicates an economy above (below) its potential

<sup>\*\*</sup> A positive (negative) balance indicates a fiscal surplus (deficit)

<sup>\*\*\*</sup> Indicators can be presented on a fiscal year basis, should they be unavailable for the calendar year

\*\*\*\* The figure is low because of the significant drop in inflation rates during the second half of 2013, due mainly to the decline of oil and food prices globally. It is worth noting that oil revenues constitute about 40% of nominal GDP in Saudi Arabia

- (1) Current prices. The current account balance is the change of stocks as % of GDP
- (2) Constant prices 2010
- (3) Constant prices 1999
- (4) The fluctuation in inflation rates during the period (2014 2018) is due to the anticipated changes in oil revenues, which will affect the monetary conditions in the kingdom. We expect a reduction in oil prices in 2016, which will lower the fiscal balance to 2.2% in 2016 and thus will lead to a decrease in the inflation rate (Kingdom of Saudi Arabia, 2014, p.3).

The Kingdom sought a balance in its expenditures. The annual growth of real total consumption was expected to average about 5.64 percent during the 10<sup>th</sup> plan, compared to 5.58 for the previous plan. As the gross domestic product growth rate exceeds the forecast annual growth rate, the ratio of total consumption to gross domestic product was forecast to decline from about 53.9 percent in 2014 to about 53 percent at the end of the plan in 2019 (Kingdom of Saudi Arabia, 2014a). Given that the difference is partly attributed to rebuilding contingency reserves, the Kingdom does not expect medium-term issues in its finances. Further, Vision 2030 aims to increase the private sector's share of gross domestic product and thus the non-oil government's revenue substantially (Council of Economic and Development Affairs, 2016).

The labor policy since the end of the 20th century has consistently been to produce jobs which attract Saudis (Ministry of Economy and Planning, 2013). Whilst the bulk of work in the Kingdom was construction-related, there were nevertheless many opportunities once the greenfields projects were launched. Further, privatization of government corporations such as

health, education, finance and insurance, telecommunications and manufacturing technically transferred these workers from the public to the private sector (Ramady, 2013).

Social development. For the last half-century, the government has been preoccupied with the perennial issue of unemployment regarding young Saudis and especially women. At the time of the first economic plan when the population was under 6m, the known labor force (1m) worked in the fields of agriculture, fishing, animal husbandry and Bedouin nomads (46%), manufacturing including the oil industry (4%), services (21%), and construction (10%) (Ministry of Economy and Planning. 2015). Over four decades later in 2013 with the population grown 5-fold to 30m (20m Saudis), the labor force participation rate was similar. There were barely 1.5m Saudis in the private sector, whilst there were arguably 2m Saudis and non-Saudis paid from the budget: public servants (1.15m), health workers (188,000), educators (600,000), and judicial staff (5,000) (Central Department of Statistics and Information, 2015a). This section considers the challenges facing the government: the education system, Saudization and Nitaqat, suitable jobs for women whose first consideration is their family, and the lack of work-readiness of youth.

**Education system.** Saudi Arabia has a conventional education system, although it is gender separated throughout. Also, there were cultural impediments to girls' education during the late 20<sup>th</sup> century and up to 2003. At that date, the General Presidency for Girls' Education was moved from the administration of the Department of Religious Guidance and responsibility transferred to the Ministry of Education (Hamdan, 2005). Girls' education proceeded rapidly under the Ministry, with ratios of 93 girls to 100 boys in school in 2007 and 102 girls to 100 boys in 2013 (World Bank, 2015).

In 2013, the Statistical Year Book reported that public schools had 3.5m students attending grades 1 to 6 (52% boys) and 3.1m in grades 7 to 12 (again 52% boys) (table 2).

Table 2

Educational System, Student Numbers 2013

Stage	Total	Male	Female			
School years 1-12	6 682 730	3 475 414	3 207 316			
Technical colleges	96 156	85 904	10 252			
Training institutes	160 016	100 285	59 731			
Universities						
Graduates 2012-2013	111 852	44 992	66 860			
Students	1 165 901	565 097	599 184			
New students	380 079	181 844	198 235			
Technical and vocational training						
Graduates 2012-2013	141 196	69 106	72 087			
Students	1 356 602	706 401	650 201			
New students	441 639	244 310	197 329			

Source: Central Department of Statistics and Information, 2015a, tables 3.2, 3.10, 3.13

The Statistical Yearbook (Central Department of Statistics and Information, 2015a) also reported that 3.5m (52% boys) school children attend elementary school, the remaining 3.1m (52% boys) intermediate and secondary levels. Arguably some 500,000 school leavers each year

either move into the job market or continue their studies, although some 800,000 were classified as 'new' students, that is, they commenced studying a course in 2013. This apparently relates to the training offered under Saudization/Nitaqat. The functionalities of the technical and vocational training reported in the Yearbook included the Technical and Vocational Training Corporation which conducted about half such training, industrial training facilities at Al-Jubail and Yanbu City on the east coast, the Institute of Public Administration, and other national tertiary education (Central Department of Statistics and Information, 2015a). However, Pupic (2014) cited the statistics department as reporting that 524,435 Saudis between the ages of 15 and 34 years had received no education. This was due to early marriage for girls, rural employment for boys, and disabilities. Social agencies called for minimum age for employment and marriage (Pupic, 2014).

Previously, the quality of education outcomes for Saudi students was variable. In 2005, the Ministry of Education launched the Tatweer policy designed to bring Saudi education to international standards, and this program received periodic extra financial resources (Abdul Ghafour, 2014). Tatweer established teacher, curriculum and classroom delivery standards where children progressed by competency attainment rather than age (Barri, 2013). Nevertheless, Saudi Arabia uses international benchmarks such as Trends in Mathematics and Science Studies and the associated Progress in Reading and Literacy Study (2015) to measure progress as noted above. Since commencing the program with grade 8 in 2003, Saudi Arabian school children were rated as follows (table 3).

Table 3
Students' International Mathematics and Literacy Ratings

Mathematics and science			Literacy			
Year and	Countries	Saudi rank	Year and	Countries	Saudi rank	
grade	rated		grade	tested		
2003, gr 8	46	44				
2007, gr 8	49	48 (mathematics)				
	49	43 (science)				
2011, gr 4	50	39 (mathematics) 2011, gr 4 48		44*		
	50	37 (science)				
2011, gr 8	42	34 (mathematics)				
	42	36 (science)				

Sources: Martin, Mullis, Foy, & Stanco, 2012; Mullis, Martin, Foy, & Arora, 2012; Mullis, Martin, Foy, & Drucker, 2012; Mullis et al. 2008; Trends in Mathematics and Science Studies, Progress in Reading and Literacy Study, 2015.

Note: From 2008, Dubai was the benchmark for the Gulf countries

\*Saudi girls showed the highest global difference in gender-related reading skills

The influence of Tatweer is shown in table 3, where the international ranking is markedly improved for Saudi students in 2011. The next round of tests is in 2015 for mathematics and science, and 2016 for reading. There is an increasing number of Arab nations contributing, and thus should offer country comparisons in the region.

## Saudi Labor Market

The Saudi labor market, as described, evolved rapidly from a mid-20<sup>th</sup> century agrarian and *souq* (market) trader base of largely illiterate Arabs. The population of Saudi Arabia in 1960 was less than five million, predominantly rural and agrarian (21.3% urban in 1960; 83% urban in 2015) (Brown, 2009; Central Department of Statistics and Information, 2015a). To modernize the Kingdom, the Saudi government let contracts to international corporations to plan, develop, build, and then operate social infrastructure, including educational facilities (Saudi Aramco, 2015). Once these education facilities were in place, the new generation of school leavers and university graduates were absorbed into the rapidly expanding public services (Mellahi & Wood, 2001).

The Saudi labor market of the late 20<sup>th</sup> century thus evolved into three parts: well-paid Saudi and expatriate public servants, educators, and healthcare workers; expatriate management and professionals contracted from Egypt and other Arab countries, United States and Europe; and foreign construction and service workers, generally from southern and east Asia (Hertog, 2012). However, reliance on the public sector for employment by job seekers was not to last, and the Saudi government found that the over-populated public services were becoming too expensive to maintain. The government turned to the emerging private sector to take up the employment of young Saudi men. Ramady (2010, 2013) explained that this was initially assisted by privatization, where government services were corporatized and then appeared on the Saudi stock exchange, the Tadawul. As noted, employees were transferred off the Saudi budget to these new entities (Ramady, 2010).

The fragmented labor market at the end of the 20<sup>th</sup> century was also due to a laissez-faire approach to policy, according to Mellahi and Wood (2001). With a population of 19m at that

time, there were 6m foreigners that represented over 60 percent of the country's workforce and 93 percent of its private sector (Mellahi & Wood, 2001). Whilst labor market policy remained a theme throughout the government's 5-year economic plans, the population pressure from the 1980s' baby boom and the rapid development of education services saw increasing numbers of Saudi men unemployed. Madhi and Barrientos (2003) stated that the then new Saudization policy, as well as upgrading Saudi skills, was aimed at replacing foreign labor with nationals.

Naghi group. The Al Naghi Company was established in Jeddah in 1911 as an importer and distributor of pharmaceutical and consumer goods. Yousuf M. A. Naghi & Sons Group has since diversified across many business sectors and comprises four platforms. The first, Mohamad Yousuf Naghi and Brothers Group, provides public and private transport services, automotive sales, and distribution and logistics services. The next, Cigalah Group, specialises in healthcare and it also has interests in insurance, food production, packaging, jewellery, textiles and other consumer goods and services. The Arabian Food Supplies Group predominates in the food industry, hospitality, employee training, and franchising. The fourth member is the United Yousef (note spelling) M. Naghi Co. Ltd, which provides services in consumer and home appliances. The Group has a website where it advertises a selection of jobs (5), mynaghi. The Group is expanding and in 2014, began a joint venture with Mars Corporation in King Abdullah Economic City to the north of Jeddah. Shell and BMW also have joint ventures with the Group (see appendix A).

**Employment statistics.** To place these issues in perspective, Al-Sughair (2014) reported that there were almost 1.5 million Saudis working in the private sector mid-2014. Al-Sughair's report was confirmed by Arabian Business (2014), which stated that this included unprecedented numbers of Saudi women, 400,000 at the end of 2013, an increase of 183,000 from the previous

(continued)

year. However, many new female employees were dissatisfied with pay (95% earned less than SAR 5000 per month [\$US1333]), long hours, and an inappropriate working environment (Arabian Business, 2014). Table 4 shows the growth of Saudis in the workforce, driven by changing attitudes to women's employment, and the focus on the private sector driven by Saudization/Nitaqat.

Table 4

Employment in Saudi Arabia 2010 -2013

1 ,				
Sector/nationality	2010	2011	2012	2013
Government sector	959 833	998 138	1 089 501	1 224 821
Saudis	884 715	919 108	1 013 652	1 150 828
Men	589 627	616 748	643 212	718 383
Women	295 088	302 360	369 840	432 445
Non-Saudis	75 118	79 030	76 449	73 993
Men	33 677	37 128	36 663	36 203
Women	41 441	41 902	39 786	37 790
Private sector	6 991 200	7 781 496	8 487 533	9 679 635
Saudis	724 655	844 476	1 134 633	1 466 853
Men	669 037	744 990	918 793	1 068 315
Women	55 618	99 486	215 840	398 538

Sector/nationality	2010	2011	2012	2013
Non-Saudis	6 266 545	6 937 020	7 352 900	8 212 782
Men	6 178 130	6 823 554	7 244 206	8 051 394
Women	88 415	113 466	108 694	161 388
All employees	7 951 033	8 779 634	9 577 034	10 904 456

Source: Saudi Arabian Monetary Agency 2014

Further, the Economist (2014) ascribed the 400 000-plus Saudi women's private sector employment approximately 25 percent each to community, construction, and wholesale and retail, with remaining contributions to manufacturing and least, finance. Thus the population in this study attributed to employee training in firms is 1 466 853 (1 068 315 men, 398 353 women).

Labor law. The country's laissez-faire attitude to labor regulation that assisted employers through simplified work permit applications and little official oversight of employment regulations impacted the turn-of-century economy. Saudilegal (2015) explained that the 1969 Labor and Workmen Regulations for the private sector, Saudis and non-Saudis, had the force of law, and is termed the Labor Law. The Labor Law was changed in 2005 to incorporate Saudization; however, the main framework was left intact. Article 8 allows for the rights of the employee to be maintained despite agreement or a verbal contract. Such employment contracts are made for either a fixed term or on-going employment (probationary period established), and contain salary (which remains for the contract, given agreed increases), working hours and

conditions, and benefits. Anything not contained in the contract is subject to regulations: working hours, holidays, termination of employment (Saudilegal, 2015).

