

**Saudi Employment in the Wholesale-Retail and Construction
Industries in the Saudi Private Sector: A Comparative Causal
Study for Policy Analysis.**

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Abstract

The Kingdom of Saudi Arabia has experienced major crises regarding the lower representation of the local workforce in its labour market and the Government has implemented a policy of Saudisation to encourage private sector employers to employ locals. However, a higher proportion of expatriate workers in the Saudi labour market remains and local Saudis are making up a large part of public sector organisations. Saudi representation is lacking in the private sector. For example, the wholesale-retail and construction sectors have 88.3% and 80% of foreign employees respectively.

This research explored the factors which are impeding employment of a local workforce in the wholesale-retail and construction industries and contrasting these factors across the two sectors and to identify the causes behind the ineffectiveness of the Saudisation policy. To identify the factors underlying the underrepresentation, the study relied on a mixed research methodology. A survey of employees was conducted as part of the quantitative research and interviews from owners and managers made up the core of the qualitative research.

It was found from the quantitative research that the key contributing factors are: organisational commitment, working conditions, wages/benefits, social status and power distance. There was a statistically significant difference for these factors across wholesale-retail and construction sectors, except for social status. The perceptions of these factors were higher for the wholesale-retail sector, as service-based jobs are less preferred by Saudis and they view them as less privileged compared to other sectors. Statistically significant differences were also found for the factors affecting the employment of Saudis in the wholesale-retail and construction industries across the demographic variables of gender, work experience, training and scientific qualification.

The findings of the qualitative study have revealed the causes behind the ineffectiveness of the Saudisation programme. The key reasons included the cultural factors (social status and power distance), the ineffectiveness of the education system (creates a gap in demand and supply of skills and knowledge for labour market), ineffective training and high inclination of local employees towards the public sector.

The study provides practical guidance to policymakers, employers, Saudi employees and implementers of the Saudisation programme. The factors leading to the slow response of the private sector in the implementation of Saudisation are identified. Suggestions are made for addressing the factors concerning the employees by supporting the private sector and by

reducing the pay gap between private and public sectors to encourage local employees to pursue careers in these sectors. There is a need for continuous collaboration between all sectors in the economy for prosperity to be achieved. Employers should address attitudinal and motivational factors and the aspect of power distance.

This study is the first to introduce the notion of power distance and social status as the cultural factors influencing the hiring of Saudi nationals. It provides a good background for future research.

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The thesis was professionally edited by Oxbridge Proofreading,
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Student Declaration

I, Mohammad Saif Bin Judai, declare that the PhD thesis entitled Saudi Employment in the Wholesale-Retail and Construction Industries in the Saudi Private Sector: A Comparative Causal Study for Policy Analysis is no more than 80,000 words in length, including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

I have conducted my research in alignment with the Australian Code for the Responsible Conduct of Research and Victoria University's Higher Degree by Research Policy and Procedures.

“All research procedures reported in the thesis were approved by Victoria University Human Research Ethics Committee (VUHREC) (application number HRE19-149.”

Signature:



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List of Abbreviation

Abbreviation	Full term
GCC	Gulf Cooperation Council
UAE	United Arab Emirates
MOL	Ministry of Labour
SAMA	Saudi Arabia Monetary Agency
KSA	Kingdom of Saudi Arabia
IMF	Internation Monetary Fund
ILO	Interantional Labour Organisation
OC	Organisational Commitment
SS	Social Status
WC	Work conditions
WB	Wage and Benefits
PSD	Power Social Distance
GDP	Gross Domestic Product
F	Frequency
SD	Standard Deviation

Chapter 1. Introduction

1.1 Background to the study

Middle Eastern countries are now focusing on the localisation of the workforce owing to the high unemployment rates among natives (Forstenlechner et al., 2012; Jabeen et al., 2017). It is difficult for natives to find employment after school because the majority of the jobs are taken by expatriates who are often favoured over the natives, especially in the private sector (Forstenlechner, 2011). The expatriates possess unmatched skills which most firms in the private sector are looking for (Hasan, 2015). To tackle the growing unemployment problem by reducing the number of expatriates in the Middle Eastern countries, the Gulf Cooperation Council (GCC), a body responsible for maintaining and upholding the interests of countries in the region, came up with an idea of nationalisation strategies including the imposition of quotas of local employees on employers in various industries (Jabeen et al., 2017). This move is popularly termed workforce localisation and is the replacement of the expatriate labour force with a trained and qualified local labour force in an organised manner so that work is not interrupted (Kamal, Al-Harbi, 1997). The localisation of the workforce in Saudi Arabia is known as Saudisation. This initiative encourages the replacement of expatriates with Saudi nationals (Riaz, Ishaq, 2016). The Saudi government, based on a ministerial decree in 1995, ordered private firms to have a specific quota of Saudi nationals in the pool of their workforce (Riaz and Ishaq, 2016). The decree among others declared that (Sadi and Al-Buraey, 2009) that Private firms with over 20 employees should reduce the number of non-Saudis by 5% annually, implement penalties for non-compliance including denial of access to certain types of government support, enforce a freeze on applications to hire new workers from abroad and on their renewal of existing permits.

There is no doubt that Saudi Arabia has been attractive to expatriates because of its oil wealth. While in 1973, in the immediate aftermath of the oil boom, the number of expatriates was only 770,000, this number jumped to 11 million by 2016, an increase of more than 1,100% (General Authority for Statistics, 2017). But, at the same time, the number of Saudi nationals increased by more than 223% (SAMA, 2017). Such a large-scale increase in expatriate numbers was because the Kingdom needed people with particular expertise and technical knowledge to develop its nascent oil industry and that could only be found in expatriates (Kamal, Al-Harbi, 1997). Riaz and Ishaq (2016) argued that the reason why the expatriates were favoured over the Saudis was that the latter lacked the necessary skills to execute some of the technical and

non-technical job assignments. That left little chance for Saudis to compete favourably in the labour market.

As the largest exporter of crude oil, Saudi Arabia plays a significant role. The focus placed on how Saudi Arabia's government's non-oil income receipts affect overall GDP growth is not comparable to other G-20 members (Pawar & Babaker, 2020). The oil sector share was around 39.4% in 2009 (Pawar & Babaker, 2020). By 2017, the GDP was made up of 71.4 percent of non-oil sectors and 27.5 percent from the oil industry. A total of 67.4% of the non-oil component's funding came from private sources, while 32.5% came from public sector contributions (Pawar & Babaker, 2020). Some 62.5% of the total labour force (comprising Saudis and expatriates) are recruited into the wholesale-retail and construction industries (Meteb, 2017). A report by the Ministry of Labour and Social Development (2017) suggested that the wholesale-retail and construction industries hire a significant number of expatriates. This shows that despite the efforts of the government to induce the private sector to recruit more Saudis including introducing the ministerial decree in 1995, efforts have been ineffective and have had little impact on the wholesale-retail and construction industries.

There is a growing level of local unemployment in most Middle Eastern countries, including Saudi Arabia, owing to the influx of skilled expatriates. While the public sector is largely reserved for the locals, it is unable to accommodate the increasing number of applicants. Most Saudis have to compete with expatriates for jobs in the private sector and there is a growing concern that expatriates are given preference over the Saudis because of their skills. Thus, the Saudi government like many others in the GCC has introduced the concept of workforce localisation, known as Saudisation or *Nitaqat* to provide jobs for locals in the private sector. However, although the Saudi government has implemented this policy, it is ineffective. The purpose of this study is to examine the factors that affect the employment of Saudis in these industries.

1.2 Motivation and research questions

The call by GCC nations and, in particular, the Saudi government on the private sector to employ Saudis and reduce the number of expatriates has not been heeded. There remains a high number of expatriates (93.7% in the construction industry and 85% in the wholesale/retail industries) still working in the private sector (Ministry of Labour and Social Development, 2017).

The Vision 2030 agenda shows which industries are to be promoted more in the future. According to a McKinsey analysis report, there were eight industries shortlisted that could provide at least 60% of Saudi economic development, if properly utilised. These include mining and metals, petrochemicals, manufacturing, retail and wholesale, tourism and hospitality, healthcare, finance and the construction industry (Khashan, 2017:2). This study focused on the retail and construction industries.

Every supply chain industry includes the wholesale and retail businesses and industries which are critical to global economic development and development of the economic condition of a country. According to Business Research Company (2021), the wholesale and retail market is expected to rise to almost \$81.91 trillion by 2023. The retail and wholesale market comprises of companies that sell wholesale and retail services and commodities. Retailers can be independent organisations which buy from wholesale companies or directly from producers, but they hold a substantial amount of market share in the Saudi Arabia. According to Statista Research (2021), the GDP for 2021 was anticipated to be around SR2.62 trillion and the gross domestic product (GDP) generated by the wholesale and retail trade, restaurants and hotels in Saudi Arabia were expected to be SR284.58 billion. Due to its major contribution, this sector has been taken up by the researcher. Similarly, the construction sector is important for the economy of the country. The construction industry is an essential industry that contributes significantly to the economic growth of Saudi Arabia. After declining by 0.4% in 2020, Saudi Arabia's construction industry was expected to recover by 2.9% in 2021. The industry is expected to recover at a rate of 4%, from 2022 to 2025, therefore, this industry has been focussed on by the researcher (Business wire, 2021).

Azhar et al. (2016) showed that workforce localisation has succeeded in the public sector, but not in the private sector. To encourage the private sector to hire more Saudis, the Saudi government introduced a quota system where private firms have to recruit about 30% Saudis; however, specific industries have different targets (Said and Al-Buraey, 2009). To encourage the policy, fees are levied on the employment of expatriates and complex bureaucratic procedures are introduced (Said and Al-Buraey, 2009; Azhar et al., 2016). Although stringent measures are in place, the level of Saudi employment has not improved as intended. Therefore, it is important to examine the factors that affect the level of Saudi employment in the wholesale-retail and construction industries.

Despite the importance of workforce localisation in Saudi Arabia and other GCC states, the subject has not been extensively studied, in particular examining the factors that can affect the employment of Saudis in the private sector. In Oman, Ali et al. (2017) analysed the factors impeding Omanisation in the banking, automotive and tourism sectors while Forstenlechner et al. (2012) examined the recruitment decisions of employers in the private sector in Emiratisation in the UAE. For Saudi Arabia, few studies have examined the localisation of the workforce (see, for example, Mahdi and Barrientos, 2003; 4aid and Al-Buraey, 2009; Abouraia, 2014; Riaz and Ishaq, 2016; Azhar et al., 2016). Although there is much research on Saudisation, none of these studies has examined the factors that can affect the employment of Saudis and none are underpinned by any relevant theory.

This study seeks to fill this gap in the literature by analysing the factors that can affect Saudi employment in the private sector, drawing samples from the wholesale-retail and construction industries. This is important because 62.5% of the total labour force (comprising Saudis and expatriates) are recruited into the wholesale retail and construction industries (Meteb, 2017). Also, a total of 67.4% of the non-oil component's funding came from private sources, while 32.5% came from public sector contributions (Pawar & Babaker, 2020). It poses the following research questions:

1. What factors affect the employment of Saudis in the wholesale-retail and construction industries?
2. To what extent do these factors differ across the wholesale-retail and construction industries?
3. Are there any statistical differences in the responses of the study sample towards the factors affecting the employment of Saudis in the wholesale-retail and construction industries according to gender, work experience, training or education level)?
4. Why is the Saudisation policy still ineffective in the wholesale-retail and construction industries from owners and managers views?

1.3 Contributions of the study

This study contributes to the literature and practice in two ways. Firstly, it provides a theoretical work for examining the factors that affect the employment of Saudis. It provides new evidence on the factors that affect the employment of Saudis in the wholesale-retail and construction industries. By so doing, it extends prior studies that have examined workforce localisation such as Mahdi and Barrientos (2003), Sadi and Al-Buraey (2009), Forstenlechner et al. (2012), Abouraia (2014), Riaz and Ishaq, (2016), Azhar et al. (2016) and Ali et al. (2017). This study is similar to those of Forstenlechner et al. (2012) and Ali et al. (2017) which examine the factors

that affect localisation. However, this study is different because apart from being conducted in a different country with different institutional, economic and governance structures, it includes wholesale-retail and construction industries in its analysis. The reason for choosing wholesale-retail and construction industries is that both sectors have the potential to contribute to the economic growth of Saudi Arabia. As Rahman (2020) asserts, Saudi residents working in the wholesale and retail sectors, which are significant parts of the country's local economy, may be a crucial step in the country's long-term economic growth. 62.5% of the total labour force (comprising Saudis and expatriates) are recruited into the wholesale retail and construction industries (Meteb, 2017). Also, 67.4% of the non-oil component's funding came from private sources, while 32.5% came from public sector contributions (Pawar & Babaker, 2020).

Vision 2030 is like a road map for the economic development for the Saudi Arabia. Increasing economic activity in both the production and delivery of products and services is the consequence of economic diversification. The development of economic sustainability through the diversification of the economic base, instead of an increase in production, is what this really means for the Saudi Arabia (Euchi, Omri & Al-Tit, 2018). Therefore, from the standpoint of environmental sustainability, economic diversification seeks to make the long-term economic stability by improving the economy's capacity to adapt to and deal with the depletion of essential natural resources and economic volatility, specifically in the context of the rising the rivalry that globalisation has created.

It is also the first study to introduce the notion of power distance and social status as cultural factors influencing the hiring of Saudi nationals.

Secondly, on the practical contribution, the findings of this study will help the government of Saudi Arabia to introduce pragmatic steps to increase Saudi employment in the private sector, especially at a time when all strategies appear to be failing and the number of expatriates is increasing. It will help policymakers determine how Saudisation or related programmes can be used more effectively in the wholesale-retail and construction industries to reduce the unemployment rate among Saudi nationals given that those industries contribute significantly to the GDP of the country.

1.4 **Research methodology**

In this study, a mixed-methods design was employed because it allows for the use of both quantitative and qualitative data. According to Creswell and Clark (2011), the mixed-methods approach focuses on collecting, analysing and combining quantitative and qualitative data in a

single study or series of studies. Combining quantitative and qualitative methods in one study can help a researcher to better understand and address a problem in a much more comprehensive manner, benefiting from data triangulation (Creswell, 2013).

This study takes key independent variables (work commitment, work condition, organisational commitment, wages and benefits, power distance and social status) and Saudi employment as a dependent variable measured based on Saudi workers' views in the wholesale-retail and construction industries in the Saudi private sector. It uses mixed data collection and analysis (questionnaire and semi-structured interview).

1.5 Thesis structure

The study was divided into eight chapters, as illustrated in Figure 1.1.

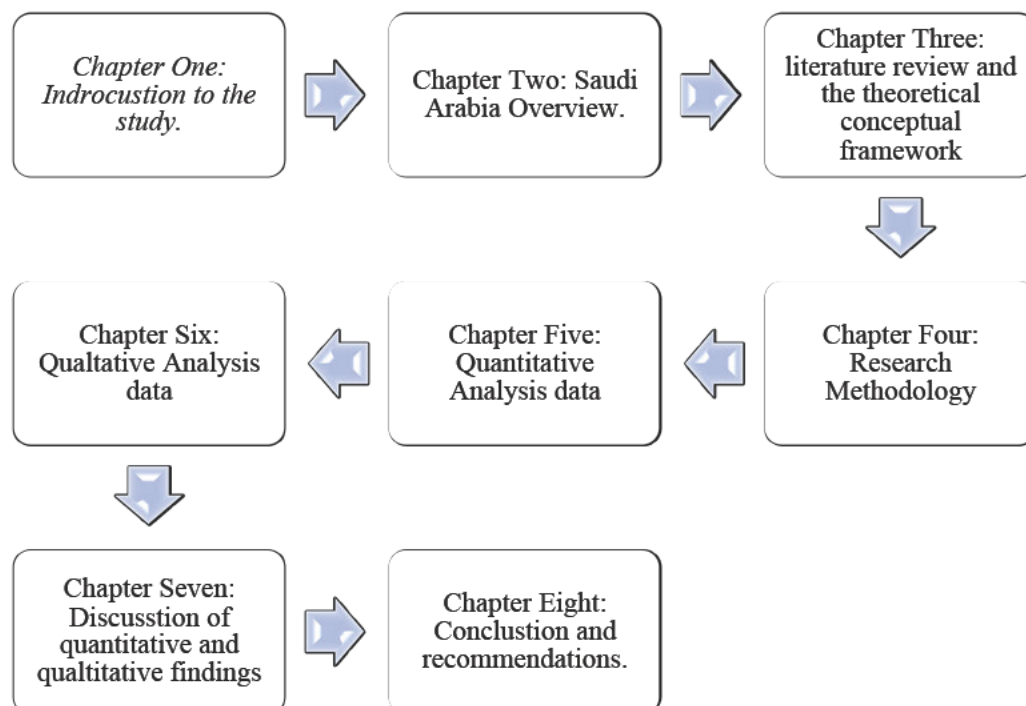


Figure 1 The study was divided into eight chapters

Sources: Researcher's design.

After this brief introductory chapter, **Chapter two** provides an overview of Saudi Arabia with insights into the country's political, legal, economic and labour background. It explores the importance of oil in the economy of Saudi Arabia and offers a detailed discussion of the Saudi

labour market, its characteristics and its significant players in both private and public sectors and especially the wholesale-retail and construction industries and their potential employment difference. It highlights unemployment issues, including government intervention programmes and the need to improve their effectiveness.

Chapter three reviews the relevant academic journals and professional literature on the localisation of employment. It begins with the labour market and unemployment globally, which is then followed by the theoretical and conceptual framework and draws on theories that can be used to explain the recruitment process in the labour market – what the employers are interested in when recruiting. Human capital, social capital and organisational capital theories are discussed. Finally, the hypotheses of the study are developed, drawing on prior research and the gap in the literature is addressed.

Chapter Four focuses on the methodology and methods applied in this study. It discusses the research paradigm, research methods and research design. It shows how the key independent and determinant variables and Saudi employment as a dependent variable were measured drawing on the Saudi workers' views.

Chapter Five presents the findings of the survey and **Chapter Six** the execution and results of the semi-structured interviews. The interview participants were the six owners or managers from construction companies and six owners from the wholesale-retail companies.

Chapter Seven draws together the findings from the questionnaires and interviews and analyses and policy implication data using a combination of statistical and thematic analysis. It also discusses the problems that this study attempts to address.

Finally, **Chapter eight** presents the conclusions and recommendations. It provides some suggestions for future research and discusses the limitations of the study.

Chapter 2. Overview of Saudi Arabia

2.1 Introduction.

This chapter provides an overview of Saudi Arabia and the country's political, legal, economic and labour background. After providing an overview of Saudi Arabia in Section 2.2, Section 2.3 sheds light on the importance of oil in the economy of Saudi Arabia. Section 2.4 offers a detailed discussion of the Saudi labour market, its characteristics and the major players in the market, both private and public sectors, and especially the wholesale-retail and construction industries. Section 2.5 discusses unemployment issues including government intervention programmes and the need to improve their effectiveness. Finally, Section 2.6 concludes the chapter.

2.2 The profile of Saudi Arabia

The Kingdom of Saudi Arabia (KSA) is located in western Asia on the Arabian Peninsula. It was founded in 1932 by King Abdulaziz and has been ruled by his male descendants ever since. The monarchy system in Saudi Arabia is centralised, which gives the King wide-reaching authority, including the management of internal and external affairs. All key positions including internal affairs, foreign affairs and defence are limited to the male members of the royal family. The country is the second-largest Arab State and the fifth-largest state in Asia. As Figure 2.1 shows, the country shares borders with Kuwait, Jordan, Qatar, the United Arab Emirates, Oman, Yemen and Iraq. The policies of the Kingdom are developed by the Majlis Ash-Shura, or National Consultative Council, which was established in 1921 (Vogel, 2000). Having gone through several stages of reform, the Council was last revised by King Fahad in 2001 and is considered the second-highest authority in the country. It consists of 150 male members and a speaker and is intended to represent public interests (Ministry of Foreign Affairs, 2013). While the members of the Council previously had only advisory powers on issues of public interest, these powers have now increased to include initiating proposals for new legislation and reviewing the foreign and domestic policies of the state (Majlis Ash-Shura, 2013).



Figure 2. The Map of Saudi Arabia

Sources: www.worldatlas.com/webimage/countrys/asia/sa.htm

The Kingdom's population is now more than 33.4 million, up from 22 million in 2004 (Central Department of Information and Statistics, 2018). Of this figure, Saudis comprise 68% and non-Saudis the remaining 32% (see Table 2.1). The Saudi population is characterised as young and fast-growing, with more than half of the population under 44 years. The number of non-Saudis has increased from 6.12 million in 2004 to over 12.65 million in 2018 (Ministry of Labour and Social Development). Therefore, non-Saudis are likely to compete with Saudis for the available jobs, making it difficult for the latter to get recruited.

Table 1. Saudi population (Saudi and Non-Saudi)

YEAR	SAUDI			NON-SAUDI			TOTAL		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
2004	8,245,575	8,198,412	16,443,987	4,248,335	1,871,564	6,119,899	12,493,910	10,069,976	22,563,886
2005	8,453,097	8,401,060	16,854,157	4,506,528	1,968,899	6,475,427	12,959,625	10,369,959	23,329,584
2006	8,663,597	8,606,584	17,270,181	4,780,413	2,071,296	6,851,709	13,444,010	10,677,880	24,121,890
2007	8,876,666	8,814,670	17,691,336	5,070,944	2,179,018	7,249,962	13,947,610	10,993,688	24,941,298
2008	9,091,249	9,024,301	18,115,550	5,379,132	2,292,343	7,671,475	14,470,381	11,316,644	25,787,025
2009	9,307,550	9,235,696	18,543,246	5,706,050	2,411,561	8,117,611	15,013,600	11,647,257	26,660,857
2010	9,525,178	9,448,437	18,973,615	6,052,837	2,536,980	8,589,817	15,578,015	11,985,417	27,563,432
2011	9,743,626	9,662,059	19,405,685	6,297,735	2,672,935	8,970,670	16,041,361	12,334,994	28,376,355
2012	9,962,397	9,876,051	19,838,448	6,581,439	2,776,008	9,357,447	16,543,836	12,652,059	29,195,895
2013	10,181,018	10,090,040	20,271,058	6,643,278	3,079,936	9,723,214	16,824,296	13,169,976	29,994,272
2014	10,398,993	10,303,543	20,702,536	6,867,332	3,200,507	10,067,839	17,266,325	13,504,050	30,770,375
2017	10,404,282	10,223,075	20,427,357	8,341,564	3,843,720	12,185,284	18,745,846	13,866,795	32,612,641
2018	10,575,895	10,192,732	20,768,627	8,665,061	3,979,972	12,645,033	19,240,956	14,172,704	33,413,660

Source: Central Department for Statistics and Information, 2019.

Saudi Arabia, like other countries in the world, has paid particular attention to the development of its judicial system. The country's judicial system is based purely on Shari'a law. The Shari'a system has three main divisions: the Supreme Judicial Council (SJC), the Courts of Cassation (CC) and the Courts of First Instance (CFI). The SJC is the highest judicial authority and has eleven members, who are appointed directly by the monarch. They are led by the Minister of Justice. The Council also acts as a supervisory body to the lower courts, providing legal opinions and advice and reviewing sensitive sentences involving stoning, amputation and the death penalty (Vogel, 2000). The CC is also known as the Court of Appeal. It consists of three main departments: criminal law, personal affairs and a third department responsible for all other cases (Al-Rasheed, 2010). The CFI is the trial court, which is made up of two divisions: the summary courts, which deal with minor civil and criminal cases and the general courts which are charged with all other cases. Any appeals to a higher authority are directed to the Court of Cassation (Vogel, 2002). Below is the table 2 showing the sector wise division of the GDP of Saudi Arabia.

Table 2. Saudi Arabia Sector wise GDP

Indicator	Value	Unit	Date
GDP	833.54	USD Billion	Dec 2021
GDP per capita	19018.49	USD	Dec 2021
GDP from Utilities	3329	SAR Million	Mar 2022
GDP from Transport	40536	SAR Million	Mar 2022

GDP from Mining	255407	SAR Million	Mar 2022
GDP from Manufacturing	84906	SAR Million	Mar 2022
GDP from Construction	29367	SAR Million	Mar 2022
GDP from Agriculture	17131	SAR Million	Mar 2022
GDP growth non-oil sector	3.7	Percent	Mar 2022
GDP growth oil sector	20.4	Percent	Mar 2022

(Source: tradingeconomics.com)

2.3 Oil and the Saudi economy

Before 1937, Saudi Arabia was a poor country and mainly relied on agriculture. The country discovered oil in commercial quantities in 1937 and has since become the world's largest producer and exporter of oil. The discovery of oil has brought about gradual changes to the socio-economic life of the people and has bolstered the political position of the country in the Middle East (Falgi, 2009). Petroleum exports are the main source of national income and constitute roughly 95% of the total national income and 43% of real GDP (Falgi, 2009; Country Studies, 2012). Saudi Arabia holds approximately one-quarter of the world's proven petroleum reserves and will continue to be the largest producer of petroleum in the world. According to the Ministry of Petroleum and Mineral Resources (2003), the country has huge reserves estimated at 260 billion barrels and is capable of producing petroleum for over 100 years. Whilst this is likely to offer Saudi Arabia significant economic and political power on the global stage, there is also a concern that, with the country drawing up to 73% of its revenue from the oil industry, it is somewhat over-dependent on the sector (Country Studies, 2012), which is risky in terms of economic development.

Largest Producers of Petroleum and Other Liquids, 2019 (barrels per day)

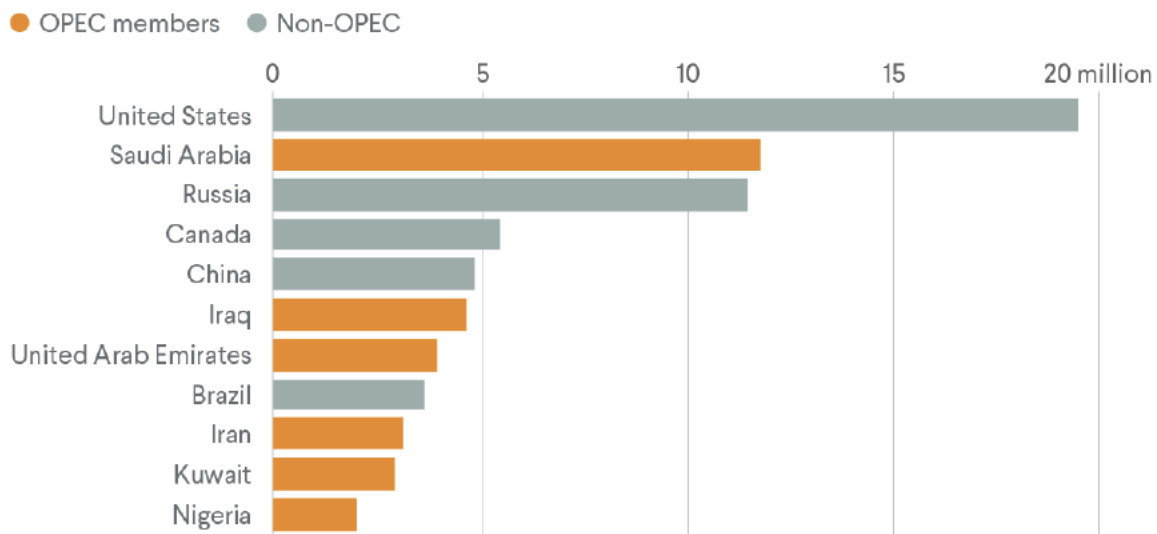


Figure 3. List of Top 10 Oil Producing Countries in the World, 2018

Source: Organisation of the Petroleum Exporting Countries (OPEC 2019)

The government has therefore come up with five-year development plans to modernise the country's economy whilst maintaining its religious values and norms. As a result, there has been a rapid improvement in infrastructure and human resources, leading to the rapid economic development of the country (Fakeeh, 2009). As it is known that the Saudi Arabia's economy is dominated by oil, and the country is attempting to diversify its economy, to reduce its reliance on oil. Oil-rich countries have distinct characteristics compared to industrialised countries, and their resources are heavily regulated by the state (Haque, 2020; 2). For example, the country has seen significant growth in non-oil activities in the private sector, including the development of the banking sector. In 2002, the country maintained its GDP growth of about 2.8%, increasing to \$186.24 billion (CDSI, 2009). The report presented by country's central bank, SAMA, categorises GDP data into three categories: oil sector, non-oil private sector, and non-oil government sector. Between 1985 and 2018, the oil sector's contribution in the total GDP declined from 46.02% to 43.84%, while the non-oil government sector's contribution decreased from 21.72% to 19.96%, while the private sector's contribution increased from 32.25% to 39.54% (Haque, 2020; p. 2).

Even, after the tough year of 2020, hit by the pandemic, the Saudi economy improved in 2021, as vaccination campaigns rolled out throughout the Kingdom and all around the world, again boosting the Kingdom's important oil exports (Sabbah, 2021). In 2021, certain economic indicators even outperformed the pre-pandemic levels. Saudi national unemployment rates declined to 11.3% in the second quarter of 2021, which is due to the continued government

initiatives, to boost private sector employment, in the country. Therefore, it can be said that in pandemic era, also Saudi unemployment rates, got better, which were recorded to be standing at a rate of 13.7%, in 2020 (Sabbah, 2021).

The non-oil sector had also recorded a GDP growth of about 3.1%, increasing to \$116.44 billion (Ministry of Planning, 2013). Similarly, Saudi Central Bank 47th Annual Report (2011) shows that, while Saudi Arabia's GDP grew by 7.1% (\$381.29 billion) in 2011, the country experienced a GDP growth of 4.5% in the non-oil sector translating to \$224.08 billion.

Although the Saudi economy has seen a significant improvement in recent years, it is likely to be adversely affected by its increased dependence on oil.

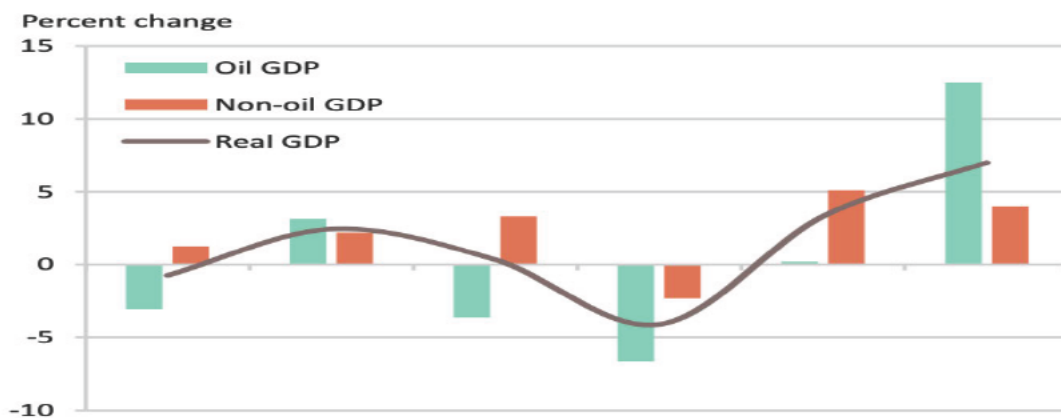


Figure 4. Annual real GDP growth of Saudi Arabia.

Source: GASTAT Saudi Arabia and World Bank Staff estimates

The gross domestic product (GDP) measures the national income and progress of a given country's economy, like in this case Saudi Arab. According to the figure presented by (World Bank, 2020), the GDP rate has been fluctuating between the years of 1969 to 2020.

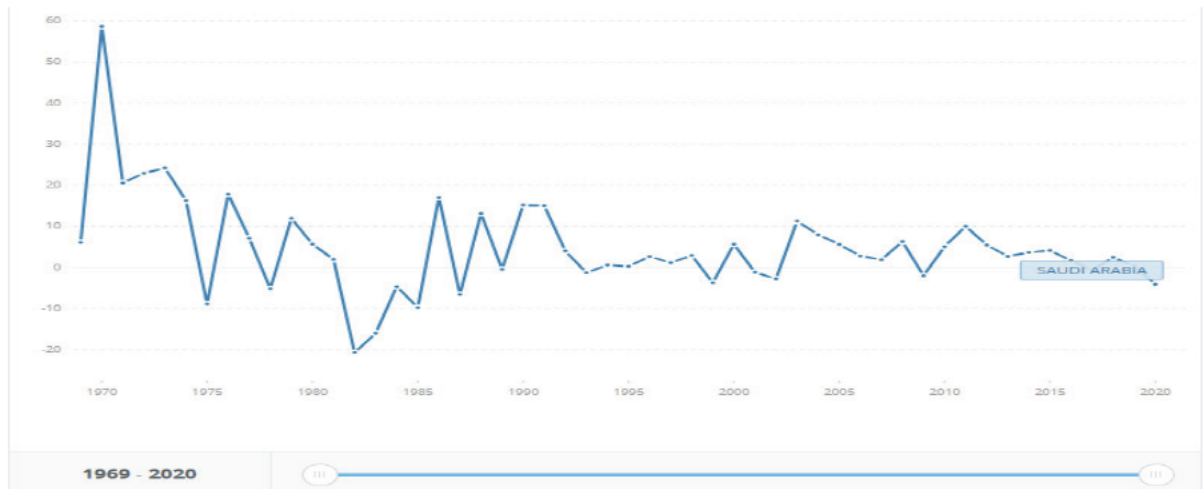


Figure 5. gross domestic product (GDP)

(Source: World Bank, 2020)

Furthermore, country's GDP and reliance on its resources determine its growth and development. According to (Esmail, 2018:1), due to the emergence of challenges, risks, and lower oil prices, budget deficit and increased government spending, Saudi Arabia is one of the fastest-developed countries, still has been seen struggling with a weak economy (Esmail, 2018:1). Therefore, the Saudi governments has initiated the 2030 Vision, where the country intends to diversify its revenue streams and to diversify from their oil sector (Esmail, 2018:1), where its progress can be seen by the figure below:

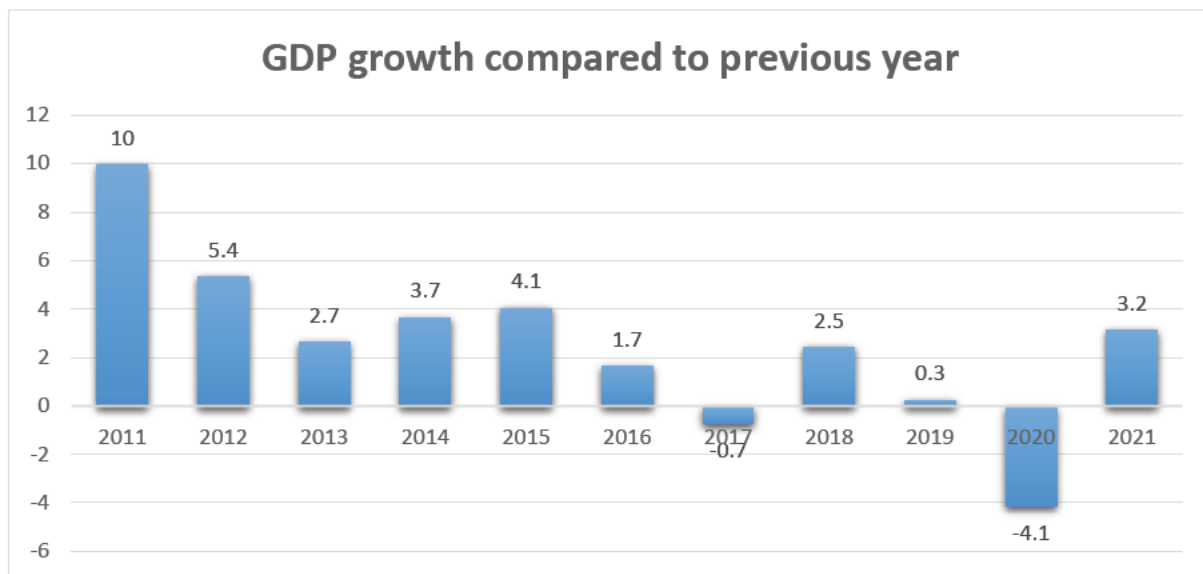


Figure 6. The growth of real gross domestic product (GDP)

(Source: Neill, 2021)

Neill (2021) presented that the growth of real gross domestic product (GDP) of Saudi Arabia from year 2011 to 2021, where a fluctuating trend can be seen in the GDP growth of Saudi

Arab. Figure 6 shows that the 2011 was a quite good year in last 10 years. If compared the 2021 with the 2020 year than it also shows some improvement in the growth as compared to year 2020 in terms of growth of GDP.

The value of oil exports rose in all the quarters, in a row, in 2021, reaching its highest level, since the fourth quarter of 2019. However, oil exports in the kingdom, were recorded to be lower than that, recorded in 2019 (Sabbah, 2021). On rising oil production output, Saudi industrial production increased by 10.3% per year. This expansion is still lower than that of previous year, i.e., 11.9%., in 2021. For the eighth month in a row, industrial production has been recoded to be rising, continuously (Sabbah, 2022).

Therefore, the country is in the process of transforming itself on both the social and economic fronts. The success of this transformation agenda is largely dependent on how well the local population is brought into the workforce. This is important because local workforce participation in the labour market is crucial in building a healthy economy. Though the public sector offers the majority of employment opportunities to Saudi nationals, the sector is now full, so plans are aimed at: (1) developing the private sector to attract Saudis; and (2) developing the capacity of Saudis to make them suitable and competitive in the private sector (Jeddah Chamber, 2016).