There is a six-day week, 8 hours ordinary time per day, overtime for excess hours. The workday is regularly interrupted for prayer, and special working conditions are in place for the fasting month of Ramadan (Royal Embassy of Saudi Arabia, 2015). Normal working hours are exempted for the hospitality industry (Saudilegal, 2015). Saudilegal further explained a workers' compensation scheme, the General Organization for Health and Social Security, paid for by a 2 percent charge on the payroll for all employees. A superannuation plan is available only to Saudi employees; employer and employee each contribute 9 percent of salary. Healthcare is free for Saudis, although the emerging private sector hospitalization scheme is available to all employees through employer contributions. Health and safety is monitored by the government and the employer is liable for healthcare costs and compensation for an on-site accident. Employment issues are resolved through the Labor Dispute system, as noted, and there are supporting social structures. However, attempts to introduce minimum wages for expatriates and to monitor their living conditions have not yet been successful. There was a report of increased minimum wage for Saudis of SAR 5,300 (\$US 1,413) and non-Saudis of SAR 2,500 (\$US 667 per month contemplated (Saudi Gazette, 2014a).

**Saudization and nitaqat**. The policy of Saudization, that is, the replacement of foreign skilled workers with Saudis, was first directed towards the public sector as the new educational institutions produced graduates in the late 20<sup>th</sup> century (Hartog, 2012). Whilst mandated on the public service, Saudization comprised a series of administrative fiats and unwritten guides for the private sector. The first of these guides, quotas, was introduced in 1995 with the aim of 5 percent annual incremental Saudi employment in companies with more than 20 employees, based on

industry, occupation, and purpose and size of firm (e.g. parts of corporations). Hartog explained that due to perceived Saudi issues of low salaries, questionable competencies, and working environments, this approach was unsuccessful. Workarounds between employers and labor offices resulted in many informal arrangements, if indeed there was any result accomplished. The second guide was for occupations that were reserved only for Saudis and for which foreign labor permits were not available. This rule was circumvented by changing the job title and leaving job specifications intact. The third aspect of Saudization was job seeker training, recruitment, and employer recompense for on the job training. Hartog reported that about 75 percent of Saudis left their employment when the government funds ran out. Sanctions against recalcitrant employers included government rejection of loans and tender applications from the firm, delay or rejection of imported labor permits, and delays in general government administration regarding the firm's needs (Hartog, 2012).

As discussed in the introductory chapter, the Saudi preference for the public sector continues, as Saudis tend to resign or leave employment when no longer supported by the government, which results in supported employment. This may be of initial use, but cannot form a long-term strategy to employ individuals (Gerbich, 2015). However, Redvers (2015) reported that there was a change from predominantly public sector rise in employment to the private sector through the combined effects of Nitaqat and the plunge in the oil price. Whilst there remain low levels of public healthcare workers and a continual need for educators due to gender segregation, the growth rates depicted in table 4 show strong employment growth although expatriates have not been noticeably diminished (Saudi Arabian Monetary Agency, 2014).

Nitaqat was an open-ended compliance regime declared by King Abdullah in 2011. There was little change in Saudization policies from the last Labor Law changes in 2007; however, the

compliance aspect became very clear. Employer incentives were strengthened, illegal workers were evicted to open low-cost entry level jobs for young Saudis, and pre-employment training was strengthened (Ramady, 2013). The employer's access to government services, including *iqama* expatriate permits was stratified by the successive attainment of Saudization, platinum (e.g., over 28% in a construction firm), green, yellow, or red (perhaps less than 2%) for those who could not, or would not comply. Incentives included training for Saudi applicants (see under) and contributions to their pay (Peck, 2014; Sadi, 2013).

Whilst there were media reports of a million illegal residents to be repatriated, Karasek (2015) reported that four million had left by early 2015, and that the government was finalizing all long-term permits, possibly phasing them out over a decade or less. However, there were a potential 12 million Saudis who were jobless in 2015, with more graduates and school leavers entering the workforce every year. Further, employment conditions in the private sector have been improved for Saudis to bring salaries and working conditions more into line with the public sector, although these do not extend to expatriates who remain bound by their employment contracts to their firms (Hertog, 2012; Saudi Gazette, 2014a).

As explained in the introductory chapter, Nitaqat also addressed the issue of women's employment. The government was, and is, constrained by the conservative population, and women's commitment to their families, preference for gender segregated workplaces, commuting issues when they are unable to drive, results in a 17.6 percent labor force participation rate (Central Department of Statistics and Information, 2015b). There is also status associated to women's work; that her husband should be able to provide for the family, and she should remain at home (Mousa, 2013). Lastly, there are issues of work readiness and competencies for Saudi women, who are not usually educated for specific job specifications (Al-

Asfour & Khan, 2014; Mousa, 2013). The Central Department reported that the Saudi unemployment rate for the 4<sup>th</sup> quarter 2014 was 11.7 percent, 5.9 percent for men and 32.5 percent for women (51% of Saudis unemployed held university degrees). As shown in table 4, over 830,000 Saudi women were in paid employment, 430,000 predominantly in the public domains of education (72%) and health (13%) and generally under the age of 40 years (Central Department of Statistics and Information, 2015b). Yaphe (2013) also noted the reform process; that women can now be licensed to practice law, that there are more suitable occupations available, and women were appointed to the Majlis al-Shoura Council. Women may also vote and stand for election at municipal advisory board elections scheduled for 2015 without seeking guardian consent. In some respects, women and children are otherwise legal minors in the Kingdom (Yaphe, 2013).

Other labor policy changes as part of the Nitaqat labor policy included changing the weekend to Friday and Saturday (from Friday), providing safety practices so that outside workers have respite during the hottest hours of the day, and establishing a minimum wage for non-Saudis (SAR2 500 per month, \$US667) and Saudis (SAR 5 300, \$US1413) (Arab News, 2013; Daily Mail, 2014; Saudi Gazette, 2014a). However, a 2013 plan approved by the Shoura to reduce the private sector standard working hours from six days to five (48 hours to 40 hours) was later withdrawn (Gulf News, 2014).

**Saudi labor market summary**. Saudization was introduced in 2003 on the one hand to move Saudis from the unproductive public sector to enter the competitive global labor market, and on the other hand, as a nation-building policy to diversify the economy. Like the socioeconomic development of the late 20<sup>th</sup> century, the progress towards a responsible society is complex and challenging. Saudi Arabia is the site of the Two Holy Mosques. The annual hajj of

3 to 4 million Muslims underscores the government's dilemma of economic progress within its Islamic religious and secular national structures. The 2011 commitment to Nitaqat continues, with funds and resources continually committed to youth employment, the latest, Doroob, introduced late 2014. Doroob illustrates the government's focus on pre-employment and employee training, and this is discussed in the next section.

Pre-employment and employee training. Young people leaving the education system display varying human capital. As Saudis, they have access to significant social benefits such as free education and healthcare, and they are part of an integrated society that supports their aspirations. However, that considerable advantage may dissipate if, as this contextual section shows, individual initiative may not be evident in Arab society. Hofstede's cultural measure shows acceptance of the 'power distance', that is, the existing hierarchy and the place of the individual within it, and rejection of initiative, or responsibility for building self-efficacy (Itim International, 2015). These traits align personal relationships and loyalties above that owed to legal entities such as corporations, although this trait is mitigated by status (Mohamad, 2012; Ramady, 2013). However, studying Saudi private sector employees, Jehanzeb et al. (2013) found that "employees' training is significantly correlated with organizational commitment, turnover intentions and the commitment-turnover relationship" (p.79).

Recent nitaqat initiatives. Post-education training is necessary in Saudi Arabia to prepare job-seekers for the workplace (Ministry of Economy and Planning, 2013). In its report to the G20 Meeting in Cairns, Queensland, in 2014, the Kingdom of Saudi Arabia (2014b) reported its recent initiatives to support the transition from university to work. The first was Strategy track, which identifies competencies for current job descriptions (nurse, manager, hospitality) and uses domestic and international service providers for delivery of courses aimed at improving

skills matches; this action was trialing in 2015. The second, Fast track, commenced in 2014 and sourced career development providers as advisors for students and graduates. Interestingly, given the widespread belief that young Saudis avoided employment, the government was supporting career development (Kingdom of Saudi Arabia, 2014b) first through setting graduates individual key performance indicators of "mindset and behavior change" (p.11). Job seekers then had a range of pathways from which to select:

- Project parallel: on-line course to test job-seekers workplace compatibility and work ethic, then job specification competencies. A work-readiness certificate is awarded on satisfactory completion
- Job placement centers: these centers evaluate job seekers' competencies, then link them with employers; they will also be referred to the Ministry of Labor's training facilities if required. A further initiative is to upgrade the knowledge of the job placement centers' staff
- Job fairs: industry-based interviews arranged by the Ministry of Labor between employers and competent job-seekers so that the job-seekers have a number of opportunities on the day. Whilst these are restricted to the cities, the service is also open to the general public, and on-line (Kingdom of Saudi Arabia, 2014b). It should be noted that women would have transport issues if attending job fairs without related men.

In 2014, the Minister of Labor introduced Doroob (pathway), a policy to assist school leavers and job seekers to gain workplace skills (Saudi Gazette, 2014b). The Doroob scheme comprises the initiatives reported to the G20 meeting, focusing on work ready aspects of the

workplace, English fluency, computer programs for disciplines and industries, interpersonal skills and a workplace ethic, providing competency certifications in these on-line and physical courses. In 2015, the first industries and occupations supported first online, and then by mentoring employees, comprised retail and merchandising, hospitality, help desk jobs, and accounting. As part of the accreditation, Doroob provides on the job training for the job applicant, mentoring once in the job, and tailored on-line courses specific to the employers' needs for recruits, all free (Doroob, 2015).

**Technical and vocational training.** Whilst there are issues with the education system they were addressed by Tatweer. In regards to science and mathematics, education seeks to prepare students to:

- 1. think independently
- 2. understand and critically evaluate information
- 3. analyze and evaluate arguments
- 4. develop and present cogent written and oral arguments
- 5. explore one's own culture and history as well as those of others
- 6. understand, interpret, and evaluate the arts
- 7. think critically about how individuals influence and are influenced by political, economic, cultural, and family institutions (University of Illinois, 2015).

The first four aims (together with numeracy, English and computer literacy) reflect employable competencies; the remainder provide contextual knowledge of value to the employer (Iqbal & Zenchenkov, 2014: Kingdom of Saudi Arabia, 2014b).

As described in the introductory chapter, the lead agencies for Nitaqat consist of the Human Resources Development Fund (Doroob initiative), the Ministry of Labor and its Technical and Vocational Training Authority, Saudi Assessments, and the Saudi Chambers of Industry and Commerce (Doroob, 2015; Ramady, 2013). The lead agencies' inputs changed in response to Nitaqat and now Doroob, as the country addresses unemployment and employment avoidance. Training is delivered primarily through the Ministry of Labor's Technical and Vocational Training Corporation, and the Kingdom of Saudi Arabia (2014b) stated that responsibilities of the Corporation were extended in 2015 to ensure that universities and colleges include work experience in their curricula. This will involve establishing 50 technical training facilities, 37 of which were in place in 2014, to ensure the transition of graduates from universities to their careers.

To make competency courses more attractive to unemployed women, the Technical and Vocational Training Corporation developed short skills-based curricula designed to assist school drop-outs, and accredited and qualified adults unable to source employment (Short vocational courses). Other initiatives comprise on the job training, a mentoring and training system whereby a trainee is contracted to an employer without off-site training, and this is expected to be delivered in 2015. There is also a formal apprenticeship system, where the Corporation provides 25 percent of the contract as formal training, and the reminder of the time is spent on the job under an experienced employee. Significant employee bonuses are available for employees who remain employed, and employers are recompensed and rewarded through Nitaqat (Kingdom of Saudi Arabia, 2014b).

Entrepreneurs can also access training from the Technical and Vocational Training Corporation, although this is a funding resource up to SAR3000 rather than time based.

However, there is also a full 3-week course for Saudis on the fundamentals of operating a business, due to the importance of small and micro-businesses to the Kingdom (Kingdom of Saudi Arabia, 2014b).

Private sector training. As noted, the empirical literature on training employees and job-seekers tends to reflect the contemporary state of vocational training in the Kingdom, and there has been significant change through Nitaqat after 2011, and Doroob at this time (2015). There was little overt response from Saudi employers on a situation which resulted in removal of millions of foreign workers and disruption to workplaces, suppliers, and customers. Employee training is now available on demand through Doroob, so that an employer either hires expatriates if permitted under Nitaqat status, or uses Saudis who are apparently achieving competencies, given the four-fold increase in employed women between 2011 and 2013 (table 4). Whilst there is surprisingly little movement in the participation rate, and the unemployment rate for women of 32.5 percent at the end of 2014 (Central Department of Statistics and Information, 2015), improving 'employed women' statistics are emerging, given the original very low base.