2.4 The Saudi labour markets

Saudi Arabia had no functioning labour market before the oil boom due to the nomadic lifestyle of the people at the time (Al-Shammari, 2009). Most of the people were involved in either self-employment or traditional types of employment because there was no functioning central government, no working class, no complex division of labour and no large economic establishments (Ramady, 2010). The country's physical environment imposed economic and social patterns on the majority of the population (Al-Rasheed, 2010). However, in the early periods of planned development in the 1970s and 1980s, the labour market began to show some structural imbalances. This was due to several factors, but mainly because of the relaxation of labour market laws which led to a lack of restriction on the inflow of foreign labour, thus encouraging individuals and companies to bring in people easily, flooding the labour market with cheap and unskilled labour (Al-Khouli, 2007).

To cope with the fast transformation of the economy, especially the labour force, the government established two organisations: the Ministry of Labour (ML) and the Ministry of Civil Service (MCS). The ML was in charge of labour relations, employment issues in the

private sector, the settlement of labour disputes and the general monitoring of all employment affairs in the private sector (Al- Rasheed, 2010). The MCS was involved in workforce issues in the government sector, with a special mandate to supervise and regulate manpower needs in the public sector. It also focuses on the improvement of the civil service and the efficiency of workers by developing rules and procedures for the classifications of employment (Bowen, 2014). The government also introduced the Human Resource Development Fund (HRDF), which was very beneficial in rebalancing human resources in the Kingdom. The HRDF was to be used to train and prepare Saudis for the labour market and subsidise projects to promote the nationalisation of the workforce (HRDF, 2010). Saudi Arabia labour participation rate is presented below in figure 7:



Figure 7. The Saudi Arabia Labor Force Participation Rate.

(Source: tradingeconomics.com (Central department of statistics and information))

In the figure 7, the Saudi Arabia Labor Force participation rate is shown semiannually since July 2019 to Jan 2022. The above figure 7 shows the increasing trend since July 2019. In July 2019, the labor force participation rate was 57.9% while it increases to 61.5% in the Jan 2022 and this is a good sign that more and more people are participating in the work force with the passage of time.

2.4.1 Characteristics of the Saudi labour market

The Saudi Arabian labour market has long experienced a variety of structural distortions including high dependence on foreign labour, a severe gender gap in the supply of labour, large wage inequalities between Saudis and non-Saudis and high unemployment of Saudis, particularly the youth (ILO, 2011). Saudi Arabia and the neighbouring GCC countries have the highest proportion of expatriates in the world (Abouraia, 2014). Their reliance on expatriates

began in the 1970s when oil was discovered and has continued to this day (Abouraia, 2014). The major common characteristic of all GCC countries is the extreme segmentation between the private and public sectors in terms of issues such as low national workforce participation in the private sector, the sponsorship system (Kafalah) and rising unemployment among citizens (Baldwin-Edwards, 2011, Hertog, 2012; IMF, 2013; Fakeih, 2013; Alhamad, Al-Waqfi and Forstenlechner, 2010).

2.4.2 Saudi private sector

The private sector in Saudi Arabia shares similar characteristics with other emerging economies; for example, the role of government as an investor. Notwithstanding the privatisation efforts that the government has embarked on in recent years, it still owns about 50% shares of both the Saudi Telecommunication Company (STC) and the Saudi Electricity Company (Alsarhani, 2010; Kayed and Hassan, 2011). There is also a large percentage of family-owned businesses, for example, the giant banking group Al-rajhi (Fakeeh, 2009). These businesses are not the favourite of Saudi job seekers and are often left for non-Saudis (see Figure 2.3). This is despite the enormous efforts made by the government to encourage private sector jobs and to inspire Saudis to seek employment in that sector. Sadi (2013) argues that low wages are the main reason for the unattractiveness of the private sector jobs to Saudis and Al-Asfour and Khan (2013) posit that the public sector wages are greater than average wages in the private sector (Al-Asfour and Khan, 2013). Poor working conditions are an additional factor discouraging citizens from working in the private sector (Peck, 2014).

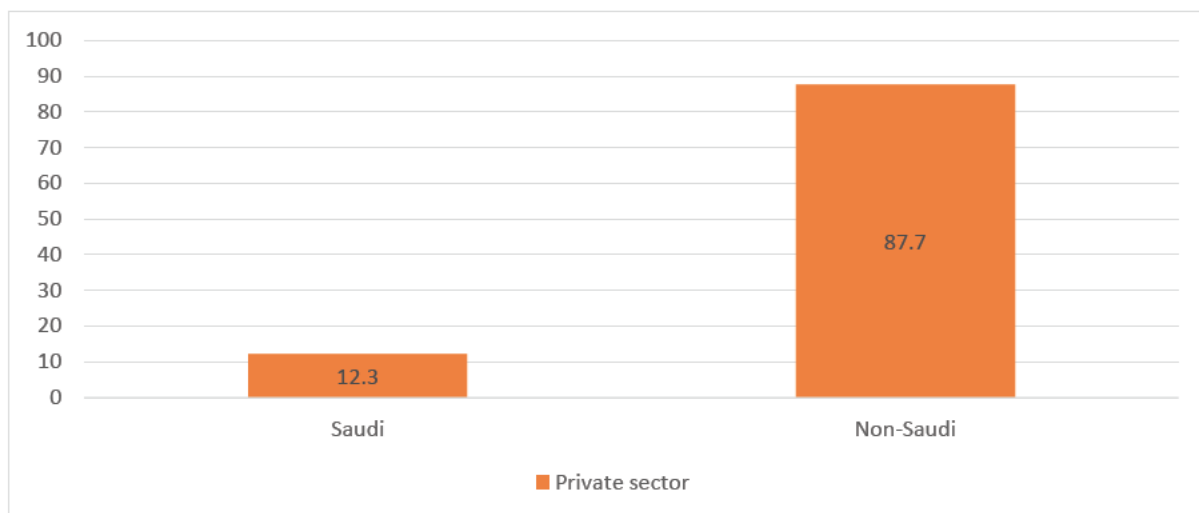


Figure 8. Saudi Private Sector workforce, by nationality

Source: Ministry of Labour Report, 2016.

2.4.3 Saudi public sector

The public sector seems to be more stable and lucrative for the locals (Alsarhani, 2005). This explains why the government is finding it difficult to shift citizens to the private sector (Al-Dehailan, 2007). Public sector employment is secure and well-paid (see Figure 2.4). This is because the wages in the public sector are set by the government and are usually subject to more political interference than they are to the market dynamics (Harry, 2007a). Revenue from oil plays an important role in determining the availability of jobs and the level of wages in the sector (Hertog, 2012). The greater the oil revenues the greater the number of jobs that are created in the public sector. Therefore, rather than seeking jobs in the private sector, most locals prefer to wait for their turn to be employed in the public sector (Al-Dosary, Rahman and Aina, 2006). This thwarts the government's efforts to shift labour to the private sector, especially to the wholesale-retail and construction industries.

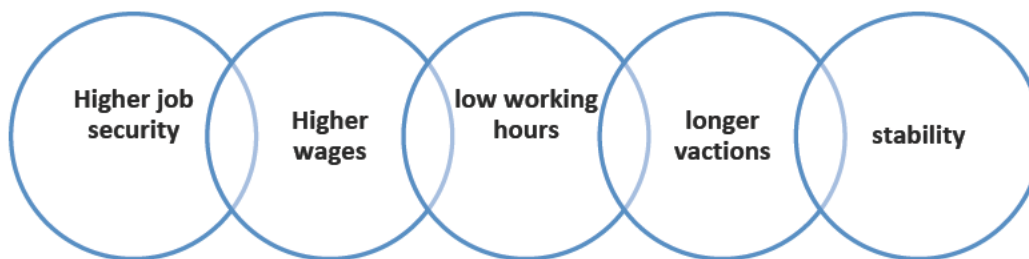


Figure 9. Public sector features

Source: (Fakeeh, 2009; Wilson 2012; Ramady, 2010; Shediak, 2010)

2.5 Employment in the public and private sectors in Saudi Arabia

The Saudi labour market is significantly controlled by the private sector which is dominated by expatriates. Statistics from the Ministry of Labour (2016) show that 1.5 million expatriates enter the Saudi labour market annually, but the market needs to accommodate around 330,000 Saudi workers annually (Fakieh, 2013). Al-Gabbani (2009) notes that Saudi Arabia is one of the most attractive places for foreign workers. It is the fifth among the world's top ten countries with a large foreign population and expatriates account for 87.7% of the Saudi private sector, while Saudis account for 12.3% (Al-Gabbani, 2009; Ministry of Labour Report, 2016). This small percentage of Saudis (12.3%) recruited into the private sector is because, not only do Saudis lack the required education and training, they also demand high wages (Hertog, 2012; IMF, 2013; Fakeih, 2013; Alhamad, 2014; Farhan, Brevetti, and Laditan, 2016). Others have

blamed it on poor government planning and implementation and the educational system (Al-Shammari, 2009; Fakeeh, 2009).

Because of its more generous pay and benefits and shorter working hours, Saudis are inclined towards jobs in the public sector (Farhan, Brevetti, and Laditan, 2016). The local workforce also seems to be more stable in the public sector than the private sector (Alsarhani, 2005). Wilson (2012) and Alfawaz, Hilal and Alghanam (2014) argue that the local workforce prefers to be employed in the public sector than the private sector because they are secure and well-paid. In 2014, 93.4% of the Saudi public sector employees were Saudi citizens (Jadwa Investments, 2015). Moreover, according to General Authority for Statistics (GASTAT, 2022), the average wages of Saudis (males and females) who work in public sector is 7.339 SAR and who work in private sector is 4.750 SAR.

2.6 Importance of the construction, wholesale and retail industries in the Saudi private sector

The Saudi labour market is significantly controlled by the private sector. About 62.5% of the total labour force (comprising Saudis and expatriates) are recruited into the wholesale-retail and construction industries (Meteb, 2017). Recent statistics show that the construction industry is made up of 93.7% expatriates while the wholesale-retail sector is over 85% (Ministry of Labour and Development, 2017). These statistics show that government efforts to increase the proportion of local employees have been ineffective and had little impact in the wholesale-retail and construction industries.

According to the Ministry of Labour and Development (2016), half of the foreign workers working in the Saudi private sector are in the service areas of the wholesale-retail and construction sectors. Over 50% of all visas issued to foreign workers in 2015 were issued to workers in the construction industry (Arabian Industry, 2015). While the employment of Saudi workers slightly increased in the private sector, employment in the construction and wholesale-retail industries was less than in other industries. By 2016, 93.7% of the construction sectors employees were made up of foreign workers. In the wholesale-retail industry, more than 85% were foreign workers (Ministry of Labour and Development, 2016).

Rice (2004) argues that Saudi Arabia's increased birth rate has led to a higher demand for accommodation. The construction and building sectors significantly affect the Saudi economy (Opoku and Abdul-Muhmin, 2010). According to Euromonitor (2013), the population of Saudi Arabia has been increasing since the 1980s, from 16 million to 22 million in 2002 and is

expected to reach 34 million by 2030. The economic growth caused by rising oil prices, economic diversification and the demand for suitable homes has led to an increase in the demand for foreign workers in the construction sector (Oxford Business Group, 2008). The construction industry plays a significant role in the economic development, culture and welfare of any society. It is essential because people in this industry build schools, hospitals, offices and other infrastructure (Wheatley, 2006). The Saudi construction sector is considered the largest and fastest-growing sector in the country (Arab News, 2011).

Prior to Covid 19, Saudi Arabia had one of the largest infrastructure and construction industry in the Gulf Cooperation Council (GCC), with more than \$825 billion in planned and unawarded projects. The value of contracts awarded increased from \$11.2 billion in 2016 to \$14.6 billion by 2018 (Hadidi, 2020). However, due to the global instability caused by the recent pandemic and major shifts in the oil prices, it is forecast that the construction industry growth might decrease from 4.6% to 2.9% by 2023 (Hadidi, 2020). In 2019, the construction industry in Saudi Arabia accounted for almost 5.5% of the country's GDP.

In 2018, the retail and wholesale industry recovered substantially. Global oil prices rose that year, allowing the oil-dependent country's economy to recover. Other industries besides oil continued to grow owing to the government's policies of diversifying the economy and promoting the success of the private sector. Saudi Arabia's improved economic conditions resulted in greater income, allowing customers to spend more on retail purchases during the year of 2018.

According to Rahman (2020), the wholesale and retail sectors are important components of the country's local economy and with employing Saudi nationals as the workforce in these sectors, can be an essential step toward Saudi Arabia's long-term economic development. Roomi, Kelley and Coduras (2021) found that a government project or initiative will play a critical role in assisting male and female entrepreneurs, which will encourage and promote business growth and introduce investment opportunities which will help Saudis seek better opportunities. Saudi Arabia is also making efforts to promote entrepreneurship projects and startups and assist and provided higher pay for Saudi nationals to make them find private-sector jobs. The, government is making continuous efforts stimulate non-oil private sector growth (Roomi, Kelley & Coduras, 2021). Therefore, the Kingdom has also announced 'instant' work visas to foreigners and entrepreneurs to establish new enterprises and infrastructure in the Kingdom (Rahman, 2020).

2.7 Unemployment in Saudi Arabia

Over the past decade, Saudi labour market performance has been overshadowed by a surge in long-term unemployment (Fakeeh, 2009). The International Labour Organisation (ILO, 2010) report that the Middle East and North Africa (MENA) have the highest rates of unemployment worldwide, at 9.3% in 2010, particularly among the youth (almost 40%) and women; for example, Egypt has over 60% female youth unemployment). Surprisingly, it is even higher among the more educated, with over 30% of graduates being unemployed. What is worrying is that unemployment among the most educated women is greater than 60% in some MENA countries such as Jordan and Egypt (World Bank, 2010). This is no different from Saudi Arabia where the female unemployment rate was about 34% in 2013 (CDSI, 2014).

Saudi Arabia's overall unemployment rate is pretty high, and it is especially high for women, young people, and educated people. The initial expenditures to businesses of investing in distinct physical spaces and unique hiring procedures for female employees are one of the reasons behind this. The unemployment rate for locals and non-locals was 5.7% during 2015, which was far lower than the international average and considered healthy (Jeddah Chamber, 2016). Yet, the unemployment rate for Saudis stood at 12.8% in 2017 owing to the inadequate job opportunities in the public sector (Ministry of Labour Report, 2018). The high unemployment rate has been discussed extensively and largely attributed to the unattractiveness of private sector jobs for locals (Al-Dosary et al., 2006). Others have also blamed it on the mismatch of skills (Al-Shammari, 2009; Calvert and Al-Shetaiwi, 2002; Gause, 2014).

In addition to introducing the Saudisation programme, the Hafiz programme, meaning 'promotion', has been launched. This is similar to unemployment benefit schemes in other developed countries (Ministry of Labour, 2012). The Hafiz programme gives SAR2,000 (\$533) for the maximum period of a year to any citizen who is out of work and meets certain requirements (MOL, 2012). A beneficiary, for example, must be between 20 and 35 years, not a student or an employee and must check and sign onto the programme website at least once a week to seek available jobs or training (MOL, 2012). Since its introduction, more than a million Saudis have benefitted from it (Arab News, 2012). Most of the people who have registered are women (85%); this presents new concerns to decision-makers who are demanding urgent solutions for the employment of women in the labour market. Ramady (2013) posits that the programme is planning to raise the minimum wage to SAR3,000 for Saudis since an

unemployed person receives SAR2,000. This will encourage unemployed Saudis to seek employment in the private sector.

Benefits for unemployed people might lead to undesirable incentives. In fact, according to data from the Hafiz unemployment programme from 2013, just 20% of those receiving unemployment benefits exited the programme before the conclusion of their entitlement period. The lack of motivation among the jobless may result in longer periods of unemployment and a worse degree of job-match quality for those who do get employment. Therefore, some Saudi citizens may decide to choose unemployment while they wait to find employment in the public sector or search for a high-skilled, high-status position in the public sector. The projected returns from private sector jobs look comparatively low if unemployment assistance monthly payments are large, which causes voluntary unemployment.

The resolution of these issues is crucial for the welfare of the youth in particular and the rapidly growing Saudi Arabian population as a whole. Though government sectors employ the majority of Saudis, this is unsustainable given the rapid growth of the population. Therefore, most of the jobs should come from the private sector.

2.8 Saudi government employment programmes

The Saudi government has, since 1990, been trying to discourage the youth from the public sector by encouraging employers in the private sector to increase the recruitment of Saudis (Al-Dosary and Rahman, 2009; IMF, 2012). The government, via its economic development plan 1995 to 2000, began to restrict public sector employment, encouraging the private sector to recruit Saudis in a step towards diversification. To this end, the government came up with punitive measures deterring the private sector from recruiting non-Saudis. Employers who, for example, failed to reduce their non-Saudi employees by 5% annually were made to pay penalties.

The government also attempted to put quotas on employment visas, finding and deporting non-Saudis who overstayed their visas and placing quotas for Saudisation on certain jobs and industries. For instance, the first industry to be targeted – banking – reached its quota of over 80% Saudisation in 2004, with 19,500 Saudis in a total staff population of 23,800; and 99% Saudisation in the (segregated) women's branches. In the private industry, Saudisation in 2004 was generally 15% (Hassan, 2004). However, by 2008, with an industry rate fixed at 30% Saudisation, there were widespread exemptions from the quotas. These included contracting, maintenance, cleaning and operations, with figures of up to 20% (Al-Johani, 2008). As part of

this strategy, the government increased fees for foreign workers' visas and used these funds to offer further training to Saudis (Ramady, 2010). The succeeding development plans maintained this pressure, increasing national workers from 36.9% in 2004 to 39.2% in 2009 and increasing the female participation rate from 10.3% to 14.2% (AlMunajjed, 2010).

The Saudisation policy, however, did not achieve the government's desired goal of encouraging Saudi employment. While the percentage of non-Saudis in the private sector surged (to about 90%) in 2009, Saudis' employment in the private sector dropped from 13% to 10% about the same time (SAMA, 2010). That prompted the government to put more emphasis on Saudisation, but this time via the *Nitaqat* programme. This created a platform for the Saudisation policies to be pushed through. Firms were judged against their peers and were challenged to lead the field in a particular sector, or they would be penalised (DLA Piper, 2012). The earlier quota system was difficult to comply with due to skill shortages in the labour market. Consequently, the idea behind the *Nitaqat* system was to create a rush of Saudisation that would drive the changes that were needed in the labour market (DLA Piper, 2012). Therefore, the mandatory 30% requirement for Saudisation applicable to most firms under the earlier system was abolished and new Saudisation percentages were introduced based on the firm's ability to employ Saudis, the availability of local talent for such industries and the size of the business (Alshanbri et al., 2014).

Firms with fewer than 10 employees were exempt from the scheme but must still employ at least one Saudi national (Ramady, 2013). However, the number of Saudis recruited was conditional on the number of employees insured with the General Organisation for Social Insurance (GOSI) in the past three months (DLA Piper, 2012). The *Nitaqat* programme groups private firms into red, yellow, green and platinum (exceptional) bands, consistent with their Saudisation rate. Firms graded as red are deemed to be non-compliant; yellow signifies low compliance, green shows a high level of compliance, with platinum deemed exceptional compliance (Ramady, 2013). As shown in Table 2, this is a significant factor in the implementation of Saudisation, considering the size of the company and its type (Alshanbri et al., 2014).

Table 3. Nitaqat Classifications

Business Size	Red	Yellow	Green	Platinum
Small (10 – 49)	0 – 4%	05 – 9%	10 – 39%	40% or more
Medium (50 – 499)	0 – 5%	06 – 11%	12 – 39%	40% or more
Large (500 – 2,999)	0 – 6%	07 – 11%	12 – 39%	40% or more
Huge (3,000+)	0 – 6%	07 – 11%	12 – 39%	40% or more

Source: Saudi Ministry of Labour (2011)

However, Alsheikh (2015) reports that the substitution of foreign workers for Saudis has not gone as planned. Instead of employing more Saudis to fulfil the *Nitaqat* requirements, foreign workers have been hired, especially in sectors that depend heavily on foreign labour. In 2014, Saudis constituted about 22.1% of the private sector labour force (Jadwa Investment, 2015). The reluctance of Saudis to seek employment in the private sector has been blamed, in part, on the national culture (Alromi, 2001). Alshathry et al. (2006) concluded that culture has a considerable influence on Saudis' perceptions of employer attractiveness.

In 2012 the Saudi government introduced an 'expat levy', which was meant to increase the cost of hiring expatriate workers for private sector firms. It required firms to pay a monthly amount of SAR200 (\$53) per worker on firms with the greatest number of expatriate workers. In January 2018, as set out in the Fiscal Balance Programme (FBP), the authorities raised the monthly amount to SAR400 (\$107) per worker. This is estimated to reach SAR 700–800 (\$213) by 2022, depending on the percentage of Saudis in the workforce of the private sector firms. These levies will amount to about 20% of the current average wage gap between Saudis and expatriates by 2022 when it is fully implemented.

2.9 Vision 2030

Saudi Arabia unveiled its Vision 2030 roadmap with three key goals: a vital society, a thriving economy and an ambitious nation. Vision 2030 will help Saudi society to increase its investment power and create a more diverse and sustainable economy. It seeks to raise the private sector's contribution from 40% to 65% of GDP, raising the share of non-oil exports in non-oil GDP from 16percent to 50percent, increasing the non-oil government income from 163 bn to 1tn S.R. In addition, the Saudi Vision (2030) aims at raising the localisation of gas and oil sectors from 40% to 75%, increasing SME contribution to GDP from 20% to 35%, raising foreign direct investments (FDI) from 3.8%, making the international level of GDP reaching 5.7%.

In addition, it aims to increase the number of women in the workforce from 22% to 30%, decreasing the rate of unemployment from 11.6% to 7%, enhancing the non-profit sector's contribution to GDP from less than 1% to 5%. The government has also launched the TAQAT programme to establish sector councils that will determine the skills required by the socioeconomic sector and develop vocational training to push economic development.

Vision 2030's main themes turned out to be having a vibrant society, prosperous economy and having an ambitious nation, which is running successfully after 5 years (Arab News, 2022). It has created a lot of job opportunities for residents and non-residents and presented several new ways of earning which has contributed positively to the country's GDP (Arab News, 2022). Oil is the lifeblood of the Saudi economy and oil revenues accounted for around 425 of the kingdom's GDP, 90% of export earnings and 87% of budget revenues, making the economy extremely exposed and dependent on the global oil price. This increased massively from 2003 to 2013 and provided the kingdom with unparalleled prosperity, doubled its GDP and made it the world's 19th largest economy (Nuruzzaman, 2018). But the oil prices decreased in 2014 and 15 which affected the Saudi economy badly, requiring them to disclose a deficit budget for that year for the first time, since 2007. In 2015, the government's financial reserves fell from \$732 billion to \$623 billion, forcing the nation to issue bonds for the overseas markets to fund their spending. Saudi Arabia, a G20 member, is the world's largest oil exporter and oil accounts for more than 90% of government revenue, but Vision 2030 states that there are six crucial issues to be considered in acquiring Saudi Arabia's knowledge economy (Nurunnabi, 2017). Therefore, the study has recommended the Saudi government emphasises the importance of diversifying the economy by developing the knowledge economy and other social reforms.

According to Alwethainani and Dato'Mansor (2015), Saudi Arabia is one of the developed countries in the world, that export a large number of talented and skilled employees, in order to help the country to flourish. But this policy causes problems for the country's own residents. As the, high level of the recruited non-resident workers, in the private sector, has negative consequences, resulting in a local citizen's employment dilemma.

The Saudi government aims at expanding and developing the variety of digital services to lessen delays and put an end to bureaucracy. It has adopted full accountability and transparency reforms, evaluating the performance of government bodies which will lead to achieving productivity and enhancing the efficiency of governmental expenditures. Transparency involves the timely disclosure of adequate information about the financial performance of the

organisation, and the objectives, wages, transactions among parties that have relationships with them, and information on the internal control of the organisation. It refers to the extent of trust in information, which must be available promptly so regulators have to set rules and laws that ensure the achievement of this important element. It encourages the practice of full and fair disclosure of information about the activities of organisations, which facilitates the exercise of control over them and also facilitates government intervention in their management if necessary (Tremblay, and Gendron, 2011). It involves the total disclosure of information related to the administrative process and financial matters.

The 2030 Saudi Vision assures the importance of work ethics. Ethics relates to all aspects of human behaviour and decision-making and these morals are determined by society and its characteristics. The concept of work ethics has been linked during the past two decades to the development of the concept of social responsibility (Andres and Vallelado, 2008). The interest in work ethics has developed as a result of technological progress and the challenges of globalisation.

There are four types of ethical problems associated with the work of organisations. The first is the human resources problems which are related to fairness in dealing with current and potential employees' unethical behaviours associated with discrimination between employees by gender, religion and ethnicity (Hill et al., 2015). The second is the problems related to the collision of benefits that lead to discrimination in dealing with others according to personal interests. The third includes the problems related to honesty with consumers which are linked to behaviours that reduce consumer respect and a lack of concern for their security and safety through the products or services provided by the organisation. The last type is the problems related to the misuse or personal exploitation of the organisation's resources by the employees or misuse of natural resources by the organisation (Alshowish, 2016).

When the employee reaches an acceptable level of professional ethics, which include discipline, loyalty, honesty and mutual trust, teams would complete their tasks more efficiently and effectively (Schwieger and Dana, 2015).

The Saudi 2030 Vision seeks to form an ambitious nation with its production and achievements, and enhancing efficiency, transparency and accountability, create the necessary environment for citizens and the business sector, implement the international standards that are legally and commercially followed, and increase national gains through good and fair procedures.

The Vision Realisation Office, which is an administrative unit affiliated with the Minister, is responsible for leading, developing and supervising the implementation of transformation initiatives of the National Transformation Programme 2020 and Vision 2030 by strengthening efforts and raising the level of coordination within the business system to help it achieve the goals of transformational initiatives.

The Kingdom strives to create job opportunities for Saudis by supporting privatisation, SME entrepreneurship and investments in new industries. To help achieve this, the Saudi government established the SME Authority, encouraging young entrepreneurs with good and simple business regulations and a greater share of government bids.

Referring to the education improvement, Vision 2030 Vision aims to have at least 5 Saudi universities among the top universities in the world. The Saudi government will launch the Irtiqaa programme to measure how schools are engaging parents in their children's education. It will also establish parental boards at schools, trying to open and provide discussion forums and further engagement with parents. It seeks to build an effective educational system related to the market needs, creating economic opportunities for small enterprises and large corporations.

The new Saudi Vision expresses the long-term goals and hopes and builds on the strengths and unique capabilities of the Saudi nation. It charts the Saudi aspirations for a new development stage aimed at creating a vibrant society in which all citizens can fulfil the Saudi dreams, hopes and aspirations for a prosperous national economy. This Saudi Vision cares for developing the Saudi human resources and providing good conditions for the employees.

The achievement of Vision 2030 and its programmes and initiatives is an integral responsibility for all segments of society. Human resources are the basis of the labour market and the pillar on which the economy is built in any country; the Vision, therefore, attaches great importance to the role of human resources in achieving their jobs and job satisfaction is very important to achieving the aspirations of Vision 2030.

The King Salman Human Resources Development Programme was launched within the National Transfer Programme 2020, which provides a comprehensive review of the regulations for the creation of the administrative environment in the Kingdom to enhance the abilities of human resources through training courses, guidance, psychosocial support, talent management, workforce planning and leadership development, which will lead to job satisfaction. The

programme aims primarily at raising the quality of employee performance, productivity at work and developing the working environment.

2.10 Conclusion with Summary

Saudi Arabia has relatively a short history but has rapidly transformed from an agrarian economy to being a powerful country in the Middle East following its discovery of oil in the 1930s. Saudi Arabia is governed by a monarchy system that restricts the ruler to male descendants of King Abdulaziz, the founder. Most of the important positions, such as internal affairs, foreign affairs, the defence ministry and Ministry of Labour are limited to the male royals. The policies of the Kingdom are developed by the Majlis Ash-Shura (The Consultative Council), which has about 150 members, and a speaker representing public interests.

Saudi Arabia had no functioning labour market before the oil boom. However, the discovery of oil has helped the country to establish a labour market, but with some structural imbalances, stemming from the relaxation of labour market laws, which has led to a lack of restriction on the inflow of foreign labour. The influx of foreign labour has made it difficult for Saudis to seek jobs in the private sector, putting pressure on the public sector. Hence the introduction of the 'Saudisation' policy to encourage private sector employers to employ Saudis. Companies failing to comply with the requirements of this policy are sanctioned. Also, since 1990, the government has been trying to dissuade the youth from the public sector by encouraging employers in the private sector to increase their recruitment (Al-Dosary and Rahman 2009; IMF 2012). The government via its economic development plan (1995 to 2000) began to restrict public sector growth and encourage the private sector to recruit Saudis in a step towards economic diversification.

However, despite the push by the government for the private sector to employ Saudis, a small percentage of them (12.3%) are recruited in the private sector. This is because not only do the Saudis lack better education and training, they also demand high wages (Hertog, 2012; IMF, 2013; Fakeih, 2013; Alhamad, 2014; Farhan, Brevetti, and Laditan, 2016). Others have also blamed it on poor government planning and implementation and the educational system (Al-Shammari, 2009; Fakeeh, 2009). Therefore, the aim of this study, with the national interest, is to examine the factors influencing the employment of Saudis in the private sector with a focus on the country's two important industries, namely wholesale-retail and construction.

Chapter 3. Literature Review

3.1 Introduction

This chapter reviews the literature on the localisation of employment. It begins with the labour market and unemployment globally, and then follows with the theoretical and conceptual framework, drawing on theories that can be used to explain the recruitment process in the labour market. Human, social and organisational capital theories are discussed. Finally, the hypotheses of the study are developed, relying on prior research and the gap in the literature is addressed theoretically and practically.

3.2 Labour market and unemployment: a global perspective

3.2.1 Labour market overview

The labour market is a significant sector of any market economy. It is where employers and job seekers interact (Monk and Hodge, 1995). It is said to be in equilibrium when supply is equal to demand but in reality, labour markets are not always in equilibrium because there are always jobs and unemployed job seekers (Monk and Hodge, 1995; Ostry and Spiegel, 2004). Koo (1993) argued that ‘the labour market is defined broadly to include not only wages and hours but also such additional conditions of employment as benefits, safety and health measures and pensions’. It is also comprised of structural features such as trade unions, employer associations and collective bargaining relationships. The characteristics of the labour force – age, sex, skill and level of education – are part of the picture. Not least in importance is government policy as manifested by legalisation and administration.

The late-20th century Saudi labour market was divided into three segments: well-paid Saudi and foreign government employees, educators and healthcare workers; foreign management and professionals contracted from Egypt and other Arab countries, the United States and Europe; and foreign construction and service workers, primarily from southern and eastern Asia (Altassan, M. A. 2017)

Labour market management is an essential part of any economy, as creating policies and rights in an environment in which local young people could develop their education, skills and readiness in employment is essential to ensure political and social stability (Malik and Awadallah, 2013). A significant part of today’s labour administration and economics has been concerned with labour market laws and policies and their influence on and interaction with economic and labour market outcomes. Understanding such regulations and policies requires attention to their purposes.

To understand the labour market in Saudi Arabia, Almurshid (2015) presented a study entitled *Economic and Social Determinants of Employment and Unemployment in the KSA: A Case Study of the Labour Market Reality in the Northern Borders Region*, where the main objective of the study was to identify the main obstacles that prevent the employment of employees in the region. The northern borders in the KSA, where we find that the researcher used quantitative and qualitative indicators and variables to reach the goal of the study and get to know the reality of the labour market in the northern border region of the KSA, where the researcher used the questionnaire as a tool to collect the study data. The data of the study were collected using a questionnaire, where the relationship between the independent variables and the dependent variable (employing Saudis) was measured. At the end of the study, it reached the reasons that prevent the employment of Saudis in the northern border region, which are the absence of large institutions and the low level of wages. And competition with foreign expatriate labour, social and family influences and conditions, the study also showed that the unemployment rate is very high in the northern border region of the KSA and the study concluded that measures should be taken to accelerate the investment in large projects in the region in both the public and private sectors.

The Saudi government has also embarked on privatisation and implemented diversification plans which have been aided by attractive financial incentives, including interest-free loans to encourage private sector investment. This has resulted in a massive economic expansion. As a result, the workforce has also increased five-fold from a few hundred thousand workers in the 1970s to millions in the 21st century (Alothman, 2017:14). A number of reasons have contributed to such a large transformation of the labour force, but the most important was the government's development plans which included an open-door recruitment strategy to promote rapid expansion. Firms and individuals were permitted to participate in recruitment activities, to accelerate the creation of employment opportunities (Alothman, 2017).

Unemployment is not a recent occurrence in Saudi Arabia. This problem has been plaguing the country for quite some time and the government's efforts to address it have been largely ineffective (Sehgal, 2013). The government first used a method known as Saudization to reduce unemployment rates in 1994. It was accomplished by appointing roughly 30% of Saudi citizens to the overall labour force. The government was unable to achieve the anticipated objectives using this system. As a result, the Saudi government has taken additional measures to eliminate unemployment among Saudi citizens (Sehgal, 2013).

Moreover, the government had recognized the need of having a public and private sector both to grow, with a reasonable staff policy, that promote Saudis to get hired. Higher compensation and job stability were the two techniques, used to get people to apply, retain and get motivated to work. At the same time, the open-door recruitment policy was at its peak, leaving the private sector nearly totally reliant on foreigners, which need to change over the time (Allothman, 2017). According to Labor Market Report of Saudi Arabia (2015), there is a disparity in the ration of male and female employees, where the Saudi women with a bachelor's degree have a particularly high unemployment rate (HKS, 2019). But there are vast numbers of both male and female bachelor's degree holders, and a significant fraction of them are unemployed, where to be precise 33.5 percent of women are unemployed, while 7.5 percent of grade males are unemployed. The comparatively low employment rate among bachelor's degree holders suggests that the issue is more complex than simply a lack of academic credentials among job seekers (HKS, 2019).

3.2.2 Unemployment

Unemployment refers to an individual who is looking for employment but does not have any (Galobardes and Shaw, 2006). Mitchell and Muysken (2004) describe it as the incapability of an individual who is eager and can work to attain employment.

Unemployment is the most visible symptom of any society's social and economic issues. In theory, excessive unemployment costs a society both economic and social issues, whereas low unemployment rates can benefit the entire society (Alrasheedy, 2019). According to Clark (2003), a high unemployment rate is a serious economic and social issue in the community. The term unemployment means the number of employable individuals who are unable to get themselves employees or find a job. This is a big concern for every nation, as it may lead to many other psychological, social and financial issues (Dooley, Prause & Ham-Rowbottom, 2000). The advantages of Saudisation outweigh the negative consequences of being unemployed, such as providing financial security. Being employed can benefit an individual by giving them a feeling of purpose, allowing them to participate in the world and allowing them to see life through different eyes (Joudah, 2021).

Unemployment is a topic that has gained interest of academic researchers and economists. They have discovered that there are different types of unemployment which are crucial to find the core causes of unemployment in a country: cyclical, frictional, seasonal and structural (Alrasheedy, 2019).

Roughly 900 million people globally earn as little as \$2 a day, which is below the poverty line. Around 200 million are unemployed around the world including the majority of our youth (UN, 2012). The rate of unemployment differs from nation to nation, with developing nations having the highest rates.

According to the ILO (2011), the Middle East has the most unemployed people in the world. Iraq with 10.8% is at the top and Saudi Arabia with 5.8% in second. In the year 2020, the actual unemployment rate in Saudi Arabia is around 8.22% which is quite higher as compared to previous years (Magrassi, Lanza & Travisani, 2021). Some have estimated it to be around 19% (Hardy, 2006). If women are included in the statistics, the rate of unemployment among Saudi citizens would be approximately 29.9% (Almunajjed, 2010).

In an analytical study of unemployment and its effect on KSA, Al-Bakr (2004) presented a study intended to analyse the relationship between unemployment and the levels of scientific qualification of the workforce and the unemployed, and the relationship between unemployment and crime. The researcher relied on data from the census in KSA for 1992 and used regression analysis to reveal that educational status is the main variable in explaining the rate of unemployment in KSA that there is a positive relationship between the high rate of unemployment, crime and drug issues. Mashaal (2013) used multiple standard models to explain the relationship between dependent and independent variables and found that investment is the most influential factor on the risk of unemployment. He also found the annual burden of unemployment risk in 2017 was SAR981 million.

Fadel (2014) measured the relationship between commercial concealment and unemployment in KSA from 1999 to 2012. He defined and explained the relationship between commercial concealment and unemployment in KSA and concluded that there is a positive relationship between unemployment and commercial concealment as it became clear that, with higher unemployment rates, commercial concealment increased, which negatively affects activity.

Commercial concealment is a significant economic and financial problem that wrecks any country's corporate industry (Financial Crisis Inquiry Commission, 2011). The Saudi government is dedicated to combating this issue to maintain a healthy, fair and transparent business climate. It can be defined to be any illegal business practise that allows non-Saudi individuals or firms to invest in or engage in forbidden commercial activity (Hafiz, 2019). Commercial concealment in Saudi Arab is explained as allowing a non-Saudi to invest or engage in any commercial activity on behalf of a foreigner, or to participate in such activities

which are prohibited or those who are prohibited from doing an activity by the foreign capital investment system or restricted by regulations (Al-Ghamri, 2016:2). If a citizen allows a non-Saudi to use their name, licence, or commercial registration, the citizen is performing an act of concealment. If a foreigner obtains a foreign investment licence and allows another foreigner to operate it outside the foreign capital investment system, they are said to have committed an act of commercial concealment (Al-Ghamri, 2016; 2).