Private sector training standards and quality of curricula and trainee outcomes are the responsibility of Saudi Assessments, a government organization that lists some 70 corporations and not-for-profit organizations as clients on their website. Their model, 'occupation, database, networking, and architecture', was modelled on the United States' Department of Labor guidelines. The agency has a database of 4,500 occupations and 20,000 job descriptions to match and adapt to employers' skills needs. Job seekers can also access the database to build job descriptions that match their knowledge and skills. The website also allows individuals to self-test competencies in workplace skills that meet general education criteria (Saudi Assessments, 2015). This responds to widespread criticism of Saudi customer services, which Almaeena

(2015) described as chaotic and substandard in some airports; claiming that 350,000 Saudis used Bahrain for international flights rather than trust their own airports. Whilst the government can offer incentives and training to improve the Saudi cultural attitude to customer service, arguably this must be reciprocated by society in demanding even the regional standards offered by Bahrain.

Other corporations adapt their in-house training for Saudi employees. Business Monitor International (2013) reported that European vehicle manufacturers were approaching training from two levels. The first was led by Europeans such as the German Management Academy to establish a vehicle production center in Saudi Arabia for use by vehicle importers. The Germans could train entrepreneurs in aspects of project management and service operations in such hubs, as well as establishing a presence on the Arabian Peninsula for their products. On the other hand, the Saudi-Japanese Automobile High Institute comprised eight vehicle corporations who were established in the Kingdom, and offering free training and a job to young Saudis who completed the course (Business Monitor International, 2013).

Another private sector approach is partnership with existing providers in industries preferred by the Saudi government. The Kuwait-based retail group MH Alshaya Co moved its 2012 training academy in Riyadh to the Princess Nora Bint Abdul Rahman University for women to train both undergraduates and school leavers in communications, customer service, and sales procedures (Arabian Business, 2015). Similarly, the Saudi Commission for Tourism and Antiquities and the Saudi Tourism Human Resources Development (Takamul) embarked on hotel management training for young Saudis (men). The French hospitality firm, Accor Group, offered a 15-month apprenticeship at the Accor Training Academy in Saudi Arabia followed by employment in front office or bookings and reservations (Estimo, 2015).

## **Chapter Summary**

This chapter discussed the theoretical and Saudi environment to give context to this study. The research question to inform this study concerns the cultural and competency issues Saudi employees encounter in job searches and factors in remaining employed.

The chapter commenced with capital theory, where it was posited that society contributes to an individual's social and economic development and is rewarded by the contributions that individual returns in providing for the next generation, civic society and improved economic conditions for the country as a whole. Whilst human capital is attributed to the individual, social capital, that is the 'value' of the individual to society, equally contributes through strong relationships and a wide social network. Theories on motivation and organizational commitment are presented and the outcomes from job satisfaction studies are summarized as relevant to the study; however, these were found to be peripheral to the issue at hand. Motivation, commitment and satisfaction were found to comprise extrinsic factors of pay and conditions, and intrinsic factors of commitment and satisfaction may be relevant to longer-term employees. This study is focussed on the start of a Saudi career, where the individual is intent on finding a compatible job and is not yet at a stage of settling in with an employer; it is thus a first step.

This is followed by the context of the study, the nature of the Saudi workforce, where it was found that until Nitaqat was introduced, young Saudis were effectively barred from entry-level jobs by a lack of legislation on minimum wage and conditions; further, the public sector provided high salaries, very good conditions, and low productivity requirements in an Islamic and Arabic environment. The private sector had onerous conditions of a six-day 48-hour week, low wages, often with an English-speaking working environment, and inadequate gender segregation. Girls' education is recent, thus girls selected arts and religious courses and shunned

science and mathematics. The outcome is now low female labor force participation and high unemployment for those who are trying to obtain work. Less than one woman in every eight eligible Saudis is employed. The government is addressing these factors with increasingly effective employment policies. Nitaqat established compliance targets for employers, and it appears that Doroob is focussed on a similar pathway for young Saudis. This study aims to report on the effectiveness of these initiatives at the organizational level.

#### **Chapter 3: Methodology**

The previous chapter presented the theory that underpins this study, and the context of the primary research, that is, Saudi Arabia. The purpose of this research is to understand the experiences of Saudis in a large corporation to achieve competency in their working environment, and to contribute to their employers' goals. The research questions are:

- 1. What is the extent of training, including on the job mentoring, for Saudi recruits?
- 2. Overall, which career factors are most important in their career choices?
- 3. Are the importance ratings of the career factors related to their demographics (gender, age, nationality, education)?

This chapter comprises the selection of paradigm in which to site the research questions, and the framework for the selection of data collection and analysis. It explains the steps for determining validity of the research design. This is followed by a description of the population to be surveyed, selection of a sampling technique, and the procedures for sampling. An ethics statement follows.

The survey instrument is then described together with a discussion on validity and reliability of the survey questions, the data collection method, and the reliability of the responses. This also includes the forms of analysis for the data.

## **Research Design**

The research design emerges from the choice of paradigm, or research perspective.

Mertens (2015) described paradigms in research as postpositivism, constructivism,
transformative, and pragmatic, although other researchers may use different descriptors.

Positivism as the 'default' paradigm emerged from early scientific data collection using numbers

and mathematical or statistical analysis. However, when research turned to social phenomena, in the 20th century positivism was too inflexible as a purely numerical study outside the social context. For example, Wahyuni (2012) explained that the dynamics of social and psychological studies were not replicable, however for validation, a positivist framework was desirable. Postpositivism, involving contextual data, emerged to address this issue, although postpositivism (Wahyuni, 2012) "needs to be framed in a certain context of relevant law or dynamic social structures which have created the observable phenomena within (the) social world" (p.71). The evolution of postpositivism led to an interpretivist (Wahyuni, 2012) or constructivist (Mertens, 2015) paradigm, whereby reality is interpreted (constructed) by the exchange, collection, and analysis of human information and experience. Mertens further explained the study of social justice phenomena such as feminism, disabilities or ethnicity as a transformative paradigm, again without the mathematical structures of validation and reliability. On the other hand, the pragmatic paradigm uses all forms of inquiry, that is, mixed methods, to answer the research problem (Mertens, 2015). The purpose of this study is to understand individuals' experiences in gaining job competencies, not to understand the context of each workplace. The study can be undertaken empirically and without need of an explanatory environment, thus a positivist paradigm was selected.

From selection of a paradigm, the researcher then proceeds to an ontology, or a type of knowledge (Wahyuni, 2012). For a positivist paradigm, the ontology is objective and specific to the research. The epistemology, or research framework, denotes the acceptable data; in this paradigm data are observable and measurable. Data are reduced to common elements for comparison to understand the relationships between facts and there is no value hierarchy; data

are all equal after validation and reliability tests (Mertens, 2015). The methodology is quantitative.

Validity of a research design, according to Treiman (2009), is that the method selected efficiently captures the data necessary to answer the research questions and is replicable by different researchers and in different samples of a population. Mertens (2015) warns that the internal validity of a research design is subject to the nature of the sample, which may change over time or comprise more or less participants. A further threat can occur from participants' understanding of the questions; too few questions to fully answer the research problem; or too many, resulting in less than optimum response rates (Mertens, 2015).

As noted, a research design under a positivist paradigm is based on collecting measurable data and analyzing them quantitatively; that is, through demographic and experiential statistical analyses. Punch (2013) explained that an approach frequently adopted in quantitative design studies is comparison between groups. In this design, two groups are set up that have a common factor, the independent variable. For one group, some change is made to the independent variable, thus this is the experimental group, and no such change is made to the second or control group. Given that the two groups are similar in all other aspects, the aim, according to Punch (2013), is 'to attribute dependent (or outcome) variable differences between the groups to independent (or treatment) variable differences between the groups' (p.210).

A quasi-analytic approach is ex post facto research, that is, exploring the antecedents of a current phenomenon (Ary, Jacobs, Sorensen, & Walker, 2014). Ex post fact studies use respondents 'who differ on an observed dependent variable and (the researcher) tries to determine the antecedents (cause) of the difference' (p.370). This form of design may also be referred to as a causal-comparative design, as it is intended to establish relationships between

variables. The authors stated that although there are flaws in these designs, although they are frequently used to investigate the characteristics of a sample from a population. Issues that arise from ex post facto research that cannot be allowed for in the study design include factors relative to this study such as the participants' socioeconomic status, career interest and intent, jobseeking behaviors, and previous employment experiences. Research limitations include the subsequent lack of commonality of work experiences, and outcomes that differ according to selection of independent variables. An ex post facto approach may thus be too flexible for rigorous study (potential confounds), although may be useful in exploratory studies to capture a range of potential variables (Ary et al., 2014).

Correlational research is another quasi-analytical design. A correlational study gathers data and explores the relationships between two or more variables with the aim of establishing the strength of the relationship and the direction, whether it is positive or negative, and whether there is a significant linear relationship between the variables (Mertens, 2015). Further, Mertens explained that because this is a correlational approach, variables may be called explanatory variables rather than independent variables. Causation is not implied by correlation, although the reverse is true. The dependent variable is then termed the outcome variable, as Ary et al. (2014) attested. Pearson's product moment coefficient correlation (Pearson r, range -1 to +1) measures this relationship numerically and can also be visually plotted (Ary et al. 2014; Mertens, 2015). In this study, a correlational research design is selected, as an experimental design cannot be used, and the ex post facto/causal comparative design may be too flexible to answer the research questions.

## **Population and Sample**

The population for this study was that of Naghi Group employees. It should be noted that large firms are generally staffed by a high proportion of expatriates; however, the Saudization policy of Nitaqat establishes that such firms hire increasing numbers of Saudis, thus competency training should be mandatory (Said, 2013).

From this population, a sample was drawn. A sample of a population can be random, systematic, or convenience (Creswell, 2014). A random sample is drawn through using a list and starting at a random name and then dividing the list by the sample size, for instance, every 50<sup>th</sup> name. A systematic or purposive sample is obtained by narrowing the parameters of the population so that just people relevant to the research purpose are captured. A convenience sample takes a number of people available at the time, such as shoppers in a store (Creswell, 2014). Thus for the purposes of this study, there are a range of sample types: systematic sampling in selecting firms with high numbers of employees, a convenience sample of other firms that are available should these firms refuse to contribute to the study, and a random sample of self-selecting participants who choose to fill out the entire form.

The sampling procedure was to approach the corporate headquarters of the Naghi Group, the nature of the research was explained, and permission was granted to undertake an online survey, guaranteeing anonymity of the firm and the participants. The eligible sample are therefore Saudi nationals who have worked in the firm for at least six months, who speak fluent English, and who agree to fill out the online survey.

#### **Human Subject Considerations**

For researchers, Pepperdine University's human subject parameters require respondents' protection from direct identification, either as organizations or individuals. The researcher completed the Collaborative Institutional Training Initiative Program (CITI) before approaching the Institutional Review Board (IRB) to obtain permission to proceed (See Appendices B and C). The application to the Board noted that any survey undertaken was based on the informed consent of participants as to the nature of the survey and assurances of anonymity and confidentiality (consent agreement). Potential respondents were advised of the nature of the task, and their right to leave the survey incomplete at any time, although this would negate their participation in the study. As the quantitative survey is online and anonymous, potential risks to individuals or organizations are minimal. The data collected were amalgamated and analyzed by descriptive and statistical means. Participants cannot be offered the results of the analysis, as this would compromise anonymity for online addresses, however the target organization will be informed when the study is available from this University. Data will be protected by password and available at the University for future research. Permission from the target organization was attached to the Board application and this dissertation (See Appendix A).

The Collaborative Institutional Training Initiative (CITI) Program Completion (Appendix B) and the Institutional Review Board's permission (See Appendix C) is attached to this dissertation to enhance research integrity. Research integrity refers to adherence to the principles, vision and values of the University as well as compliance to its regulations and standards of research. Whilst protecting the identity of the study participants, all other data sources are contained in the reference list and the dissertation text to aid transparency and future research assessment.

#### **Research Instrument Overview**

A survey is predominantly used to gather data for a quantitative research design (Creswell 2014). Creswell stated that a self-administered questionnaire can reach far more potential respondents in sampling a population than other techniques such as observation or interviews which are also used in qualitative research designs. Trieman (2009) described issues confronting the researcher in deciding questions for such a survey that combine both literature references and that can answer the research questions.