There are a variety of consequences of commercial concealment, including a loss of business trust, loss of goodwill and lack of equal opportunity. Such inequity promotes corruption, increasing the cost of doing business in the country and facilitates money laundering and other criminal activities. It also contributes to social issues such as theft and drug trafficking. It is one of the main reasons that provides violation of rights of the residents and affects work regulations in the country. This will also lead foreigners to get illegal access to jobs. In past, Saudis have hired foreign employees which has increased commercial concealment issues and the unemployment rates of native Saudis (Hafiz, 2019). Commercial concealment may lead the foreigners to evade payment, including salary. Therefore, this has become a major concern for the Saudi government and companies to safeguard economic and social rights of the Saudi Citizens (Al-Ghamri, 2016).

Al-Khulaifi (2009) looked at the problem of unemployment in KSA by explaining and detailing the relationship between unemployment and expatriate workers. It is a descriptive study whose aim is to explain and explain the situation of the Saudi labour market compared to foreign workers and its role in unemployment in the KSA. The researcher found that the percentage of foreign workers in the Kingdom reached 47% of the total population and that 95% of foreign workers worked in the private sector. In the category of youth and the unemployed of working age, the researcher research included many recommendations to eliminate the unemployment problem in KSA.

3.2.2.1 Types of unemployment

Although economists conflict with the main types of unemployment, there is consensus on unemployment type. Clarifying the kinds of unemployment can help to understand why unemployment happens and what strategies can be used to stop the problem. Unemployment has two dimensions: voluntary and involuntary (Kreiner and Tranæs, 2005). For this research,

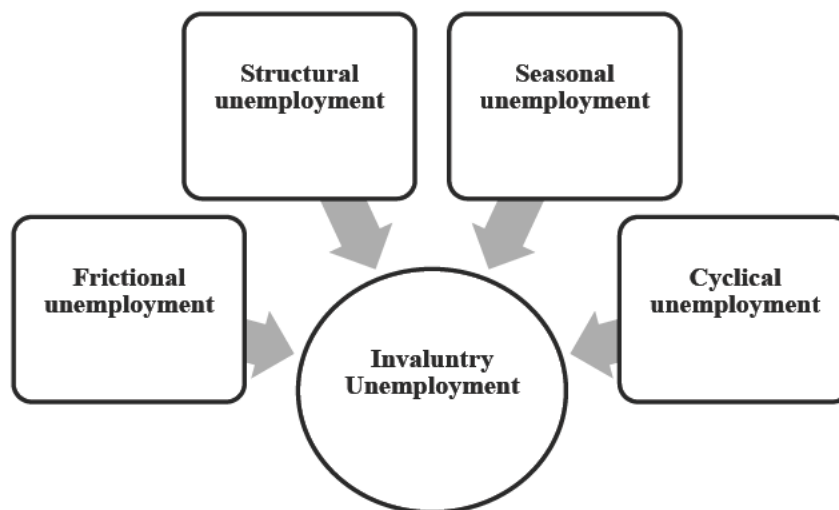


Figure 10. Unemployment types

Sources: Thirlwall, 2007; Michailat, 2012; Hayes, 2006; ILO, 2011

only involuntary unemployment is described further. The economic literature describes numerous classifications for this kind of unemployment, as shown in Figure 4:

There are four main kinds of unemployment: frictional, seasonal, structural and cyclical. Frictional unemployment is known as short-term unemployment and occurs mostly through job changing or job-seeking among new candidates (Thirlwall, 2007). Many believe that frictional unemployment is valuable for workers, managers and the whole labour force because it helps in refining the hiring process (Hayes, 2006). Seasonal unemployment occurs when people are unemployment during a particular time in a year (Alam et al., 2010). This happens in industries that depend on seasonal events like Christmas. Structural unemployment is a type of unemployment that occurs due to disparity between employment and employees (Thirlwall, 2007) due to a change in technology (Michailat, 2012). Cyclical unemployment occurs at a particular time in a business cycle. This is characterised by stages of development shadowed by slumps. A deficit in aggregate demand is the key source of this kind of unemployment (ILO, 2011).

Abdunosir o'g'li and Solive (2022) summarised the types of unemployment in the following points:

1. **Frictional unemployment** occurs due to the continuous movement of workers between different regions and professions.
2. **Structural unemployment** affects one part of the labour force due to structural changes occurring in the national economy.
3. **Seasoned unemployment** is the one that created due to engaged in seasonal work at the end of the season such as related to tourism and agriculture.

4. **Periodic unemployment** accompanies the economic cycle with a period between three and ten years.
5. **Institutional unemployment** is created by labor market institutions.

3.2.3 Labour market structure

3.2.3.1 Labour market macroeconomics

Macroeconomic models typically seek to aggregate supply-and-demand (Hein and Stockhammer, 2011). These types of models become significant in a recession or period of economic sluggishness. The supply side model emphasis the economically dynamic populace and seeks to reduce the structural unemployment rate (Traxler, 1995; Wood, 1994), whereas demand-side models include managers and aim to lessen demand deficient unemployment (Burtless, 2002).

3.2.3.2 Demand-side economics

Demand-side economics is typically founded on the belief that the main force that affects the overall activity of the economy causes short-term differences is consumer demand for services and commodities (Lindbeck and Snower, 1990). During a recession and a rise in recurring unemployment, demand-side strategies are observed as an integral part of rising aggregate demand (AD) and, therefore, employment levels (Wood, 1994). Demand-side strategies are more associated with fiscal policies (Laframboise and Trumbic, 2003; 23). There are two conflicting opinions on how markets and their contributors' function; the classical school and the Keynesian school (Arestis, 2011).

The classical school was introduced in the 1750s (Reinert, 2012). The founder of this school of thought was Adam Smith who published *Wealth of Nations* in 1776 (Sargent, 2009). This theory was the first in economics and was founded on a laissez-faire strategy with the notion that no government intervention can stabilise the economy (Menon, 2008). This theory depends on three assumptions to attain full employment: flexible prices, savings-investment equality and Say's law. Flexible prices theory assumes price flexibility with no government intervention, limitations or control of the market. It is easy for the market to attain equilibrium (Reinert, 2012). Say's law refers to the production of commodities that can generate purchasing power (Baumol, 1999). Saving-investment equality requires that savings in the domestic sector are the same as investment spending in the business sector (Layard et al., 2005).

The classical theory suggests that reduced competitive wage rates are the best way of tackling and resolving the unemployment problem. In the developed world, where competition operates

in the labour market, this can be problematic because issues like low pay are unacceptable and could lead to industrial action (Seifert, 2015). This theory cannot be adopted by developing countries because the supply of labour exceeds demand and because low paid workers exist (Espinoza, Fayad and Prasad, 2013). The issue is that lower wages already cause unemployment in the GCC region (Peck, 2014) and the issue of high government involvement in the economic industry is posed (Alshahrani and Alsadiq, 2014). Hence, the classical theory seems insufficient to explain the state of unemployment and labour market policies.

The most important characteristics of the classical theory are:

- It is based on an accounting model.
- It emphasises identifying the errors and correcting these errors.
- It is related more to output than to people (Fodor et al., 1999).

In this theory, labour is not divided based on the various types of jobs to be accomplished. According to proponents of this theory, all unemployment that happens in the job market or in other markets for resources should be seen as voluntary unemployment. Unemployment is caused by the rigidity of the pay structure and intervention with the free market system, such as minimum wage and trade union laws.

The Keynesian school came at the time of the Great Depression where classical theory was unable to identify the causes of the economic crash. It was introduced by John Maynard Keynes (1883–1946) (Pasinetti, 2005). According to Keynes, the chief element on which the nation's economy should be based was AD (Layard et al., 2005; Pasinetti, 2005). The economic equation by Keynesian is aggregate income equals aggregate expenditure and he believed that the main causes of unemployment are insufficient AD. The remedy for this problem is government intervention and the government should increase AD through monetary and fiscal policies (Hein and Stockhammer, 2011). Keynesian economists say that fiscal policy is important for government intervention (Ljungqvist and Sargent, 2004). The government should apply an expansionary fiscal policy that includes a rise in government expenditure and a decrease in taxation (Sargent, 2009). This helps to increase consumption that in turn increases the average AD (Heterodoxy et al., 2009).

3.2.3.3 Supply side economics

Supply side economics is concerned with microeconomic models. Their main aim is to decrease the unemployment rate (Burtless, 2002) by improving the supply side of the nation's

economy and markets function to increase real national output (Burtless, 2002; Lindbeck and Snower, 1990). The models of supply side economics are applicable in the following domains:

1. **Education and training.** The individuals are educated and taught new skills which will enhance their knowledge. This will help in getting employment easily in industries like IT (Higgins, 2001). This is a common practice implemented by the governments to decrease unemployment.
2. **Employment subsidies.** The companies are provided with tax breaks and subsidies for the unemployed which increases demand for workers and reduces unemployment (Layard et al., 2005). This is practised mostly in developing countries to increase employment and ease of entry to the labour market.
3. **Improvements to labour market flexibility.** Due to an increase in structural unemployment rates, the labour markets become limited which prevents companies from employing more workers (Bambra, 2010).
4. **Stricter benefit requirements.** Governments limit unemployment benefits which force the unemployed to start looking for jobs and not be dependent on government funding (Barrett and Kahanec, 2013b; Ramady, 2013).
5. **Improved geographical mobility.** In many nations, unemployment occurs due to specific parts of the regions so the government provides tax breaks to the industries in these regions to attract the workers (Assaad and Arntz, 2005; Sayigh, 2014).

This side of economics can decrease inflation in the economy (Burda and Wyplosz, 2012) and help to maintain growth and employment by its positive effect on competitiveness and worker efficiency (Carlin and Soskice, 2009). The Saudi government came up with approaches to privatise the economy that are accompanied by profitable financial gains that include the private sector. These approaches expanded the economy and have directly led to the expansion of the labour force, increasing to a million employees since the 1970s (Rajhi et al., 2012; Ramady, 2010; Baldwin-Edwards, 2011, cited in Alothman, 2017)

3.3 Labour market and employment in developed and developing countries

In reality, labour markets are rarely in equilibrium because there are always jobs and unemployed job seekers (Monk and Hodge, 1995; Ostry and Spiegel, 2004). There are also flows in and out of the labour market; inflows from school graduates and expatriates, outflows from people retiring and expatriates returning home (Monk and Hodge, 1995). Given the dynamics of the labour market, several studies have sought to examine the factors that influence the flow of job seekers, especially expatriates. For example, Omar (2003) argues that the influx of expatriates in labour markets is a result of encouragement from governments. This is true because, at the time of the oil discovery in the Middle East, most Middle Eastern countries

adopted a policy of allowing the free flow of labour in their labour markets (Riaz and Ishaq, 2016).

The ILO (2018) believes that unemployment and a lack of decent work will remain at consistently high levels in many parts of the world. The global unemployment rate remained stable after rising in 2016. It is expected to reach 5.6% in 2017, bringing the total number of unemployed to nearly 193 million. Since the global long-term economic outlook remains modest despite the growth in 2017 exceeding expectations, the report attributes the positive trend between 2016 and 2017 mainly to the strong performance of labour markets in developed countries, where the unemployment rate is expected to decrease by an additional 0.2 percentage points.

In 2018, it will reach 5.5%, which is lower than pre-crisis levels. In contrast, employment growth is expected to be lower than labour force growth in emerging and developing countries, but better than in 2016. Despite stable global unemployment, the decent work deficit remains widespread. The global economy is not yet creating enough jobs and additional efforts must be made to improve the quality of job incumbents and to ensure that the growth dividend is shared.

Christofides et al. (2007) analyse the effect of expatriates on wages of local workers in Cyprus, and production in the labour market, finding that the increase in the number of expatriates has led to growth in output. Similarly, Peri (2012) concluded that the influx of expatriates in the US labour market does not crowd out the employment of natives and that expatriates are highly productive.

Selwaness and Zaki (2019) investigate the relationship between export success and labour market rules on employment levels. The theoretical predictions based on this literature reveal that the form of labour market laws can affect the effect of exports in every nation. Previous research found that trade liberalisation was more likely to boost employment in developing countries. The findings suggest that labour market rigidity diminishes the favourable effect of exports on employment in the MENA area.

Al-Ali (2006) determines the obstacles to Emiratisation in the UAE workforce, ideas for enhancing it recommend strategies to improve it. He argues that three main factors may be crucial for Emiratisation: personal factors, organisational capital and social capital. He found that the barriers to Emiratisation:

were linked to the unavailability of work development possibilities, education and skills, low salary, little opportunity for training and promotion,

lack of English language and lack of trust in the ability of UAE nationals to complete their work. However, other obstacles exist, such as the absence of work culture, work attitude and gender issues, which are also important factors in increasing the participation of UAE in the workforce (Al-Ali, 2006)

Wahba (2014) investigates the effects of expatriates on the labour market in Jordan and concludes that Jordan is exporting highly-skilled workers, but importing low-skilled workers. The author also finds the importation of expatriates has had a suppressing effect on the wages of local workers. This is not surprising given that all the GCC countries employ many expatriates and have high rates of unemployment among the local citizenry.

3.3.1 Labour market and employment in KSA

Since the discovery of oil in the mid-nineteenth century, Saudi Arabia has become one of the most attractive countries, attracting millions of foreign workers from all over the world (Alsharbri, Khalfan & Maqsood, 2014). Saudi Arabia was facing issues of rising unemployment necessitating a radical rethinking and reform of its policies of localisation. As a result, it has implemented the Nitaqat or quota system which divides local businesses into different colour codes or zones based on the percentage of Saudi nationals employed and penalties are imposed for non-compliance (Ramady, 2013). The Nitaqat was established in the 1980s to provide more jobs for Saudi residents and has been modified many times since then, in terms of the proportions, target and the sectors covered. Currently, clothing, electronics, furniture, mobile phones and car sales are just a few of the key areas covered in the retail and wholesale sector (Rahman, 2020).

Nitaqat is a government-originated nationalisation programme that forces Saudi enterprises to hire a certain percentage of Saudi citizens (Alsharbri, Khalfan & Maqsood, 2014). It is a mandatory policy implemented in response to the challenges that the Saudi labour market has been facing. These include high Saudi unemployment rates, key positions held by the foreign workers, low productivity levels, lack of female workers and challenges related to the mismatch between qualifications and job opportunities of the corporate market. The programme is an attempt to increase the number of Saudi citizens in the commercial and private sector. This has resulted in massive changes in the country's demographic, economic and social systems (Alsharbri, Khalfan & Maqsood, 2015).

The *Nitaqat* programme divides Saudi organisations into four categories (red, yellow, green and platinum) based on the percentage of Saudis employed. Each zone is given certain privileges for hiring more Saudis or penalised if they do not meet the required number. In some

situations, this could lead to the closing down of a company (Ministry of Labour, 2013). *Nitaqat* has led to significant changes in the labour market, as many organisations have fallen into the red zone (Sadi and Al-Buraey, 2009; Ministry of Labour, 2016). This red zone highlights failure to meet the required percentages, and the company needs to recruit more Saudi workers to stay in business. This has forced most organisations to consider hiring more Saudi nationals (Sadi and Al-Buraey, 2009).

Saudi Arabia's private sector has been dominated by foreign labour over the last 20 years of the previous century, resulting in number of economic and social issues such as increased unemployment among Saudi citizens as a result of the over-reliance on foreign labour and the large remittances that overseas employees send home each year. This had an effect on the local economy and the government's budget (Alshanbri, Khalfan & Maqsood, 2014). Hence, the Kingdom of Saudi Arabia developed *Nitaqat*, to stop the transfer of Saudi wealth to other nations.

To promote this program, the government offered incentives to enterprises which achieved their *Nitaqat* quotas, recognising that the private sector's reliance on foreign inexpensive labour is creating a problem as Saudis are hesitant to replace foreigners at present salary levels in many unskilled and semi-skilled areas (Ramady, 2013). The government recognises that the private sector can become a strategic partner to promote and increase Saudi employment rates. Therefore, the private sector was chosen to play a key role in employment creation. However, one out of every five private enterprises operating in the Kingdom was falling short of the targets due to lack of education, experience and other reasons (Ramady, 2013). The programme has affected the total national economic growth and productivity level where, under the *Hafiz* system, the government introduced a minimum wage level of SR3,000 per month for the private sector for Saudis, which was equal to the salaries of the public sector (Ramady, 2013).

Altassan (2017) attempted to determine if training and education experience, and access to these, affected employment choices. Experience with and access to, training and education were not related to an employee's commitment to stay with their firm. Alqahtani and Ayentimi (2020) explore tensions and challenges in the devolvement of HR practices and processes and opportunities for strategic HRM alignment and how it will benefit Saudi Arabian higher education institutions which support the alignment and integration of HRM processes and practices.

3.3.1.1 Review of the empirical literature

Given the low level of Saudi employment in the private sector, questions have been asked in the court of public opinion about what can be done to increase Saudi employment following empirical studies in other neighbouring countries. For example, Ali et al. (2017) analyse the factors impeding Omanisation in the banking, automotive and tourism sectors of the Omani economy. Using a mixed-method design, they find that a lack of coordination between government and the private sector in the formulation of Omanisation policies has contributed to high numbers of expatriates in the private sector. In UAE, Forstenlechner et al. (2012) examine the factors that influence the recruitment of Emiratis. Using a regression framework, they find that education and wages do not have a greater influence on employment and that lack of motivation and doubts over differing rights given to employees are significant determinants. These studies, although attempting to analyse the factors that affect employment, do not use human, social and organisational capital theories that can help in the identifications of the factors that affect Saudi employment.

Mina (2017) examines the effect of market-oriented labour policies on FDI flows to GCC countries i.e., Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, between 2007 and 2015. Using a panel data model and controlling for unobservable country variables, the results reveal that cooperative labour-employer relations, flexible hiring and firing procedures, tying compensation to productivity and dependence on professional management all favour FDI flow. They also find that reliance on professional management lowers inbound FDI to the UAE, whereas pay-for-performance lowers inbound FDI flows to both Bahrain and the UAE. Moreover, Mina (2017) also states that in Bahrain, Qatar, and the UAE, labor-employer relations have improved and grown less combative since the revolt. In Oman, Saudi Arabia, and the UAE, the decision to pay a wage has increasingly been made by the firm. Improvements have been achieved in Bahrain, Qatar, Saudi Arabia, and the UAE with relation to recruiting and firing practises, tying compensation to output, and choosing professional management based on merits. Employers now have greater discretion over hiring and firing practises than do regulators.

Abouraia (2014) reports that Saudis are not employed in the private sector because of the poor training and work frameworks. He explains that the education system is not properly designed to meet the job market needs and the work system is also too old and needs to be modernised. Although timely, this study is not supported by any methodology and strong empirical analysis.

Madhi and Barrientos (2003) explore conditions of employment and career development in Saudi Arabia, concluding that labour regulations and pay are the cause of employment differentials between Saudis and expatriates. They also conclude that social attitudes towards education and training are implicated. This study is simply descriptive without rigorous empirical analysis.

Alghamedi (2016) analysed and provided solutions to Saudi Arabia's unemployment. He used the quantitative method in this study, including two online surveys of Ministry of Labour staff and Saudi business owners. The most significant results concerned employment policies, the education system and the need to change the policies to generate middle-class employment. The study also found a mismatch between the outcomes of education and market requirements. It suggested that more jobs should be created for women and recommended greater collaboration between the private sector and the Ministry of Labour to develop a better employment policy, generating work for job seekers from Saudi Arabia.

Durand-Lasserve (2022) states that despite having very little regulation, two major GCC nations, the UAE and Qatar, feature quotations from their citizens in professional sectors. On the other hand, Omani and Saudi Arabian nationals are more driven and ambitious, and they have special seats in various professions.

Hijry and Haleem (2017) reported six factors that largely affected employee performance: workplace environment, organisational structure, knowledge, skills, reward and attitude. An explanatory case study investigated the elements that affect employee performance at the Sunderland Steel (SS) factory in Saudi Arabia's Jazan area.

In a later study, Azhar et al. (2016) investigate the effect of Saudisation on recruitment and retention in the banking sector. Using a mixed-method design, the authors find that Saudisation affects several aspects of recruitment and retention. Although their study is similar to this one, it does not analyse the factors that affect the employment of Saudis and is limited to only the banking sector.

Besides reforming labor market policies to address the unemployment problem, GCC countries like Kuwait, Qatar, Yemen and Iraq have also relied on attracting FDI to create job opportunities and reduce unemployment (Mina, 2017).

3.3.1.2 Synthesis of studies or gap in the literature

Although there are a plethora of studies on the localisation of the workforce in the GCC countries (Forstenlechner et al., 2012; Hasan, 2015; Riaz and Ishaq, 2016), there is a paucity of research examining the factors that affect this localisation – the employment of natives. Ali et al. (2017) and Forstenlechner et al. (2012) are the only studies that have examined this issue in other GCC countries. In Saudi Arabia, there are few studies on the localisation of employment; most have focused on the effect of Saudisation on employment without analysing the factors that can affect the employment of Saudis in the private sector. Some of these factors such as power distance and social status are for the first time introduced as an innovative contribution to the literature. This is the gap that this study seeks to fill. It will also provide policy recommendations that can be used by the Saudi government and other GCC member countries to improve their employment policies' effectiveness and benefit their economies. In so doing, the factors will be analysed using a cross-sector approach. The conceptual framework to guide the study is shown in Figure 11. It depicts the relationship between the key independent variables – demographics, social status, power distance, wages and benefits, work commitment and work conditions – and the dependent variable, which in this study is Saudi employment.

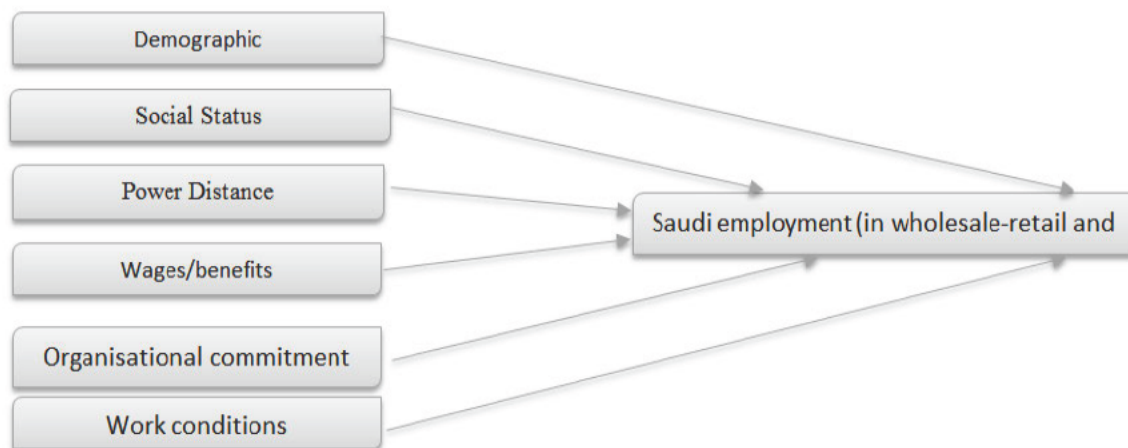


Figure 11. The Conceptual Framework of the Study

Moreover, private and public investment has effect on the economic growth for the Saudi Arabia (Alshahrani and Alsadiq, 2014) while government spendings also play important role in the economic growth of the Saudi Arabia. The above-mentioned conceptual framework shows that various factors like demographic, social status, power distance, wages/benefits, organizational commitment, and work conditions have impact on the Saudi employment

(wholesale retail and construction). Better contribution in the employment by Saudis nationals will lead to the long term and stable economic development for the Saudi Arabia.

3.4 Theoretical framework and hypothesis development

This section discusses the theories that can be used to explain the recruitment process in the labour market – what employers are interested in when recruiting. The human capital, social capital and organisational capital theories are discussed in Section 3.4.1. The hypotheses of the study are developed in Section 3.4.2.

3.4.1 Theoretical framework

3.4.1.1 Human capital theory

Human capital theory (HCT) assumes that the improvement of workers' skills and education will lead to greater enhancements in their economic productivity (Becker, 1964). In essence, HCT suggests that education and training increase productivity and earnings. Therefore, education is an investment that can benefit an individual and a country. The right education and skills will make an individual competitive within the labour market because employers look for workers with the right education and skills (Tan, 2014). The collective human capital embodied in individuals represents an economic resource to a firm that can generate future income and is a type of resource from which firms can build competitive advantage (Becker and Gerhart, 1996). Crook et al. (2011) argue that human capital is strongly associated with firm performance. In liberal market countries, policy interventions based on human capital theory (HCT) have played a major role in training employees to face new regional and global labour market realities in recent decades (Dobbins & Plows, 2017). Individual decisions regarding the talent supply are based on a neo-classical utility maximisation model, operating in completely competitive labour markets. At the organisational level, the investment in skills is considered as a reasonable and win-win approach for employers and employees both. Therefore, individuals participate in training and firms engage in training programmes which helps to create new positions in the company based on predictions of future gains (Dobbins & Plows, 2017).

If so, then that is why the private sector firms in Saudi Arabia are recruiting expatriates because the expatriates possess skills that cannot be found among the locals. Fakeeh (2009) shows that the education system does not meet the requirements of the local labour market; therefore, the factors of HCT will be useful to describe the patterns of employment in the Saudi private sector, particularly the wholesale-retail and construction industries.

The origins of the HCT go back to the theory of macroeconomic development. According to this theory, the economy is based on human power, financial resources and the type of management. The growth of human capital contributes to economic success. The basic premise of HCT is that people's educational capabilities are of comparable value to other resources embedded in the institutional services (Houghton, 2017).

The importance of HCT is that the person who invests in education and training increases their skills level and is more productive than someone with lower skills level, so they can achieve higher gains as a result of investing in human capital (Nordhaug, 1993). HCT supports the idea that workers can develop knowledge and skills through investment in education, training and learning.

Mahmood and Alkahtani (2018) see human capital as a critical component in deciding and driving modern economic growth owing to productivity advances. They investigated the effects of human resources and financial market development (FMD) on Saudi Arabia's economic growth using data from 1970 to 2017 and the autoregressive distributed lag (ARDL) cointegration approach. They found that the cooperation between human capital and human resources or between capital and FMD contributes positively to economic growth in Saudi Arabia. They also explained the importance of human capital and growth to improve the economy and suggest policymakers should emphasise enhancing the Kingdom's human capital through effective educational policies.

Bokhari (2017) described the relationship between human capital investment and economic development in Saudi Arabia from 1970 to 2014 in a quantitative study. He found that, with the correct policy assessments and rehabilitation, investment in human capital might be transformed into a vital component of development in the Saudi economy.

Campbell (2013) explains that investment in developed countries in human capital of all kinds has become greater than investment in physical capital, creating the basis for what is known as a knowledge or technological economy. The concern for the human element and its development is an urgent national duty and investing in it like other aspects of investment supports planning and follow-up and in a sound scientific manner

Human development projects are essential for the economic growth of any country. According to growth economists, inequalities in per capita income, within the countries, cannot be explained without including the analysis of differences in efforts the nations are making in the human capital development. Early classical economic theories are related to economic growth

of physical capital, while neo-classical economists linked the concept of physical capital to the human capital, and further growth of research linked economic growth to technology, which is a function and advancement made by the human capital. Therefore, (Campbell & Agbiokoro, 2013) concluded that while making research for economic growth, the differences in human capital investment made by a country, can help the policy makers and users, to better understand growth discrepancies between countries (Campbell & Agbiokoro, 2013).

The key goal of countries, like Saudi Arab is to produce talent, in house, as it is necessary to develop their own human capital. Also, knowledge supports economic growth and progress in today's world of information societies. According to, (Adedeji & Campbell, 2013), Higher Education (HE) is the primary source of providing knowledge, including its creation, diffusion, and assimilation into any culture. Currently, economic growth is dependent on the ability to produce knowledge-based goods and services (Adedeji & Campbell, 2013). However, rather than producing knowledge items, the future of the knowledge-based economy will depend on its ability, to produce knowledge based services, through research and development, especially in times of new technologies. As a result, knowledge economies place a larger emphasis on the advancement of knowledge and technological advancement in their human capital, which will increase their physical capital and economic growth. Therefore, in order to enhance the process of knowledge, generate in-house human capital, Higher education institutions (HES) are used and flourished, as these can be a primary source of producing future human capital, within the country (Adedeji & Campbell, 2013).

Although investing in human capital is not intended to set a price for the individual or the human element, it is the most important pillar of economic and social development and is the use of activities that increase productivity or quality of work and includes a range of aspects such as spending on education, training, health and migration.

3.4.1.2 Social capital theory

Social capital theory refers to society's internal social and cultural coherence, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together (Healy and Cote, 2001). This theory was introduced by Bourdieu (1985) who described a collection of possible resources linked to the control of a powerful system of a more-or-less established relationship of common acquaintance or gratitude. It is a type of group affiliation that provides each of its members with backing and support.

The term ‘social capital’ presented by Bourdieu in 1972 has achieved widespread acceptance and approval, especially in the fields of social sciences and economics. Therefore, economists have used social capital to explain a wide range of phenomena including economic growth, firm size, institution design and performance, financial development, crime and fraud, family power, innovation and promotion and expansion of secondary education (Guiso, Sapienza & Zingales, 2010).

According to Putnam (1993) and Coleman (1990), these are customs, intrapersonal networks and relationships between adults and children are necessary for the child’s upbringing. Social capital occurs inside households but also outside them in society. According to Coleman, social capital is a valuable resource of intrapersonal relationships, which does not belong to only one group, but is dispersed all over society and of use to households and underprivileged groups (Field, 2005; Fine, 2001; Morrow, 1999).

Bjørnskov (2006) concluded that social trust alone was an indicator of governance and satisfaction with life. Thus, this study can extend the observations by Coleman (1988) to Arabs where the achievement of high job status is essential for the social status of the extended family. Social networks are usually referred to as the source of contacts for job seekers (Acquisti and Fong, 2013; Galeotti and Merlino, 2014). In addition, *wasta* (nepotism) is considered a significant employment source in Arab countries (Forstenlechner and Baruch, 2013). Alharbi (2014) and Gatti et al. (2013) explained that *wasta* affects job searching and receiving workplace training.

Hoi, Wu and Zhang (2019) found that social capital, as measured by secular norms and social networks surrounding company headquarters, is inversely related to CEO pay levels. This relationship may be found in various robustness tests, including ones that address omitted variable bias and reverse causality. Social capital also lowers the probability that corporations will make opportunistic option grant awards.

Social capital theory assures that social relationships are resources that might lead to the development of social capital. Social capital management refers to business strategy and other technologies used to implement that work strategy. The explosive growth of e-commerce makes social capital an increasingly valuable and essential tool in any business sector. According to this theory, social capital is a set of attributes, including all the knowledge, talents, skills, abilities, experience, intelligence, training and wisdom possessed individually and collectively by individuals (Butler and Rose, 2011).

These resources are the total capacity of a people which represents a form of wealth that can be directed towards achieving the goals of a nation or organisation (Dive, 2004). It links investment in social capital development to education and confirms the role of social capital in economic development, productivity growth and innovation, which are often cited as justification for government support for education and job skills training (Liao, and Chuang, 2004).

Social capital, is said to be the sum of social ties and relationships, which has been recognised essential, along with many synonyms such as goodwill, brand value, social cohesion or social resilience and related concepts such as experience or fame. It is vital to the success of an organisation and is maximised through better education and experience (Abel et al., 2012). Studies of structural unemployment have increasingly focused on the mismatch between the social capital stock of jobs and the needs of employers. There is a growing recognition that social capital may be specific to particular jobs or tasks rather than generic and easily transferable (Butler and Rose, 2011).

Most theories seek to break human capital into one or more components, which are commonly referred to as intangibles. One of the parts of human capital is social capital, the sum of social bonds and relationships, has come to be recognised, which is also intangible, like: goodwill, brand value, social cohesion or social resilience (Yusuph, 2015). Furthermore, the related concepts of celebrity or fame, which are based on distinction, on the basis of the talent, that an individual has developed over the time. These aspects or traits can be transferred or taught and known as the instructional capital. According to, (Yusuph, 2015), "human capital" resembles to the Karl Marx's definition of labour power, in some ways. Where, he believed that in capitalism, employees sell their labour force, in order to earn money (wages and salaries, in terms of organization).

Also, (Yusuph, 2015) described that, social capital is stated to be the civic capital, where people have shared beliefs and values, that help the whole group to remain united and help them to overcome problems. Also, they follow, cultural norms and provide economic payoff and remain committed towards socially valuable goals.

This theory assures the importance of job satisfaction in any organisation, affirming that job satisfaction refers to the positive attitudes people may gain from work or through aspects of work. Employee job satisfaction is central in scientific studies and research since it is believed to have a relationship with job performance. It is linked to increased productivity and

organisational effectiveness and is important for any organisation and any employee since it reduces negative behaviours as absenteeism, tardiness and turnover.

Job satisfaction also stimulates the abilities of employees to perform better. Powerful organisational support and employees' fruitful engagement in work duties are also significant factors in building job satisfaction as are a positive work environment, lack of personal and professional conflicts and having supportive managers (Christen, and Soberman, 2006). This theory focuses on the effect of organisational strategy and its culture on productivity. An organisation's strategy is its plan for the whole business that sets out how the organisation will use its resources. For the organisation to deliver its plans, the strategy and the structure must be woven together to avoid task overlap and workforce confusion. Organisational structure and strategy are related because organisational strategy helps a company define its organisational structure. The company's organisational structure depends on the result of the analysis of organisational strategy. The company will use these results to identify its areas of concentration (Daft, 2013).

The concept of social capital theory can be used to describe many features of the Saudi labour market and why there is a large proportion of expatriates in the Saudi private sector.

3.4.1.3 Organisational capital theory

Organisational capital theory is the collection and use of private information to improve production performance inside an organisation (Prescott and Visschler, 1980). Many business researchers have opined that it plays an integral part in the productive capability of a company (Kaplan and Norton, 2004; Tronconi and Marzetti, 2011). The theory considers the working environment, salary, professional growth, human resource agreements and office culture as elements that affect employment (Abdulla and Ridge, 2011; Al-Ali 2008; Spring, 1998). For example, in Oman the managers do not hire candidates who have inadequate verbal and written English skills, preferring those who are fluent in English (AlBalushi, 2008). Salary is another element. This theory considers the level of remuneration and the package benefit are directly proportionate and positively affect new technology thereby resulting in a firm's efficiency (Kramar and De Cieri, 2008).

Recruitment refers to the process by which an organisation seeks suitable applicants and attracts potential employees. The selection process refers to the process by which an organisation identifies those applicants who have the right knowledge, skills, abilities and other characteristics that will be relevant to achieving the company's objectives (Owusu-Ansah &

Nyarko, 2014). The goal of the recruiting and selection process is to achieve the organisational capital (human capital) and also ensure the quality of employees at the lowest possible cost to meet budgetary and statutory requirements and the organisation's human resource demands. Pay or salary is another component of this theory, which views the level of remuneration and the package benefit to be directly proportional and can positively affect organisational commitment and so this can help in increasing the efficiency of a corporation (Kramar and De Cieri, 2008).

Hiring skilled individuals is an appealing starting point in the process, but using a variety of sophisticated human resource management strategies, where the main goal is to grow and maintain a committed team (Owusu-Ansah & Nyarko, 2014). Employers strive to find and hire the best people and salary can be an appealing element which can help to hire suitable or skilled employees (Kramar & De Cieri, 2008). High levels of pay can attract the right talent and the company can ensure it has high quality employees. Therefore, salary or pay can be one of the factors that can be spend and help the organisations to strengthen their organisational capital (Kramar & De Cieri, 2008). Employees can feel satisfied due to numerous factors of which work environment and compensation can be the major factors. Also, rewards and appreciation can be said to be another encouraging factor that can attract and retain the employees (Cudjoe, 2016).

The workers' performance can have a negative effect if they are not happy with their salary package benefits or believe they are unequally divided. Ichniowski and Shaw (2003) point out that there is a relationship between organisational capital and firm performance. Their study investigates how work conditions such as the number of working hours, promotion and human resource policies can affect the employment of expatriates as compared to local workers. These theories are adopted here to offer predictions between the potential factors and Saudi employment in the wholesale-retail and construction industries.

3.4.2 Hypotheses development

This section discusses the six hypotheses of the study. They are developed relying on the current literature and extensions or emphasis. Recruitment of Saudis in the private sector may result from a range of factors, some of which are entirely under the control of employers (salaries and working condition) and others completely beyond their control (social and demographic profile of Saudis, social status, power distance and commitment). To be

consistent with the focus of the study, this section reviews related literature and extensions or emphasis that helps to identify factors that can affect employment.

3.4.2.1 Power distance and employment

Power distance flows from the concept that authority is unequally distributed in companies and organisations (Hofstede, 1980). It is a function of influence or power perceived between workers and a boss. Individuals and groups in a society with high power distance avoid confronting bosses and disagreeing with them, whereas people from a community with low power distance feel that the inequity of authority is reduced (Farh, Hackett and Liang, 2007). In a society, power distance is an instrument that indicates how a leader is going to behave and use their energy. Atwater et al. (2009) suggest that employees in this kind of culture believe that the behaviour of the manager is bad and they do not ask their bosses anything. According to Farh et al. (2007), in a high power distance community workers do not interact with their superiors and thus keep their social distance. Workers with a lower power distance mentality favour social equity and do not recognise so much authority (Lam, Schaubroeck and Aryee, 2002). They feel that their management should be closer to them in terms of job responsibilities and work. Kirkman et al. (2009) found that communication between managers or supervisors and employees or subordinates in such an environment shall be open and preferred. Power distance is a highly important cultural dimension as it affects the behaviour, processes and organisational structure of employees.

Nagandhi and Prasad (1971, p.58) state that: '[f]or me is to say yes to whatever my supervisor asks me to do, rather what I achieve for my company'. It shows how the supervisors and subordinates are connected in a culture of high-power distance. Therefore, there is a strict supervision in high power culture, as compared to low power distance culture organisations.

Power distance is a concept that can be negative to corporate advancement, employee involvement and empowerment and overall organisational health (Ghosh, 2011). Employees in a high-power distance environment are unwilling to participate in decision-making and are content with their bosses' decisions and let them take control and have authority, which they passively follow. Job roles are rigidly defined and have limited scope. There is no horizontal communication in high power distance culture, which means that the communication channel is only vertically downwards (Khatri, 2009). Overall, there is a lack of communication because it is difficult for subordinates to express their opinions. Therefore, there is a significant communication gap between managers and their subordinates. Managers have unlimited power

and influence over their employees in higher power distance culture. Employees have no creativity or input. Junior employees respect older and senior employees not because of their competence, but because of their authority and power (Khatri, 2009). A high power culture is autocratic and more prone to unethical behaviour and illegal activities. In such companies, senior managers cover up their unethical practical and actions (Conklin, 2010). A high power distance and high level of misogyny in a country like Saudi Arab has been associated with a tendency towards a high level of bribe taking, which is also depicted in its organisational culture (Friedman, 2010).

Farh, Hackett &, Liang (2007) investigated the moderating effect of power distance and Chinese traditionality on relationships between organisational support and work outcomes. They found power distance and altered traditional relationships of perceived administrative. These relationships were more effective for individuals with low power distance. They also found that, compared to traditionality, power distance was a more effective and more consistent moderator of perceived organisational support–work outcomes relationships.

Farh, Hackett and Liang (2007) explained that low power distance is associated with leaders making decisions after discussing and consulting with their subordinates and subordinates are given rights to agree or disagree with their boss, or challenge or question the decisions of their leaders. A high power distance is associated with leaders making autocratic decisions and subordinates have to obey them blindly and they fear disagreements, with their leaders (Hofstede et al., 2010). This is linked to organisational support and individual level power distance. Low power distance values are linked to the view that good ideas can originate from anywhere in the organisation's structure and it has been seen that low-power distance subordinates commonly engage in raising their ideas and opinions (Farh, Hackett & Liang, 2007). Therefore, power distance has more impact on social relationships and organisational commitment of the employees.

Rafiei and Pourreza (2013) investigated the relationship between employee involvement and outcome factors, including organisational commitment, work satisfaction, perception of fairness in an organisation and willingness to assume work commitments. They also looked at the effect of power distance on the relationship between participation and four outcome factors. Their findings revealed that workers' perceptions of power distance significantly affect the relationship of the employee's involvement with organisational commitment, work happiness, perception of fairness and preparedness to assume work duties.

Hauff and Richter (2015) sought to identify power distance since it affects the acceptance of job characteristics related to status and power. They found that international human resource management was important, as the significance of situational job characteristics for employee job satisfaction varies due to cultural differences. They concluded that national power distance levels affect situational job characteristics and have a great effect on job satisfaction. The results affirmed that power distance's effect on employment and job satisfaction is high and its role relies on the cultural concepts which are used.

Rafiei and Pourreza (2006) sought to examine the relationship between the outcome variables and employee participation. In addition, the study examined the effect of power distance on the association between outcome variables and the employees' participation. The study found that many organisations recognised the importance of human resources for their competitive advantage. This study adopted the descriptive approach to identify the study variables among some managers and employees. The study depended on a questionnaire as the main procedure to collect the required data. It concluded that the level of power distance had a relationship to the employee's participation, organisational commitment, perception of justice and job satisfaction.

Shawan (2016) sought to examine the relationship between performance and power distance and in the workplace. It was stated that power distance represents the degree to which people in a country agree that power in institutions and organisations is distributed unequally. A quantitative approach was adopted, employing a survey of 10 international NGOs working in Palestine. The results showed that a moderately significant positive correlation between power distance and performance on the job depending on matching each respondent's attitude to power distance with their evaluation of their performance.

The study found that the value of power distance might be used as a predictor of job performance in multi-national organisations in which cultural differences among employees act as barriers to good performance.

Smith and Trope (2006) and Magee and Smith (2013) argue that people in power positions have a more significant social divide than those who are not. Such individuals may not wish to work in the same occupations as them. Saudi Arabia has a particularly high power distance culture and is a prime example of such a culture (Hofstede, 1980). Supervisors in Saudi Arabia are normally abusive where there is a high distance of power. Saudis may not want to work in the same jobs as expatriates because they consider themselves superior.

Given all this, it is hypothesised that:

H1: Power distance as a construct is likely to be positively related to Saudi employment.

3.4.2.2 Social status and employment

A social system has many different units one of which is the social status which an individual receives within a group (Vecchio, 1992). Social status also has to do with the kind of connection which an organisation has with an individual, with the person and career of a worker, with the nature and responsibility of the workplace and with people's position in society (Parcel and Mueller, 1983; Spaeth, 1977; Vecchio, 1992; Walsh, 1982).

Consequently, when an employee is subject to the status situation/condition, various matters should be addressed, including the kind of relationship between society and an employee, the combination of the personality and occupation of the employee and the attitude of the people in society regarding the status of the employee.

The status of an individual is determined in several ways including the characteristics with which they are (for example, family or race) and those features can be obtained (education and employment). Many features, therefore, help to demonstrate the status of an individual. Koslowsky and Schwarzwald cited in Staheski (1995) found that a larger variety of influence was used by individuals whose status was perceived to be higher. According to Rosenthal (1987), those with high status are more attractive. The ranking of these individuals has something to do with how they are ranked. This should represent not the position of incumbents, but the characteristics of the work done. To Hodge (1981), prestige scores can be used to research status, since prestige scores include occupational features. Kusluvan's (2000) definition is that social status can be assessed as to whether a person is proud of the job they do and whether the job in society is perceived as a respected and important occupation.

Referring to the relationship between social status and employment, Acta (2018) found that education plays an important role in creating the differences between social classes and that social class differences were more distinct among men than among women. It was concluded that social stratification in unemployment was substantial and persistent and created variation in labour market risks. Social class is also connected to economic activity and the labour market position of an individual, acting as a stratifying element in the risk of becoming unemployed.

Panel et al. (2016) aimed to clarify the effects of class gradient on mental health. The study depended on repeated cross-sections from the Health Survey of England and longitudinal data

from the British Household Survey to identify the relationship between class and psychological wellbeing. They found that employment status was a confounder in the class inequalities analysis, explaining the class gradient. This affirmed that employment status should have greater prominence in the labour market, as class gradient affects quality performance.

These results suggest that some owners and managers feel that Saudi workers join the workforce temporarily until they get a government job, even if it is with a lower salary, and so leave their job in the private sector without regret to join the official government workforce. When some workers were asked about this, they said several reasons for their lack of desire for private sector jobs and their keenness on a government job. A lot of private sector employees do not enjoy the benefits of public sector jobs.

El-Dief and El-Dief (2019) Investigated the factors which influence Saudi hospitality students to follow a future career. Using social cognitive career theory (SCCT), they examined commitment to a hospitality career connected to personal and contextual factors and two control factors (years of study and industry experience) to predict career choices. They found that 'self-interest', 'outcome expectations', 'the nature of the working environment', 'the nature of the working day', 'nepotism (wasta)', 'industry experience', and 'years of study' were the best predictors of students' commitment to a career choice; in contrast, 'social status' and the Saudisation of the workforce were not significant determinants.

SCCT seeks to explain how people develop their academic and professional interests, achieving performances of high quality in their chosen academic and professional pursuits (Lent et al., 2003). It depends on cognitive constructs, self-effectiveness, outcome expectations and choice goals. Under SCCT, the use of cognitive strategies in professional guidance helps in making the right decision and the individual assesses these strategies through defining the objectives to be achieved, coordinating human professional needs with the appropriate training to overcome the hindrances that the individual faces in making a professional decision (Robertson and Sadri, 1993).

These studies have examined Saudis' attitudes to work classified by lack of technical skills and work ethics and a public service preference (Al-Asmari 2008; Al-Dosary and Rahman 2005; Almunajjed 2010; Al-Shammari 2009). It is undeniably the most important aspect of unemployment because an individual should develop their position in society. This is endorsed by Ali and Al-Owaihan (2008), who studied the Islamic work ethic. They said that Islamic work ethics have economic, moral and social consequences which seem to give Saudis a sense

of dignity and strengthen their organisational engagement and continuity. Employment is not seen as a target, but as a means to promote personal and social progress. Fakeeh (2009) argued that the majority of locals view service-related jobs as lower status jobs that do not improve the personal identity and prestige of their wider family. Consequently, due to the assumption of social prestige in these industries, they prefer to work in government or oil-related companies. Previous Saudi studies have concluded that social status has both individual and communal aspects in the sense that one's status affects one's social and professional relationships and the image of one's family and clan (El-Dief and El-Dief, 2019).

So, since the Saudi labour market is populated with both locals and expatriates, the former is likely to have a negative attitude towards the latter and can withdraw from the labour market. In UAE, Forstenlechner et al. (2012) argue that many jobs categories are deemed unacceptable by Emirati society for nationals to undertake. Based on the preceding theoretical argument and importantly its acceptance as new extensions to the current causality literature in our Saudi employment study, it is hypothesised that:

H2: Social status as a construct is likely to be positively related to Saudi employment.

3.4.2.3 Conditions of work, wages, benefits and employment

A firm's conditions of work are more likely to help to retain existing workers and attract or scare away potential job seekers (Clark, 2001). Work conditions come in different forms and may include working hours, compensation, promotion and other benefits. Most Saudis are very particular about working hours and compensation. For example, Abdelkarim and Ibrahim (2001) and Al-Mansur (2003) argue that most Saudis will not accept long working hours or shifts that include weekends and Madhi and Barrientos (2003) conclude that 66% of Saudis do not want to work in the private sector if a split shift is involved. This might explain why Saudis will not accept jobs in the private sector and will always seek jobs in the public sector (Azhar et al., 2016).

Davidescu et al. (2020) found that sustainable HRM is an extension of strategic human resources, providing a new approach. It also affirmed that working conditions are a vital requirement for employment and a motivating factor for employees. They found a relationship between worktime, employee development and workspace flexibility and job performance among the different employees.

Boreham et al. (2014) affirmed that there are specific management practices and work conditions that affect the workplace and influence the wellbeing of workers. Their study asserted that enhancing the work conditions in any organisation will improve the performance of the employees and increase their job satisfaction. Yassin (2013) concluded that there is a relationship between working conditions, particularity workload, and working hours on employee productivity. Bakotić and Babić (2013) concluded that there are statistically significant differences in job satisfaction among the workers working under different working conditions.

According to equity theory, relative deprivation theory and social exchange theory, pay rates and level of satisfaction are influenced by distributive justice theories. Individuals react positively if they believe the outcomes (remuneration) they obtain, are generally fair (Adams 1965; Crosby 1976; Brockner & Betia 1996). However, Adams (1965) claims that people who are overpaid strive to improve their performance. While Boxall & Purcell (2003) claim that many people are contented with their current pay and the nature of the job. Similarly, when employers meet their employees' demands through compensation or other intrinsic or extrinsic means, employees respond with job satisfaction, organisational commitment and loyalty towards the company. Higher pay helps to reduce staff turnover, enhance the quality of job applicants and boost employee morale and cooperation (Al-Ali, 2008). Also, neoclassical economics theories focus on salary and employment disparity between different nations, migration costs and different views on migration as an individual option used to maximise their income. In contrast, the new economics theories evaluate conditions in a wide range of markets, not only the labour market conditions and describes migration as a family decision made to enhance income levels, reduce capital limits and enhance family economic activities (Massey et al., 1993).

Looking at the UAE, it is reported that the government plans to restructure and shift the system in the private sector to eradicate split shifts and weekends and to introduce flexible working hours and longer holidays, part-time work and job-sharing. The goal of the study presented by Al-Ali (2008) was to look at Emiratisation and its precedents from the perspective of national policy as it effects on the organisational cultures, working conditions and job descriptions of private sector organisations. Employers' lack of trust in the work readiness and skills of the UAE nationals was discovered to be the main barrier in hiring local talent or workers. The reasons of this were the low standards of education and skills of potential employees, insufficient level of English and lack of trust of local citizens. The citizens were reported to

believe that the private sector offered limited career opportunities and low earning jobs as compared to the government or public sector (Al-Ali, 2008). Therefore, to reform government policy, organisational effectiveness of the private sector and reforms must be implemented on in-house candidate preparation and reliability to gain an employer's trust.

These measures are to encourage UAE nationals to look for jobs in the private sector. GCC nationals prefer the public sector for its shorter hours, full weekends and substantial annual leave (Berengaut and Munis, 2005). Therefore, a firm's working conditions can affect the number of job seekers it can attract from the labour market. Desseler et al. (2007) stated that wages and benefits refer to all kinds of payments or rewards to workers given from their job and are divided into two categories: direct financial gains which include wages, fees, tips and indirect advantages such as tax support and subsidised childcare. Dickens and Machin (1994) affirmed that increases in wages improve the position of employment, and the relationship between wages and employment is positive.

If wage disparities are not caused by inherent worker productivity, employees have a strong motivation to relocate to richer nations. The concept of a location premium is supported by macroeconomic research (Pritchett and Hani, 2020). The compensation structure of a firm attracts the workforce to it. In the labour market, a firm that shows that it is willing to pay higher and better compensation to jobseekers are likely to attract the best labour force (Hu, 2003).

Pay or wage inequalities, have been always an interesting area of research (Lalive, Ruf & Zweimüller, 2006). Therefore, theories on wage determination reflect compensation as a key feature of a job and job satisfaction. Wage discrepancies are not attributable to inherent worker productivity but to the overall labour market. Wage disparities are directly related to the variety of occupations and industries that exist in a country. According to Deming and Kahn (2018), a job that requires a specific skill is paid more or less in different countries that require a specific skill and this can force people to move to countries paying more for similar skills. Salary or wage disparity serves as a significant economic concern as it is directly related to the increased or decreased labour productivity levels. Also, it is a tool used to attract skilled-workers. Similarly, wage differentials reflect changes in productivity, management efficiency and human resource use in different industries and sectors (Chen & Edin, 2002).

Many researchers understand the importance of job satisfaction and that salaries and benefits play a significant role in that satisfaction (Lawler, 1971; Heneman, 1985). Pay satisfaction is

significant because it is linked to several downstream attitudes, such as organisational citizenship behaviour (Miceli and Mulvey 2000) and organisation commitment (Kessler and Heron 2006). Kramar (2004) explained that if employees are dissatisfied with their pay and benefits or believe pay and benefits are distributed unfairly, the positive impact of new work designs and technology on productivity may be damaged.

Even and Macpherson (2003) concluded that alterations in occupation, industry and access to job training are important to enhancing the wages of minimum wage employees. They found that wages and salaries are important indicators for accepting or rejecting a job. It has also been found by (Even and Macpherson, 2003) that those employees who are well-paid perform their job tasks better with more satisfaction and motivation.

Assaad (1997) shows that pay levels attract graduates to the public sector in Egypt. He found that pay scales in the private sector are favourable to female graduates who face considerable discrimination. This suggests that wages may be a potential pull factor for labour. Hu (2003) concludes that larger firms hire younger workers than small firms and award starting wages that discriminate less based on age. Taken together, conditions of work and wages can affect employment in Saudi Arabia, so the following hypotheses are stated:

H3: Conditions of work is likely to be positively related to Saudi employment.

H4: Wages are likely to be positively related to Saudi employment.

3.4.2.4 Organisational commitment and employment

Organisational commitment (OC) refers to the participation and identification of employees with the organisation (Hellrigel, Slocum and Woodman, 1998). Allen and Meyer (1997) defined OC as a psychological condition relating to the criteria in the company's employee relations and the consequences of the decision to stay in the organisation. Emma et al. (2017) described OC as essential to understanding the connections created between employees and the business that encourages a desire for the organisation's best performance and implies that the engaged staff will remain in the organisation. Steers (1991), person to person varies for OC (Normala, 2010). This means that different employees have different level of commitment towards their work and the organisation. Also, there are three types of OC, namely, affective, continuance and normative.

Caldwell (1990) implies that OC depends largely on the organisation's incentives, particularly its financial benefits. Allen and Meyer (1990) described three aspects of conceptualised OC:

affective, persistent and normative. Affective commitment is defined by the development of an emotional commitment to the organisation to recognise, engage and appreciate the membership of the organisation by the affectively committed person (Allen and Meyer, 1990). The committed employees stay in the organisation because they want to (Meyer and Allen and Gellatly, 1990).

Continuance commitment refers to how strongly employees feel compelled to remain with their company. The underlying cause for employees to feel dedicated and to stay with the company is their commitment level and based on their internal desire to continue with the company (Meyer, Allen & Gellatly, 1990). The reasons for needing to stay with organisations varies from person to person, but the most common are the lack of other options for jobs and remuneration. Employees' normative commitment also refers to their perception and belief about the maximum time they should stay with their company (Aydogdu & Asikgil, 2011). Employees that are normatively committed to the organisation believe that they should stay with their companies for longer. Employees that are normatively committed believe that quitting their company would be devastating and they feel guilty about the thought of leaving or switching (McDonald, & Makin, 2000).

Finally, the value of employee dedication to organisations or organisational commitment level has been analysed via academic research. The three types of commitment have a significant impact on the tenure of the employment (McDonald & Makin, 2000). The most important thing for businesses to do is to recognise different types of commitment that employees practice, in their companies and HR needs to encourage affective organisational commitment (Chew & Chan, 2008).

The continuing dimension of engagement is a knowledge of the costs of leaving the company. Employees whose principal link to the organisation is the commitment to sustainability remain because they have to (Meyer and Allen, 1991). The normative aspect of OC focuses on the loyalty to a particular organisation arising from the internalisation of the regulatory pressures of an individual (Hackett, Bycio and Hausdorf, 1994; Popper and Lipshitz, 1992). O'Reilly and Chapman (1986) suggest that internalisation happens in conjunction with the induced values of the individual and the organisation.

Allen & Mayer (1990) have analysed all three types of organizational commitment (OC), where they presented that affective, normative, and continuation commitment were identified as components of attitudinal commitment (Allen & Meyer, 1990). They claimed that prior

attempts had failed, and that the distinction between attitudinal and behavioural commitment has been frequently misunderstood in the past studies.

Most academics researches have divided organizational commitment into two distinct components of attitudinal commitment and behavioral commitment. Where, the degree of loyalty an individual or employee feels for his or her organization can be referred to as attitudinal commitment, also known as affective organizational commitment. This type of commitment emphasizes on a person's affiliation with the company and the level of employee participation in the organization (Iverson & Buttigieg, 1999). Behavioural commitment, on the other hand, examines the process through which individuals link themselves to an organization and focuses on the individuals' activities rather than their internal thoughts and feelings (Iverson & Buttigieg, 1999).

Nasurdin et al. (2018) established a framework for understanding how OC might mediate the link between three types of high-performance work practices (HPWPs such as performance assessment, remuneration and employment security) and turnover intention. They used statistical analysis using partial least squares (PLS) conducted on questionnaire data and showed two HPWPs (performance appraisal and compensation) leading to reduced turnover intention via OC.

Luz et al. (2018) described that the extent to which OC and job satisfaction influence turnover using multiple regression analyses. They showed that six variables have a negative relationship with turnover intention but with various intensities: OC; affective and normative dimensions; job satisfaction; satisfaction with the salary; satisfaction with promotion; and satisfaction with the nature of the job. In contrast, among demographic variables, only age is negatively correlated.

Kawiana et al. (2018) defined the importance of organisational culture, worker satisfaction and personality on OC and employee performance in a bank in Bali using questionnaires and analysing the data through the Structure Equation Modelling technique. They found that:

- (1) the influence of organisational culture variable on OC was significant;
- (2) The influence of employee satisfaction variable on OC was significant;
- (3) The influence of personality variable on OC was significant;
- (4) The influence of organisational culture variable on employee performance interest was significant;
- (5) The influence of employee satisfaction variable on employee performance was significant;
- (6) The influence of personality variable on employee performance was significant; and
- (7) The influence of

OC variable on employee performance was significant (Kawiana, Dewi, Martini & Suardana, 2018; p1)

Loan (2020) examined the mediating role of work satisfaction on the effect of OC on work performance and found that employee performance is significantly influenced by OC. Employees' willingness to do the work may be enhanced or inhibited by commitment, which affects job productivity and quality. However, OC and job performance are more complicated than a direct connection; it is affected by job satisfaction. Companies also should increase employee commitment to enhance job satisfaction and performance.

Research in this field, focuses on the behaviour and attitudes of an individual towards commitment (Mowday, Steers and Porter, 1979). It is also described as an emotional link between an employee and the organisation (Riketta and Dick, 2005). Organisational dedication is important to assess an employee's ability to stay or leave (Guchait and Cho, 2010). Due to its popularity and effectiveness, study presented by Guchait and Cho (2010), used 'positive engagement' to be an OC. Mowday et al. (1979) developed a six-item scale which is seen in many other related studies.

Given the importance of commitment, several studies have said that OC has a significant impact on work attitudes and behaviour such as job satisfaction, absenteeism, performance and turnover intentions. Several studies have assessed the relationship between OC and job performance and found a positive correlation (Mowday et al., 1982; Porter et al., 1974; Turner and Chelladurai, 2005, Loan, L (2020). OC is important (Aizzat, Ramayah and Osman, 2001; Nik Mutasim, Mohd Adnan and Amri, 2004; Rohani, Fauziah and Illias, 2004, Luz et al. (2018), Kawiana et al. (2018). The accumulated research findings on OC to date have linked this construct to various antecedents and outcomes. Therefore, OC could affect employment in Saudi Arabia, so the following hypothesis is stated:

H5: There is an association between OC and Saudi employment.

3.4.2.5 Personal demographics and employment

The personal demographics of a job seeker are likely to play a role in the recruitment process of a firm. Oswald et al. (2016) show that personal characteristics are associated with employment outcomes. Al-Rashoud (2020) shows that the population structure has many types. These include age, gender, ethnicity, religion and nationality. Among these types, composition according to nationality, ethnicity and religion occupy great importance for the internal stability of the state, while age structure occupies the greatest importance in population change and its

effects on employment, unemployment and the repercussions of ageing societies. The Gulf states are not immune to the effects of the disruption in the demographics as a result of the high percentage of expatriates who have become the majority in many GCC states (Peterson, 2012).

Examining the relationship between personal demographics and employment, Anzick (2008) identified the factors affecting the population's age and composition and the factors affecting labour force composition. The study found that significant and continued modifications to benefit packages such as changes in compensation structures are very important to the labourers. Also, the study stated that poor health, sources of retirement income and individual preferences still dominate the retirement decision.

Reuben (2016) examined the relationship between demographic factors, employment and job satisfaction, analysing the responses of 848 employees to a self-administered questionnaire. The study found that committed and satisfied employees affect work performance and the organisation's work productivity, and that demographic factors including age, economic level and gender affect employee satisfaction. There were significant differences in the level of satisfaction of male and female employees with administrative duties. In addition, it was found that job satisfaction was positively correlated with age.

Referring to the previous results, the study of population change in the countries of the GCC is among the priorities and research interests. Knowing the details of the levels, trends and elements of population change is indispensable as a basic pillar of population policies in the countries of the GCC and as a basic building block in economic and social development plans in those countries.

The burden of economic dependency, demographic, social and economic characteristics of the labour force and its change over time, are related to the factors affecting working in the different organisations, including the wholesale-retail and construction industries in the Saudi private sector.

There is no doubt that unemployment among citizens is one of the important problems that trouble decision-makers and policy planners because of its serious negative repercussions on the individual, the family and society as a whole. In recruiting the Saudi people in the wholesale-retail and construction industries in the Saudi private sector, we must consider the level of job satisfaction.

Job satisfaction differs from a person to another. Consequently, we may find some employees who work for high salaries, some employees work for job environment and others work for the incentives or independence. To have job satisfaction, the employee should research jobs that meet their expectations and must have realistic expectations. Job satisfaction is a mixture of job type and the type of individual that makes jobs satisfying. We have to choose the right person for the position if we want to achieve success. Thus, when recruiting new employees for any job, it is important to pay attention to personality traits, previous practical experience and environmental concerns.

Factors such as academic qualifications, age and gender may play an effective role in determining the degree of success in such jobs (Hoppock, 2004). The hygiene factors like bad working conditions and poor company colleagues push the employees to feel dissatisfied with their jobs. Factors that influence employee satisfaction include compensation, workload and perceptions of management, flexibility and teamwork. In addition, good HR strategies often affect the performance of the employees (Millan et al., 2013).

What threatens national identity was not absent from the minds of the officials in these countries which adopted various programmes to localise jobs and professions. Jonathan et al. (2011) examined demographic and development variables as predictors of employment outcomes, finding that demographic factors such as age, sex and education affect employment. In Saudi Arabia, the personal characteristics of Saudis may thus affect their employment in the private sector. It is therefore hypothesised that:

H6: There is an association between personal demographics and Saudi employment.

3.5 Conclusion

This study is consistent with many previous studies in terms of method, theory and application but differs in terms of the tools used as it uses two tools, the questionnaire and personal interviews. This adds to the results because it depends on the opinions of managers and experienced specialists.

This section used different theories to develop hypotheses, for the study including human capital theory, social capital theory and organisational capital theory. Six hypotheses were formed based on the relationship between employment and power distance, social status, conditions of work, wages, benefits, organisational commitment and personal demographics.

Chapter 4. Methodology

4.1 Introduction

This chapter describes and defends the methodological methods used to carry out the research and analyse the data from the questionnaires and interviews. It explains the research methodology that was applied to collect and analyse the data to achieve the aims of the study. Methodology refers to the overall research plan that directs how research is to be conducted, such as the research philosophy, phases and quantitative or qualitative approaches, and the methods to be used in it (Howell, 2013). Collis and Hussey (2009) define research techniques as diverse ways of data gathering and analysis.

The methodological methods in this study were selected as being most suitable to achieving the aim of the study, to determine the factors that affect Saudi employment in the wholesale-retail and construction industries.

The research philosophy is described in Section 4.1. Section 4.2 discusses the research methods and Section 4.3 describes the research design. The sampling and data collection procedures are discussed in Sections 4.4 and 4.5, respectively. Section 4.6 discusses the research instruments and the final section considers research ethics and conclusions.



Figure 12. Research Methodology

4.2 Research philosophy

A paradigm is essentially a worldview. According to Kuhn (1962), it is ‘the set of common beliefs and agreements shared between scientists about problems that should be understood and addressed’ (Kaushik & Walsh, 2019) ‘A paradigm consists of the following components: ontology, epistemology, methodology, and, methods’ (Scotland, 2012). To determine which research worldview should be selected for the research, we can make comparisons with the researcher’s worldview. According to Guba and Lincoln (1994), three questions help the researcher to define the research paradigm:

The ontology question, what is the form and nature of reality and therefore, what is there that can be known about it? The epistemology question, what is the nature of the relationship between the knower and would-be knower and what can be known? The methodology question, how can the inquirer go about finding out whatever he or she believes can be known?’

The most common worldviews and paradigms commonly used in the area of labour and economics are positivist and post-positivist, interpretivist, constructivist and pragmatic (see Figure 8).

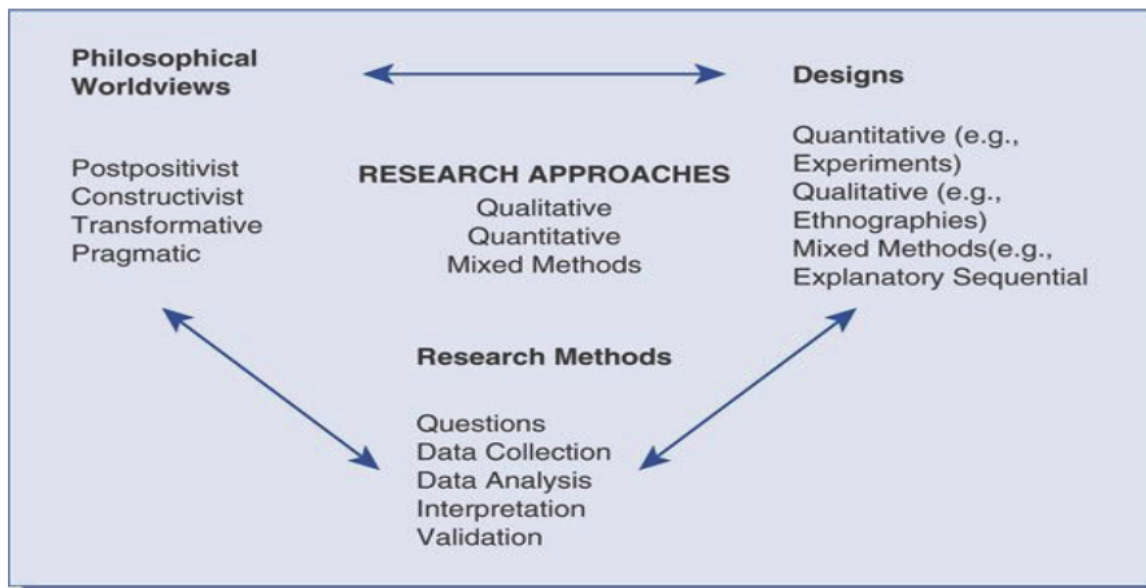


Figure 13. The paradigms and worldview

Source (Creswell, 2009).

The researcher adopts the pragmatist philosophy to benefit from this flexibility to gain a deep understanding and solve study problems. Hence, the features of this philosophy make it the most suitable to be employed in this study because it considers the research problem to be significant.

Kelly and Cordeiro (2020) presented three methodological principles for using pragmatic design, as it serves as a critical lens for researchers to develop and manage research projects in accordance with the classical pragmatism approach. These are a focus on actionable or useable knowledge, acknowledgement of the interconnection of experience, knowing and acting and an understanding of inquiry as an experiential learning process. To make validity claims, a positivist adopts a strict standard and takes in account the application of approved procedures. This concept or philosophy views the use of proven or basic standards as a research technique of obtaining scientific truths that are free of human biases (Giacobbi, Poczwardowski & Hager, 2005). Constructivists have a similar approach, denying the existence of permanent or universal truths. Instead they use meaningful reality that emerges from connections, negotiations, or discourse between community members. Pragmatic views of validity make it necessary to conduct an in-depth assessment of science's practical utility and its impact in specific or given situations (Giacobbi, Poczwardowski & Hager, 2005). Pragmatism began as a philosophical movement in the late 19th century that focused on the practical ramifications of social reality. Its origins can be traced back to academic scepticism about the ability of positivist scientific activity that was used to achieve perfect knowledge or truth (Kelly & Cordeiro, 2020).

According to Ivankova (2014), the pragmatic technique allows the researcher to use a variety of strategies to address the research issue. This approach gives the benefits of thinking and exploring freedom rather than following specified techniques and procedures. The focus of pragmatism shifts from the individual, psychological domain to the individual and shared human experience (Kelly & Cordeiro, 2020) where it is believed that all human experiences involve some level of interpretation, i.e., understanding, knowledge and beliefs, which leads to action. Therefore, this approach is more human centric and practical.

Some theorists like Hesse Biber (2015) focus on what works, which is directly related to the roots of performing something, which again makes this approach very purposeful and specific to the problem. A pragmatic approach will focus on real world and practical approach and encourage the researcher to take a soft approach based on what works and knowledge which are legitimate or essential and meet the research objectives (Kelly & Cordeiro, 2020). Because of its practical and real situation analysis approach, the researcher focusses of pragmatic approach or philosophy for this study.

4.3 Research methods

Research methods are combined with quantitative and qualitative methods to answer the questions of the research. Another definition is ‘the research design is a type of inquiry within qualitative, quantitative and mixed-methods approach that provides specific direction for procedures in a research study’ (Creswell, 2014). A researcher determines which method is suitable for the research according to the question. It is dependent on the research question. The appropriateness of each methodology is influenced by the philosophical assumptions made by the researcher about knowledge and the nature of reality.

4.3.1 Qualitative approach

A qualitative method is related to interpretivist epistemology and constructivist ontology and it supports the opinion that we have more than one truth and multiple realities. A qualitative method helps to understand the problem by searching the human experience. A qualitative method does not involve numbers, using measurements or statistics. Qualitative research is associated with this perspective as it emphasises the socially constructed reality. ‘Interviews are considered as one of the main tools of qualitative research methods’ (Bryman, 2008). ‘It is often focused on the quality criteria by exploring factors such as validity, reliability and generalisability’ (Onwuegbuzie, 2003). ‘Qualitative research includes an inductive approach and is linked with interpretivism philosophy unlike the quantitative research strategy’ (Saunders, Lewis and Thornhill, 2012).

4.3.2 Quantitative approach

The quantitative methodology shares its philosophical foundation with the positivist paradigm (Weaver and Olson). In quantitative research belief that there is only one truth. ‘The quantitative method is related to numbers and is used to test hypotheses and thereby proves or disproves a theory depending on test outcomes’ (Creswell, 2007). The quantitative method is more based on statistical reports than qualitative methods. A researcher uses it to examine the relationship between variables. The quantitative method helps the research check which hypothesis can be tested or not and is associated with the positivist philosophy.

The objective of this thesis is to examine the factors that affect the employment of Saudis in the private sector with a particular focus on the wholesale-retail and construction industries. To achieve this, it will use both quantitative and qualitative methods.

4.3.3 Quantitative versus qualitative approach

Quantitative and qualitative approaches have differences in gathering and analysing data. They examine different types of data and have different aims. Quantitative research is an emphasis on measurement, while qualitative research is an emphasis on understanding. Quantitative research studies a large group that is randomly selected, while qualitative research studies a small group that is not. Quantitative research chooses specific variables to be tested, while qualitative research does not choose the variable but rather uses the study as a whole. The types of questions asked in quantitative research are what and how, while qualitative research asks how many and what. The results are analysed in quantitative research by using the descriptive, measuring and statistical and chart approach, while in qualitative research explanation, exploration and understanding are generally used.

There are strengths and weaknesses to quantitative and qualitative research methods. The strengths of qualitative research are that it shows more detail about the results, facts, accuracy and the calculated margin of error. Its weaknesses are that it is expensive and complicated, using closed and open questions to answer the question and inefficient. The strengths in quantitative research are that it is not expensive, simple, quick to get the results and shows a useful overview, while the weaknesses are the skills required, special levels of interpretation and more chance of bias as it is hard to interpret the results. It is important to consider the relative advantages of combining these methods to benefit from both.

To achieve the aims of the study, a mixed-methods design is employed which allows the use of both quantitative and qualitative data. According to Creswell and Clark (2011), the mixed-methods approach focuses on collecting, analysing and combining quantitative and qualitative data in a single study or series of studies. Combining quantitative and qualitative methods in one study can help a researcher to better understand and address a problem in a much more comprehensive manner, thus benefiting from data triangulation (Creswell, 2013).

4.4 Research design

A research design is a plan, blueprint or guide for data collection and interpretation (Cohen, Manion and Morrison, 2000; Creswell, 2014). It enables the investigator to conceptualise the research problem and related issues (Punch, 2009; Creswell, 2014) and provides a specific direction for the procedures in carrying out a research study (Creswell, 2014). Following the literature review and based on the research aim and hypotheses regarding the key factors contributing to the low Saudi employment in the two major industries, wholesale-retail and

construction that exist in the Saudi private sector, this thesis was conducted within the mixed-method paradigm and adopted an explanatory research design, which allows the researcher to explore particular factors (Zikmund, 2003; Creswell, 2014). The outcomes of a quantitative and qualitative approach are integrated as illustrated in Figure 9.

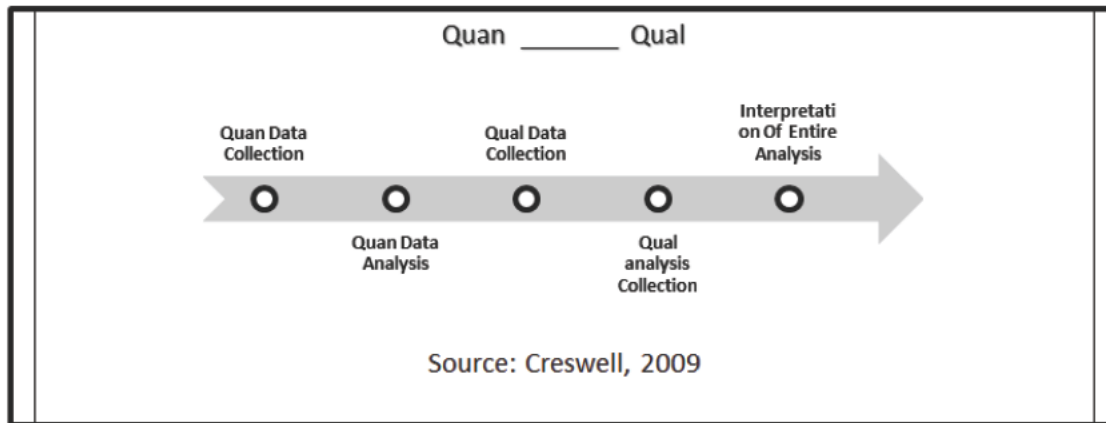


Figure 14. Explanatory research design

4.5 Sampling

Alf and Lohr (2007) argue that samples collected for research should be suitable for the area under study and that researchers should devote time to determining the kind of sample required, the practicalities of successfully undertaking the research based on the proposed sampling strategy, time, costs and accessibility. For this study, the stratified sampling technique was employed for the quantitative data because it gives all companies in the construction and wholesale-retail industries an equal chance of being selected to participate in the research, so long as they employ Saudis. The non-probability sampling technique was used for the qualitative data to ensure that the sample population was within the scope of the research.