The issues of survey design and item writing were outlined by Sheatsley (2013), who warned that firstly, respondents to a written survey may not be aware of the information required; not be able to recall it, or not aware of the topic at all. Another issue is the willingness of the respondent to reply. It was therefore important to sample those who would be directly involved with the topic at hand. Further, Sheatsley stated that a successful survey has a careful introduction, explaining the content, and equally carefully worded items that are tactful and easily answered. Standardized surveys such as those for a quantitative research design also present issues, and respondents may not like to be forced to respond in the nominated categories, or they may resent not having an opportunity to qualify their responses. Lastly, once written, a standardized survey cannot be changed; items that may have illustrated a particular point cannot be added as this form of survey is inflexible, unlike qualitative designs (Sheatsley, 2013).

In a survey design, the measurement of the data should first be established. For a quantitative design, closed-ended questions, that is, questions that have set responses are necessary to codify the answers (Creswell, 2014). A Likert scale is generally used for this purpose. Munshi (2014) identified any number of options for the respondent that may range from two to eleven; however, five allowed for gradations of opinion on a continuum from positive to

negative, or the reverse. The question here is (Munshi, 2014)"How is this information being internalized by the subject?" (p.3). For this study, Kattuah's five-point approach to a Likert scale was adopted.

The item questions for the survey relate to the purpose of the study, that is, employees' training relevant to their existing job specifications and how this training meets their career aspirations; in effect, if the training is aligned to their preferred careers. The questions were adapted from Kattuah's (2013) description of questions used at interview of supervisors and human resource professionals in Saudi firms. Kattuah's survey explored themes such as the firm's business, size and location; the participant's knowledge of general training provisions, and the extent of in-house training; for example, whether the training was conducted online internally or via the internet; and the extent of physical attendances, again internally and externally. After the necessary induction training for recruits, questions included subsequent training availability and take-up by employees, and how employee needs were determined, if required. Following this, the respondent's views were obtained on usefulness of induction and subsequent training for personal and organizational objectives, and whether further training opportunities would be pursued.

As this study explores perceptions and experiences of employees, these questions were adapted to record education and training experiences, the nature of the induction training and ongoing opportunities for further training; and the career aspirations of the respondent, including intention to leave. Demographic questions replace Kattuah's (2013) information on the firm itself. Thus, the replacement questions were designed to highlight gender differences, employee intentions as well as training experiences.

The purpose of the higher-order questions is to make recommendations for Saudi decision-makers both in the private and public sectors. The items are designed simply for translation into Arabic, and repeated questions were avoided, as was the respondent's possible abandonment of the survey if confronted with a lengthy list or seemingly irrelevant questions (Creswell, 2014). The survey instrument is at appendix D and its relevance to the research questions and literature are presented at table 5.

Table 5

Framework for Survey Questions

Research question	Survey theme	Literature source
1. What is the extent of	About your workplace training.	Al-Asfour & Khan, 2014
training, including on the	This section has 4 questions,	Alshitri & Abanumy,
job mentoring, for Saudi	possible 7 on availability of	2014
recruits?	training before and after	Brdesee, 2013
	recruitment, and continuing	Doroob, 2015
	training available for growing in	
	the organization.	Jehanzeb et al., 2013
	About your employment	Pupic, 2014
	This section has 4 questions	Ramady, 2013
	defining past work experience and	Saudi Assessments 2015
	thus defining youth employment	
		(continued)

Research question	Survey theme	Literature source
2. Overall, which career factors are most important in their career choices?	About your career  There are 14 questions regarding the respondent's intentions for using the training available, whether s/he intends to pursue a career with the organization.	Alharbi, 2014 Al-Sughair, 2014 Elamin & Alomaim, 2011 Forstenlechner & Baruch, 2013 Galeotti & Merlino, 2014 Gerbich, 2015 Hamid, 2014
3. Are the importance ratings of the career factors related to their demographics (gender, age, nationality, education)?	About you  Demographic information includes gender and family responsibilities  Factors that concern your future career  Planning for family responsibilities.  The scale also included relevance  (to a woman's career) in the future, and not relevant. These gave indicators relevant to Saudi culture	Hamid, 2014 Al-Ahmadi, 2011 Arabian Business, 2014 Hamdan, 2005 Mousa, 2013 Redvers, 2015

Validity. Validity, reliability and replicability distinguish quantitative research analysis. Bryman (2012) explained that there are three aspects to validity, which seeks to measure that which was intended to be measured. The forms are content, concurrent and predictive forms of validity. In content validity, the survey questions aim to describe the respondents' experiences and perceptions regarding a theme, such as that answering a research question. For this study, demographic information precedes the body of the survey items depicting experiences, opportunities, and relevance to career aspirations. Concurrent validity is established from correlation of the survey items, that is, the scale, with other scale results. The construct can be partially validated through Kattuah's (2013) conclusions for employee training in Saudi Arabia. To test for concurrent validity, the prototype online survey were tested on three colleagues to assess whether there were any questions that were not clear. Further, four Naghi employees were sent the study, and reported no problems with it. Predictive validity determines the degree to which the survey results may predict outcomes in the future; this cannot be established without a follow-up survey for the same participants whose identity is not known.

Reliability. Reliability, that is, an estimate of whether the test can be reliably repeated, also includes sub-constructs. Parallel forms reliability is a test whereby a large number of questions is split and both surveys administered to a single sample to determine that the items reliably measure the construct or factor (Christensen, Johnson, & Turner, 2014). Taking reiterations of such split-items mathematically to the limit of one sample, according to Bryman (2012), is derived from Cronbach's alpha, a test for such scale consistency. Test-retest reliability is the correlation between two tests of the same sample at different times by one researcher; or other researchers (inter-rater reliability) (Christensen et al., 2014). The generalizability of the results denote the relevance of these methods to similar populations.

#### **Data Collection and Analysis**

Data collection involved self-administered online surveys, as this method is the most efficient (Creswell, 2014). The sample comprised employees from a large Saudi firm that has established training procedures in place. As this is a study of career prospects in corporations, smaller firms could be expected to use the abundant government resources of the Ministry of Labor's Technical and Vocational Training Corporation (Doroob) rather than providing their own coursework.

Due to logistic restraints, the survey was presented to the firm for approval on an online platform such as Qualtrics. These services offer basic analysis, otherwise the results can be downloaded for analysis on Statistical Package for Social Science (SPSS). Once the research is approved by the relevant authorities and firm, the survey itself was distributed throughout the participant corporation by either the human resources group. Online surveys can be programmed to remind those who have not responded, and to collect the data with some analysis at a set time, with identity of individual computers masked by the online service provider. A response of 100 employees from the Naghi Group was acceptable.

The data analysis was quantitative, and descriptive statistics were employed (Ary et al., 2014; Creswell, 2014; Mertens, 2015). Descriptive statistics in this study summarized data about the participants, rather than inferring properties from the participants (inferential statistics). Thus the demographic data were analyzed by percentages to determine majority and minority characteristics of the respondents. Other items' data were analyzed according to probability statistics, determining the median among the responses; and means and standard deviation (at least 95%, that is, two standard deviations from the mean [p = .05]). In this correlational research design Spearman's r, range -1 to +1, was used to measure the linear relationship between the

variables, with -1 signifying opposite movement whereby the variables move away from each other, 0 as no correlation, and +1 as variables' dynamics moving together (Ary et al., 2014). Groups of variables, and the variables within a group, were analyzed for relationships.

Demographic characteristics were used as intervening variables.

# **Chapter Summary**

This chapter proposed the theoretical framework for the conduct of the research, explaining the selection of design as quantitative data collection and analysis by means of a positivistic paradigm. The population of Saudi employees was selected as a large corporation who would be expected to readily offer an array of educational and training tools to their employees. However, whilst skill sets such as an orientation towards the organizational goals, and English and computer literacy are of immediate value, this research was focused more on the medium to longer term. That brought in participants' past experiences in work life and training, future life choices such as starting a family, and wider career aspirations, either with the employer, or externally seeking further education and a career change. Career changes are particularly relevant in Saudi Arabia, as girls' mass education extends only one generation, and their choice of tertiary courses was often not based on employability.

The research instrument was designed to establish the experiences and aspirations of respondents and also to estimate trends in Saudi aspirations after some years of intense Saudization by the government. There are regular media announcements of success in Saudi employment; however, there are also persistent reports of people dropping out of work, with those who do not last citing long hours, low pay and a non-Islamic workplace culture. These exemployees are frequently women who have significant restrictions on their commutes, workplace

conditions, and social expectations of their primary family responsibilities. These findings lead to a basis for timely recommendations to decision makers in both private and public sectors.

#### **Chapter 4: Findings**

This research seeks factors that may impede Saudis attaining employment and remaining at their jobs. Whilst there are no published Saudi employment turnover statistics, the high and rising unemployment rate among Saudi women leads to fundamental issues in the private sector workplace in retaining them. Factors include a priority of dedication to the family, legal restrictions as to public presence, deference to men, and inappropriate training. Training is also an issue for Saudi men, as they seek careers in the larger firms with perhaps less than adequate working conditions, and where technology and corporate policies are under constant change.

This study was conducted as a positivistic paradigm, with quantitative data collection and analysis. For this, a questionnaire gathered data on respondents' experiences and views on their employment, and these data were analyzed under descriptive and statistical conditions according to the research questions. This chapter is set out in two sections after an explanation of the results: presentation of the findings, and a summary of key findings. These are discussed in turn.

#### **Results**

The purpose of this study was to determine the factors that influenced Saudis in seeking work and who were then satisfied to stay employed and productive. An online invitation to employees that met the conditions of Saudi nationality, employment of at least six months and agreement to volunteer. Survey data from 105 Naghi Group employees exceeded the target figure of 100 responses.

**Demographics.** The first set of demographic characteristics of the respondents are presented in table 6. They comprise industry (in this case the Naghi Group sector), gender and age.

Table 6
Sample Demographics: Employment Sector, Gender and Age

Descriptor	Category	N	%
Industry	Automotive	5	4.8
	Consumer goods and foodstuffs	1	1.0
	Electronic and electrical goods	4	3.8
	Operations and maintenance services	15	14.3
	Catering and restaurants	2	1.9
	Retail outlets	3	2.9
	Personal care, cosmetics and perfumes	2	1.9
	Pharmaceuticals, medical technologies	9	8.6
	Food production and packaging	2	1.9
	Insurance and risk management	5	4.8
	Hajj and Umrah travel packages	4	3.8
	Other services	53	50.5
Total		105	100*

(continued)

Category	N	%
Male	74	70.5
Female	31	29.5
	105	100.0
Under 20	1	1.0
21–30	42	40.0
31–40	45	42.9
41–50	8	7.6
Over 50	9	8.6
	105	100*
	Male Female  Under 20 21–30 31–40 41–50	Male       74         Female       31         Under 20       1         21–30       42         31–40       45         41–50       8         Over 50       9

<sup>\*</sup>Rounded to 100

The majority of the respondents did not respond within the industry divisions in table 6. Of those who did respond, 14 percent were employed in operations and maintenance services and the next highest (8.6%) worked in health care. Women comprised a high 29.5 percent of the sample. Relevant to Saudi workplaces, 84 percent of the respondents were under the age of 41 years (median 35.5 years), with just 16.2 percent over 40 years of age.

The next set of demographics concerned educational level attained and family responsibilities (table 7)

Table 7
Sample Demographics: Education and Family Responsibilities

Descriptor	Category	N	%
Education level attained	Completed 12 years of schooling	6	5.7
	Technical and vocational course		
	(Certificate/Diploma)	7	6.7
	Bachelor's degree	67	63.8
	Post-graduate degree	25	23.8
Total		105	100.0
Family Responsibilities	Yes	84	80.0
	No	21	20.0
Total		105	100.0

Table 7 shows a high proportion of Saudis with university qualifications (87.6%) where generally about one-third of employed Saudis hold higher education qualifications. Family responsibilities (80%) were also reflected in the age profile.

The next table (8) moves to the employment histories of the participants in the sample.