4.5.1 Questionnaire sampling

The target population was Saudi employees in the wholesale-retail and construction industries in the Saudi private sector. KSA has a fast-growing economy, especially in the construction and wholesale-retail industries. Many companies have developed significantly in the last ten years (SAMA, 2014). According to the General Authority for Statistics (2017), Saudi Arabia had more than 52,448 private companies in the wholesale-retail and construction industries of which 55% are located in Riyadh, Madinah and Makkah. A sampling procedure was required to allow a tractable amount of primary data to be gathered. Since Saudi Arabia is one of the largest countries in the Middle East and it is difficult to collect data from all organisations due to time and cost constraints, a convenience sampling using the Krejcie and Morgan (1970) table

that determines sample size was employed. As the sectors have approximately 650,000 workers 500 is a sufficient number according to the table and Chuan and Penyelidikan (2006).

4.5.2 Semi-structured interview sampling

The target population was owners and managers in the wholesale-retail and construction industries in the Saudi private sector. Twelve semi-structured interviews were conducted with six owners and managers from the construction companies and six managers from the wholesale-retail companies to explore the factors that lead to decreased participation by Saudi citizens in these industries and why unemployment is still prevalent among Saudis despite the introduction of the Saudisation policy.

The choice of the sample can also be justified using the saturation argument (Morse, 2015) noted that '[s]aturation is a major component of rigour. It is present in all qualitative research, but unfortunately, it is evident mainly by declaration'. Hennink, Kaiser and Marconi (2017) found that code saturation was reached after nine interviews, so a small number of interviews can be enough to gain a comprehensive range of data. Guest et al. (2006) described that data saturation happened between seven and 12 interviews, with many of the essential elements of themes present between interviews 1 and 6. Namey et al. (2016) explained that saturation happened between eight and 16 interviews, depending on the level of saturation sought.

4.5.3 Data collection procedure

To achieve the aim of this study, both primary and secondary data collection will be used. Secondary data is collected using different resources such as scholarly articles from reputed journals, newspapers, magazine reports and books (Saunders et al., 2016) In contrast, primary data can be obtained through various methods such as questionnaires, observations and interviews. For this research, primary data was collected through questionnaires and interviews. This section describes the structure of primary data and the source from which these data were gathered.

4.5.4 Quantitative data collection

The collection of data is one of the most crucial stages in a research study as the analysis, results, conclusions and recommendations are based on it. Data gathering is a difficult task that demands thorough planning, in-depth understanding and analytical skills (Saldaña, 2003). Data collection begins with determining the type of information that is required followed by the collection of a sample from a given or certain population. Then, a specific tool, needs to be specified to collect data from the chosen sample (Saldaña, 2003).

Primary data is information gathered by the researcher themselves using different data collection tools including surveys, interviews, questionnaires and experiments. This technique is used for better understanding of the research area and to solve the study's problem (LeCompte & Schensul, 1999). It is information that is prepared or created for the first time by the researcher via their own efforts and expertise which are specially collected to address their study goals. Primary data is also known as raw data or first-hand data (Schuurman & Eijkman, 2013). While, Secondary Data is collected, by acquiring the existing data, that is available publicly, for the users. It can be available online, on websites, generated by government institutions, healthcare authorities and academic research papers (Cheng & Phillips, 2014).

Primary data collecting is done by the researchers themselves, it can be extremely costly, as it involves resources such as money and people. But data is authentic and more accurate, reliable, precise and practical, as the data collection is done under the investigator's control and supervision (Bernard, et al., 1986).

The primary data was gathered through a survey, in this study. This is a common method used to collect a large sample of data. In this process, most of the participants, belonged from two cities where the majority of them were working in medium and large companies, of the construction and wholesale-retail industries. Participants were selected with help of the MOL and the Riyadh and Jeddah Chambers of Commerce and Industry. Selected participants were sent a link via email to an online questionnaire created 'Qualtrics'.

4.5.5 Qualitative data collection

The qualitative phase involved in-depth interviews with the owners of construction and wholesale-retail companies. This is a commonly used qualitative approach (Creswell, 2013). Semi-structured interviews are valuable for conducting in-depth examinations of the experiences, opinions, beliefs and motivations of the owners of these companies (Flick, 2009). By using open-ended questions, participants can explain their views more effectively and answer the questions in a manner such that the researcher can get an opportunity to ask further questions based on the responses they receive. These answers provided a better understanding of the phenomenon, especially the research question relating to why Saudisation was ineffective and enabled the researcher to understand the situation more effectively (Campbell, McNamara and Gilroy, 2003).

4.6 Research instruments

A questionnaire was produced as one part of the research instruments in this study to understand Saudis employees' views of the obstacles to the employment of Saudis in these industries. It consisted of two parts. The first part ascertained relevant demographics of the target population and the second the key determinant variables (work condition and social status, wages and benefits, power distance and OC). Constructs are abstracts, that are used to specify things/items of a questionnaire in a research study. The constructs were selected from the literature review, as shown in Table 4. A pool of 27 items was developed from existing literature and previous surveys for related studies.

Table 4. Scale items, sources and Cronbach's Alpha

Variables	Items.	Sources	Alpha
OC	I am proud to work for this organisation. I am willing to make an extra effort for this organisation.	Meyer, J. P.at (2002). Allen, N. J., and Meyer, J. P (1990).	0.85
	I would accept almost any work task to be able to continue working for this organisation. I feel very little attachment to this organisation.	Allothman, A (2017)	
Work Conditions	Lack of job security in my organisation. My company's understanding about me having to meet my family responsibilities. My organisation is poor at giving fair pay increases.		0.738
	Work relations between employees and management' are 'poor'. Long working hours. Lack of promotion and career development opportunities. I often think about quitting my jobs Working hours in my company do not fit Saudi workers' social and family responsibility	Kusluvan, S., and Kusluvan, Z (2000). Al-Nahdi, Y. R. N (2016)	
Wage/Benefits	My present salary is satisfactory. An upgrading of the pay scales at this company is needed Saudi salaries at other companies are better than salaries at this company		0.74
	The benefits package at this company is satisfactory to me In my company, employees have independence in executing their duties In my company, managers do consult with their subordinates In my company, top managers and lower cadre employees mix up freely.	Ellenbecker, C. H., Byleckie, J. J., and Samia, L. W (2008) Oloko, M., and Ogutu, M (2017). Yuan Wang, K., and Zamantili Nayir, D (2009)	
Power Distance	In my company, power is equally distributed to managers.	Gunkel, M., Schlägel, C., and Engle, R. L (2014)	0.7

In my company, managers/owners don't trust Saudi workers.

Social Status	<p>My family is proud of my profession in my company</p> <p>Working in this industry is regarded as an important beneficial service to society in Saudi Arabia</p> <p>Parents would not want their daughters to marry someone working in this industry.</p> <p>I talk to my relatives and friends with pride about my occupation in this industry.</p> <p>Workers in this industry are not valued in Saudi society</p> <p>A job in this industry is generally better than most other job opportunities nowadays</p> <p>My profession is low in social status and prestige in Saudi Arabia</p>	<p>Kuslivan, S., and Kuslivan, Z (2000).</p> <p>Wan, Y. K. P., Wong, I. A., and Kong, W. H (2014).</p> <p>Richardson, S (2008). 0.73</p>
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4.6.1 Demographics

Demography is the science of population, while demographics are the characteristics or statistics related to a given population. Characteristics such as age, gender, ethnicity, location, education, employment status, marital status and income are some of the examples of demographics typically analysed and collected via a quantitative research survey (Bishop & Lewith, 2010). Demographic data gives information about the research participants and is useful to determine whether the people in a study are suitable or not. A representative sample of the target population is analysed on basic characteristics for generalisation purposes. In most cases, demographics or study participant characteristics are reported in the research report's methods section and these variables serve as independent variables of the research design (Salkind, 2010).

A range of demographic questions was asked covering gender, work experience, education level and firm information. Receiving this kind of data gives a deeper understanding of how generalisable this data is to the entire population.

4.6.2 Instrumentation

A five-point Likert scale was used to measure all constructs used in the questionnaire on a sliding scale from (1) 'strongly agree' to (5) 'strongly disagree'. These standardising scales were used to avoid any adjustments, which might lead to some inaccurate results.

Table 5. Likert scale categories

Strongly agree	agree	Neither agree nor disagree	disagree	Strongly disagree
4.21 – 5.0	3.41 – 4.20	2.61 – 3.40	1.81 – 2.60	1 – 1.80

4.6.3 Language used

To achieve more valid responses, the questionnaire was written in English and Arabic so that the participants could choose the most suitable for them. A certified translator was used for confirmation and checking of the accuracy of the information.

4.6.4 Interview design

Semi-structure interviews were collected as one part of the research instruments in this study. More specifically, in-depth interviews with the owners and managers of construction and wholesale-retail companies will be conducted. Semi-structured interviews are valuable for conducting in-depth examinations of the experiences, opinions, beliefs and motivations of the owners of these companies (Flick, 2009). By using open-ended questions, participants can explain their views more effectively and answer the questions in a manner such that the researcher can ask further questions based on the responses they receive. These answers will provide a better understanding of the phenomenon, especially the research question relating to why the Saudisation policy is ineffective and enable the researcher to understand the situation more effectively (Campbell, McNamara and Gilroy, 2003).

4.6.5 Pilot testing

The pilot testing is valuable to examine the adequacy of data collection instruments and assess the feasibility of a full-scale investigation. It is an important aspect to ensure the reliability and accuracy of the study's findings. The pilot study aims to determine whether any changes are required to the questionnaire and interview questions (Stewart, 2016).

A pilot test is also known as pilot experiment or a feasibility study. According to Van Teijlingen & Hundley (2001), it is a short preliminary or a pre- study stage that is performed to test a planned research study before carrying out the research on a larger scale. It is used by researchers to carry out a quick or a small test study which is similar to the wider study. The primary goal of a pilot study is to determine whether the intended proposal or research strategy is feasible or not. The pilot test can also be used to determine the accurate or actual expenditures and sample size required for the actual or large-scale study (Leon, Davis & Kraemer, 2011). Therefore, pilot testing is conducted to ensure that the research's methodology and design are sound and to identify potential problems. Here, pilot testing is done to make sure the questionnaires and semi-structured interviews are valid. In order to detect any possible issues with the full-scale study design, the researcher distributed the questionnaire to four owners /managers in the construction and wholesale-retail industries and interviewed two

owners/managers from the construction and wholesale-retail industries. Nothing that may have been a barrier to the study was discovered during the whole procedure.

4.7 Validity and reliability

In the quantitative phase, to support questionnaire validity, a comprehensive literature review was conducted to determine and clarify the scales and measures applied in the questionnaire. Sekaran (2003) states the significance of making use of existing measures and scales since their developers have often established their reliability and validity. Consequently, most of the scales used in this study were selected from existing studies.

Cronbach's coefficient alpha was employed in the quantitative analysis to test the reliability or internal consistency of the results. Its value is between 0 and 1 and 'Cronbach's alpha and composite reliability should be bigger than 0.7 for reliability to be considered acceptable, 0.80 to be satisfactory and 0.90 is brilliant' (Bagheri, et al. 2019:6). This study uses previous questionnaires, metrics and a pilot study to ensure reliability and validity as shown in Table 5.

4.7.1 Validity

Pearson's coefficient was calculated to identify the internal validity of the survey. The correlation coefficient was calculated between every item, as in the following tables.

Pearson's correlation was used in this study to determine construct validity. It is a statistical method used for determining the strength of a linear relationship between two or more variables (Simmons-Mackie et al., 2014). It also assesses the linear relationship between quantitative variables and is a widely used method to examine relative reliability or validity, as it can measure the relationship between two variables rather than the level of agreement or disagreement between them. It is commonly used by psychologists to represent the size of links between qualities for testing the reliability and validity estimates (Chang, 1994). A positive correlation coefficient which is close to 1 will show that there is the validity or reliability is found to be high, between the research variables. It is also used for overcoming the inverse association or relationship, where the Pearson's r correlation coefficient can be used to assess reliability and validity of the given variables and research constructs.

Table 6. Correlation for the Dimensions items of (Organisational (Work) Commitment - Work Conditions - Wage/Benefits) with the Dimension total score

Organisational (Work) Commitment		Work Conditions		Wage/Benefits	
Items	Pearson Correlation	Items	Pearson Correlation	Items	Pearson Correlation
1	.738**	5	.462**	13	.513**
2	.612**	6	.587**	14	.499**
3	.490**	7	.572**	15	.368**
4	.374**	8	.620**	16	.507**
-	-	9	.397**	-	-
-	-	10	.636**	-	-
-	-	11	.717**	-	-
-	-	12	.609**	-	-

** . Correlation is significant at the 0.01 level

Table 7. Pearson Correlation for the Dimensions items of (Power Distance - Social Status) with the Dimension total score

Power Distance		Social Status	
Items	Pearson Correlation	Items	Pearson Correlation
17	.535**	22	.633**
18	.616**	23	.264**
19	.554**	24	.369**
20	.530**	25	.551**
21	.580**	26	.390**
-	-	27	.481**
-	-	28	.409**

** . Correlation is significant at the 0.01 level

Table 8. Pearson Correlation for survey factors with the Survey total score

Dimensions	Pearson Correlation
Organisational (Work) Commitment	0.722**
Work Conditions	0.734**
Wage/Benefits	0.560**
Power (Social) Distance	0.707**
Social Status	0.670**

** . Correlation is significant at the 0.01 level

Tables 6, 7 and 8 show that all the dimensions and statements are significant at the level of (0.01), this refers to the high internal consistency and high and adequate validity indicators that are trusted when applying the current study.

4.7.2 Reliability

Alpha Cronbach's stability coefficient was used to check the reliability of the data.

Table 9. Alpha Cronbach's for measuring the study tool stability

Dimensions	Number of items	Reliability coefficient
Organisational (Work) Commitment	4	0.759
Work Conditions	8	0.846
Wage/Benefits	4	0.709
Power (Social) Distance	5	0.825
Social Status	7	0.787
Total	28	

Table 9 shows that the study scale enjoys statistically acceptable stability. The total stability coefficient value (alpha) was 0.923, which is a high degree of stability. The stability coefficients of the study tool ranged from 0.709 to 0.846 which are high and trustful when applying this study (Cronbach, 1970).

4.7.3 Validity of the qualitative approach.

Validity and reliability are key aspects of all research. Careful attention to these two aspects can make the difference between good research and poor research and can help to assure that

fellow scientists accept the findings as credible and trustworthy (Brink, 1993). Qualitative researchers avoid the terms ‘validity’ and ‘reliability’ and use terms such as ‘credibility’, ‘trustworthiness’, ‘truth’, ‘value’, ‘applicability’, ‘consistency’ and ‘confirmability’ when referring to criteria for evaluating the scientific merit of qualitative research (Brink, 1993). Guba and Lincoln (1994) provide two sets of standards for improving the validity of qualitative research, trustworthiness and authenticity. Four indicators determine trustworthiness in a qualitative study: credibility, transferability, dependability and conformability (Guba and Lincoln, 1994).

Donnelly and Trochi (2007) explained that ‘credibility includes establishing that the results of qualitative research are credible or believable from the perspective of the participants in the research’. Transferability means ‘the degree to which the outcomes of qualitative research can be generalised or transferred to other contexts or settings’. (Donnelly and Trochim, 2007). Dependability is about ‘the concern of whether we should obtain the same results if we could observe the same thing twice’ (Donnelly and Trochim, 2007). Lastly, conformability means ‘the degree to which the outcomes could be confirmed or corroborated by others’ (Donnelly and Trochim, 2007).

According to Trochim and Donnelly (2007), the credibility requirements mean to ensure that the participants of the qualitative study regard the researcher dependable, and believe that findings and responses recorded are reliable and realistic (Yesilçinar, 2021). Similarly (Alkhoraif, and McLaughlin, 2018) explained that transferability means the degree to which the outcomes of qualitative research can be generalised or transferred to other contexts or settings. While, dependability is about the concern of whether one should obtain the same results if observation is made on the same thing, for twice (Alkhoraif, and McLaughlin, 2018). Lastly, conformability means the degree to which the outcomes could be confirmed or verified by others (Donnelly and Trochim, 2007: 149).

4.7.4 Statistical methods used in the study

To achieve the study objectives and to analyse the data collected, many statistical methods were used from Statistical Packages for Social Sciences (SPSS) version (21). The following statistical measures were calculated:

- Frequencies and percentages to recognise the personal and social characteristics of the study participants.

- Pearson Correlation coefficient to calculate the validity of the study tool internal consistency.
- Cronbach's Alpha coefficient to calculate the reliability coefficient of the study tool's axes.
- Mean and standard deviation to identify the responses of the study participants' responses to the study dimensions.
- Independent samples t-test to identify differences in the study participants' responses, according to the study variable.
- One-way ANOVA test to identify differences in the study participants' responses, according to the study variables.

4.8 The qualitative phase

Qualitative methods provide a multidimensional picture of the subtleties of social reality that does not favour the interests of those in positions of authority and power within a particular community. Many of these views have a transformational aspect in that they emphasise social justice and social change as key research aims (Hesse-Biber, 2010).

Thematic analysis is a type of qualitative analysis. It is used to analyse classifications and present themes or patterns that relate to the data. It illustrates the data in great detail and deals with diverse subjects via interpretation. Marks and Yardley (2004) argue that thematic analysis enables the researcher to understand the phenomenon being studied more effectively and widely, as it provides a broader approach to interpreting the data. A thematic analysis enables the researcher to determine the relationship between the ideas, views or concepts and compare them with the collected data (Patton, 1990).

Thematic analysis was appropriate for this research as its findings may be seeking to create a reference point for understanding the main factors that lead to low Saudi employment from the perspective of employees. Braun and Clarke (2006) propose six stages to thematic analysis, represented in Table 4-2, which were followed in this study.

Table 10. Procedures

Phase	Examples of Procedure for Each Step
1. Familiarization	Transcribing data: reading and re-reading; noting down initial codes
2. Generating Initial Codes	Coding interesting features in the data in a systematic fashion across the data set, collating data relevant to each code
3. Searching for Themes	Collating codes into potential themes, gathering all data relevant to each theme
4. Involved Reviewing Themes	Checking if the themes work in relation to the coded extracts and the entire data-set; generate a thematic map
5. Defining and Naming Themes	Ongoing analysis to refine the specifics for each theme; generation of clear names for each theme
6. Producing the Report	Final Opportunity for Analysis selecting appropriate extracts; discussion of analysis; relate back to the research question or literature; produce report

Thematic analysis could be appropriate when the study aims to understand the current practices of any individual, in particular the influence of any variable which is used by participants practically to investigate and identify how current situations are influenced by their points of view. It allows the researcher to precisely determine the relationships between concepts and compare them with the replicated data. By using thematic analysis, there is the opportunity to link the various concepts and opinions of the learners and compare them with the data that has been gathered in different situations at different times during the project. All possibilities for interpretation are possible.

This approach helps in linking the various concepts and opinions of the researcher in the study and compares them with the data that has been collected during different times and situations from various participants during the research.

4.9 Ethical considerations

Before starting the data collection process, an application for ethics approval was submitted to the Victoria University Human Research Ethics Committee. The University's (Organizational Health and Safety) OHS policy states that '[n]o activities may be started without approval from the appropriate (Organizational Health and Safety) OHS manager and every proposed activity must include a risk assessment'. A risk assessment identifies the 'hazards associated with a task/process/activity and assesses them'. Protecting my participants' privacy and confidentiality is extremely important. Confidentiality is a continuation of the privacy that is linked to the data gathered from the subjects providing it. Oliver (2010, p.83) argues, 'the

guarantee of confidentiality we make to research participants when this is called for amounts to a promise from an ethical point of view'. The researcher ensured that privacy and confidentiality were maintained throughout the research. An ethics plan was submitted to Victoria University Human Research Ethics Committee (VUHREC) (application number HRE19-149) and approval was granted.

4.10 Summary

This chapter has reviewed the philosophy and methodology used to examine and implement the conceptual framework in this research which is a combination of quantitative and qualitative approaches to achieve its aims. This chapter has briefly discussed the research paradigm, research methods and the research design. It shows how key independent and determinant variables (OC, work condition, wage and benefits, power distance and social status) and Saudi employment as a dependent variable were measured. It shows this study has been based on mixed data collection and analysis (questionnaires and semi-structured interviews). The pilot study for both quantitative and qualitative techniques are also discussed to avoid any weaknesses in the form of the survey and interview questions.

Chapter 5. Questionnaire Results

The purpose of this chapter is to describe the results of the quantitative part of the study. SPSS version 21.0 was used for statistical analysis. Descriptive (frequency, percentage, mean and standard deviation) and inferential analysis (t-test and one-way ANOVA test) were used in this study.

5.1 Response rate

As shown in Table 11, 486 questionnaires were sent out online and 463 were returned. Of those, 13 were for either incomplete or invalid responses. Therefore, the final number of survey sheets been used for analysis and result acquisition was 450, a response rate of 92.6%.

Table 11. Response and Analysis rate

Distributed	Returned	Exclusion	Analysis	Response Rate
486	463	13	450	92.6%

5.2 Characteristics of participants

To identify the study participants' selected characteristics, the frequency and percentage were used, as shown in Table 12 as follow:

Table 12. The distribution of the overall study sample according to their demographic characteristics

Variables	Items	Frequency	Percentage
Gender	Male	354	78.7
	Female	96	21.3
Marital status	married	276	61.3
	Single	174	38.7
Salary	Less than 2500	30	6.7
	2500- 4000	67	14.9
	above 4001	353	78.4
Industry	Construction	250	55.6
	Wholesale-Retail	200	44.4
Work experience	less than 2 years	70	15.6
	2 - 5 years	103	22.9
	6 - 10 years	167	37.1
	More Than 10 Years	110	24.4
Training	Very little training	260	57.8
	Occasional training	120	26.7
	Extensive training	70	15.5
Education level	High School	58	12.9
	Diploma	41	9.1
	Bachelor's degree	264	58.7
	Master's degree and above	87	19.3
company city location	Rivadh	391	64.7
	Jeddah	74	16.4
	Dammam	12	2.7
	Khobar	4	0.9
	Makah	7	1.6
	Medina	9	2.0

Variables	Items	Frequency	Percentage
	Abha	8	1.8
	Tabuk	4	0.9
	Muhavil Asir	4	0.9
	Shaara	8	1.8
	Khari	4	0.9
	Buradah	4	0.9
	Hail	4	0.9
	Jazan	7	1.6
	Ouriavt	7	1.6
	Al Aflag	3	0.7

Concerning the gender variable, the results showed that 78.7% were male, while 21.3% of respondents were female.

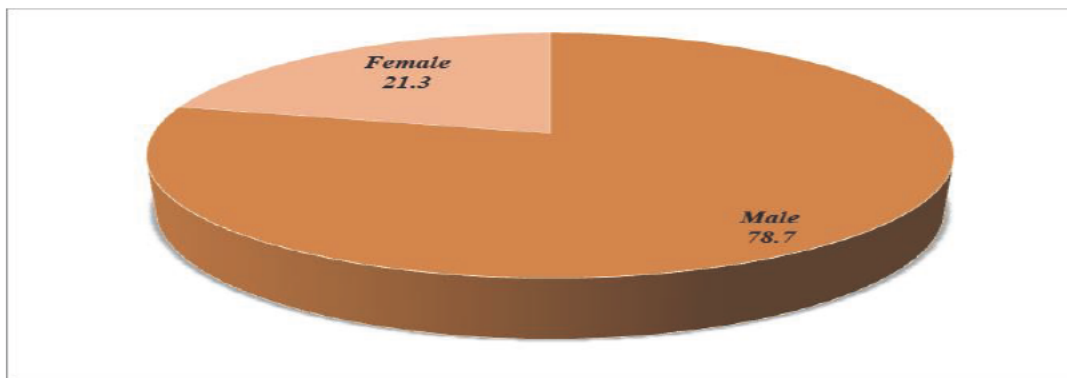


Figure 15. Distribution of the overall study sample according to gender

Regarding the marital status variable, more than half of respondents 61.3% were married, while 38.7% of respondents were single.

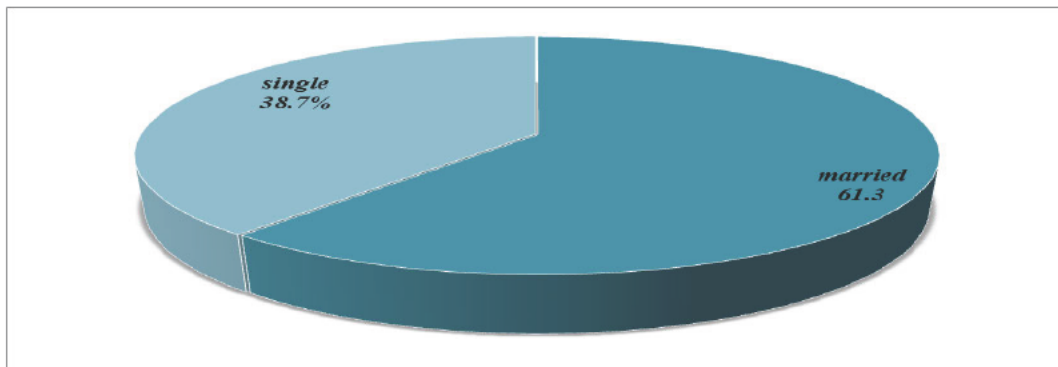


Figure 16. Distribution of the overall study sample according to marital status

Concerning the salary variable, the results showed that 78.4% were above SAR4001, while 14.9% were between SAR2500 and 4000) and 6.7% were below SAR2500.

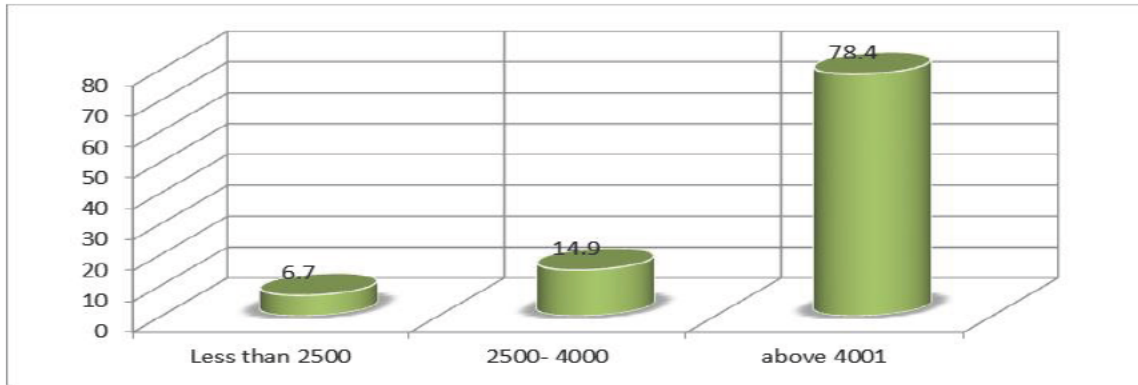


Figure 17. Distribution of the overall study sample according to Salary

Regarding the industry sector, half of the respondents (55.6%) belonged to the construction sector, and 44.4% to the wholesale-retail sector

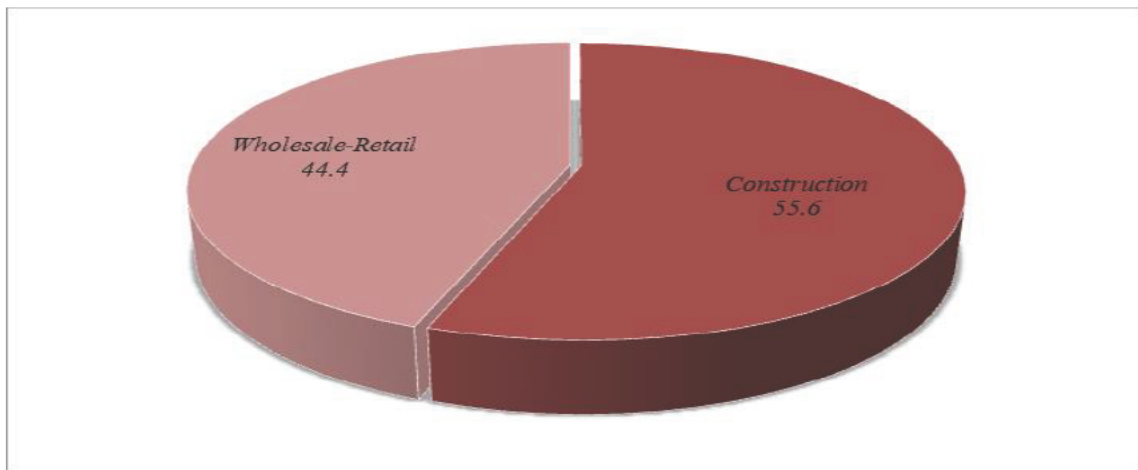


Figure 18. Distribution of the overall study sample according to Industry

Concerning the work experience variable, 37.1% of respondents had between 6 and 10 years' experience, 24.4% more than 10 years, 22.9% between 2 and 5 years and 15.6% less than 2 years.

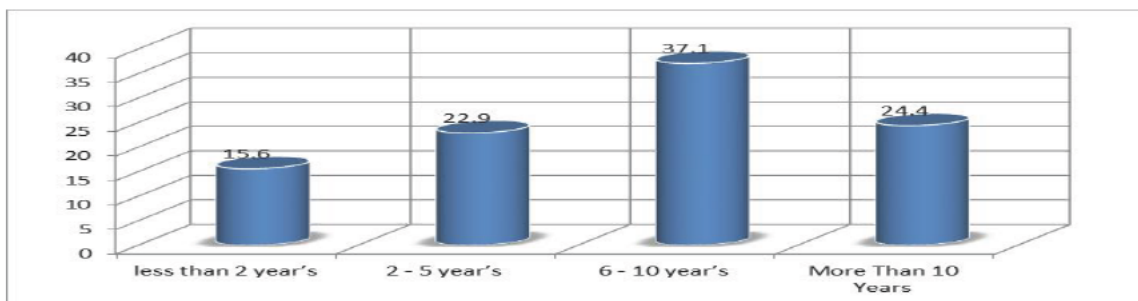


Figure 19. Distribution of the overall study sample according to Work experience

Regarding the training variable, more than half of respondents (57.8%) received very little training in their company and while 26.7% received occasional training and 15.5% received extensive training.

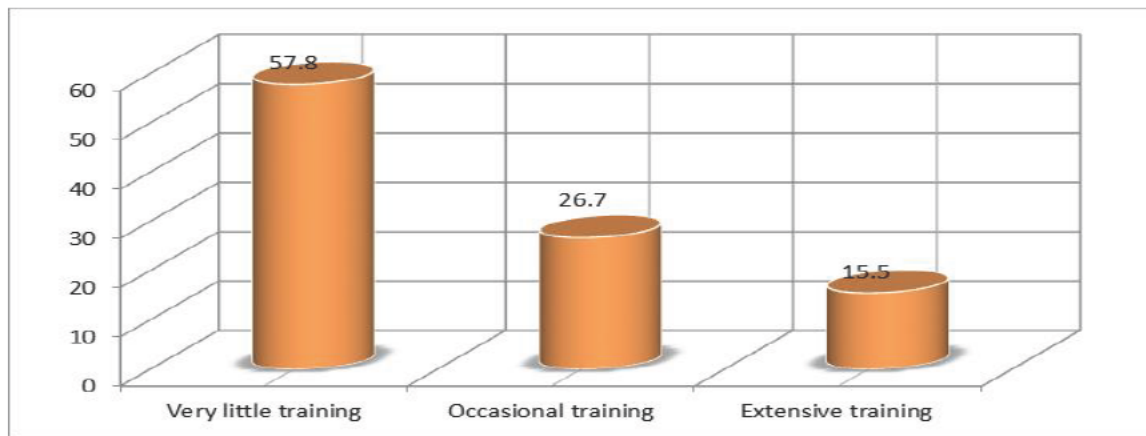


Figure 20. Distribution of the overall study sample according to training

Concerning the Education level variable, the majority of respondents held a bachelor's degree (58.7%), followed by master's degree and above (19.3%), while 12.9% held a high school degree, and 9.1% a diploma degree.

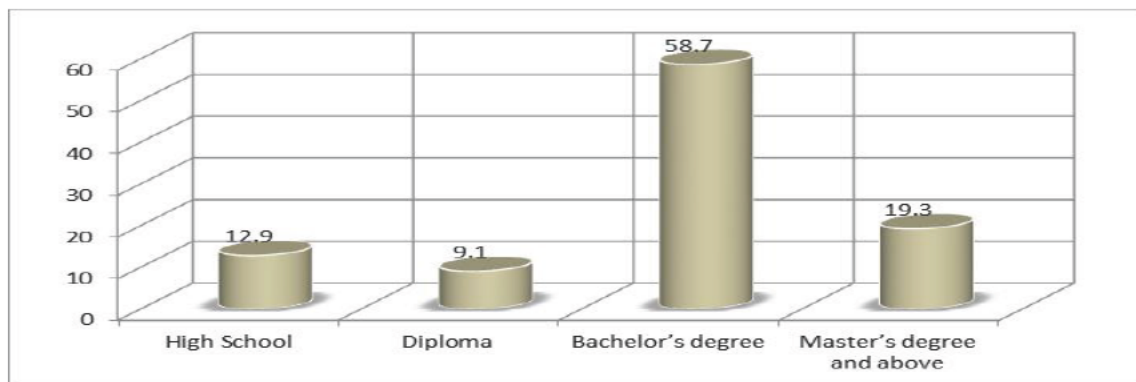


Figure 21. Distribution of the overall study sample according to Education level

Regarding the company city location variable, more than half of respondents, i.e., 64.7% were located in Riyadh, 16.4% were in Jeddah, 2.7% were from Dammam, 2% were from Medina, 1.8% were from Abha and Shaqra. While, Makah, Jazan and Quriayt had same number of respondents, i.e., 1.6%. Also, Khobar, Tabuk and Muhayil Asir, Buradah, Hail had 0.9% and Al Aflag has the least percentage, i.e., 0.7%.

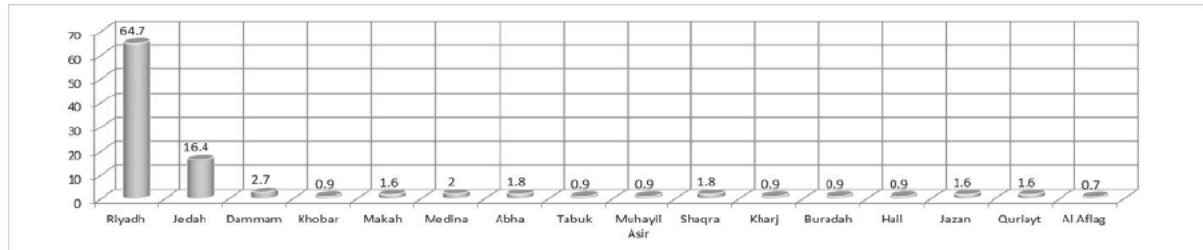


Figure 22. Distribution of the overall study sample according to company city location

5.3 The study questions

5.3.1 First question: What factors affect the employment of Saudis in the wholesale-retail and construction industries?

To find the factors that affect the employment of Saudis in the wholesale-retail and construction industries, frequencies, percentage, mean and standard deviation of the individuals' responses were calculated.

5.3.1.1 Organisational commitment

To find the OC factor's effect on the employment of Saudis in the wholesale-retail and construction industries, frequencies, percentage, mean and standard deviation of the individuals' responses were calculated as shown in Table 13.

Table 13. OC factors

N	Items	Approval degree										Mean	SD	Chi-square	Ranking
		Strongly agree		Agree		Neutral		Disagree		Strongly Disagree					
		F	%	F	%	F	%	F	%	F	%				
2	I am willing to make an extra effort for this organisation	156	34.7	169	37.6	55	12.2	32	7.1	38	8.4	3.83	1.22	198.8	1
1	I am proud to work for this organisation	130	28.9	170	37.8	71	15.8	42	9.3	37	8.2	3.70	1.21	149.7	2
3	I would accept almost any work task to be able to continue working for this organisation	125	27.8	169	37.6	85	18.9	33	7.3	38	8.4	3.69	1.19	149.4	3
4	I feel very little attachment to this organisation	90	20.0	86	19.1	127	28.2	82	18.2	65	14.4	(3.12) 2.88	1.32	23.04	4
Overall mean												(3.59) 3.52	0.94	235.9	-

Item 4 is negative, so the researcher put it in reverse order

All chi-square values are significant at 0.01 level / F represents frequency.

The numbers reported in brackets present negative responses of study samples toward the same item, so the negative items have two meanings; the first one (without brackets) presents study responses mean without Reverse weights, second one (with brackets) presents study responses mean after Reverse weights

Table 13 shows that the OC factor affects the employment of Saudis in the wholesale-retail and construction industries include four items. Their means were between 2.88 and 3.70. These means are in the third and fourth category of the fifth Likert scale, neither agree nor disagree and agree.

The general mean is 3.59 ± 0.94 , after equating it with negative items (3.52 ± 0.91) it suggests that respondents' perception of OC's effect on employment is high.

Statement 2 received the highest mean. There were 156 respondents who responded 'strongly agree' with this statement and 169 who responded 'agree'. The mean was 3.83 ± 1.22 , suggesting that the respondents are willing to make an extra effort for this organisation.

Statement 1 was 'I am proud to work for this organisation'. There were 130 respondents who responded 'strongly agree' and 170 'agree'. The mean was 3.70 ± 1.21 suggesting that the respondents agree about being proud to work for this organisation.

Statement 3 was 'I would accept almost any work task to be able to continue working for this organisation'. There were 125 respondents who responded 'strongly agree' and 169 'agree'. The mean was 3.69 ± 1.19 suggesting that the respondents agree about they would accept almost any work task to be able to continue working for this organisation.

Statement 4 was 'I feel very little attachment to this organisation'. There were 90 respondents who responded 'strongly agree' and 86 'agree'. The mean was 2.88 ± 1.32 suggesting that respondents neither agree nor disagree about they feel very little attachment to this organisation.

5.3.1.2 Work conditions

To find the work conditions (WC) factor affect, the frequencies, percentage, mean and standard deviation of the individuals' responses were calculated as shown in Table 14.

Table 14. Work conditions

N	Items	Approval degree										Mean	SD	Chi-square	Ranking
		Strongly agree		Agree		Neutral		Disagree		Strongly Disagree					
		F	%	F	%	F	%	F	%	F	%				
10	Lack of promotion and career development opportunities	206	45.8	122	27.1	71	15.8	34	7.6	17	3.8	4.04 1.96	1.12	259.0	1
9	Long working hours	129	28.7	144	32.0	96	21.3	59	13.1	22	4.9	3.66 2.34	1.16	111.8	2
7	My organisation is poor at giving fair pay increases	151	33.6	114	25.3	92	20.4	54	12.0	39	8.7	3.63 2.37	1.29	91.1	3
11	I often think about quitting my jobs	159	35.6	75	16.8	114	25.5	51	11.4	48	10.7	3.53 2.43	1.36	200.9	4
5	Lack of job security in my organisation	139	30.9	105	23.3	72	16.0	82	18.2	52	11.6	3.44 2.56	1.39	49.5	5
12	Working hours in my company do not fit Saudi workers' social and family responsibility	146	32.7	76	17.0	73	16.4	94	21.1	57	12.8	3.33 2.62	1.46	143.6	6
8	Work relations between employees and management' are 'poor'	85	18.9	141	31.3	82	18.2	83	18.4	59	13.1	3.24 2.76	1.31	41.1	7
6	My company's understanding about me having to meet my family responsibilities	99	22.0	114	25.3	103	22.9	37	8.2	97	21.6	3.18	1.43	40.9	8
Overall mean											3.51 2.53	0.92	177.5	-	

Items 5,7,8,9,10,11,12 are negative, so the researcher put it in reverse order

All chi-square values are significant at 0.01 level / F represents frequency.

Table 14 shows that WC affects the employment of Saudis in the wholesale-retail and construction industries include 8 items, their means were between 3.18 and 4.04. These means are in the third and fourth categories of the Likert scale.

The general mean is 3.51 ± 0.92 , after equating it with negative items 2.53 ± 0.96 it suggests that respondents' perception about WC's effect on the employment of Saudis was low.

Statement 10 ('lack of promotion and career development opportunities') received the highest mean. There were 206 respondents who responded 'strongly agree' and 122 who responded 'agree'. The mean was 4.04 ± 1.12 after putting items in reverse order 1.96, suggesting that the respondents agree about the lack of promotion and career development opportunities in their organisation.

Statement 9 was 'Long working hours'. There were 129 respondents who responded 'strongly agree' and 144 who responded 'agree'. The mean was 3.66 ± 1.16 after putting items in reverse order 2.34, suggesting that the respondents agree about the lack of promotion and career development opportunities in their organisation.

Statement 7 was 'my organisation is poor at giving fair pay increases'. There were 151 respondents who responded 'strongly agree' and 114 who responded 'agree'. The mean was 3.63 ± 1.29 after putting items in reverse order 2.37, suggesting that the respondents agree about their organisation is poor at giving fair pay increases.

Statement 11 was 'I often think about quitting my jobs' comes in fourth place. There were 159 respondents who responded 'strongly agree' and 75 who responded 'agree'. The mean was 3.53 ± 1.36 after put item in reverse order 2.43, suggesting that the respondents agree that they often think about quitting their jobs.

Statement 5 was 'lack of job security in my organisation'. There were 139 respondents who responded 'strongly agree' and 105 who responded 'agree'. The mean was 3.44 ± 1.39 after putting items in reverse order 2.56, suggesting that the respondents agree about the lack of job security in their organisation.

Statement 12 was 'working hours in my company do not fit Saudi workers' social and family responsibility'. There were 146 respondents who responded 'strongly agree' and 76 who responded 'agree'. The mean was 3.33 ± 1.46 after putting items in reverse order 2.62, suggesting that the respondents neither agree nor disagree about working hours and social and family responsibility.

Statement 8 was 'work relations between employees and management are poor'. There were 85 respondents who responded 'strongly agree' and 141 who responded 'agree'. The mean was 3.24 ± 1.31 after putting items in reverse order 2.76, suggesting that the respondents neither agree nor disagree about work relations between employees and management.

The last statement was number 6, 'my company's understanding about me having to meet my family responsibilities'. There were 99 respondents who responded 'strongly agree' with this statement and 114 who responded 'agree'. The mean was 3.18 ± 1.43 suggesting that the respondents neither agree nor disagree about their company's understanding of their family responsibilities

5.3.1.3 Wage and benefits

To find the wage and benefits (WB) factors affecting the employment of Saudis in the wholesale-retail and construction industries, Frequencies, percentages, means and standard deviations of the individuals' responses were calculated as shown in Table 15 and as follows:

Table 15. WB factors

N	Items	Approval degree										Mean	SD	Chi-square	Ranking
		Strongly agree		Agree		Neutral		Disagree		Strongly Disagree					
		F	%	F	%	F	%	F	%	F	%				
14	An upgrading of the pay scales at this company is needed.	204	45.7	143	32.1	63	14.1	29	6.5	7	1.6	4.10 1.84	1.00	442.5	1
15	Saudi salaries at other companies are better than salaries at this company	129	28.7	136	30.2	135	30.0	32	7.1	18	4.0	3.72 2.28	1.08	157.9	2
13	My salary is satisfactory	50	11.3	105	23.6	107	24.1	112	25.2	70	15.8	2.86	1.29	116.1	3
16	The benefits package at this company is satisfactory to me	48	10.7	100	22.2	99	22.0	125	27.8	78	17.3	2.81	1.26	36.8	4
Overall mean											3.37 2.45	0.85	98.0	-	

Items number 14,15 are negative, so the researcher placed in reverse order. / F represents frequency.

Table 15 shows that the WB factor affects the employment of Saudis in the wholesale-retail and construction industries include 4 items, their means were between 2.81, 4.10, or in the third and fourth categories of the Likert scale.

The general mean is 3.37 ± 0.85 , after equating it with negative items (2.45 ± 1.10) it refers to respondents' perceptions about the WB factor's effect on the employment of Saudis in the wholesale-retail and construction industries.

Statement 14 was 'an upgrading of the pay scales at this company is needed'. There were 204 respondents who responded 'strongly agree' and 103 who responded 'agree'. The mean was 4.10 ± 1.0 after putting items in reverse order 1.84, suggesting that the respondents agree about the need for a pay rise.

Statement 15 was 'Saudi salaries at other companies are better than salaries at this company'. There were 129 respondents who responded 'strongly agree' and 136 who responded 'agree'. The mean was 3.72 ± 1.08 after putting items in reverse order 2.28, suggesting that the

respondents agree about Saudi salaries at other companies being better than salaries at their company.

Statement 13 was ‘my salary is satisfactory’. There were 50 respondents who responded ‘strongly agree’ and 105 who responded ‘agree’. The mean was 2.86 ± 1.29 , suggesting that the respondents neither agree nor disagree about salary.

The last statement in this dimension was number 16, ‘the benefits package at this company is satisfactory to me’. There were 48 respondents who responded ‘strongly agree’ with this statement and 100 who responded ‘agree’. The mean was 2.81 ± 1.26 suggesting that the respondents neither agree nor disagree.

5.3.1.4 Power social distance

To find how the power social distance (PSD) factor affect the employment of Saudis in the wholesale-retail and construction industries, the frequencies, percentage, mean and standard deviation of the individuals’ responses were calculated as shown in Table 16.

Table 16. Power Distance factor

N	Items	Approval degree										Mean	SD	Chi-square	Ranking
		Strongly agree		Agree		Neutral		Disagree		Strongly Disagree					
		F	%	F	%	F	%	F	%	F	%				
17	In my company, employees have independence in executing their duties.	49	11.0	204	45.6	95	21.3	53	11.9	46	10.3	3.33	1.17	323.0	1
19	In my company, top managers and lower cadre employees mix up freely	110	24.6	128	28.6	53	11.9	74	16.6	82	18.3	3.22	1.47	130.0	2
21	In my company, managers / owners don't trust Saudi workers	101	22.4	105	23.3	96	21.3	77	17.1	71	15.8	3.20 2.80	1.38	10.1	3
18	In my company, managers do consult with the subordinates	70	15.6	167	37.1	65	14.4	70	15.6	78	17.3	3.18	1.35	83.3	4
20	In my company, power is equally distributed to managers	35	7.8	142	31.6	141	31.3	71	15.8	61	13.6	3.04	1.15	105.9	5
Overall mean											3.19 3.12	1.0	280.8	-	

Item number 21 is negative, so the researcher placed in reverse order. / F represents frequency.

Table 16 shows that the PSD factor affects the employment of Saudis in the wholesale-retail and construction industries include 5 items, their means were between 3.04, 3.33, these means are in the third category of the fifth Likert scale which referee neither agree nor disagree.

The general mean is 3.19 ± 1.0 , after equating it with negative items 3.12 ± 1.08 it suggests that respondents' perception about PSD factors' effect on the employment of Saudis in the wholesale-retail and construction industries were intermediate.

Statement 17 was 'in my company, employees have independence in executing their duties'. There were 49 respondents who responded 'strongly agree' and 204 who responded 'agree'. The mean was 3.33 ± 1.17 , suggesting that the respondents neither agree nor disagree about this.

Statement 19 was 'in my company, top managers and lower cadre employees mix up freely'. There were 110 respondents who responded 'strongly agree' and 128 who responded 'agree'. The mean was 3.22 ± 1.47 , suggesting that the respondents neither agree nor disagree.

Statement 21 was 'in my company, managers and owners don't trust Saudi workers'. There were 101 respondents who responded 'strongly agree' and 105 who responded 'agree'. The mean was 3.20 ± 1.38 , after putting items in reverse order 2.80, suggesting that the respondents neither agree nor disagree.

Statement 18 was 'in my company, managers do consult with the subordinates'. There were 70 respondents who responded 'strongly agree' and 167 who responded 'agree'. The mean was 3.18 ± 1.35 , suggesting that the respondents neither agree nor disagree.

The last statement in this dimension was no 20: 'in my company, power is equally distributed to managers'. There were 35 respondents who responded 'strongly agree' with this statement and 142 who responded 'agree'. The mean was 3.04 ± 1.15 suggesting that the respondents neither agree nor disagree.

5.3.1.5 Social status

To find the social status (SS) factor's effect on the employment of Saudis in the wholesale-retail and construction industries, frequencies, percentages, means and standard deviations of the individuals' responses were calculated as shown in Table 17.

Table 17. SS factor

N	Items	Approval degree										Mean	SD	Chi - square	Ranking
		Strongly agree		Agree		Neutral		Disagree		Strongly Disagree					
		F	%	F	%	F	%	F	%	F	%				
23	Working in this industry is regarded as an important beneficial service to society in Saudi Arabia.	257	57.1	116	25.8	42	9.3	16	3.6	19	4.2	4.28	1.05	459.8	1
27	A job in this industry is generally better than most other job opportunities nowadays	145	32.2	150	33.3	98	21.8	42	9.3	15	3.3	3.82	1.09	162.4	2
22	My family is proud of my occupation in this industry	156	34.7	101	22.4	111	24.7	41	9.1	41	9.1	3.64	1.29	108.0	3
25	I talk to my relatives and friends with pride about my occupation in this industry	148	33.9	120	27.5	82	18.8	38	8.7	48	11.0	3.53	1.45	176.3	4
26	Workers in this industry are not valued in Saudi society ®	89	20.0	81	18.2	120	26.9	83	18.6	73	16.4	3.04 2.91	1.37	98.2	5
24	Parents would not want their daughters to marry someone working in this industry ®	61	13.6	53	11.8	93	20.7	101	22.4	142	31.6	2.53 3.47	1.39	56.0	6
28	My profession is low in SS and prestige in Saudi Arabia	52	11.6	42	9.3	118	26.2	102	22.7	136	30.2	2.49 3.51	1.32	75.5	7
Overall mean											3.33 3.59	0.85	189.2	-	

Items 24, 26 and 28 are negative, so the researcher placed in reverse order / F represents frequency.

Table 17 shows that SS affects the employment of Saudis in the wholesale-retail and construction industries include 7 items, their means were between 2.91, 4.28, these means are in the third and fourth category of the fifth Likert scale, neither agree nor disagree - agree.

The general mean is 3.33 ± 0.85 , after equating it with negative items (3.59 ± 1.0) it shows that respondents' perceptions about how SS affects the employment of Saudis in the wholesale-retail and construction industries were high.

Statement 23 was ‘working in this industry is regarded as an important beneficial service to society in Saudi Arabia’. There were 257 respondents who responded ‘strongly agree’ and 116 who responded ‘agree’. The mean was 4.28 ± 1.05 , suggesting that the respondents strongly agree.

Statement 27 was ‘a job in this industry is generally better than most other job opportunities nowadays’. There were 145 respondents who responded ‘strongly agree’ and 150 who responded ‘agree’. The mean was 3.82 ± 1.09 , suggesting that respondents agree.

Statement 22 was ‘my family is proud of my occupation in this industry’ and comes in third place. There were 156 respondents who responded ‘strongly agree’ and 101 who responded ‘agree’. The mean was 3.64 ± 1.29 , suggesting that the respondents agree.

Statement 25 was ‘I talk to my relatives and friends with pride about my occupation in this industry’. There were 148 respondents who responded ‘strongly agree’ and 120 who responded ‘agree’. The mean was 3.53 ± 1.45 , suggesting that the respondents agree.

Statement 26 was ‘workers in this industry are not valued in Saudi society’. There were 89 respondents who responded ‘strongly agree’ and 81 who responded ‘agree’. The mean was 2.91 ± 1.37 , after putting items in reverse order 3.04 suggesting that respondents neither agree nor disagree.

Statement 24 was ‘parents would not want their daughters to marry someone working in this industry’. There were 61 respondents who responded ‘strongly agree’ and 53 who responded ‘agree’. The mean was 2.53 ± 1.39 , after putting items in reverse order 3.47, suggesting that the respondents disagree.

The last statement in this dimension was number 28, ‘my profession is low in SS and prestige in Saudi Arabia’. There were 52 respondents who responded ‘strongly agree’ with this statement and 42 who responded ‘agree’. The mean was 2.49 ± 1.32 and after putting items in reverse order 3.51 suggesting that the respondents disagree.

5.3.1.6 Summary

Table 18 shows the factors affecting the employment of Saudis in the wholesale-retail and construction industries:

Table 18. Factors that affect the employment of Saudis in the wholesale-retail and construction industries

N	Factors	Mean	SD	Chi-square	Ranking
5	SS	3.59	0.85	189.2	1
1	OC	3.52	0.94	235.9	2
4	PSD	3.12	1.00	280.8	3
2	WC	2.53	0.92	177.5	4
3	WB	2.45	0.85	98.0	5
Overall mean		3.04	0.72		-

Table 18 shows that the perception of respondents about factors that affect employment in both industries were intermediate with a mean score of 3.04 ± 0.72 . SS was ranked first with a mean score of 3.59 ± 0.85 , followed by OC with a mean score of 3.52 ± 0.94 , PSD was in third place with a mean score of 3.12 ± 1.0 , followed by WC with a mean score of 2.53 ± 0.92 and WB ranked last with a mean score of 2.45 ± 0.85 .

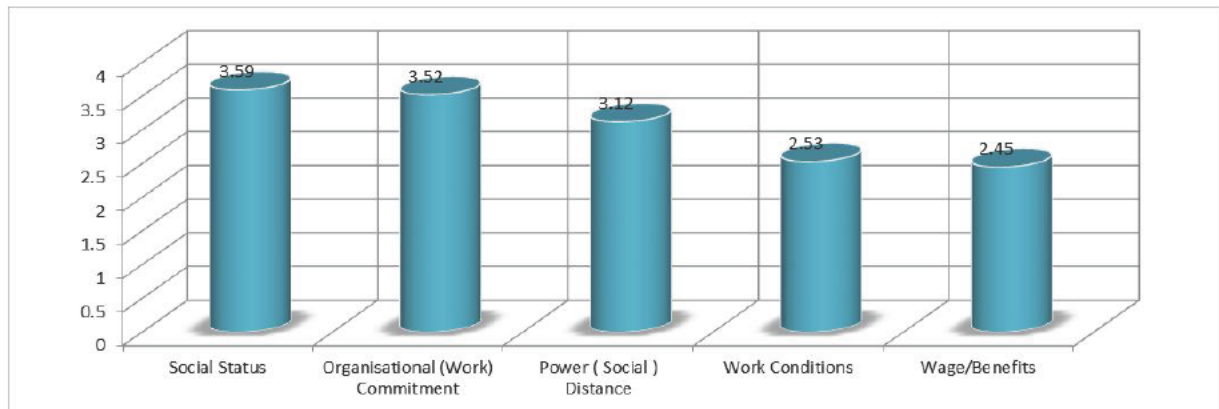
**Figure 23. Factors that affect the employment of Saudis in the wholesale-retail and construction industries**

Table 19 shows the factors affect the employment of Saudis in the wholesale-retail industries alone.

Table 19. Factors affecting the employment of Saudis in the wholesale-retail industries

N	Factors	Mean	SD	Chi-square	Ranking
5	SS	3.65	0.81	90.8	1
1	OC	3.62	0.96	125.1	2
4	PSD	3.26	1.02	86.7	3
2	WC	2.67	1.06	45.1	4
3	WB	2.58	0.93	61.2	5
Overall mean		3.16	0.77	28.8	-

Table 19 shows the perception of respondents about factors that affect the employment of Saudis in the wholesale-retail industry alone was intermediate with a mean score of 3.16 ± 0.77 . SS had a mean score of 3.65 ± 0.81 , OC of 3.62 ± 0.96 , PSD of 3.26 ± 1.02 , WC of 2.67 ± 1.06 , and WB of 2.58 ± 0.93 .

Table 20 shows the factors that affect the employment of Saudis in the construction industry alone.

Table 20. Factors that affect the employment of Saudis in the construction industries

N	Factors	Mean	SD	Chi-square	Ranking
5	SS	3.55	0.89	118.0	1
1	OC	3.45	0.92	153.1	2
4	PSD	3.00	0.98	160.6	3
2	WC	2.42	0.77	135.0	4
3	WB	2.34	0.77	95.1	5
Overall mean		2.95	0.66	107.5	-

Table 20 shows that and the perception of respondents about factors affecting the employment of Saudis in the construction industries alone were intermediate with a mean score of 2.95 ± 0.66 , SS had a mean score of 3.55 ± 0.89 , OC of 3.45 ± 0.92 , PSD of 3.0 ± 0.98 , WC of 2.42 ± 0.77 , and WB of 2.34 ± 0.77 .

5.3.2 Second question: To what extent do these factors differ across the wholesale-retail and construction industries?

To determine if there were statistically significant differences between participants' perceptions of factors affecting employment, an independent sample t-test was used, as shown in Table 21.

Table 21. Independent sample t-test

Dimensions	construction n=250	wholesale-retail n=200	t-test	P Value
OC	3.45 ± 0.92	3.62 ± 0.96	1.992	0.047
WC	2.42 ± 0.77	2.67 ± 1.06	2.900	0.004
WB	2.34 ± 0.77	2.58 ± 0.93	2.948	0.003
PSD	3.0 ± 0.98	3.26 ± 1.02	2.700	0.007
SS	3.55 ± 0.89	3.65 ± 0.81	1.302	0.194
Total	2.95 ± 0.66	3.16 ± 0.77	3.036	0.003

Table 21 shows that there were statistically significant differences ($p=0.05$) between the responses of the study participants. This suggests indicates that wholesale-retail sector employees have a higher level of perception of OC, WC, WB and PSD. There were no statistically significant differences between the responses for SS. The significance level was 0.194. This value is greater than 0.05 which is not statistically significant. This indicates that there is a convergence of employee perception toward SS as a factor.

5.3.3 Third question: are there any statistical differences in the responses of the study sample toward factors that affect the employment of Saudis in the wholesale-retail and construction industries according to gender, work experience, training or education level?

5.3.3.1 Differences according to gender

First sub-hypothesis: there are statistically significant differences between responses for factors that affect the employment of Saudis in the wholesale-retail and construction industries according to gender.

To determine if there were statistically significant differences according to gender, an independent sample t-test was used, as shown in Table 22.

Table 22. Independent sample t-test for gender

Dimensions	Male n=354	Female n=96	t-test	P-value
OC	3.56 ± 0.90	3.39 ± 1.07	1.478	0.142
WC	2.58 ± 0.96	2.33 ± 0.73	2.797	0.006
WB	2.44 ± 0.89	2.47 ± 0.70	0.290	0.772
PSD	3.07 ± 1.03	3.29 ± 0.90	2.068	0.040
SS	3.63 ± 0.79	3.46 ± 1.05	1.433	0.154
Total	3.06 ± 0.73	2.99 ± 0.68	0.869	0.366

Table 22 shows that there were statistically significant differences at the level of 0.01 between the responses of the participants' perception for WC's effect according to gender. Male respondents had a mean score of 2.58 ± 0.96 and 2.33 ± 0.73 for females. This indicates that male employees have a higher level of perceptions of WC's effect on the employment of Saudis in the wholesale-retail and construction industries.

Table 22 also shows that there were statistically significant differences at the level of 0.01 between the responses for PSD. Female respondents had a mean score 3.29 ± 0.90 and males 3.07 ± 1.03 . This suggests that female employees have a higher level of perception of PSD's effect on the employment of Saudis in the wholesale-retail and construction industries.

Table 22 shows that there were no statistically significant differences between the responses for OC, WB or SS based on gender.

5.3.3.2 Differences according to work experience

Second sub-hypothesis: there are statistically significant differences between responses for factors that affect the employment of Saudis in the wholesale-retail and construction industries according to work experience.

To determine if there were statistically significant differences between the responses according to work experience, one-way ANOVA test was used, as shown in Table 23:

Table 23. One-way ANOVA test for work experience

Dimensions	Less than 2 years n=70	2-5 years n=103	6-10 years n=167	More than 10 years n=110	f. value	P Value*
OC	3.45 ± 0.86	3.26 ± 0.97	3.63 ± 0.87	3.66 ± 1.03	4.460	0.001
WC	2.25 ± 0.74	2.11 ± 0.72	2.72 ± 0.72	2.79 ± 1.22	16.310	0.001
WB	2.09 ± 0.55	2.26 ± 0.68	2.55 ± 0.89	2.69 ± 0.98	10.077	0.001
PSD	2.76 ± 0.90	3.07 ± 0.85	3.26 ± 0.94	3.18 ± 1.22	4.298	0.001
SS	3.23 ± 1.14	3.46 ± 0.85	3.76 ± 0.73	3.70 ± 0.73	7.923	0.001
Total	2.76 ± 0.62	2.83 ± 0.67	3.18 ± 0.56	3.20 ± 0.90	11.363	0.001

Table 23 shows that there were statistically significant differences at the level of 0.01 between the responses related to OC, WC and WB. Employees with more than 10 years' experience had a mean score of 3.66 ± 1.03 for OC, 2.79 ± 1.22 for WC, 2.69 ± 0.98 , WB and 3.20 ± 0.90 for total perception. This suggests that they have a higher level of perception of SS, OC and PSD as factors affecting employment.

Employees with 6 to 10 years' experience had a mean score of 3.26 ± 0.94 for PSD and 3.76 ± 0.73 for SS, , and 3.63 ± 0.87 for OC, suggesting a higher level of perception of those factors.

Similarly, employees with an experience of 2 to 5 years, where there are 103 respondents, have a mean value of 3.46 ± 0.85 for SS and 3.26 ± 0.97 , for OC, suggesting a higher level of perception of these factors. Lastly, for employees having an experience of less than two years, the mean values of OC and SS are high, where, the mean value for OC is 3.45 ± 0.86 and SS is 3.23 ± 1.14 , therefore, these values suggest a higher level of perception of these factors.

5.3.3.3 Differences according to training

Third sub-hypothesis: there are statistically significant differences arising between responses for factors that affect the employment of Saudis in the wholesale-retail and construction industries according to training.

To determine if there were statistically significant differences between responses according to training, a one-way ANOVA test was used, as shown in Table 24.

Table 24. One-way ANOVA test for training

Dimensions	Very little training n=260	Occasional training n=120	Extensive training n=70	f. value	P Value*
OC	3.23 ± 0.99	3.87 ± 0.76	4.02 ± 0.58	35.183	0.001
WC	2.27 ± 0.81	2.56 ± 0.79	3.42 ± 0.93	53.435	0.001

Dimensions	Very little training n=260	Occasional training n=120	Extensive training n=70	f. value	P Value*
WB	2.39 ± 0.77	2.16 ± 0.86	3.17 ± 0.69	38.777	0.001
PSD	2.82 ± 0.93	3.29 ± 1.02	3.93 ± 0.66	43.276	0.001
SS	3.38 ± 0.84	3.87 ± 0.75	3.90 ± 0.84	20.783	0.001
Total	2.82 ± 0.68	3.15 ± 0.61	3.69 ± 0.58	52.435	0.001

Table 24 shows that there were statistically significant differences at the level of 0.01 between the responses of the study participants for all five factors. This suggests that trained employees have a higher level of perception toward these factors' effect on employment.

5.3.3.4 Differences according to educational level

Fourth sub-hypothesis: there are statistically significant differences between responses for factors that affect the employment of Saudis in the wholesale-retail and construction industries according to educational level.

To determine if there were statistically significant differences according to educational level, a one-way ANOVA test was used, as shown in Table 25.

Table 25. One-way ANOVA test for educational level

Dimensions	High School n=58	Diploma n=41	Bachelor n=264	Master and above n=87	f. value	P-value*
OC	3.37 ± 0.91	3.16 ± 1.06	3.59 ± 0.98	3.59 ± 0.72	3.221	0.023
WC	2.01 ± 0.78	2.60 ± 1.14	2.64 ± 0.91	2.49 ± 0.81	7.902	0.001
WB	2.22 ± 1.02	2.77 ± 0.68	2.47 ± 0.82	2.38 ± 0.83	3.780	0.011
PSD	2.90 ± 0.71	2.96 ± 1.56	3.13 ± 0.95	3.28 ± 0.98	2.055	0.105
SS	3.16 ± 0.68	3.60 ± 0.81	3.61 ± 0.90	3.85 ± 0.72	8.014	0.001
Total	2.73 ± 0.64	3.02 ± 0.90	3.09 ± 0.72	3.12 ± 0.59	4.431	0.004

Table 25 shows that there were statistically significant differences at the level of 0.01 between the responses according to educational level in favour of employees with a master's degree and above with mean scores of 3.59 ± 0.72 for OC and 3.12 ± 0.59 for total perception. This suggests that these employees have a higher level of perceptions of the influence of those factors. The result for employees with a Bachelor's degree for WC was also significant with a mean score of 2.64 ± 0.91 as were those for employees with a diploma degree for WB with a mean score of 2.77 ± 0.68 . There were no statistically significant differences between the responses for PSD.

5.4 Hypothesis testing

5.4.1 H1: Power distance as a construct is likely to be positively related to Saudi employment.

To determine the correlation between power distance and Saudi employment, spearman's Correlation were used.

Table 26. Correlation between Power distance and Saudi employment

Correlation Coefficient	0.173**
Sig 2-tailed	0.001
N	450

** Significant at the level of 0.01

Table 26 shows that there was a positive correlation at the level of 0.01 between PSD and Saudi employment (correlation coefficient = 0.173, $p=0.001$) suggesting that a good level of PSD such as the trust of managers and owners positively affects Saudi employment.

The researcher thus accepts H1 and rejects H0.

5.4.2 H2: SS as a construct is likely to be positively related to Saudi employment.

To determine the correlation between SS and Saudi employment, Spearman's correlation was used.

Table 27. Correlation between SS and Saudi employment

Correlation Coefficient	0.123**
Sig 2-tailed	0.001
N	450

** Significant at the level of 0.01

Table 27 shows that there was a positive correlation at the level of 0.01 between power distance and Saudi employment (correlation coefficient = 0.123, $p=0.001$).

The researcher thus accepts H1 and rejects H0.

5.4.3 H3: Conditions of work is likely to be positively related to Saudi employment.

To determine the correlation between conditions of work and Saudi employment, Spearman's correlation was used.

Table 28. Correlation between conditions of work and Saudi employment

Correlation Coefficient	0.249**
Sig 2-tailed	0.001
N	450

** Significant at the level of 0.01

Table 28 showed a positive correlation at the level of 0.01 between conditions of work and Saudi employment (correlation coefficient = 0.249, $p=0.001$).

The researcher thus accepts H1 and rejects H0.

5.4.4 H4: Wages are likely to be positively related to Saudi employment.

To determine the correlation between WB and Saudi employment, Spearman's correlation was used.

Table 29. Correlation between WB and Saudi employment

Correlation Coefficient	0.201**
Sig 2-tailed	0.001
N	450

** Significant at the level of 0.01

Table 29 shows a positive correlation at the level of 0.01 between WB and Saudi employment (correlation coefficient = 0.201, $p=0.001$).

The researcher thus accepts H1 and rejects H0.

5.4.5 H5: There is an association between OC and Saudi employment.

To determine the correlation between OC and Saudi employment, Spearman's correlation was used.

Table 30. Correlation between OC and Saudi employment

correlation Coefficient	0.217**
Sig 2-tailed	0.001
N	450

** Significant at the level of 0.01

Table 30 shows a positive correlation at the level of 0.01 between OC and Saudi employment (correlation coefficient = 0.217, $p=0.001$).

The researcher thus accepts H1 and rejects H0.

5.4.6 H6: There is an association between personal demographics and Saudi employment.

Table 31. Correlation between OC and Saudi employment

personal demographics	Saudi employment	
	Pearson correlation	p. value
gender	0.078	0.096
Work experience	0.023	0.634
training	0.125**	0.008
Education level	0.061	0.198

Table 31 shows no correlation between personal demographics of gender, work experience and educational level and Saudi employment ($p=0.096$, 0.634 and 0.198, respectively). Thus, personal demographics do not affect Saudi employment.

There was a positive correlation between training and employment (correlation coefficient = 0.125, $p= 0.008$).

5.5 Summary

The chapter reported the findings of the study of 450 Saudi employees in the wholesale-retail and construction industries. The perceptions of respondents about factors affecting the employment of Saudis in the wholesale-retail and construction industries were intermediate. There were statistically significant differences at the level of 0.05 between the responses of the study participants' related to OC, WC, WB and PSD in favour of wholesale-retail.

There were statistically significant differences at the level of 0.01 between the responses for WC according to gender in favour of male respondents and for PSD in favour of female respondents.

There were statistically significant differences at the level of 0.01 between the responses for OC, WC and WB in favour of employees with experience, and for all factors in favour of extensive training for employees.

There were also statistically significant differences at the level of 0.01 between the responses for OC and SS for educational level in favour of employees with a master's degree or with a diploma degree.

Chapter 6. Qualitative Results

6.1 Introduction

This chapter describes the qualitative findings obtained from 12 interviews with six owners and managers of the construction and six of the wholesale-retail industries. Only owner- and manager-level employees were selected for interview to ensure data collection at a broader level. This allows the study to compare owners' and managers' views with those of employees, as revealed in the questionnaire analysis in Chapter five.

The interviews identified that there is a difference between the number of foreign and local workers working in wholesale-retail and construction industries in Saudi Arabia, where the number of Saudi employees has kept decreasing. Some of the themes that emerged were cultural issues, lack of awareness of opportunities, education systems, lack of skills and training and Saudi workers' commitment and desire to move to the public sector. All these themes contribute to understanding why the process of Saudisation has not been able to achieve its objectives so far and what can be done to make improvements.

Thematic analysis was used and quotations are chosen to illustrate and support related points. The interviewees are coded as shown in Table 32.

Table 32. Interview and Codes

Sector	Participants job title	Coding	Sex
Constructions	Owners and managers	COM1	Male
	Owners and managers	COM2	Male
	Owners and managers	COM3	Male
	Owners and managers	COM4	Male
	Owners and managers	COM5	Male
	Owners and managers	COM6	Male
Wholesale-retails	Owners and managers	WROM1	Male
	Owners and managers	WROM2	Female
	Owners and managers	WROM3	Female
	Owners and managers	WROM4	Male
	Owners and managers	WROM5	Male
	Owners and managers	WROM6	Male

*COM: Construction owners and managers *WROM: Wholesale-retails owners and managers

6.2 Major emerging themes

The interviewees were recorded during the data collection phase. To identify the data, the texts were read several times, which helped to narrow the respondents' opinions more finely. There were 12 interviewees, six from construction companies and six from wholesale-retail companies. The interviews led to the identification of six main themes (see Figure 6.1).

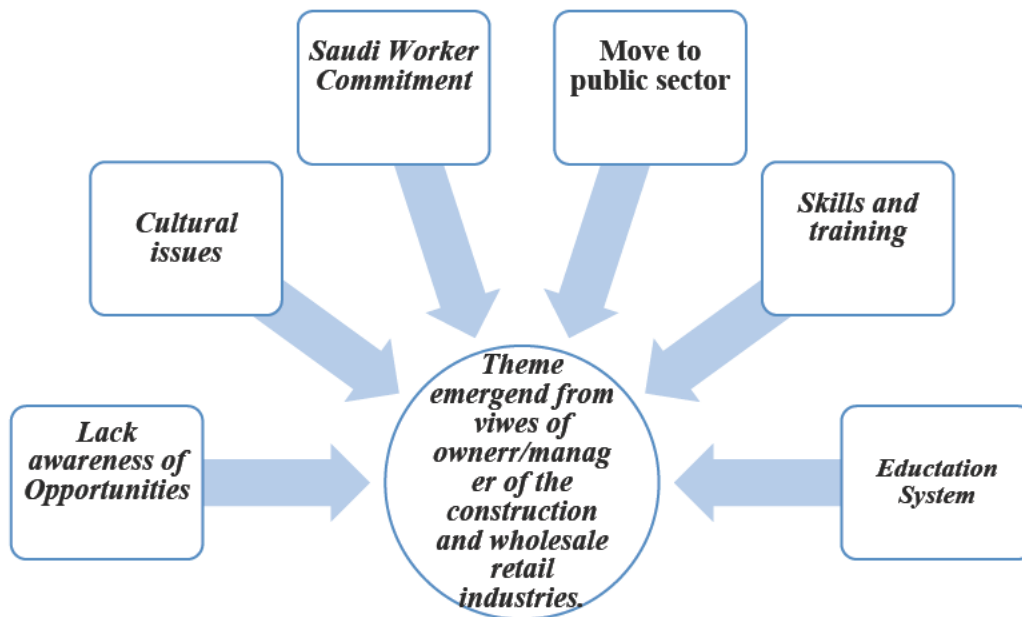


Figure 24. Themes emerging from the interviews

The challenges within Saudis employment in the construction and wholesale-retail industries identified by owners and managers echo those found in the literature review. Owners and managers point towards locals' resistance to employment due to their characteristics; they are frequently described as 'lacking commitment' and WC. Owners and managers explain their concern with Saudis' desire to move to the public sector. They blamed education and culture for their contribution in shaping Saudis in terms of knowledge, skills and abilities that do not meet market needs. They also raised the issue of lack of awareness of opportunities among Saudi citizens.

The interviews identified the factors listed below that will be analysed in the reminder of this chapter based on the emphasis expressed by the interviewees in all organisations.

1. Cultural issues.
2. Saudi worker commitment.
3. Move to the public sector.
4. Lack of awareness of opportunities.
5. Education system.
6. Skills and training.

6.2.1 Theme 1: Cultural issues

Cultural factors were a significant theme in the responses given by the interviewees. Culture is the main element to shape the choices and preferences about work in Saudi Arabia. The

interviewees stated that Saudi's choice of work sectors and style are very much influenced by their cultural issues which play a part in the work-life of Saudis in a variety of ways. These opinions are also supported by the qualitative findings. There was an agreement among the majority of research participants that when barriers to employment are discussed in industries in Saudi Arabia, cultural issues remain the largest.

Religion is a strong part of Saudi culture and so religious issues also affect the ability of Saudi Arabia to implement its Saudisation programme. People are very conservative in their approach and follow religious beliefs and values mingled with cultural values. For instance, Saudi women do not often leave their homes to work in the private sector. There is a strong misperception about, in particular, private sector jobs that their culture is too modern, so women are kept out of this culture. This misperception even keeps Saudi men out of these private sector jobs because they feel that they cannot match the international job culture with its modern values. Women are a big part of Saudi society and when such a large portion of society is kept away from the private job sector, Saudisation is just a dream.

So, the government should take adequate steps in every aspect to propagate women education and their inclusion in the job market so that things can better over time.