Table 8

Sample Demographics: Employment Experiences

Variable	Category	N	%
Years in workforce	Less than 1 year	19	18.1
	1–2	16	15.2
	3–5	22	21.0
	5–10	22	21.0
	Over 10	26	24.8
Total		105	100*
Number of employers	1	32	30.5
	2	28	26.7
	3	22	21.0
	4	6	5.7
	More than 4	17	16.2
Total		105	100*
Years with current employer	Less than 1 year	25	23.8
	1–2	21	20.0
		(con	ntinued)

Variable	Category	N	%
	3–5	23	21.9
	5–10	18	17.1
	Over 10	18	17.1
Total		105	100*
Position in firm	Team member	52	49.5
	Team leader (non-supervisor)	19	18.1
	Section manager	18	17.1
	Consultant/project manager	6	5.7
	Executive	10	9.5
Total		105	100*

<sup>\*</sup>Rounded to 100

The employment experiences of the participants shown in table 8 again reflect the age profiles, with one-third (33.3%) having two years or less in the workforce, with a median of four years. The low employment history is reflected in graduation age in the participants' midtwenties, and the relatively youthful profile of the sample. On the other hand, nearly one-quarter (24.8%) had over ten years' experience. The largest percentage (30.5%) of the sample had one employer, although a high percentage (42.9%) had moved employer three or more times (median 2 employers). As nearly three-quarters (75.2%) had ten years or less work experience, this showed a relatively high turnover rate for these employees. This result is supported by the next

variable, years with this employer, where nearly two-thirds (65.7%) had less than six years with the firm, and 43.8 percent had two years or less (median of 4 years). Predominantly (49.5%), the highly educated Saudi workforce were team members, although the remainder had supervisory duties, about one-third (35.2%) of whom were line management.

Table 9
Sample Demographics: Intention to Stay in Firm or Occupation

Question	Category	N	%
Are you seeking to change your	Definitely will	39	37.1
current occupation for	Probably will	33	31.4
promotion to manager or	Don't know	21	20.0
further education?	Probably will not	7	6.7
	Definitely will not	5	4.8
Total		105	100.0
Are you looking for a similar	Definitely will	16	15.2
job (occupation) with another	Probably will	34	32.4
employer; to change employers?			

(continued)

Question	Category	N	%
	Don't know	36	34.3
	Probably will not	13	12.4
	Definitely will not	6	5.7
Total		105	100.0

When asked if seeking to change current occupation for promotion to manager or further education, 68.5 percent, over two-thirds, intended to pursue further education or seek promotion. Nearly a half (47.6%) were considering moving to another employer (table 9).

In summary, the profile for the median employee in this conglomerate was a university educated man, experienced, who belonged to a team and aspired to management. He had family responsibilities, had been with this employer for four years, changed jobs once, and was not particularly committed to this employer.

**Workplace training.** This section presents the respondents' reports on their pre- and post-employment training. Table 10 shows formal, off-the-job training experiences for the participants. The source and length of informal on-the-job training is also presented.

Table 10

Workplace Training Experience

Training element	Category	N	%
Pre-employment courses	English literacy	4	3.8
	Computer literacy	4	3.8
	Workplace behavior	13	12.4
	Employment contract and conditions	7	6.7
	Job skills training	33	31.4
	No training	44	41.9
Total		105	100.0
Post-employment training	One day	13	12.4
	Less than a week	10	9.5
	A week	17	16.2
	2-4 weeks	8	7.6
	Over 4 weeks	18	17.1
	No training	39	37.1
Total		105	100*

(continued)

Training element	Category	N	%
On-the-job training	Supervisor	32	30.5
	Team member	45	42.9
	Designated person	14	13.3
	No assistance	14	13.3
Total		105	100.0

<sup>\*</sup>Rounded to 100

Pre-employment training possibly through Nitaqat shows that 'job skills' (31.4%) was prominent among the participants, followed by workplace behavior (12.4%), a course that teaches Saudis attitude and politeness at work, that is, norms of the working environment (table 10). Those who received induction training prior to commencing their job (62.1%) attended relatively lengthy courses of over a week (40.9%). However, 41.9 percent of the participants received no pre-employment training, and 37.1 percent no formal induction.

Table 11 shows the opportunities presented to the study participants for further training in the organisation and external education (continuing education).

Table 11
Further Employee Training and Continuing Education

Training	Category	N	%
Accessing further training or			
higher qualifications	Employer	48	45.7
	Externally	32	30.5
	Not accessing training/higher		
	qualifications	25	23.8
Total		105	100.0
Undertaking organizational	Same occupation and section, higher		
training opportunities	responsibilities	25	23.8
	Same section, supervision or new job		
	with higher responsibilities	6	5.7
	Different section, different occupation		
	at about the same level	10	9.5
	Different section, advanced occupation		
	(e.g. management)	8	7.6
	Organization-wide training and further		
	educational opportunities	17	16.2
	No further training	39	37.1
Total		105	100*

<sup>\*</sup>Rounded to 100

Table 11 shows that over three-quarters (76.2%) of the sample were studying, the larger percentage (45.7%) taking training with their employer for promotion or higher responsibilities. This was confirmed by the following section, where 23.8 percent of the sample reported that they were studying for higher responsibilities in their team and occupation. However, 16.2 percent were studying more generally within the conglomerate, whilst nearly one-third (30.5%) were studying externally, presumably for higher or diversified qualifications. Table 12 shows the use of online training in the conglomerate, and arguably, whether the higher qualifications were specific to the organisation or could be used elsewhere.

Table 12

Aspects of Coursework

Coursework	Category	N	%
Coursework partially or total	ılly		
online?	Yes	44	41.9
	No	36	34.3
	Not accessing training	25	23.8
Total		105	100.0
Portability of qualifications	to		
another employer	Yes	61	58.1
	No	19	18.1
		(continued)	

	Coursework	Category	N	%
		Not accessing training	25	23.8
Total			105	100.0

An interesting aspect of the training or education undertaken by study participants was that over one-third (34.3%) were either using pen-and-paper for their coursework, or it was not available online. As 45.7 percent were accessing training within their organisation (table 11) it may be assumed that such training was either informal, or specific to the unit and not online. The majority (58.1%), however, saw their next qualification as portable. Thus many of the trainees were also students, and that those using online courses were studying externally as well as internally.

In summary, over half of the sample (58.1%) received pre-employment training, whilst a similar proportion (62.1%) had induction training. Once on the job, the majority (76.2%) commenced further training or higher qualifications, arguably both in some cases. For those undertaking internal training, most were seeking greater responsibilities, but there was interest in management training and seeking accreditation for other jobs around the conglomerate. Those who were studying externally expected to gain portable qualifications for use with another employer. This analysis relates to research question 1, What is the extent of training, including on the job mentoring, for Saudi recruits? These findings provide support to reject the null hypothesis for research question 1.

# **Descriptive Statistics**

The descriptive statistics analyze a set of variables relating to participants' attitude. Ratings were a five-point metric:  $1 = Not \ important$  to  $5 = Very \ important$  (table 13).

Table 13

Descriptive Statistics

Item	Median	SD	Low	High	
To enjoy coming to work every day	4.55	0.65	2.00	5.00	
Have the trust of my team members in my ability					
to get the job done	4.53	0.64	2.00	5.00	
Become an influential member of this					
organization through being seen as a team player.	4.51	0.65	1.00	5.00	
To have a good relationship with management	4.43	0.72	2.00	5.00	
To regularly exceed my performance targets	4.34	0.65	2.00	5.00	
Assist new team members through advice and					
showing them work practices	4.32	0.73	2.00	5.00	
A higher than average salary for my job and					
standard working conditions (bonus,					
opportunities)	4.27	0.94	1.00	5.00	
Opportunities for advancement with this firm	4.24	0.74	2.00	5.00	
			(continued)		

Item	Median	SD	Low	High
Self-education to further my career or start my				
own business	4.22	0.91	2.00	5.00
Full competency in the tasks and responsibilities				
of my job description	4.20	0.76	2.00	5.00
Increase the contribution I can make to this				
organization's goals by accepting all relevant				
training	4.16	0.84	1.00	5.00
Use the skills and knowledge in this job to get a				
better position with another employer	4.16	0.98	1.00	5.00
An average salary for my job with superior				
working conditions (bonus opportunities, time				
off, etc.)	4.06	0.97	1.00	5.00
Attain social status through further education	3.84	1.05	1.00	5.00

Table 13 displays the descriptive statistics for the importance of career factors items used to answer research question 2: "Overall, which career factors are most important to career choices of Saudi recruits?" and the related hypothesis:

H1<sub>1</sub>: There are important factors relating to career choices for Saudi employees

H<sub>10</sub>: There are no important factors relating to career choices for Saudi employees

To test the first hypothesis, table 12 displays the descriptive statistics for the importance of career factors items. The highest levels of importance were for the items "To enjoy coming to work every day" (M = 4.55, SD = 0.65), "Have the trust of my team members in my ability to get the job done" (M = 4.53, SD = 0.64), and "Become an influential member of this organization through being seen as a team player" (M = 4.51, SD = 0.65). The lowest level of importance was for the item "Attain social status through further education" (M = 3.84, SD = 1.05). These findings provided support to reject the null hypothesis for research question 2.

Research question 3 was "Are the importance ratings of the career factors related to the demographics of the Saudi recruits?" and the related hypothesis:

- H2<sub>1</sub>: There is a relationship between the importance ratings of the career factors related to the demographics of the Saudi recruits
- $H2_0$ : There is no relationship between the importance ratings of the career factors and the Saudi employee demographics

To test this hypothesis, a series of Spearman correlations were used to compare the relationships between the 14 career factors item ratings with eight demographic variables (gender, age, education, family responsibilities, years in the workforce, number of employers, years with current employer, and position level). Spearman correlations were used instead of the more common Pearson correlations due to the ordinal level importance ratings. Seven of 112 correlations were significant at p < .05. Specifically, older respondents gave higher importance ratings for the items "Assist new team members through advice and showing them work practices" ( $r_s = .24$ , p = .01) and "Use the skills and knowledge in this job to get a better position with another employer" ( $r_s = .23$ , p = .02). Those with more education before first employment gave higher importance ratings to the item "A higher than average salary for my job with

standard working conditions (bonus opportunities, etc.)" ( $r_s$  = .23, p = .02). Respondents who had family responsibilities in Saudi Arabia ( $r_s$  = .20, p = .04) and had more employers that they previously worked for ( $r_s$  = .19, p = .05) were both likely to give higher importance ratings to the item "Use the skills and knowledge in this job to get a better position with another employer." Finally, respondents with more time with the current employer gave higher importance ratings to items "Assist new team members through advice and showing them work practices" ( $r_s$  = .24, p = .01) and "Increase the contribution I can make to this organization's goals by accepting all relevant training, etc." ( $r_s$  = .21, p = .03). These findings provided support to reject the null hypothesis for the last question.

## **Summary of Findings**

This chapter reported on the results from the analysis of data on training opportunities for Saudi private sector workers. The organization selected was a Saudi conglomerate and 105 employees responded, ranging from executives to operators. One-third were women. The demographic characteristics of the respondents showed that 84 percent were under the age of 41 years, with a median of 35.5 years. A similarly high proportion (87.6%) held Bachelor's degrees or higher and 80 percent had family responsibilities.

One-third of the sample (33.3%) had two years or less in the workforce, median four years. This was supported by a similar proportion (30.5%) claiming this organization as their only employer; nevertheless, 42.9 percent had changed their employer three or more times (median 2 employers). In line with the high turnover of employers, 43.8 percent had two years or less (median 4 years) employment with the firm. Despite their qualifications, 49.5 percent were team members, although the majority (50.5%) had some line management responsibilities, or

were executives. Two-thirds (68.5%) of the sample intended to pursue further training or education; 47.6 percent thought they would seek another job or employer.

This research concerns training, and the sample was considered representative of the Saudi population in the workplace. Those who attended pre-employment training (58.1%) reported that they received job skills training (31.4% of the sample) and workplace behavior training (12.4%). Once employed, nearly two-thirds (62.1%) attended induction courses and these were generally comprehensive courses of a week or longer (40.9%). On-the-job training when necessary was conducted by a supervisor (30.5%) or a team member (42.9%).

A majority (76.2%) of the sample continued their education, predominantly (45.7% of the sample) with their employer, thus seeking more in-house credentials for promotion or to reach a higher remuneration level (23.8% reported this). The remainder were seeking credentials within the conglomerate (16.2%) or externally in the education system (30.5%). These responses regarding external education were contradictory, with 16.2 percent claiming training within or external to the corporation and 30.5 percent studying externally, therefore this result will not be pursued. Perhaps due to the in-house training, a high percentage (34.3%) were taking their training off-line, that is without using computers.

Further, over half (58.1%) of the respondents stated that their acquired knowledge and skills was portable and could be used with another employer. This section of the results was directed towards the first research question, determining the training experiences and intentions of Saudi private sector employees.

Research question 2: "Overall, which career factors are most important to career choices of Saudi recruits?" Results were highest for anticipation towards the work day and team interactions through competencies at the job tasks, and the support of team members and leaders.

However, ranked 12<sup>th</sup> of 14 variables on career factors concerned the intention to leave the employer, which was ranked as not important. This again contradicted the response in the demographic section, where nearly a half (47.6%) signified their intention to leave.

With this anomaly in mind, the last research question was "Are the importance ratings of the career factors related to the demographics of the Saudi recruits?" The findings were that older participants responded to statements regarding seeking new employers and assisting new team members. The proportion of the sample with higher qualifications sought greater remuneration, whilst those with family responsibilities and/or more employers also wished to seek a new employer. Those with longer employer experience responded to assisting team members and pursuing training to achieve the organization's goals.