The participants said that Saudi people are not able to participate to their fullest potential in the private labour market because of their cultural background. The leadership positions in these private sector companies are held by foreigners, which mean that Saudis are not able to get leadership and managerial roles. Their lower participation is holding them back, as foreign managers like to hire foreign workers rather than hiring local Saudi workers. The foreign workers look for any kind of job and are ready to work in the toughest conditions and managers or leaders of a company know they can adapt well to such roles. They also understand that people from Saudi Arabia would not adapt to tough job conditions and difficult work:

Saudi people strongly believe in their conservative religious approach so they don't allow women in the majority of cases to go out and do jobs in retail or construction industries because they feel that corporate culture in these industries is very modern, which is not suitable for their women.
(COM2)

Owners and managers described how the culture in society does not support jobs in the wholesale-retail and construction industries. The interviewees explained that, although there are many exceptional Saudi workers, the Saudi attitude toward wholesale-retail and construction work is often negative. They assume it is low status or not prestigious enough:

Saudis refuse to work in the retail sector, especially when interacting with the public and clients, for fear of social status, as he views the nature of the profession as lowering his position in society (WROM4)

Locals are not interested in construction sector work because they believe it is insufficiently prestigious. (COM1)

Saudis cannot accept working as plumbers or builders in the construction industry and they are looking for office work. (COM6)

It's not always about a lack of skills in employment; getting a Saudi to work as a cashier in wholesale-retail can be difficult due to cultural issues. (WROM6)

Saudis are influenced by the cultural mindset of viewing office jobs as giving higher social prestige. As the respondents stated, the culture appears to view citizens working in offices differently than people working in service jobs. This also supports the viewpoints expressed in the literature review. The majority of participants agreed that types of occupations are important for locals' searches because of the social status issues:

Types of occupations are significant for Saudi job searchers since the job depends largely on the social situation, as Saudis prefer to work in offices rather than go out on fieldwork, which lowers his social status, especially in KSA's customs, traditions and societal norms. (WROM3)

Culture is a reason that Saudis do not want to serve as a cashier or driver. Instead, Saudis want to work in offices only as they see it as more rewarding and respectful among their community members. (WROM5)

Saudis' employment options are influenced by the nature of their occupation. Soft skills are required for the majority of construction jobs, such as plumbers, electricians and builders. Because Saudis are unable to perform these tasks, we must rely on foreigners. (COM4)

It's not always about a lack of qualifications in employment; getting a Saudi to work as a cashier in wholesale-retail can be difficult due to cultural barriers. (WROM4)

There had been an increase in Saudi workers in the wholesale-retail industry in recent years, indicating that there has been a slight change in attitude between the previous year and the current year. The participation of Saudis in the wholesale, retail and construction industries encourages others to join and view such jobs positively, despite the Saudi cultural outlook (WROM1)

The main issue with finding Saudis to work in the construction industry is that there aren't enough qualified applicants. A Saudi job seeker's skill is often insufficient for the types of jobs available in this business. Consequently, we prefer to hire foreigners who have received training abroad. As providing extensive training to each new employee is both expensive and time-consuming. (COM3)

6.2.2 Theme 2: Saudi worker commitment

Commitment was highlighted in the interviews as one factor contributing to low Saudi employment in these industries. Participants noted Saudis' lack of working commitment. The terms 'absence', 'commitment to work standards', 'turnover intention', 'commitment' and 'high working hours', were often used by respondents to describe Saudis. The interviews showed Saudis seemingly have trouble observing strict attendance regulations and are much more strongly attached to their family commitments than to the rules on working hours. They attempt to manage family and social responsibilities with demanding private sector working hours and shifts, whereas foreigners are more committed to the work culture. Saudis' commitment is necessary to meet the business requirements:

Foreigners are more committed, hardworking and prepared to work longer hours if the work demands it. But Saudis are hesitant to accept longer working hours and continue to complain about work pressure. The familial commitment is always said. Saudis put a high priority on social obligations. (WROM3)

I believe that foreigners are more committed as they have left their home country for work and if they don't work well, we can stop their service or replace them. (WROM2)

When comparing the commitment of Saudis and foreigners to working under pressure, a foreigner will continue to work, but most Saudis will leave quickly. (COM6)

Saudis are unable of taking responsibility; they should develop commitment. The majority of them choose short shifts. They want to earn high wages by working under low pressure and limited hours working. (WROM5)

The environment in which Saudi citizens grow up does not help them to work in stressful working conditions. Saudi citizens consider that low-skill jobs are not suitable for their social status and are always looking for a good position in the company and faster growth in their careers. Therefore, Saudis lack responsibility because they want short shifts and want to earn high salaries with low pressure. (COM1)

Absenteeism among Saudis was commonly said by the interviewees, who noted that due to absenteeism, owners and managers need foreigners to work double shifts. As a consequence, foreigners are often seen as hardworking and dedicated. Owners and managers have created a specific level of commitment from workers due to their experience with foreigners who are more restricted with their contracts and work opportunities in KSA, as assessed in the interview conversations. Saudis also appear to be more concerned with family responsibilities. As foreigners live in Saudi Arabia without their families, they are more productive. Owners and

managers, according to the interviews, seem to understand this issue. Still, they expect Saudis to be more committed to their work, particularly in terms of work attendance for productivity.

I believe the reason for the low Saudi employment is that we are always looking for those who follow strict regulations that Saudis find inconvenient. It is difficult for them to be restrained because Saudis are absenteeism; consequently, we fall short of supporting Saudisation. (WROM1)

Permissions to leave and absenteeism are two factors that need to improve for them to be preferred employees. (COM5)

The issue with recruiting Saudis is their commitment to stick to work obligations that our company requires throughout the holidays. Saudis take holidays without telling us, leading us to hire foreign workers in these industries on double shifts. (WROM6)

Some owners and managers said that Saudi manual workers have a high turnover rate. Many Saudi workers leave their jobs in the first year, showing a lack of commitment and desire to work. Employee turnover is significant if Saudi nationals are hired, causing delays in projects and reduced productivity, directly influencing their profitability and performance. One interviewee's emphasised that:

Saudi workers are more likely to quit without notice, even when they're on a contract and as a consequence, if Saudi nationals are hired, employee turnover is high, causing delays in project tasks and reduced productivity, which has a direct impact on our profitability and performance. (COM4)

The interviews showed that the wholesale-retail and construction sectors have built up a culture of dependence on working and committed foreigners. In contrast, Saudis have the issue of absenteeism and commitment to family and turnover intention.

6.2.3 Theme 3: Move to the public sector

During the interviews, participants stated that one of the factors contributing to low Saudi employment is that they are always looking for government jobs. The preference of citizens for the government sector makes it more difficult for owners and managers to recruit and keep them. The shift to the public sector was highlighted in the literature reviews and it is supported by the owners and managers in the wholesale-retail and construction industries. Owners and managers expressed concern about the financial, effort and time invested in developing locals who then move for a government job. This may have an impact on their business objectives.

The problem is that Saudis does not intend to continue for long working in the wholesale-retail industry. They are waiting for the opportunity to have a government job. Owners/ managers know this intention, so they do not want to waste money on training Saudis. While they know

those workers sooner or later, they will leave the business. Rather than spending money, owners and managers seek to obtain prepared workers, which they usually receive from foreign workers.

Saudi worker's instability because he always seeks better works. Saudi workers mainly seek government jobs and they leave us when they find them. (COM3)

We offer them a lot of training and then they want to leave towards the public sector when they have the opportunity. They have the freedom to move under Saudi labour law. (WROM6)

We must train new Saudi workers, but we are afraid of workers who prefer to leave after their training programme has over, as this would cost us money. Therefore, we prefer to employ foreign workers instead of locals to meet the work requirements. (COM1)

When Saudisation is applied, worker turnover rise. Because the locals usually seek better employment and wages. They stated that Saudis always searched for better wages and they will leave if he obtains an excellent position or high wage. (WROM4)

Owners and managers also stated that locals continue to view the government sector as more secure for Saudis. According to the interviewees, the labour law allows nationals to move even after receiving development or wage subsidies from private sector employers. Consequently, owners and managers in the wholesale-retail and construction sectors are dissatisfied with the investments made in citizens' development when they appear to be looking for government jobs. Even though wages are similar to those in the public sector, citizens prefer the public sector for the security it provides. As shown in the literature review and interviews, the government sector offers benefits that make it attractive for citizens. One interviewee highlighted that:

Although our industry offers the same benefits as the government sector, Saudis prefer to work for the government because it provides them with a psychological sense of security. (WROM5)

Besides security, the government sector is preferred due to working time. In the private sector, there are more working or shift hours than in the government sector, which has shorter hours to balance social and family responsibilities:

Saudis are always hesitant to accept longer working hours and commonly complain about job stress. They are constantly mentioning family responsibilities. (WROM2)

Saudis require high wages with low pressures and short hours of work. (WROM1)

Saudis do not like our organisation's hours of operation, which are 8 am to 7 pm. (WROM6)

Saudi workers prefer to start with a high salary and do not want to wait for opportunities to develop. They commonly prefer longer vacations as well. (COM6)

Wages and conditions such as working hours and holidays are reasons that lead to locals prefer the government sector. (COM2)

The interviews show that the public sector is Saudis' optimum workplace environment with more security and shorter working hours. Such characteristics make the public sector a preferred employer for Saudis even though private sector organisations offer similar professional growth opportunities and pay. This leads owners and managers to resist employing citizens who cannot be retained because they prefer the government sector. Some participants said that the Saudi government needs to decrease the gap between the private and public sectors:

Working hours in the public sector must be increased. To keep Saudis in organisations, the government should also not hire nationals working in the private sector unless they bring a letter confirming the settlement from the company where they work. (WROM3)

Cooperation must occur between government and private sectors for employment even though the employment policy between those sectors has developed noticeably during the last and current years. But it needs more effort work to reach the goals of Saudisation. (COM2)

6.2.4 Theme 4: Lack of awareness of opportunities

The interviewees raised the issue of lack of awareness of opportunities among Saudi citizens of a career which was considered one of the barriers to low Saudis employment. One of the participants said that Saudis should know the possibility of having good work in this industry:

Saudis are unaware of the possibility of having excellent work in the wholesale-retail industry. It is not clear to them because they don't know much about entering this industry. (WROM3)

Another agreed on the lack of information and encouragement in schools and colleges to enter this industry:

Saudis lack the necessary information and incentive to engage in the wholesale-retail industry. They are not encouraged to work in this industry in schools or colleges. (WROM1)

Other participants from the construction industry expressed that:

Saudis have insufficient knowledge of construction careers. Working in the private sector appeals to many Saudis. However, they may not consider the

construction industry since they are unaware of it, as they are never informed about or encouraged to engage in construction in educational institutions. (COM1)

Saudis should be encouraged to enter the construction industry after graduating from high school and college. (COM4)

The interviews showed that both industries said lacking awareness of employment opportunities of wholesale-retail and construction works among local people. Participants stated that seeking a career in construction and wholesale-retail work is not common amongst Saudis as their level of awareness of the industry is low.

To counter this, additional information should be provided, as suggested by interviewees, on the opportunities offered by the wholesale-retail and building sectors. Local people should be more motivated to join the wholesale-retail and building industries. Those interested in such a job could thus orient their studies to the acquisition of knowledge of skills that would allow them to pursue such a career. This would increase the pool of suitably qualified local workers working in the wholesale-retail and building industries and facilitate localisation.

6.2.5 Theme 5: Education system

During the interviews, the owners and managers in these industries emphasised that education in Saudi Arabia does not prepare nationals for the workplace or meet market requirements. As the economy shifts towards dependence on technical and vocational skills, locals must be prepared for vocational jobs.

According to the interview data, Saudis' lack of skills and commitment is due to their education which lacks practical experience, business ethics and specialisations that are not linked with the economy's demands. Participants proposed that various areas in Saudi's educational system be upgraded to better prepare Saudis for business needs and economic development. Owners and managers refer to a lack of creativity and business skills in the curriculum and manner of study. They also discussed how education could change Saudis' cultural attitudes toward occupations in the wholesale-retail and construction industries.

Citizens' educational experiences have an effect on their productivity and quality of output at work. However, current education does not fulfil the work-related criteria demanded by private sector employers and so improvement is indicated.

The Ministry of Education wants to improve the quality of its education system [...] We are employing high-achieving Saudi graduates; however

their efficiency is low due to their education in high school and at the university level. In Saudi, this must be addressed. (WROM5)

We have a large percentage of educated Saudis. However, education must also meet the needs of the market. They have the knowledge, but education needs to build the ability. For instance, many Saudis choose the majors study in universities or colleges with no one who advises them to choose the right specialisation. (COM3)

Participants also highlighted how education must satisfy the economy's market demands and prepare graduates to take on challenging professions. However, as indicated by interviewee responses, local graduates do not meet the market needs regarding employment in the wholesale-retail and construction industries.

[The] Saudi's education system needs to be enhanced to meet market demands. (WROM4)

A skill gap has developed in the market as a result of educational institutions' production. Our universities have expanded, but we still need to enhance them by training locals for the market. (WROM3)

The participants emphasised the mismatch between the education system and market requirement:

Improved training to meet market demands. (WROM5)

Education needs to be improved by industry-specific research. (COM1)

Unfortunately, the skills of fresh graduates' education do not meet the needs of the construction industry. (COM6)

Saudi Arabia has progressed, but the world is changing; universities and colleges must adapt to market demands. Graduates must be familiar with working and practical situations to be competent locals. Colleges and universities must improve to satisfy economic needs and colleges must set standards for market demands to attract more responsible locals to the market. (COM1)

It is also apparent from the interview data that Saudi education shapes Saudis' inventiveness and practical thinking. Education does not seem to develop skills that shape locals for the workplace.

Saudis try to come up with creative trying to enhance their job. This is the consequence of the education they've received. The majority of our educational system in universities emphasises memory and learning, leaving little room for creativity and skill. In Saudis colleges and universities talent is not valued. (WROM3)

Students must acquire practical and real-world experience to get a job. To obtain a better understanding of the actual world, they must work and learn beyond school. (COM2)

The way culture can be influenced via education and development is an exciting component of educational improvement in Saudi. The interviewees suggested that education and development be improved to help diversify sectors of the economy. According to these owners and managers, training and education can help address cultural challenges by educating Saudis about new fields and their requirements.

Education is a barrier that must be addressed to increase Saudisation by enhancing the educational system's ability to develop productive local labour for the economy. Interviewees stated that how the education or skills development is ineffective in wholesale-retail and construction industries that have a lower Saudisation to make the Saudis informed of the value and benefits of those industries. This analysis is supported by many perspectives of the owners and managers wholesale-retail and construction industries:

Saudi problems with the wholesale-retail industry employing locals are the wages and training institutes. Therefore, an education institute or university is needed to teach the values and culture of working in the wholesale-retail industry. In addition, we must improve the future of the wholesale-retail sector by advertising to citizens. They should understand that the work opportunities in this industry from high school. (WRMO3)

As culture does not support works in the construction industry, we want Saudis to be informed about work opportunities from vocational schools and universities to overcome their cultural obstacles. (COM6)

The government needs to introduce the construction industry in educational programmes to encourage people to work in the field. (COM2)

6.2.6 **Theme 6: Skills and training**

Several times throughout the interviews it was noted that, in addition to Saudi dedication, an obstacle to employing citizens is their lack of skills and training. Technical skills, English, trust and communicating with clients are skills that owners and managers highlight as missing among locals. The interviewees indicated that the new graduates lack skills and training, which the Saudi educational system could further address.

The interviewees identified a lack of technical abilities among locals, leading companies to recruit foreigners in technical fields. During the interviews, the participants stated that citizens need to improve their technical abilities to work in the construction and wholesale-retail industries and reported a shortage of skills for specialist and technical positions. Therefore, Saudi graduates who lack speciality skills and soft skills will not meet industry's demands:

Foreigners are recruited for positions that need a high level of expertise. The majority of administrative posts have been Saudi-ised. (WROM4)

I believe that the technical occupations are the Saudi issue [...] Expats are employed mainly for specialist occupations such as a plumber, an electrical or construction worker as nationals lack these skills in the construction industry. (COM6)

Owners and managers emphasised that English is essential to Saudis being hired. English is the primary means of communication in the wholesale-retail and construction industries for meeting business needs. Another obstacle in employing Saudi is communication in English and a lack of experience. Compared to the cheap, experienced expatriate labour, citizens' lack of exposure to practical work environments has appeared to make them incompetent:

Saudis have a high turnover rate in our companies since, due to their lack of experience and language skills, they are not prepared to work in the wholesale-retail and construction industries. (WROM1)

Because of the language barrier and lack of trust, it is challenging to find Saudis. New graduates have no prior experience. (COM5)

Most Saudi graduates have English challenges and more confidence is required. (COM1)

Strong English abilities are required in our workplace culture. Saudis speak fluent English, yet written English is difficult to master. Saudis are hard workers, but they need to enhance their written communication skills and be ready for passenger follow-up at all times. (WROM6)

Foreigners are hired to communicate with customers from other countries. Saudis are unable to communicate well with a foreign customer. (WROM4)

In cases where English skills are not an obstacle to Saudi employment, owners and managers encounter other skills shortages, such as the absence of soft skills and others required in the private sector. This shows an education or development system that has not equipped citizens for today's many economic requirements dependent on wholesale-retail, service and tourism.

We have no problems employing Saudis with low English capabilities because they can meet the needs of Arab customers. We want Saudis who understand the importance of being closer to our clients. (WROM4)

Saudi's technical abilities are insufficient. Communication skills differ from person to person, yet they continue to be a barrier because we need to evaluate them from a worldwide viewpoint to serve our industry [...] Saudis need to improve their ability to communicate with persons in business enterprises. (COM4)

Saudi have received a good salary in the wholesale-retail industry, but their productivity and ability to communicate with customers are different. (WROM1)

Interviewees acknowledged Saudi citizens' need to develop their skills and abilities and showed high regard for Saudis' abilities. They stated that Saudis can be productive in the

workplace if they are trained. This highlights the importance of education and development in instilling and shaping citizens for economic purposes.

In my view, no one is perfect, whether foreigners or Saudis. However, the good news is that Saudis have a positive attitude toward working and learning. Therefore, there is no difference between Saudis and foreigners because it all comes down to leadership qualities in creating Saudi national abilities and preparing them for markets requirements, especially in the private sectors. Moreover, because it is their home country, locals must be given priority in recruitment and advancement within the firms. (WROM6)

Some Saudis, in my opinion, have the capabilities, as they are well-behaved and educated citizens, but they must be cared for. There is a mistaken belief that locals are unable to work; however, many good citizens have improved their skills for the position. In addition, I've seen that they've been more productive in the workplace as a result of the training. (WROM1)

Although interviewees noted that commitment among the new Saudi graduates and the school leavers is not high, Saudi's skills are well evaluated in higher level jobs. This shows the importance of experience and development factors. The analysis shows that development introduced with work experience can meet industry needs as Saudis have developed and gained experience at higher levels.

When it comes to higher level occupations, Saudis are well-educated and take the initiative to develop. (COM1)

The senior staff members in Saudi Arabia are productive and experienced, whereas younger generations are irresponsible. They like to change occupations often as fresh graduates [...] School leavers and fresh graduates are a category with which we have a problem. We have a few graduates in this group who don't have many turnovers because they're good and can keep them. Some of them have been staying with us for more than seven years. (WROM6)

6.3 Conclusion

The information from the interviews showed that several various factors are playing their part to halt the process of Saudisation and why Saudi people are not entering these industries, now or in the future. Why the Saudisation programme is far behind its objectives and why it has been ineffective was discussed. There was agreement that the education system, cultural issues, social issues, Saudi workers' lack of training and poor work commitment have all been important factors. If Saudi Arabia wants to achieve Saudisation, it will have to deal with these underlying issues with long-term solutions.

The interviewees said that local people have no interest in working in the private sector, which is a growing job market in the country; rather, they are more interested in doing public sector

jobs. Every government has a limitation in creating public sector jobs, but the private sector does not have any limitations and can grow with time. The Saudisation dream can only be made possible if people show interest in the private job market and a willingness to learn relevant skills. A lacking of skills and a deficiency in English are other hurdles for Saudis. The responsibility of the government is to bring the Saudisation programme to long-term success. To do so, it will have to encourage skills training, improve the education sector and encourage English as an important language to learn.

Chapter 7. Discussion and Policy Implications

This study has used a mixed research method using a survey and interviews to approach Saudi employees and the owners and managers in the wholesale-retail and construction sectors to determine the factors that impede Saudi recruitment in these sectors. The differences across the wholesale-retail and construction sectors were observed for employment factors and chosen demographic characteristics. Finally, considerations were offered as to the causes of the ineffectiveness of the Saudisation policy.

This chapter is divided into two sections, The first discusses the findings of the qualitative and quantitative research and links it to the research objectives and previous studies on similar issues. The second discusses the implications of these findings for policymakers, government, industry and Saudi job seekers. Suggestions are provided to improve the effectiveness of Saudisation.

7.1 Discussion

There were four key objectives of the research. The first was to identify the factors responsible for the lower employment rate of Saudis in the wholesale-retail and construction sectors. The second was to identify the extent to which the factors responsible for Saudi employment differ across those sectors. The third was to determine if there were any statistical differences in the responses of the study sample to the factors affecting such employment. The last was to determine why Saudisation is ineffective in the wholesale-retail and construction industries from owners' and managers' points of view.

7.1.1 Findings from the quantitative analysis

The quantitative analysis was made on the questionnaire responses which were analysed using SPSS. Descriptive and inferential analysis of the data was conducted. Descriptive analysis included methods like mean, percentages, frequencies and standard deviation to assess the responses received. Inferential analysis includes tests like the t-test and one-way ANOVA to understand any association between the variables. The total number of responses analysed was 450 out of 486. Based on the frequency or demographical analysis of the data, 78.7% respondents were male and 21.3% female. Similarly, 55.4% respondents were from the construction industry, while 44.4% were from the wholesale-retail industry.

Five key factors affect the employment of Saudis in the wholesale-retail and construction sectors: OC, working conditions, wages and benefits, power distance and social status. These factors are highly correlated according to statistical tests.

The results of the study show that OC is one of the key factors which affects the inclination of Saudis to work in these sectors. Employees are willing to put in extra work and they agree about taking any kind of task at their position but were neutral about having little attachment to the organisation. These results suggest that OC is an important factor behind locals continuing to work in the wholesale-retail and construction sectors. Previous studies have also found that higher levels of OC affect labourers and the quality of the work they perform (Rafiei and Pourreza, 2013). Creswell (2013) and Emma et al. (2017) found a relationship between OC and employee happiness, perception of fairness and preparedness to assume work duties and Luz et al. (2018) that high employee commitment leads to low turnover, as committed employees want to stay in the organisation.

The second factor is working conditions. The results show that WC greatly affects the perceptions of Saudis about working in these sectors, given that there is a lack of promotion, low career development opportunities and long working hours. Many organisations are poor at giving fair pay increases since the respondents agreed about the lack of promotion and career development opportunities in their organisation. The findings suggest that job security is low in these sectors and respondents agreed that they often think of quitting their jobs. Other factors of WC identified in the study are a lack of fit between Saudi employees' social lives, working hours and limited understanding from management about their family lives. It is clear from the WC in wholesale-retail and construction are considered unsatisfactory by local employees and this affects their employment in these sectors. These findings are aligned with the views of Abdelkarim and Ibrahim (2001) and Madhi and Barrientos (2003) that Saudis do not like working for organisations that have longer working shifts. They also comply with the views of HCT that there is a strong relationship between working hours, employee development and workplace flexibility with job performance (Azhar et al., 2016; Al-Mansur, 2003; Abdelkarim and Ibrahim, 2001).

Power distance is assumed to be high in Saudi wholesale-retail and construction, which is considered a cause of the lower representation of Saudi employees in these sectors. These findings are aligned with those of Kirkman et al. (2009) who found that communication between managers and subordinates shall be expected openly. Rafiei and Pourreza (2013)

affirmed that the workers' perceptions of power distance significantly affect employee involvement with OC, work happiness, perception of fairness and preparedness to assume work duties. The alignment of these results is found in social capital theory, which states that power distance is an important cultural dimension in the working environment, such that the individuals in a society with high power distance avoid confronting bosses and feel inequity of authority. HCT affirms that workers' perceptions of power distance affect employees' OC and preparedness to assume work duties.

Wages and benefits play a crucial role in defining the employment of Saudis in the wholesale-retail and construction sectors. The results show that Saudis need an upgrade in salaries and assume that salaries in other companies are better. Employees also show concern with the benefits structure of the private sector which is worse than that of the public sector. Sadi (2013) found that low pay is the main reason for the unattractiveness of the private sector jobs to Saudis. Al-Asfour and Khan (2013) found that public sector wages are higher than average wages in the private sector. According to classical theory, reduced competitive wage rates are the best way of tackling and resolving the unemployment problem (Layard et al., 2005; Pasinetti, 2005). HCT also affirms the importance of wages and benefits in defining the satisfaction of employees (Layard et al., 2005).

Finally, it was found that that social status also affects the employment of Saudis in these industries. Respondents had the highest perception about the link between SS and the employment of Saudis. Parcel and Mueller (1983), Spaeth (1977), Vecchio (1992) and Vecchio (1992) all found that SS is linked to the connection of an organisation with an individual and the career of a worker. The link between the nature and responsibility of the workplace and people's position in society is also affirming connections showing that the status that a person obtains within a collective affects the perceptions of a specific job. Based on the main themes of the social capital theory, SS and the Saudisation of the workforce are significant determinants of employment. Thus, the findings of this study are connected with the notion of social capital theory and to foster employment of Saudis in the wholesale-retail and construction sectors, it is important to enhance the SS of private jobs.

For the second research objective, the study has identified that except for SS, all other identified factors showed significant statistical differences across the wholesale-retail and construction sectors. Total perception in favour of wholesale-retail was 3.62 ± 0.96 for OC, 2.67 ± 1.06 for WC, 2.58 ± 0.93 for WB and 3.26 ± 1.02 for power distance. The score of 3.16 ± 0.77 for total

perception indicated that wholesale-retail sector employees have a higher level of perceptions towards the factors affecting the employment of Saudis. The differences are mainly based on a difference in the nature of the work performed in these industries, as the wholesale-retail sector is purely service-based. The alignment of these results is linked with earlier studies (Hertog, 2012; IMF, 2013; Fakeih, 2013; Alhamad, 2014; Farhan, Brevetti, Laditan, 2016) which found that differences in industries can change the perceptions of employees about the prevailing factors within the industries. However, the result showed that there is a convergence of employee perception toward SS affecting the employment of Saudis in the wholesale-retail and construction industries. These findings are aligned with the views of Fakeeh (2009) and El-Dief and El-Dief (2019) who argued that the majority of the Saudis' view private jobs as lower status and do not improve personal identity or prestige of their wider family. Consequently, they prefer to work in government or oil-related companies.

For the third research objective, statistical differences were found in the responses of the study sample towards the factors affecting the employment of Saudis in the wholesale-retail and construction industries according to gender, work experience, training and scientific qualification. Male employees have higher perceptions about WC, the factors affecting employment. They were more concerned about WC, PSD, SS and WB at their jobs and their OC was also highly influenced by their satisfaction at the job. These findings are aligned with those of Abel et al. (2012). The also results indicated that employees with higher experience (more than 10 years) have a higher level of perceptions towards the assessed factors. These results correspond with the studies of Miceli and Mulvey (2000) and Kramar (2004) that the tenure of employees in specific organisations changes with their expectations of the WC and intrinsic and extrinsic benefits associated with their jobs. Training also influences the perceptions of employees for all the factors. This echoes the findings of earlier studies (Alhamad, 2014; Farhan, Brevetti and Laditan, 2016; Al-Shammari, 2009; Fakeeh, 2009) that with training comes the excellence of an individual and better-performing employees have higher expectations about job-related benefits and outcomes. According to HCT, when trained individuals invest their efforts in the organisation then they expect a substantial return on that investment, which makes them develop high perceptions about the employment factors (Al-Shammari, 2009). Better educated individuals also have high perceptions of the employment factors and demand higher returns from their jobs. This is aligned with earlier studies (Al-Shammari, 2009; Fakeeh, 2009) which found that qualification can affect the performance of employees and well-performing employees develop higher perceptions from their jobs.

7.1.2 Findings from the qualitative analysis

Qualitative analysis is based on six themes emerging from interview sessions held with managers of construction and wholesale-retail industries. There were six respondents from the construction industry. All were male and are numbered COM (1-6). In the wholesale sector, four respondents were male and two were female, denoted by WROM (1-6). Cultural challenges, a lack of understanding of opportunities, inefficiencies in education systems, a lack of skills and training, Saudi workers' commitment and willingness to migrate to the public sector were the primary concerns of this analysis, as shown in Figure 6. The major goal of this thematic analysis is to figure out why still, the Saudisation process has not met its goals and to help the relevant authorities and parties in identifying the gaps.

Owners and managers believed that personal skills and professional abilities and other elements including OC and WC affect the employment rate in any society. They blamed the education system and culture for shaping the Saudis' knowledge, skills and abilities that do not meet market needs.

Several themes emerged from the analysis of the qualitative data of which first was linked to the effect of cultural factors. The Saudis' attitude towards wholesale-retail and construction work is often negative and Saudis are influenced by the cultural mindset of viewing office jobs as of higher social prestige. These findings are aligned with earlier studies (Alromi, 2001; Alshathry et al., 2006) which concluded that culture has a considerable effect on Saudis' perceptions of employers and cultural aspects can affect OC and the work-related attitude of an individual. The second theme highlighted by the qualitative analysis was that Saudis lack work commitment, seem to have trouble observing strict attendance regulations and are much more strongly attached to their family commitments than to working hours. This finding can be linked with earlier studies (Mowday et al., 1982; Porter et al., 1974; Turner, Chelladurai, 2005) which maintained that lack of OC can lower productivity and this is the key restricting factor behind the inability of Saudis to perform effectively in the private sector.

Another reason identified about the ineffectiveness of Saudisation is that local employees are willing to move to the public sector. Saudi nationals prefer the public sector for its shorter hours, full weekends and substantial annual leave (Berengaut and Munis, 2005). Benefits, wages and job security factors are perceived to be higher in the public sector. The small proportion of locals in these sectors is linked with the lack of awareness. Both industries said that locals are not aware of career opportunities that they might pursue in these sectors.

Awareness level affects people's motives and their desires when searching for a job (Ali et al., 2017).

Education in Saudi Arabia does not prepare nationals for the workplace or to meet market requirements. This is the major cause behind the ineffective implementation of the Saudisation programme, as the citizens' educational experiences have an impact on their productivity and quality of work outcomes. Ineffective education creates a gap of labour market requirements and skills of the local people which acts as a restricting factor for them to pursue a career in these sectors. These findings are aligned with the results of Riaz and Ishaq (2016) who argued that the reason why expatriates were favoured over Saudis is that many young Saudi men lack the skills necessary to execute some of the technical and non-technical job assignments.

Training and skill development is another factor that impedes the success of the Saudisation policy and was found to be a key barrier to employing Saudi nationals. The owners and managers identified a lack of technical abilities among locals, leading the different companies to recruit foreigners in technical fields and it was clear that there is a shortage of skills for specialist and technical positions. These results are well aligned with the views of Al Balushi (2008) that managers do not hire candidates who have inadequate skills, such as language and technical skills. Kramar and De Cieri (2008) had similar results stating that job-related skills development is one of the key factors for defining the success of an individual in a job. Lack of skills and knowledge thus restricts the Saudi nationals from entering private sector jobs, which leads to the ineffectiveness of Saudisation policy.

7.2 Implications for policy

It is notable that despite the well-formulated *Nitaqat* programme, there is still a limited representation of Saudi nationals in the wholesale-retail and construction industries in Saudi Arabia. This study has highlighted several factors which explain this failure of Saudisation. These findings have implications for many state-based institutions that are dealing with localisation programmes and are aiming to increase Saudi workforce representation in the private sector and could help the government adjust its current policy. The changes might create a more favourable employment environment for Saudis to encourage them to seek employment in these sectors. They could also assist in educating Saudi youth to recognise these employment opportunities.

7.2.1 Suggestions for the Saudi government

The current measures adopted by the government to force Saudisation such as the sponsorship system, limited work permission and quota systems have not achieved their goals. Thus, the government should change the policy from just a quantitative approach to more qualitative measures that have attitudinal and motivational dimensions. The government should direct the nationalisation policies to concentrate more on motivating Saudis to see the private sector as a viable career option. It is necessary for human resource departments in the government which deal with Saudisation to work differently when designing employment procedures and policies.

7.2.1.1 Wages and benefits

The study found that working conditions in the wholesale-retail and construction sector are considered unfavourable with long working hours and poor pay. Lack of career development opportunities and limited focus on employees' wellbeing are also significant prevailing factors. These gaps concerning WC call for the attention of the government of Saudi Arabia to review its existing labour laws. It should be compulsory for all organisations, including those in the wholesale-retail and construction sectors, to have fair and equitable working procedures. There should be strict checks on compliance with maximum working hours and if employees are compelled to work the stated hours, then there should be defined procedures to pay for the extra work. The policies regarding unfair exploitation of the workforce are key to ensuring fairness for employees in all sectors. Local employees are highly concerned about their wellbeing and this is the reason for their inclination to the public sector. In cases of poor WC, employees should be able to raise their voices. Policymakers need to devise appropriate mechanisms for the establishment of workers' powers within the economy. For instance, industry-wide workers' boards could be established in which the workforce from each industry could coordinate their voice against any unfavourable WC and demand their rightful benefits. The existing PSD values in organisations make it harder for employees to speak up for their rights, therefore reformation of this power culture is needed with the support of the government. These reforms will significantly contribute to improving the wellbeing of workers in the wholesale-retail and construction sectors and thus Saudi nationals will willingly join them.

Another important implication for policymakers pertains to the change in WB in these sectors. Public sector employment is secure and well-paid because the wages in the public sector are set by the government and are subject more to political interference than to market dynamics. The HCT assures the importance of salaries and wages for any worker to be productive and

effective. Policymakers should take steps to reduce the disparity in employment practices and policies between the public and private sectors of Saudi Arabia. For instance, there should be comparable procedures concerning wages and job security in all economic sectors. This can be done by helping the private sector to achieve the desired level of stability. This will allow the wholesale-retail and construction sectors and others to offer better wages and thus more local employees will be willing to join these sectors. The government should take steps to ensure that all Saudi nationals receive the same retirement plans and other benefits, regardless of the differences in economic sectors. When WB in the wholesale-retail and construction sectors match those of the public sector, Saudisation will become effective and local Saudis will show a willingness to work in these sectors.

7.2.1.2 Social status

The clear connection between social class and economic and labour activity shows that nationals prefer to work in organisations that offer high prestige within society. Wholesale-retail and construction sector jobs are considered to have good SS, yet in contrast to public sector positions, they are perceived to have low SS.

Social status is a main concern for Saudi citizens. They perceive that by acquiring public sector jobs, they will get more prestige and respect in society. The interviewees revealed that Saudi culture and society do not consider jobs in the sectors like wholesale-retail and construction to be high status and most Saudis prefer oil-based industries. Although there are few great Saudi workers in the sectors, the Saudi attitude toward wholesale-retail and construction labour is generally unfavourable, based on the responses received. It was also revealed that the cultural mind-set of viewing jobs as a social status makes Saudis prefer service or public industries rather than construction or wholesale and retail industry jobs.

The absolute monarchy in Saudi Arabia has created some social restrictions for members of royal families and these families prefer their children to pursue jobs in prestigious public sector organisations. The same is true for non-royal rich Saudi families. This is the reason for the low representation of Saudi nationals in the wholesale-retail and construction sectors and thus there is a need to launch awareness campaigns that can change the mindset of people about these sectors. For instance, Government institutions responsible for the implementation of Saudisation should coordinate their efforts with educational institutes to launch awareness campaigns through which students can be made aware of the contribution of wholesale-retail and construction sectors in the economic development of the country. Additionally, there is a

need to highlight the advancement and growth opportunities in the wholesale-retail and construction sectors, such that the level of perceived SS of these sectors can be enhanced and attract more locals.

7.2.2 Implications for the wholesale-retail and construction sectors

The findings of this study have many practical implications for the wholesale-retail and construction sectors. Organisations in these sectors can make some internal changes to encourage the representation of Saudi nationals in their workforce. As highlighted in the results, workplace commitment is one of the key motivating factors for Saudi employees to continue working in the wholesale-retail and construction sectors. The organisations in the wholesale-retail and construction sector can retain the Saudi based workforce by offering prospects through which affective and normative commitment can increase. To enhance affective commitment, employers can focus on relationship building with local employees by focusing on the values of open communication, trust, integrity and empowerment. When employees have a voice in the workplace, then they are likely to develop an emotional attachment to the organisation and are less likely to leave the specific organisation. To increase the commitment of the local workforce, employers in the wholesale-retail and construction sectors can create a strong teamwork culture, maintain a pro-ethical working environment, delegate tasks effectively, provide constructive feedback, improve WC and offer fair WB. All of these practices can not only enhance the satisfaction of the local workforce with jobs in the wholesale-retail and construction sectors, but their improved commitment will significantly lower their turnover. The organisations in turn will save substantially on the cost of hiring more national workforce for complying with conditions of Saudisation. Therefore, these efforts are likely to create a win-win situation for both employers and local employees in the wholesale-retail and construction sectors.

Given the findings of this study regarding the satisfaction of employees with existing WC in the wholesale-retail and construction sectors, the employers in these sectors need to focus on reforms that can help create a better workplace. Employers can offer a substantial voice to employees (including local Saudis) to offer their opinion in case they are dissatisfied with any of the organisation's policies. For instance, if workers feel the absence of fairness and equity in human resource management policies and procedures, then they should have the right to speak out. Moreover, employers are required to show greater compliance with the policies of employee wellbeing and protection. The compliance with maximum working hour policy and employee protection policy is crucial. Saudis are not willing to work for organisations that

impose longer hours and shifts that include weekends. Therefore, employers should devise a working hours policy that gives a fair amount of time off. Employers in the wholesale-retail and construction sectors should develop fair and effective career development and promotion related policies which allow fair chances of career progression to each employee.