This chapter presented the results from analysis of survey data from 105 Naghi Group employees to determine the factors that influence Saudis in seeking work, and who are satisfied to stay employed and productive. Hypothesis 1 (available training) was supported. Hypothesis 2 (career importance ratings) was supported. Hypothesis 3 (importance ratings with demographics) was also supported. The next chapter concludes the dissertation. It presents the discussion, the conclusions and the recommendations for the stakeholders.

## Chapter 5: Discussion, Conclusions, and Recommendations

There is evidence in the literature that Saudis in the private sector tend to change employers frequently. Published statistics show that, whilst Saudi men are largely employed and have relatively low unemployment rates within their age cohorts until their fifties (early retirement), Saudi women have a far lower participation rate in the national workforce, and once registered for work, a high unemployment rate that is unfortunately growing.

This research was therefore designed to seek factors that may lead to employee satisfaction in the workplace and intention to remain with their employer, and this is based on collecting data on Saudi employees' training experiences and intentions in relation to their employment. Chapter 1 presented the background to the study and set out, inter alia, the purpose of the study, the theoretical framework and the research questions. Chapter 2 was the literature review, which comprised capital theory, particularly in human and social capital; theories of productivity, and employee-aligned theories of satisfaction and motivation. Characteristics of Saudi Arabia followed, with its geography, history, governance, socio-economic development, education system, and especially the labor market data. Information on the case study, Naghi Group was presented, and data on Saudization and Nitaqat, the enforcement system to compel and encourage employers to hire Saudi nationals. The training available pre-and post-employment was also included in this chapter.

The methodology discussed the research design of a positivist paradigm with the attendant quantitative design for data collection and analysis of employees' training relevant to their existing job specifications, and how this training meets their career aspirations. The questions were adapted from Kattuah (2013) to record education and training experiences, the nature of the induction training and ongoing opportunities for further training; and the career

aspirations of the respondent, including intention to leave. The population was based on the Naghi Group, as explained, and the sample participants (105) were self-selected from their employees. Human subject considerations, validity and reliability were discussed. Data collection was an online survey, with basic analysis on numbers and percentages for the demographics, with the research questions' variables determined as median among the responses; and means and standard deviation of at least 95 percent (p = .05). Correlation among the variables was determined by Spearman's r, with demographic characteristics used as intervening variables. Chapter 4 reported the results of these analyses under demographics to answer the first research question, workplace training variables for the second research question, and the descriptive analyses for relationships among the variables.

This chapter forms the discussion of the results, and this is presented under headings according to the research questions. Conclusions and recommendations follow these, and a call for further study finalizes the dissertation.

## **Discussion on Research Question 1**

What is the extent of training, including on the job mentoring, for Saudi recruits?

The answer to this question is that there appears to be considerable training and education available to Saudi recruits in large firms, and that they take advantage of this. The results were that the majority of the respondents may have worked in the conglomerate's administration, as over half the respondents did not nominate one of the industries sectors of the Naghi Group. If so, this finding corresponds with the literature and government reports where evidence was found that Saudis prefer administration and management positions (Al-Sughair, 2014; Gerbich, 2015; Redvers, 2015; Saudi Arabian Monetary Agency, 2014).

In this study, 29.5 percent of the respondents were women, and if representative of the conglomerate's workforce, this is a large number of women employed by the firm. There are conflicting reports over the numbers of Saudi women employed in the private sector, which in 2013 was claimed at 400,000 (Al-Sughair, 2014; Arabian Business 2014). It was noted that many new female employees were dissatisfied with pay (95% earned less than SAR 5000 per month [\$US1333]), long hours, and an inappropriate working environment (Arabian Business, 2014).

In February, the Arab News (2016a) cited a Ministry of Labor report that there were more than 350,000 women at work at the end of 2015; and in July that the Saudi Arabian Monetary Authority reported 499,000 Saudi women in the workforce, 30 percent of the nationals' total (Arab News, 2016b). The difference may be the women's unemployment rate of 33.7 percent, which has been constant above 30 percent since Nitaqat was introduced in 2011 (General Authority of Statistics, 2016a). Several programs have been directed towards encouraging women into employment, although legal and cultural constraints continue to hamper their public activities (Al-Ahmadi, 2011).

A further constraint to women's participation in the workforce is their virtual absence after the age of 45 years. The General Authority of Statistics (2016b) reported that over two-thirds (68.3%) of the Saudi labor force (66 % for men and 77% for women) were aged 25 to 44 years. In this study, the median age was 35 years, which meets the national average. Further, 82.9 percent of the participants were aged 21 to 40 years, which conforms to the statistics if the sample was consistent across the conglomerate. Saudis remaining in the workforce would significantly increase employment numbers. However, Stancanti and Al Omran (2016) stated that with two-thirds of the population under 30 years of age, early retirement allows jobs to be opened to the younger population, but with the added expense on the public purse for pensions

and training. With reduced oil prices in 2015 impacting the Kingdom's revenues, and about 70 percent of the population employed in public services, there is a need in the near term to shift the burden of employment on to the private sector.

In this study, 63.8 percent of respondents reported their educational level as Bachelor's degrees, and 23.8 percent had post-graduate degrees. This was higher than reported by the General Authority of Statistics (2016b), where 33.9 percent of the Saudi labor force had Bachelor's degrees and 1.4 percent higher qualifications. In this study, 5.7 percent had completed secondary school, whilst the General Authority reported the national labor force as 37.2 percent with this educational attainment. Clearly, university qualifications were a prerequisite for the majority of jobs available to Saudis in the conglomerate. Al-Asfour and Khan (2014) and Mousa (2013) reported that there were issues with the education system in Saudi Arabia, which tended not to produce work-ready qualities. Thus it is possible that employees for the Naghi Group were recruited from graduates from Saudi and overseas universities who were better prepared for the workplace.

Family responsibilities were another demographic feature of this study, and 80 percent responded in the affirmative. This agrees generally with the General Authority of Statistics (2016b), where 22 percent of Saudi employed persons were never married; in this conservative country, therefore they had no direct family responsibilities. Qureshi and Sajjad (2015) found that the Saudi employees (n = 300) in their study were satisfied with their work-life balance (for family responsibilities), with flexible hours, low work-loads and supportive supervisor and team members.

The average age for the study sample of 35 years may be compared to their average working life of four years, and that nearly half the participants (43.8%) had only two years with

the current employer. These somewhat contradictory findings (age does not fit experience) may reflect a lengthy period of education, and perhaps two employers and time out of the workforce. When Nitaqat was established in 2011, women were encouraged to sign up for employment with the promise of (temporary) unemployment benefits (Ramady, 2013). Ramady also pointed out that Saudis over the age of 35 years do not qualify for Nitaqat benefits, and that there are limitations to future assistance if the recipient leaves employment too soon.

Reflecting on the short periods for the median employment history of participants, over 40 percent had changed employers three or more times, and nearly 46 percent had work experience over five years. Yet one-third (34.1%) claimed over five years with their current employer. This may indicate a core of workers who were satisfied with their employment and were in a position of trust; nearly one-third were in senior positions of supervisor, professional or executive, and there were a further 17 percent of the sample as team leaders. Arguably, many of these people were appointed internally and would therefore have longer employer experience. This may indicate a two-level employee structure: recruits as team members who became frustrated without a career path and left for better prospects, and those in more senior positions who were willing to wait for career openings. Ramlall, Al-Amri, and Abdulghaffar (2012) reported findings that Saudi employees in their study were given little input to the decisionmaking processes, and were frequently temporarily employed (pre-Nitaqat) then allocated permanent positions if the need arose for their skills. Ramlall et al. noted that Saudi traditionalism and religious practices influenced employment as in all other aspects of life in the country.

Nevertheless, in the current study, findings were that participants were seeking promotion or other jobs, and were either in training with the employer, the wider Naghi Group, or pursuing

further education. Nearly one-half (47.6%) would consider resigning, although other questions did not support this statement. There is considerable attention from researchers to this question, although the majority concerns nurses (e.g., Almalki, FitzGerald, & Clark, 2012). Mohsen (2016) sought information on employer commitment in the Saudi hospitality industry by people in their thirties (generation X) and twenties (generation Y), finding that, whilst all forms of commitment (affective, continuance, and normative) were important to the older cohort, continuance of employment was not important to the younger group. Working in the Saudi private sector, Abdulwahab, Alwaheeb, and Jianqiao (2015) were undertaking a study to find if the current government policy of Nitaqat is achieving its aim, or whether expatriates still dominate the job market, given their skills and knowledge and cost base. Competence for younger Saudis may be a factor in their decision to quit, and part of this may be workplace training.

As the first research question concerns employee training, substantial literature was presented on the topic at chapter 2. Al-Asfour and Khan (2014) found that at that stage, Saudization and Nitaqat remained fragmented and the structures of the Ministry of Labor, the Human Resource Development Fund, and the Technical and Vocational Training Corporation, advised by the Council of Saudi Chambers, were not then working holistically to deliver the preor post-recruitment training that Saudis needed to be effective team members. There was another aspect that the courses when available were at pre- or post-secondary school level and did not then address the needs of the professionals (Bachelor's and Masters' degrees) such as the Naghi Group preferred to employ. They called for greater cooperation among the agencies to address these quality constraints. Alshitri and Abanumy (2014), studying in the Saudi public sector, were concerned with quality constraints for managers in securing information which included lack of

training, in fact, lack of awareness of the issues confronting their firms; awareness of issues in online marketing was a training concern for Brdesee (2013). However, Jehanzeb et al. (2013) found that employee training was influential in employees' views of their working conditions, and their intentions for remaining with their employers. In this study, which sought information on pre-and post-employment training, this was predominantly directed at specific job skills (31.4%) and for workplace behavior (12.4%). In Naghi Group, induction training was determined by the needs of the job and the competence of the trainee, who was substantially supported through grants by the government and a cash reward for remaining on the job (Kingdom of Saudi Arabia, 2015). Induction training extended from two weeks to four weeks or over for a quarter of the participants (24.7%). Kattuah (2013) explained that although firms may conduct training, this may not be effective due to expatriate trainers' assumptions on the learning norms for the country. Jehanzeb et al. (2013) reported that employer training had a significant impact on job satisfaction and intention to leave; this was not supported by this research.

One issue that has escaped research attention is the finding that arguably three-quarters of the study participants were studying, 45.7 percent internally and 30.5 percent externally. There was some possible duplication of these figures if employees were gaining accreditation for more responsibilities and thus higher pay internally, and perhaps studying part-time online externally. This was supported by the finding that 40.1 percent of the sample were studying online. Further the majority, 58.1 percent, expected that their new knowledge and skills would be transportable to other jobs and other employers; in other words, building careers.

In a study within the small firm sector in Saudi Arabia, Shiryan, Shee, and Stewart (2012) found that management was not skilled at decision-making regarding employee satisfaction, and that training was treated as a reward for employees rather than a necessity. This point of

Robertson (2015). Large conglomerates such as the case for this study are at the forefront of accessing government training, however this may be an aberration rather than the norm, and many smaller firms where the majority of emerging jobs reside are not knowledgeable regarding their needs in a rapidly changing commercial environment. Nevertheless, although there is considerable evidence in the literature that Saudis were not well-skilled, the findings from this study are that training opportunities were well accessed and did not appear to be a priority for employees. In fact, they were professionals building careers within their employment.

### **Discussion on Research Question 2**

Overall, which factors are most important in their career choices?

There is significant commonality underpinning all research questions, due largely to the culture of Saudis, which was explained at chapter 2. Saudi Arabia developed rapidly from the late 1980s when mass education became available, and together with a high birth rate, school leavers and the new graduates were absorbed into the public sector (Ramady, 2013). Oil revenues supported rapid growth, however, public sector employee salaries now absorb more than half the annual budget. Paul and Browning (2016) reported that public working conditions were being curtailed and bonuses were reduced for the first time in an effort to align the beneficial public sector with the private sector. However, the long-held view that private sector employees were 'marking time' waiting for public sector jobs is diminishing with the introduction of Vision 2030 (Council of Economic and Development Affairs, 2016).

One of these new factors that may influence future study findings is that Saudis' educational qualifications will be held on a central database so that career choices can be tracked,

and applications for further studies presumably monitored (Council of Economic and Development Affairs, 2016). In this case, suggestions by researchers such as Ismail (2015) that Saudis, particularly women, avoid the decision-making courses such as science, mathematics, management and medicine may lead to improvements in these curricula to attract greater Saudi participation in literacy, numeracy and skills. Brdesee (2013) also noted that Saudis tend to prefer administration, and do not apply for work in service industries such as technology (databased work), travel, accommodation, or sales where the private sector needs workers. Business sectors of hospitality, retail, and private healthcare and education are the foci for the Saudi government for job growth, and these are well-known targets revisited under Vision 2030 (Council of Economic and Development Affairs, 2016; Peck, 2014, Ramady, 2013).

In addressing the second research question regarding career choice factors, or job satisfaction variables, the collectivist culture of Arabs as determined by Hofstede's classification is evident (Itim International, 2015). It may be recalled from chapter 2 that Saudis diverge substantially from the United States in their cultural orientation, recording 25 points against the United States' 91 points for individualism. This is emphasized by the next greatest divergence, power distance, which may be seen as levels of inherited hierarchy where Saudis scored 95 against the United States' 40, and avoidance of risk (80 for Saudis, 46 for the United States). It is noted that these notions of cultural norms have lost research attention due to over-generalization (Baskerville, 2003; Kirkman et al. 2006). However, Andreassi et al. (2013) found that Hofstede's dimensions remained valid for employment policy decisions.

Further, the private sector uses global business norms such as common technologies, legal frameworks, and accounting and auditing practices. Trade and finance are global. Because Saudis are not yet predominant in their private sector, where they constitute just 16.7 percent of

the workforce (Townsend, 2016), they have issues with working in an international environment, speaking English, and integrating into a multinational, often non-Islamic, workforce. In this study, the conglomerate is Saudi, but nevertheless would hire a large number of expatriates for specialized positions. Therefore, the career aspirations of the study participants were low: to engage with their team members, be trustworthy, a team player, and have a good relationship with the supervisor. Yet further education for social status was rated lowest, and second-lowest was good working conditions instead of a higher salary, followed (third lowest) by seeking better employment and taking on more training. In another culture, a greater mix of aspirations would be expected. As noted, the low-ranking factors differed from the results of other questions, although there may have been context issues with this questionnaire. In summary, the career aspirations of the respondents were low, related to the working environment, and were consistent with Hofstede's measures for Arabs as they exhibited deference and acceptance of their employment conditions (Andreassi et al., 2013).

#### **Discussion on Research Question 3**

Are the importance ratings of the career factors related to employee demographics?

Following on from Saudi cultural norms that were found to support the general questions on employment and training experiences and intentions, the factor of age was significant for both assisting new team members, and the desire to move to another job. In a study on Saudi bank employees, Al-Kahtani and Allam (2014) found that older employees were more satisfied with their jobs than younger employees, which is therefore not supported by this research. For this study, higher qualifications were significant in seeking higher salaries. There is little in the literature on salaries, a variable which is not conducive to explicit analysis given the variety of jurisdictions, industries, competencies, and job descriptions. However, in a survey of

management salaries in the Gulf countries, Hays Recruitment (2015) reported that in 2014, 41 percent of their respondents had received increases of more than 10 percent. The oil crisis and the subsequent bonus cuts of 2016 have since affected this outcome.

Further, and associated with the finding on age, respondents who had longer employment history with the conglomerate were found to be significant for assisting younger workers, and in seeking more training. Those with family responsibilities in this research reported higher numbers of previous employers than the sample. There are no statistics regarding employee turnover in the Saudi private sector, as the majority of workers are contracted expatriates, generally from other Arab countries and southern Asia (Jehanzeb et al. 2013; Townsend, 2016). Saudi employees who do not relocate to another job after leaving an employer are placed back in the unemployment system, presumably whilst searching for another job or retraining.

In summary, the relationships among the variables follow the expected norms for civil society: older employees and those with longer standing in the company explain the workplace environment (culture) to the newcomers, and assist them on the job. Those with family responsibilities may move more frequently if there are no opportunities in the near future in progressing with this employer. These attitudes and expectations are heavily influenced by Arabic society and Islamic culture, so that the responses, which in some cases were contradictory (looking for another position/not looking for another position) could be foreseen.

# **Linking Findings to Theoretical Framework**

This research was constructed on human and social capital theory and supported by organisational and employee theories. Becker's (1962) human capital was based on birthright, both of society and family, and acquisition of skills and knowledge so that the individual could repay a 'debt' to society by engaging in work and raising the next generation. This was evident in

the results of this study, where employees enjoyed their work, were raising families, and accessing life stage training and education. Deloitte University's (2015) International Human Capital Report reported that firms in the Arab countries must engage in training of the national workforce and to develop leadership and organizational capacity, ceasing to rely as heavily on expatriate employees. In this study, the impetus of Vision 2030 was indeed giving that stimulus.

The social capital of Coleman (1988) was initially used to explain high school dropouts. Coleman drew a network of influence through social norms, information channels, and obligations and expectations, where those who could not conform sufficiently were excluded. Family pressures came into play with the social norms; in Saudi Arabia, women's first priority was the family; earning a living was secondary, and this was reinforced at every level of society. Bjørnskov (2006) supported Coleman, finding that social trust alone was an indicator of satisfaction.

As noted, economists used social networks in relation to economic activity. Granovetter (2005) explained that organizations used social networks as trusted sources of information. Since then, these models have been disrupted by social media, although Doerr et al. (2012) and Pfeffer et al. (2014) note that great care should be used by organizations to prevent reputational damage through employee acquisition or operations. Wasta (influence) was found to be a strong source of job acquisition and training (Alharbi, 2014; Gatti et al., 2013)

Job satisfaction was regarded by Locke (1969, 1996) as an employee's fit between an idealized job and workplace reality (affect theory), and this was an interesting theme for Arab researchers, although not in the Saudi context of seeking new jobs. Organizational commitment was also associated with productivity, rather than leaving the organization for Arab researchers. As noted, Islamic societies are collectivist and do not associate their commitment to an abstract

notion of an organization as an entity (Hamid, 2014; Klein et al., 2009). Cultural theory was discussed above within the context of Hofstede's measures (Itim International, 2015).

## **Conclusions and Implications**

The conclusions for this research are that capital theory is relevant to this study of Saudi employees, as the principles of human, social and cultural capital were supported. However, organizational capital is not supported, as Arabs do not particularly identify with the abstract legal entity of an organization.

The empirical literature on Arab employees and their training was not as well supported. The respondents were largely accessing training, either through their employer to gain accreditation, presumably for more responsibility and higher pay; and external education, again this could be online education for higher qualifications that they expected to be transportable. Nevertheless, and in line with the above conclusion regarding organizational capital, they did not expect to remain with the current employer.

The conclusion regarding factors associated with participants' careers is unclear. On the face of it, as reported, career aspirations were low: come to work each day, do your job, be friendly and obliging to the supervisor. Yet the least regarded topics were those that they aspired to elsewhere in the questionnaire: more income, status, and transportable qualifications. There could be conflict in the interpretation of the survey questions, or the respondents may have changed their responses through questions raised by the survey itself.

The third conclusion regarding relationships among the factors was that there was again no discernable pattern in the responses. More experienced staff were anxious to help their newer team members; at the same time, they were seeking career training.

The underlying variable to this study is labor market policy. Over the past five years, the Saudi government has not so much changed employment legislation, directives, incentives and penalties as it has progressively reinforced them. The conclusion in relation to this case study about one Saudi conglomerate is that the government strategy is slowly being adopted and the population is adjusting to the 'new normal' of low oil prices and the reality of global commerce as evidenced by restricted benefits on overgenerous public sector employment. Thus, the implications for labor market policy and practice is for the government to continue to impose the Vision 2030 employer conditions that the conglomerate is experiencing and progressively move them, especially training, to other corporations and smaller firms.

The implications from this dissertation are that at work, Saudis remain engaged with their society and work life appears to be more of an extension of daily life than would be expected in other societies, where any meaningful work, even unpaid volunteering, assumes greater importance. Saudis do not empathize with abstract legal entities such as public or private organizations, although they certainly understand their work responsibilities to their supervisors and executives (Hamid, 2014; Klein et al., 2009). Thus individuals may use work time and resources to train and study and gain experience to further their careers and status.

For the firm, the implications from these outcomes may reinforce prior experience in issues employing Saudis with their expensive workplace conditions, work ethic, and turnover. The firms depend on expatriate staff to get things done, whilst the Saudis as a minority in the firm, tend to seek their own company, especially women. They cannot be fired, and indeed they are difficult to recruit to keep the firm at a Saudization balance where it can import expatriate skills. Employees who leave can indeed be replaced, and the firm may be able to enter into new

government recruitment agreements, although re-recruitment would hardly be ideal as a corporate objective.

#### **Policy and Practitioner Recommendations**

The recommendations for the government are that intensification of Saudization through Nitaqat and subsequent policy initiatives (Vision 2030) are useful; however it is doubtful whether there is yet a sufficient social change to support this trend towards women's employment. The high use of social media in the country may be a particular forum to conduct further surveys on what those entering the workforce expect, and how realistic these expectations are. An example is a program across several sites where peer discussions are subject to a moderator and awards given for those gaining jobs with most potential, highest achievement position over say three months. These would be based on gender and may be instrumental in recruits staying engaged with their 'trophy' job. In other words, intense and sustained public promotion of work as aspirational is recommended.

It appears that the firm is 'ticking all the boxes' for its obligations, however, it is not engaging its Saudi employees. The issue of employee engagement is well documented and includes transformational leadership, team-building, rewarding through bonuses or acclaim (employee of the month), career paths for the life contracts, and especially employee attitude. The firm may engage a local university to report on these matters and monitor sustained outcomes rather than merely contract an international corporation.

### **Recommendations for Further Study**

There are a number of interesting trends, especially where there is conflict with past research findings. It would appear that respondents answered differently for similar questions; this may have been confusion in understanding, inattention to the task at hand; or an underlying

factor that was beyond the scope of the research. Similar surveys could be undertaken with some change to the questions. However, as an empirical study, grounded in time and place, there would be little indication that these results could be duplicated. Apart from statistical anomalies between the firm's experience and Saudi labor force surveys, there were two main departures from the research. The first was Jehanzeb et al. (2013), who reported that employer training had a significant impact on job satisfaction and intention to leave; this was not supported here; and Al-Kahtani and Allam's (2014) finding that older employees were more satisfied with their jobs than younger employees was not supported. The latter anomaly was confrontational, as the staff had generally been with the employer for longer. These two issues are recommended for further study.

#### **Summary**

This chapter completed a study undertaken at what may prove to be a turning point in Saudi employment experiences, as the population realizes that the beneficial conditions of previous decades are past, and the economy is entering a more mature phase. Saudi Arabia is producing tens of thousands of graduates each year, but they remain in menial jobs, working towards early retirement. It would appear that Vision 2030 is the timeline the Saudi government established to change this mindset and allow the conservative population the time and space to accept greater responsibility for their own decision-making in their lives and family situations.

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### APPENDIX A

# Approval of Participant Organizations



Naghi Group

Subject: Dissertation Survey - Employee training to increase efficiency in the Saudi private sector

Dear Megren Altassan,

This letter is to inform you that we have received and reviewed your request to conduct your dissertation survey on our organization. On behalf of Naghi Group in Saudi Arabia, we are pleased to inform you that your request has been approved. Accordingly, Naghi Group is willing to help you in circulating your online questionnaire among the targeted audiences in the organization.

Just to be clear on our activities, in terms of market sectors the company is involved in the following:

- Automotive, from Luxury Cars to Commercial Vehicles & Buses
- Consumer Goods and Foodstuffs (FMCG)
- Electronic and Electrical Goods
- Operation and Maintenance Services
- · Catering and Restaurant Operations
- Retail Outlets
- · Perfumes, Cosmetics and Personal Care products
- Convenience Stores
- Pharmaceuticals, Medical Technologies and Services
- Transportation, Pullman Coaches, Hajj Buses and Mini Buses
- Foodstuff Production and Packing
- Insurance & Risk Management Services
- Hajj & Umrah Service & Transportation Packages

We look forward to support you by any means and wish you success and prosper,

Sincerely Chief Executive Officer Naghi Group

Mohamed Yousuf Naghi Motors

### APPENDIX B

## **CITI Program Completion**

### COLLABORATIVE INSTITUTIONAL TRAINING INITIATIVE (CITI PROGRAM) COURSEWORK REQUIREMENTS REPORT\*

\* NOTE: Scores on this Requirements Report reflect quiz completions at the time all requirements for the course were met. See list below for details. See separate Transcript Report for more recent quiz scores, including those on optional (supplemental) course elements.

MEGREN ALTASSAN (ID: 5159721) · Name: · Email:

• Institution Affiliation: Pepperdine University (ID: 1729)

· Institution Unit: Graduate School of Education and Psychology

· Curriculum Group: Graduate & Professional Schools HSR

 Course Learner Group: Graduate & Professional Schools - Business, Law and Public Policy Students Human Subjects Training · Stage: Stage 1 - Basic Course

Choose this group to satisfy CITI training requirements for Investigators and staff involved primarily in Social/Behavioral Research with human subjects. · Description:

· Report ID: 17621259 · Completion Date: 10/15/2015 Expiration Date: 10/14/2018

 Minimum Passing: 80 · Reported Score\*: 89

REQUIRED AND ELECTIVE MODULES ONLY	DATE COMPLETED	SCORE
Belmont Report and CITI Course Introduction (ID: 1127)	10/15/15	3/3 (100%)
History and Ethical Principles - SBE (ID: 490)	10/15/15	4/5 (80%)
Defining Research with Human Subjects - SBE (ID: 491)	10/15/15	4/5 (80%)
The Federal Regulations - SBE (ID: 502)	10/15/15	5/5 (100%)
Assessing Risk - SBE (ID: 503)	10/15/15	5/5 (100%)
Informed Consent - SBE (ID: 504)	10/15/15	5/5 (100%)
Privacy and Confidentiality - SBE (ID: 505)	10/15/15	4/5 (80%)
Students in Research (ID: 1321)	10/15/15	10/10 (100%)
Vulnerable Subjects - Research Involving Workers/Employees (ID: 483)	10/15/15	2/4 (50%)

For this Report to be valid, the learner identified above must have had a valid affiliation with the CITI Program subscribing institution identified above or have been a paid Independent Learner.

CITI Program Email:

Phone. ..

#### APPENDIX C

## Institutional Review Board Approval



Pepperdine University

#### NOTICE OF APPROVAL FOR HUMAN RESEARCH

Date: October 28, 2016

Protocol Investigator Name: Megren Altassan

Protocol #: 15-10-101

Project Title: EMPLOYEE TRAINING TO INCREASE EFFICIENCY IN THE SAUDI PRIVATE SECTOR

School: Graduate School of Education and Psychology

Dear Megren Altassan:

Thank you for submitting your application for exempt review to Pepperdine University's Institutional Review Board (IRB). We appreciate the work you have done on your proposal. The IRB has reviewed your submitted IRB application and all ancillary materials. Upon review, the IRB has determined that the above entitled project meets the requirements for exemption under the federal regulations 45 CFR 46.101 that govern the protections of human subjects.

Your research must be conducted according to the proposal that was submitted to the IRB. If changes to the approved protocol occur, a revised protocol must be reviewed and approved by the IRB before implementation. For any proposed changes in your research protocol, please submit an amendment to the IRB. Since your study falls under exemption, there is no requirement for continuing IRB review of your project. Please be aware that changes to your protocol may prevent the research from qualifying for exemption from 45 CFR 46.101 and require submission of a new IRB application or other materials to the IRB.

A goal of the IRB is to prevent negative occurrences during any research study. However, despite the best intent, unforeseen circumstances or events may arise during the research. If an unexpected situation or adverse event happens during your investigation, please notify the IRB as soon as possible. We will ask for a complete written explanation of the event and your written response. Other actions also may be required depending on the nature of the event. Details regarding the timeframe in which adverse events must be reported to the IRB and documenting the adverse event can be found in the *Pepperdine University Protection of Human Participants in Research: Policies and Procedures Manual* at community.pepperdine.edu/irb.

Please refer to the protocol number denoted above in all communication or correspondence related to your application and this approval. Should you have additional questions or require clarification of the contents of this letter, please contact the IRB Office. On behalf of the IRB, I wish you success in this scholarly pursuit.

Sincerely.

Judy Ho, Ph.D., IRB Chair

cc: Dr. Lee Kats, Vice Provost for Research and Strategic Initiatives

#### APPENDIX D

## **Survey Questions**

Megren Altassan <

Employee Training in Saudi Corporation

PEPPERDINE UNIVERSITY Graduate School of Education and Psychology INFORMATION/FACTS SHEET FOR THE STUDY You are invited to participate in a research study conducted by Megren Altassan, a Doctoral Student in Organizational Leadership at Pepperdine University. Your participation is voluntary. You should read the information below, and ask questions about anything that you do not understand, before deciding whether to participate. Please take as much time as you need to read this document. You may also decide to discuss participation with your family or friends. All data collected will remain anonymous meaning that no identifying data will be collected. The purpose of this study is to determine the extent of preparation that people have had in their jobs in Saudi corporations. If you agree to voluntarily to take part in this study, you will be asked to complete an online survey. It should take approximately ten to fifteen minutes to complete the survey you have been asked to complete. You do not have to answer any questions you don't want to, click "next" or "N/A" in the survey to move to the next question. Please complete the survey alone in a single setting. The survey questions concern characteristics of study participants, so that you will be asked questions concerning your age, gender, education, employment and training and all this is summarized. You will be asked if you have children at home, as this may conflict with your work commitments. Otherwise, questions concern your experiences with training, your views on

training opportunities, whether these opportunities meet your career expectations, and whether

you view those opportunities as allowing you to remain with this employer. Your participation is voluntary. Your refusal to participate will involve no penalty or loss of benefits to which you are otherwise entitled. You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights, or remedies because of your participation in this research study. After 1 week, a reminder note will be sent to you to complete and return the survey. Since this note will go out to everyone, I apologize ahead of time for sending you these reminders if you have complied with the deadline. The alternative to participation in the study is not participating or completing only the items which you feel comfortable. Your alternative is to not participate. Your relationship with your employer will not be affected whether you participate or not in this study. I will keep your records for this study anonymous as far as permitted by law. However, if I am required to do so by law, I may be required to disclose information collected about you. Examples of the types of issues that would require me to break confidentiality are if you tell me about instances of child abuse and elder abuse. Pepperdine's University's Human Subjects Protection Program (HSPP) may also access the data collected. The HSPP occasionally reviews and monitors research studies to protect the rights and welfare of research subjects. The data will be stored on a password protected computer in the principal investigators place of residence. Later the data will be transferred to an external hard drive, and the hard drive will be locked in a safe box. The data will be stored for three years after the study has been completed and then destroyed. The data collected will be coded, de-identified, identifiable, transcribed etc. There will be no identifiable information obtained in connection with this study. Your name, address or other identifiable information will not be collected. If there is any further question concerning the research herein described please do not hesitate to contact me at email address ( ). If there are

additional questions that you feel I did not cover, please contact Dr. June Schmieder-Ramirez at
( If you have questions, concerns or complaints about your
rights as a research participant or research in general please contact Dr. Judy Ho, Chairperson of
the Graduate & Professional Schools Institutional Review Board at Pepperdine University
. By
continuing to the survey questions, you are acknowledging you have read the study information.
You also understand that you may end your participation at anytime, for any reason without
penalty.
Q1 Please nominate the industry you work in
<ul> <li>Automotive (1)</li> <li>Consumer goods and foodstuffs (2)</li> <li>Electronic and electrical goods (3)</li> <li>Operations and maintenance services (4)</li> <li>Catering and restaurants (5)</li> <li>Retail outlets (6)</li> <li>Personal care, cosmetics and perfumes (7)</li> <li>Pharmaceuticals, medical technologies (8)</li> <li>Food production and packaging (9)</li> <li>Insurance and risk management (10)</li> <li>Hajj and Umrah travel packages (11)</li> <li>Other services (12)</li> </ul>
Q2 Gender:
<ul><li> Male (1)</li><li> Female (2)</li></ul>
Q3 Nationality

O	Saudi (1) Non-Saudi (2) Age (years)
O O O	Under 20 (1) 21-30 (2) 31-40 (3) 41-50 (4) Over 50 (5)
Q5	Highest education before first employment
O O O	Less than 12 years of schooling (1) Completed 12 years of schooling (2) Technical and vocational course (Certificate/Diploma) (3) Bachelor's degree (4) Post-graduate degree (5)
Q6	Do you have family responsibilities in Saudi Arabia?
	Yes (1) No (2)
Q7	How long have you been in the work force (years)?
O O O	Less than 1 year (1) 1-2 (2) 3-5 (3) 5-10 (4) Over 10 (5)

Q8 How many employers have you worked for?
<ul> <li>1 (1)</li> <li>2 (2)</li> <li>3 (3)</li> <li>4 (4)</li> <li>More than 4 (5)</li> </ul>
Q9 How long have you been with this employer (years)?
<ul> <li>Less than 1 year (1)</li> <li>1-2 (2)</li> <li>3-5 (3)</li> <li>5-10 (4)</li> <li>Over 10 (5)</li> </ul>
Q10 What is your position in the firm?
<ul> <li>Team member (1)</li> <li>Team leader (non-supervisor) (2)</li> <li>Section manager (3)</li> <li>Executive (4)</li> <li>Consultant/project manager (5)</li> </ul>
Q11 Did you accept workplace training before being recruited by this employer?
O Yes (1) O No (2)
Q11.1 If yes, please check each course you passed
<ul><li>O English literacy (1)</li><li>O Computer literacy (2)</li></ul>

O	Workplace behavior (3) Employment contract and conditions (4) Training for a specific occupation (job skills) (5)
Q1	2 Were you given induction training about the organization/employer directly after
rec	ruitment?
	Yes (1) No (2)
Q1	2.1 If yes, how long was the induction training before you began your job?
O O	One day (1) Less than a week (2) A week (3) 2-4 weeks (4) Over 4 weeks (5)
Q1	3 Once in your job, did you receive assistance to learn on the job?
	Yes (1) No (2)
	3.1 If yes, was that assistance primarily from your supervisor, a team member, or a designated rson (mentor)?
0	Supervisor (1) Team member (2) Designated person (3)

Q14 Once competent in your job, does your firm offer further advancement training? This
doesn't include training for new technology or for changes to the firm's practices.
O Yes (1) O No (2)
Q14.1 If yes, please indicate the nature of that training
O Same occupation and section, higher responsibilities (1)
O Same section, supervision or new job with higher responsibilities (2)
O Different section, different occupation at about the same level (3)
O Different section, advanced occupation (eg. management) (4)
Organization-wide training and further educational opportunities (5)
Q15 Are you seeking to change your current occupation for promotion to manager or further
education to change occupation?
O Definitely will (1)
O Probably will (2)
O Don't know (3)
O Probably will not (4)
O Definitely will not (5)
Q16 Are you accessing training or further education whilst working?
O Yes (1)
O No (2)

Q16.1 If yes, are you undertaking training with your employer or externally?
O Employer (1) O Externally (2)
Q16.2 Is this coursework partially or totally online
O Yes (1) O No (2)
Q16.3 Is this coursework portable? Can you use it with another employer?
O Yes (1) O No (2)
Q17 Are you looking for a similar job (occupation) with another employer, that is, to change employers?
<ul> <li>Definitely will (1)</li> <li>Probably will (2)</li> <li>Don't know (3)</li> <li>Probably will not (4)</li> <li>Definitely will not (5)</li> </ul>

Many factors are involved when selecting new employment, including salary and working conditions (bonuses, days off and vacations, and flexible working hours), work pressures, and career prospects (including training). Other factors are personal, such as preferred occupation, family expectations and commitments, and perhaps taking time off for further education, to start a family, or perhaps travel. It's important to feel that you are on top of the job and that you have

the skills and knowledge to earn your team's trust. Work experiences that make or break a job include a friendly workplace, good supervisors, and challenging and different tasks in your daily routine so that you keep learning. Please rate these according to their importance for you

Q18 A higher than average salary for my job with standard working conditions (bonus
opportunities, time off, training)
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q19 An average salary for my job with superior working conditions (bonus opportunities, time
off, training)
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q20 Full competency in the tasks and responsibilities of my job description
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>

Q21 Opportunities for advancement with this firm
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q22 Self-education to further my career or start my own business
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q23 Attain social status through further education
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q24 Have the trust of my team members in my ability to get the job done
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>

Q25 To regularly exceed my performance targets
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q26 Assist new team members through advice and showing them work practices
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q27 To enjoy coming to work every day
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> <li>Not important (5)</li> </ul>
Q28 Use the skills and knowledge in this job to get a better position with another employer
<ul> <li>Very important (1)</li> <li>Important (2)</li> <li>Give it some consideration (3)</li> <li>Could be important later (4)</li> </ul>

Q29 To have a good relationship with management
O Very important (1)
O Important (2)
O Give it some consideration (3)
O Could be important later (4)
O Not important (5)
Q30 Become an influential member of this organization through being seen as a team player.
O Very important (1)
O Important (2)
O Give it some consideration (3)
O Could be important later (4)
O Not important (5)
Q31 Increase the contribution I can make to this organization's goals by accepting all relevant
training on offer.
O Very important (1)
O Important (2)
O Give it some consideration (3)
O Could be important later (4)
O Not important (5)