The working culture of high PSD should be transformed. Typical Saudi organisations are characterised by a huge power gap between employers and workers, which promotes worker dissatisfaction. Transformation of this culture is needed to foster positive employer and worker relationships through team building, effective leadership and open communication. Such changes would significantly improve the perception of Saudi nationals about the wholesale-retail and construction sectors and retain the existing local workforce. It would also help employers attract talented and qualified locals to their workforce.

The results also highlight that WB is an important factor in encouraging Saudis to work in the wholesale-retail and construction sectors. The firms in these sectors should establish high-performance work systems and align performance management systems with the compensation and benefits procedures of the organisations. For instance, employees' wages and benefits should be determined by performance as good performing employees deserve better rewards. Such alignment of performance with compensation and rewards will not only motivate employees to perform better at their jobs but will also help in retaining a well-performing and qualified workforce.

Employers should also ensure equitable and fair procedures related to WB. Any appearance of unfairness can significantly lower the satisfaction of employees and local employees are less likely to work in organisations that lack fair procedures, as they have better prospects of moving to other organisations due to localisation programmes. Finally, employers can make the WB system better for employees by offering benefits to those of other players in the industry. Employees usually compare their WB with others and any significant difference in compensation and rewards are significant causes of employee dissatisfaction. Given this, compensation plans should be aligned with competitors and other industries, such that incentive-based motivation can be triggered and employees, especially locals, can be retained.

The results also show that Saudis are more inclined towards white-collar jobs, based on the perceived SS associated with it. There is a need to change this mindset. For instance, the notion of individualism should be encouraged, such that employees feel valued in the work they perform. Such changes can be brought about by changing the organisational culture and by

recognising the contribution of the workforce in each of their roles. These aspects are likely to trigger intrinsic motivation among the national workforce and thus their materialistic values. These efforts could lower the inclination of the national workforce to perceive SS in the wholesale-retail and construction sectors as low and thus local representation can be enhanced. Service-based jobs such as these are perceived to have low personal identity and prestige. Thus, the employers in this sector are facing pressure to align their recruitment system with the requirements of Saudisation. Employers in the wholesale-retail sector should focus on the improvement of factors that can enhance the job satisfaction of local employees. The satisfaction of workers can enable them to continue working in this sector and they can also become role models for other locals.

One key hindrance in the effective implementation of Saudisation in these sectors is the lack of training and development for young people. The recommended measures to enhance training and development for Saudi workforces are to work closely with professional, educational and vocational institutes. It can allow training to local youngsters so that they can develop their skills in professional organisations.

Gender is a key demographic factor for defining the satisfaction and commitment of Saudi workers in these sectors. Employers should offer fair opportunities to women, such that their dual role of family and work can be acknowledged. The representation of women in the workforce and flexible WC for women would increase the prestige and reputation of the sectors. Such positive representation would go against the typical gender stereotype of Saudi employment sectors, thus increasing the willingness of locals to work there.

If employers are serious about complying with Saudisation and attracting Saudi nationals to the workforce, they need to understand the aspirations of local workers. The most needed aspects in any job are trustworthiness, openness, respect, wellbeing, fairness and job security. The private employers in the wholesale-retail and construction sectors need to coordinate their efforts with the government to improve the quality of jobs for Saudi employees. This can be done by following the government standards of employment and so matching the job-related conditions and outcomes with the employment standards of public sector organisations.

Currently, wholesale-retail and construction prime business owners or private sector has to bear the additional cost. Also, Government can provide these sectors or business owners with some grants, in order to promote recruitment in these sectors.

For instance, giving only one day off on weekends is the practice in the wholesale-retail and construction sectors and needs reconsideration to attract Saudi nationals. There is also a greater need to realise the leadership potential of the local workforce by offering managerial level positions that can keep them engaged. However, the managerial and leadership positions should not only be based on the localisation qualification but the knowledge, skills and potential of local employees. In short, employers in the wholesale-retail and construction sectors should work closely with human resource management departments of government to bring improvements in internal human resource development policies and procedures so that local employees will be attracted to the workforce and encouraged to work for longer in these organisations.

7.2.3 Implications for Saudi employees

Every Saudi national has the professional and social responsibility to coordinate with the government in the realisation of the goals of Saudisation. They must realise the value of work in these sectors and understand the economic contribution they make in the development of Saudi Arabia. This will enable them to develop greater commitment to their work and thus their perception of lower SS and prestige of the jobs in these sectors will also improve. They should also accept all the learning opportunities. For instance, extra hours at work might be hard for them but there is also an opportunity to learn more from that extra work. Knowledge transfer is the only way for Saudi nationals to contribute to the development of their own country and to lower dependence on the expatriate workforce, who will leave the country sooner or later.

The higher economic expectations of Saudi nationals must also be lowered. Most Saudis join the workforce in the wholesale-retail and construction sectors after graduation when they have a minimal level of practical insight and experience. If they expect to get managerial job positions after just graduating from college, they have unrealistic expectations. There is a need for them to understand the nature of competition in the labour market. The labour market is full of motivated and experienced people who can easily replace unmotivated workers who are fresh graduates and lack practical experience. If Saudi nationals are hired immediately due to the Saudisation programme, they should consider it as a prospect of learning. They should be motivated to work harder to develop their knowledge and skills and to use their knowledge in any economic sector, whether it is public or private. The private sector employers will hire local employees as it will be less troublesome than hiring expatriates. Therefore, the local workers should also proactively learn in these sectors with greater commitment.

Finally, the professional and educational familial background is of huge importance in shaping perceptions of the young generation towards their career in any sector. Local youngsters who come from professionally mature families are more likely to take responsibility for their careers and not consider any job that has low SS. The difference in public and private jobs is less visible among such individuals. Therefore, it is the responsibility of local families to positively contribute to the wellbeing of their children and to develop a sense of individualism in them. This way locals can be encouraged to contribute to the development of all economic sectors. Thus, an overall change in societal and cultural values is also needed, and a sense of individualism is needed to realise the importance of such work. These societal changes can substantially contribute to the modification of job-seeking behaviour and thus employment of Saudis can be increased in all economic sectors.

7.2.4 Suggestions to improve the effectiveness of the Saudisation programme

Finally, the study highlighted the reasons behind the ineffectiveness of Saudisation to accomplish its goal of increasing the representation of Saudi nationals in the workforce. The findings highlight that the quality of the existing education system is the core impeding factor in the success of the Saudisation programme.

In the light of this, the government should reform the existing education system, which fails to equip organisations with a skilled and qualified local workforce. Although reforms have been made to strengthen the education system, there is limited motivation among nationals to pursue a technical higher education, which leaves gaps in the knowledge and skills needed in the labour market. The return on education is lower, due to the lower educational performance of local Saudis as compared to international standards of education. It is also claimed that relevant skills demanded by employers are missing among graduates, showing a mismatch of skills learned in universities with skills set required in organisations. To create a greater match between the qualifications of Saudis and the requirements of the labour market, there is a need to further strengthen the higher education system. More locals should be encouraged to pursue higher education and the quality of education should be enhanced to strengthen human capital. To realise this goal, government institutions responsible for Saudisation should coordinate with the Ministry of Higher Education to unify efforts to increase the competence and qualification of Saudis.

There is no formal mechanism of feedback from employers to universities and higher education institutes and this is the major cause of the mismatch between demand and supply of a skilled

workforce. Action should be taken to overcome this by devising a more effective mechanism of feedback.

Language skills are also a hurdle in sectors where such skills are demanded. There is a need to devise a mechanism for making English compulsory in all educational disciplines along with offering English language courses to all graduates. Ease of communication is likely to foster aspirations and confidence amongst locals to join the sectors that require direct interaction with people, such as the wholesale-retail sector.

Another important factor hindering the effectiveness of Saudisation is the missing element of workforce training, which makes it harder for educated and skilled Saudis to perform with excellence. The demand for Saudis in the private sector is affected by their inability to match their skills with the requirements of the jobs. Coaching programmes can be arranged for fresh graduates which would focus on the enhancement of leadership, communication and decision-making skills along with technical skills. Coaching programmes will enhance the confidence of locals and they will develop a willingness to use their knowledge and skills practically. This is well aligned with the conceptualisation of knowledge transfer, indicating that coaching and training can create greater chances of practical success. This way Saudisation can be implemented effectively and the representation of locals increased in all economic sectors, including the wholesale-retail and construction sectors.

Another hindrance is that a Saudi workforce is expensive compared to an expatriate workforce. The threshold wages and benefits defined for Saudi nationals are much higher than those for expatriate workers. Saudis also demand more job security and government policies for benefits for Saudis make them less attractive to the private sector, a major cause of their underrepresentation in the private sector. To effectively implement Saudisation programmes such as *Nitaqat*, policymakers need to redefine human resource development policies. The widening gap in job-related benefits for national and expatriate employees is creating inequitable working conditions and thus overall organisational policies are largely influenced. It might also be why Saudi nationals associate SS with the nature of jobs. A change of culture among national employees can be triggered through government policies making Saudi workers more attractive and less expensive for the private sector. This way private organisations will be willing to hire Saudi nationals and will coach them to enhance their learning so that they can be transformed into future leaders.

Another hurdle to the implementation of Saudisation is that local Saudis demand more favourable WC and benefits that private sector firms are willing to offer. To deal with this hurdle, the government should work closely and coordinate with private organisations to offer internships and apprenticeship programmes to fresh graduates. This way any stereotypes related to the private sector can be lowered and employers can have the opportunity to evaluate the interns for permanent positions. Likewise, policymakers for the Saudisation programme should arrange career fairs to increase the exposure of local candidates to professionals. These efforts can substantially contribute to changing any unrealistic job expectations among Saudis, which are ingrained in their mind even before starting a job.

Policy changes are needed to create quotas for female Saudi nationals to become part of private sector organisations. They are very underrepresented in the private sector employment because of the cost associated with offering flexible working conditions to female employees such as part-time jobs and childcare facilities. The government needs to play a role in subsidising private organisations to make workplaces more women-friendly. Saudisation should be supplemented by plans to reduce barriers to female employment through the promotion of female competitiveness. This can be done by offering access to training portals and job placement centres that can enhance women's education and training. A childcare subsidy programme should be supported by the government to ensure that women are better able to be part of the workforce. The *Nitaqat* programme should be also supplemented with an arrangement that can motivate private sector employers to make an initial investment in hiring Saudi women. Without government support, the reluctance to hire women will not decline and thus women will remain underrepresented.

Lastly, government ministries should coordinate efforts with public sector organisations to stop announcing jobs for locals in the public sector. Although it seems an extreme measure, to speed up the process of Saudisation it is important to divert the flow of employment of locals from the public to the private sector. A lack of jobs in the public sector will prompt job seekers to look for options in the private sector and thus the rate of local employee private sector recruitment will be improved. Coordination with private sector organisations is also needed to ensure that they announce more jobs for local employees rather than expatriates. These steps will require proper planning by the state and by policymakers without which the implementation of Saudisation will not succeed.

Chapter 8. Conclusion

This study set out to explore the employment of Saudis in the wholesale-retail and construction sectors in Saudi Arabia. It identified the factors behind the current employment and any statistical differences in the factors affecting it, including gender, work experience, training and scientific qualifications. The study also explored the reasons for the ineffectiveness of Saudisation in these industries from the owners' and managers' points of view. This chapter concludes the findings of the study and its objectives. It also looks at the study's limitations and recommendations for future research. Finally, the theoretical contribution of the research is stated.

8.1 Theoretical and practical contributions

This research has made substantial contributions to the existing literature. It has combined the insight from HCT and social capital theory to clarify the factors that are hindering the representation of Saudis in the workforce of the wholesale-retail and construction sectors. Given the perspective of HCT, the current research has shown that improvement of workers' skills and education are important factors in attaining higher levels of economic productivity among local individuals. In essence, HCT shows that the education of local employees combined with training is of huge importance in increasing their productivity and commitment. Education is an investment by the state that can benefit both locals and the whole Kingdom. The enhancement of collective human capital embodied in all individuals is considered as one of the key economic resources that can enable the wholesale-retail and construction sectors to generate substantial income. They can use this collective human capital to develop a sustainable competitive advantage. This study has thus provided guidance to academics to focus more on developing the quality of knowledge and learning such that the supply-and-demand gap of skilled local workers in all economic sectors of Saudi Arabia can be lowered.

The contribution of this study also lies in its ability to shed light on the connection between social capital theory and the inclination of Saudi nationals to avoid employment in the wholesale-retail and construction sectors. Social capital represents the sum of social ties and relationships, which has been recognised along with many things such as goodwill, brand value, social cohesion or social resilience and related concepts such as experience or fame. Social capital theory states that internal social, cultural coherence and the norms and values of society are important factors in defining the employment patterns of individuals. Additionally, the local Saudi job seekers are mainly using cues from their social networks to define their job-

seeking patterns. The increased embeddedness of social institutions in defining the personal choices of individuals is of huge concern to change the overall employment attitude of Saudi nationals. This study has strengthened the view of social capital theory by stating that it is no longer the influence of households but of the whole of society that local employees are associating low perceived SS with employment in the wholesale-retail and construction sectors. The study affirms that to bring change in the overall employment attitude of local Saudis, there is a great need to make a shift in overall society, as social relationships are key sources of forming individual attitudes.

The theoretical contribution of this research is also seen in the revelations that culture, the PSD values of the organisation, factors related to work commitment, and compensation and benefits also contribute to defining the employment attitudes of local individuals. These insights call for the combination of organisational culture theories, theories of job satisfaction and theories of employee motivation to understand the behavioural and attitudinal patterns of the local workforce. The research has thus presented a diverse range of insight from multiple organisational theories and shows the wider role of human resource management and development practices in shaping overall employment patterns and behaviours.

The study has further made the following contributions:

- The study informs policymakers about the factors leading to the slow response of the private sector in the implementation of Saudisation.
- Universities and colleges must design their curricula to focus on skills that are needed in the private sector. With such skills, it will be practical for locals to compete favourably with foreigners in the job market since the private sector players will not discriminate based on the employability skills they possess.
- The study provides a good background for future research. It provides a literature review and primary data that have been organised to provide deep insight into the plight of Saudi workers. The results have been well organised, hence future researchers can easily follow them. The data has been obtained directly from citizens and so is valid and verifiable by any interested party.
- The study revealed a need for continuous collaboration between all sectors in the economy for prosperity to be achieved. For instance, the lack of coordination between government and the private sector in the formulation of Saudisation policies has contributed to high

numbers of expatriates in the private sector. This implies that it is time for the government to engage private sector players during policy formulation to come up with measures that will help ease the unemployment problem of Saudis in the private sector. Private practitioners will be willing to contribute their perceptions to assist the government to prepare individuals who are employable instead of being forced to employ people with little work ethics in the firms. The private sector must find ways to adjust employment benefits to compete with those provided by the government in the public sector. This will create uniformity in the market so that Saudis can choose jobs based on factors other than benefits.

- This study is also the first to introduce the notion of PSD and SS as the cultural factors influencing the hiring of Saudi nationals.

8.2 Limitations

Although this study has made major contributions to practice and research, it has limitations. Firstly, the research only considered factors affecting the lower representation of Saudi employees in two economic sectors: wholesale-retail and construction. The factors identified might only represent the situation of these two and thus its findings should be generalised only with caution. The sample, although good, was still the opinions of only Saudi employees working in the private sector. The study lacks insight into the personal traits of the people and thus the perceptions of the few cannot be generalised to the many. Because of the personal traits and attributes of individuals, they hold altogether different views of social institutions. However, the study is inclusive and it was not possible to address the personal traits and attributes of respondents, which might be considered a fruitful avenue for future research.

A mixed research methodology was adopted which required responses from different places which posed a lot of health issues during data collection as the study was being conducted amidst the Covid-19 pandemic. The researcher was therefore forced to use online platforms to collect data and this reduced the level of accuracy of the results. Even though the methodology was appropriate for the aim, it proved inefficient in obtaining information from business owners. The researcher acknowledged that the topic was uncomfortable for business owners and managers who were not willing to reveal sensitive information.

The study was conducted in the private sector to gauge the effectiveness of state policy. Therefore, it was difficult to obtain the insight of the private sector managers due to the sensitive nature of the topic of government policy on Saudisation. Most private sector players are concerned with profit maximisation policies and not improving the welfare of workers. In

most cases, business owners and managers regard human resource management practices in their firms as secrets that determine the success of their firms and which must not be revealed to outsiders. If unauthorised people get access to such information, competitors might get the data and use it to outperform them.

This study targeted Saudi employees working in the wholesale-retail and construction sectors and excludes expatriates. Their views could serve as a point of comparison about similar workplaces. This way a better understanding could be generated about the issues being faced by employees in the private sector and measures taken to improve the working environment.

This research also lacked insight into how cultural and social barriers related to the underrepresentation of local employees in the workforce can be dealt with. Although organisations are aware of the notion that social values affect the behaviour of employees to work, they lack insight into the mechanism through which these barriers can be addressed and local employees can be encouraged into the private sector.

Another limitation is that the *Natqat* policy was not studied from the wider perspectives of all its stakeholders. Only the views of employees were considered but the views of policymakers are of great importance. Finally, the study has not addressed the notion of diversity and inclusion in the private sector. The short duration of the study made it hard to include insight into how local employees and expatriates are offered opportunities to get along with each other. The inclusion and multicultural nature of the workplace can be explored by future researchers to understand the nature of the private sector in diversity and inclusion.

8.3 Future research

Given the higher focus on quantitative factors in exploring the level of job opportunities, existing studies give focus to the adoption of qualitative indicators. To fully understand the phenomena behind the lack of Saudi representation in the private sector, future researchers might work with qualitative indicators. For instance, prevailing WC and prospects of training and learning are some examples of qualitative indicators which affect Saudi employment in the private sector. For example, job vacancies accumulate in some sectors for Saudi nationals but the local unemployed will not fill them. There is a need to explore the qualitative factors which cause such attitudes.

This study has not considered the personal attributes and traits of individual respondents which form the basis of their behaviour. Future researchers might consider the effect of family background and personal traits on perceptions. This will make any study more inclusive of

familial implications, as the immediate effect on an individual's attitude is defined by their family's beliefs. A change in society can only be triggered if caregivers and parents can change their attitudes. Therefore, consideration of associating less privilege with private sector jobs needs understanding from the perspective of family and personal attributes, such that implications for wider change in societal mindset can be provided.

Another recommendation for future researchers is related to data collection. Future researchers might carry out face-to-face interviews with owners and managers about Saudisation. Individuals perceive higher levels of trust in communication when performed in person. The research issue is sensitive and owners and managers are reluctant to share information about HR policies. However, in face-to-face interview sessions, they could be assured about their privacy and more complete information might be extracted from them.

This study has highlighted the contribution of cultural factors such as PSD and social norms in shaping the perceptions of Saudi nationals about employment in the private sector, specifically the wholesale-retail and construction sectors. Future researchers might consider the mechanism through which cultural barriers can be addressed and locals can be encouraged to willingly pursue job opportunities in the private sector. The role of social networks and families can be emphasised by future researchers by digging into the stereotypes which restrict locals from joining the private sector. They could shed light on the mechanism through which organisations in the private sector can address the concerns related to PSD within private sector organisations. Such insights could help change the perceptions of locals about having jobs in the private sector and thus the effectiveness of the Saudisation programme might be improved.

Future researchers might also study the policy of *Nitaqat* from the perspectives of all stakeholders. For instance, the key focus has been maintained on understanding the policy from the perspective of policymakers and the issues which they are facing in its effective implementation. However, the views of employers are also of huge importance. These could be examined in future studies and in those sectors beyond wholesale-retail and construction.

Finally, future researchers might examine inclusion and multiculturalism in Saudi workplaces. This study shows that locals are less satisfied with WC and there is a need to explore the antecedents of their dissatisfaction. Future studies could highlight whether private sector employers value the notion of workplace inclusion and diversity or any differential treatment prevailing within the workplace. They might compare the views of expatriates and Saudi nationals about the same workplaces given the same set of indicators. This might help in

offering detailed insight into the working environment, WC and notion of inclusion and multiculturalism in private workplaces. Such studies will also help to understand the difference of opinion between genders among local employees as local male employees have differential perceptions of workplace conditions and PSD to their female counterparts. Succeeding studies could thus reveal if local employees receive different treatment across gender or these conflicting perceptions are defined by the typical masculine culture of Saudi society.

8.4 Conclusion

The KSA has undergone major transformations over the last half-century and has emerged as one of the strong economies in the Gulf followed due to its oil reserves. With changing economic structures and growing economic development, Saudi Arabia has substantially changed its labour market structure. The lack of in-house skilled and knowledgeable workers has led to enhanced reliance on foreign workers and uncontrolled labour flow has led to the situation where expatriates make up most of the private sector labour market. This has put pressure on the overall job market, especially the public sector, to seek mechanisms through which employment disparities between nationals and expatriates can be lowered. The Government has taken steps in the form of the *Nitaqat* programme as part of a Saudisation programme to lower the gap in the ratio of foreign to local workers in the private sector. It has put pressure on private employers to offer employment opportunities to local individuals. Compliance with quota-based recruitment requirements for local employees is required to avoid legal action. However, despite the efforts of the government, only a handful of Saudi locals are employed in the private sector; This study has highlighted the factors which might be the cause.

The results reveal the key factors which explain the underrepresentation of Saudi employees in the wholesale-retail and construction sectors: OC, working conditions, wages and benefits, social status and PSD. In terms of theoretical perspectives, these factors were identified by combining insight from HCT and social capital theory. The major reasons for Saudis avoiding working in the wholesale-retail and construction sectors are that they are not satisfied with the working conditions and want shorter working hours, more leave, better career development and more promotion. Salaries and benefits offered in these sectors are also significantly lower than those offered in the public sector, which acts as a demotivating factor. Due to limited financial and economic value associated with jobs in these sectors, local Saudis link low social status and prestige with these professions. Culture and social norms also play their role as PSD and

the nature of jobs in these sectors make it harder for locals to adjust to the working environment and thus they avoid working in these sectors.

Concerning the second objective of the research, the study has revealed that there were statistically significant differences ($p > 0.05$), between the study participants' perceptions of the factors affecting the employment of Saudis in the wholesale-retail and construction industries related to OC, WC, WB, PSD and total perception, with wholesale-retail scoring higher. These findings suggest that the wholesale-retail sector is perceived to offer better prospects for local employees.

For the third objective, the findings show that there is a statistically significant gender difference in Saudis' perceptions of employment in the wholesale-retail and construction sectors. Male employees consider WC to be of huge importance, while PSD plays a vital role in the employment status of women. Statistically significant differences were also found between the responses for factors affecting the employment of Saudis according to work experience, favouring employees with more experience. The level of training was also found to be a significant factor; those with extensive training are better able to deal with these factors and can better handle their jobs. Finally, in terms of demographic variables, the level of scientific qualification has also proven to be a significant factor in OC, WC, WB and PSD. These factors were mainly found to be favourable for local employees with specialised qualifications such as a master's degree. Therefore, it can be said that the demographic nature of employees can shape the factors related to employment in the wholesale-retail and construction sectors in Saudi Arabia.

There was a huge convergence of research findings across quantitative and qualitative research methods, suggesting that OC, WC, WB, SS and PSD are the key influencing factors for the employment of local employees in the wholesale-retail and construction sectors in Saudi Arabia. This suggests that there is more agreement among local employees and owners and managers of firms in these industries. The explanation is linked with the view of human and social capital. The economic values associated with skills and knowledge of employees and their social norms and values are key contributing factors for defining the overall employment trend for Saudis. To trigger any change in employment patterns for locals in the private sector, there is a need to understand the human and social factors in greater depth.

Finally, the qualitative assessment of the interviews with managers and owners has offered insight into the causes of the ineffectiveness of the Saudisation programme. Management from

both the wholesale-retail and construction sectors showed similar responses about the causes of the ineffectiveness of *Nataqat* and Saudisation. Both show that cultural factors are the key hindrance to the effectiveness of Saudisation as it links low SS and prestige with private sector jobs. The ineffectiveness of the education system is another as its lack of coherence with the employment sector makes it difficult to equip graduates with the required knowledge and skills for the labour market. This leads to a gap between demand and supply and thus local Saudis find it difficult to deal with job-related pressure and blame the working culture as being unfavourable. The lack of effective training is another factor that leaves the locals unprepared for competing with expatriates in the labour market. Due to ineffective training, locals are ill-prepared for the jobs and thus they fail to handle the pressure and stress of private jobs. Consequently, locals tend to have a high preference for seeking employment in the public sector.

Private employers lose much of their investment in human resources as local employees are more expensive. To comply with the Saudisation programme, private employers spend much on recruiting local workers who then leave to work in the public sector. Thus, the overall effect on the private sector is huge due to the ineffective implementation of Saudisation and *Nataqat*. The issue of Saudisation of jobs is one of the most important issues and has become a major concern for many citizens, especially young people. It is considered one of the first concerns of the Saudi government. The importance of localising jobs lies in that failure or a delay in finding solutions may have serious consequences such as unemployment and its economic, psychological and social effects on society. The success of Saudisation is not only necessary to increase the representation of young Saudis in the private sector, but is a precondition to developing a strong service-based economy. Oil reserves will eventually run out and the service sector will be a source of sustainable economic development for Saudi Arabia. However, the currently limited representation of locals in the private sector is alarming and the results of this study should prompt policy reforms. Policymakers and private firms should join hands to develop human resource development policies that offer a win for all parties and which share the burden of developing local talent across all stakeholders.

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Appendices:

Appendix A: Cover Letters and Survey Questions (English Versions).



INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are being invited to take part in this research project entitled "Saudi Employment in the Wholesale-Retail and Construction Industries in the Saudi Private Sector: A Comparative Causal Study for Policy Analysis". This project is being conducted by researcher Mohammad Bin Judai as part of the degree of Doctor of Philosophy at Victoria University under the supervision of Professor Jimmy Tran from the Centre for Strategic Economic Studies, Victoria University School of Business.

Project explanation

This research project aims to examine the factors that affect the employment of Saudis in the private sector with a particular focus on the wholesale-retail and construction industries. This study is conducted in fulfilment of the requirements of the degree of Doctor of Philosophy at Victoria University and it has been approved by Victoria University Human Research Ethics Committee.

You are invited to participate in this research study by completing a survey questionnaire which will take less than 25 minutes to complete. All your responses will remain strictly confidential. The collected data will be used for academic purposes only. Although we value and appreciate your voluntary participation, you may choose to withdraw from this survey at any time with no obligation. We hope by conducting this study, it will add to the scant but growing research in this area and also provide practical recommendations to the Saudi government on solving the employment issues relating to Saudis in the private sector. In addition, the study is expected to provide credible data-based insights and useful information to corporate policy-makers to address the important and persistent problem of national priority in Saudi Arabia.

What will I be asked to do?

You will be kindly asked to complete a web-based questionnaire which we estimate will take less than 25 minutes. Your participation is very important for this research. Your answers to the questions below will help to answer the main research questions. If you choose to withdraw from the study once it has started, you can do so at any time without having to give a reason.

What will I gain from participating?

Whilst there are no immediate benefits for you, it is hoped that the information obtained from this research study will help us to understand the factors that affect the employment of Saudis in the private sector with a particular focus on the wholesale-retail and construction industries and also provide practical recommendations to Saudi government on solving the employment issues relating to Saudis in the private sector.

How will the information I give be used?

The information collected from the survey questionnaire will be analysed and used for my PhD thesis, international professional journal articles and conference presentations.

What are the potential risks of participating in this project?

Your participation in this study involves low social and reputational risks. However, you will not be able to be identified or identifiable in any reports or publications. Your workplace will also not be identified or identifiable. Any data collected about you in the online questionnaire will be stored online in a form protected by passwords and other relevant security processes and technologies.

How will this project be conducted?

The survey questionnaire will be analysed and used to examine the factors that affect the employment of Saudis in the private sector with a particular focus on wholesale-retail and construction industries.

Who is conducting the study?

Chief investigator

Prof. Jimmy Tran.

Jimmy.Tran@vu.edu.au

Student researcher

Mohammad Bin Judai

mohammad.binjudai@live.vu.edu.au

Both are based at Victoria University - The Graduate School of Business - City Flinders campus
- 300 Flinders St, Melbourne VIC 3000 – phone: 61 3 9919 4000.

Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, Australia, email researchethics@vu.edu.au or phone 61 3 9919 4781 or 4461.

Appendix B: Questionnaires

Section A: Demographic Profile:

Please respond to the following:

- 1- **Gender:** • Male
 • Female
- 2- **Marital Status:** • Married.
 • Single

3- Your professional background:

- A- Salary (SAR):
• Less than 2500 • 2500- 4000 • above 4001
•
- B- Industry: • Construction • Wholesale-Retail
•
- C- Job title: _____
•
- D- Work experience: • 0 - 2 year's • 2 - 5 year's
 • 5 - 10 year's • 10 or more.

4- In your opinion, how much in-company training have you received:

- Very little training
- Occasional training
- Extensive training

5- Education level you hold:

- below High School
- High School
- Diploma
- Bachelor's degree
- Master's degree and above

6- Firm Information:

A- The company's business operations in Saudi Arabia.

- 0 - 3 year's 4 - 7 year's
- 8 - 11 year's 12 or more.

B- The number of the workforce of your organisation?

- Less than 10 10-49 50-199
- 200-499 500 and above

C- The number of Saudi nationals is employed in your company?

- None. 1-9 10-49 50-99
- 100-199 200 and above.

D- What is your company city location? (please state)

- (_____)

Section B: Organisational Commitment						
		Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1	I am proud to work for this organization					
2	I am willing to make an extra effort for this organization					
3	I would accept almost any work task to be able to continue working for this organization					
4	I feel very little attachment to this organization					
Section C: Work Conditions						
5	Lack of job security in my organisation					
6	My company's understanding about me having to meet my family responsibilities					
7	My organization is poor at giving fair pay increases					
8	Work relations between employees and management' are 'poor'					
9	Long working hours					

10	Lack of promotion and career development opportunities					
11	I often think about quitting my jobs.					
12	Working hours in my company do not fit Saudi workers' social and family responsibility.					
Section D: Wage/Benefits						
13	My salary is satisfactory					
14	An upgrading of the pay scales at this company is needed.					
15	Saudi salaries at other companies are better than salaries at this company.					
16	The benefits package at this company is satisfactory to me.					
Section E: Power Distance						
17	In my company, employees have independence in executing their duties.					
18	In my company, managers do consult with the subordinates.					
19	In my company, top managers and lower cadre employees mix up freely					
20	In my company, power is equally distributed to managers					
21	In my company, power is centralized to the senior level					
Section F: Social Status						
22	My family is proud of my occupation in this industry					
23	Working in this industry is regarded as an important beneficial service to society in Saudi Arabia.					
24	Parents would not want their daughters to marry someone working in this industry ®					
25	I talk to my relatives and friends with pride about my occupation in this industry					
26	Workers in this industry are not valued in Saudi society. ®					
27	A job in this industry is generally better than most other job opportunities nowadays.					

28	My profession is low in social status and prestige in Saudi Arabia.					
----	---	--	--	--	--	--

Would you like to receive a copy of the results of the study?

Yes (if yes, please provide your email or postal address)

No

If you would like to provide any additional comments regarding employments in Saudi Arabia please do so in the space provided below. Your input will greatly contribute to the achievement of the academic aims of this research project. Thank you very much for the time devoted to fill in this questionnaire.

Thank you for your assistance.

Appendix C: Cover Letters and Survey Questions (Arabia Versions).

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اللغات المتعددة للترجمة
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المملكة العربية السعودية
مكتب اللغات المتعددة للترجمة
ترخيص : ١٢٣٤٩ - س.ت : ١١٣١٠٥٦٩٦٨

الموافق / / ٢٠٢٠ م

التاريخ / / ١٤٤٠ هـ

معلومات للمشاركين المشاركين في البحث:

انت مدعو للمشاركة في هذا المشروع البحثي المعنون "العمالة السعودية في تجارة الجملة والتجزئة" والصناعات الإنشائية في القطاع الخاص السعودي: دراسة سببية مقارنة لتحليل السياسات". سيتم تنفيذ المشروع من قبل الباحث محمد بن جديع كجزء من درجة دكتور في الفلسفة في جامعة فيكتوريا تحت إشراف البروفيسور جيمي تران من الدراسات الاقتصادية الاستراتيجية، فيكتوريا كلية إدارة الأعمال بالجامعة.

شرح البية المشروع:

يهدف هذا المشروع البحثي إلى دراسة العوامل التي تؤثر على توظيف السعوديين في القطاع الخاص مع التركيز بشكل خاص على تجارة الجملة والصناعات الإنشائية. هذه الدراسة هي جزء من متطلبات درجة دكتوراه في الفلسفة في جامعة فيكتوريا وتمت الموافقة عليها من قبل لجنة أخلاقيات البحوث الإنسانية بجامعة فيكتوريا.

لذلك أنت مدعو للمشاركة في هذه الدراسة البحثية بواسطة مله استبيان سيتمغرق استكماله أقل من 25 دقيقة. كل ردودكم سوف تبقى سرية. سيتم استخدام البيانات التي تم جمعها للأغراض الأكاديمية فقط على الرغم من أننا نقدر ونقدر مشاركتك التطوعية، يمكنك اختيار الانسحاب من هذا الاستطلاع في أي وقت بلا التزام.

نأمل من خلال إجراء هذه الدراسة أن تضيف إلى البحوث الضخمة ولكن المتنامية في هذا المجال وكذلك تقديم توصية عملية للحكومة السعودية حول حل قضايا التوظيف المتعلقة بالسعوديين في القطاع الخاص. بالإضافة إلى ذلك، من المتوقع أن توفر الدراسة رؤى موثوقة قائمة على البيانات ومعلومات مفيدة لصانعي السياسات لمعالجة المشكلة المهمة والمستمرة ذات الأولوية الوطنية في المملكة العربية السعودية.

ماذا سوف يطلب مني القيام به؟

سيطلب منك إكمال استبيان على شبكة الإنترنت والذي سيستغرق أقل ٢٥ دقيقة لإجابة الأسئلة البحثية الرئيسية علماً انه أنتي أفهم انه يمكنني انسحب من هذه الدراسة في أي وقت وأن هذا الانسحاب لن يعرضني للخطر بأي شكل من الأشكال وأن المعلومات التي أقدمها ستبقى سرية. ما الذي أتاله من المشاركة؟

بينما لا توجد فوائد فورية لك، من المأمول أن المعلومات التي تم الحصول عليها من هذا البحث سوف تساعد الدراسة على فهم العوامل التي تؤثر على توظيف السعوديين في القطاع الخاص مع التركيز بشكل خاص على تجارة الجملة والصناعات الإنشائية وكذلك تقديم توصية عملية ل الحكومة السعودية في حل قضايا التوظيف المتعلقة بالسعوديين في القطاع الخاص.

كيف سيتم استخدام المعلومات التي أقدمها؟

سيتم فحص المعلومات التي تم جمعها من استبيان الاستقصاء واستخدامها في أطروحة الدكتوراه الخاصة بي والمقالات والمؤتمرات.

ما هي المخاطر المحتملة للمشاركة في هذا المشروع؟

لا تتضمن مشاركتك في هذه الدراسة مخاطر اجتماعية ولن يتم تذكر اسمك لكن قد تضطر لذكر مكان عملك. سيتم تخزين أي بيانات تم جمعها عنك في الإنترنت عبر الإنترنت على الإنترنت في نموذج محمي بكلمات مرور والعمليات والتقنيات الأمنية الأخرى ذات الصلة.

كيف سيتم تنفيذ هذا المشروع؟

سيتم فحص استبيان الاستقصاء واستخدامه لدراسة العوامل التي تؤثر على توظيف السعوديين في القطاع الخاص مع التركيز بشكل خاص على تجارة الجملة والصناعات الإنشائية.

من الذي سيقيم بالدراسة؟

المشرف على البحث:

دكتور جيمي تران

Jimmy.Tran@vu.edu.au

الباحث:

محمد بن جديع

mohammad.binjudal@live.vu.edu.au

إذا كان لديك أي استفسارات أو شكاوى حول الطريقة التي عملت بها، يمكنك الاتصال بمركز السلوك سكرتير لجنة أخلاقيات البحوث الإنسانية بجامعة فيكتوريا، مكتب البحوث، جامعة فيكتوريا:

هاتف (03) 4781 9919 أو 4461. Researchethics@vu.edu.au، 8001، بريد الكتروني VIC، Melbourne، Box 14428



القصيم - بريدة - شارع الخبيب - هاتف : ٠١٦ ٣٢٧١٠١٨ - جوال : ٠٥٠ ٢٠٨ ٠٠٠١
Qassim - Buraidah - Alkhobayb Street - Tel: 016 3271018 - Mobile: 050 208 0001

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المملكة العربية السعودية
مكتب اللغات المتعددة للترجمة
ترخيص : ١٢٣٤٩ - س.ت : ١١٣١٠٥٦٩٦٨

الموافق / / ٢٠٠٠ م

التاريخ / / ١٤٤٠ هـ

معلومات للمشاركين:

أنت مدعو للمشاركة في هذا المشروع البحثي المعنون "العمالة السعودية في تجارة الجملة والتجزئة" والصناعات الإنشائية في القطاع الخاص السعودي: دراسة سببية مقارنة لتحليل السياسات". سيتم تنفيذ المشروع من قبل الباحث محمد بن جديع كجزء من درجة دكتور في الفلسفة في جامعة فيكتوريا تحت إشراف البروفيسور جيمي تران من الدراسات الاقتصادية الأسترالية، فيكتوريا كلية إدارة الأعمال بالجامعة. وقد تمت الموافقة على هذه الدراسة من قبل لجنة أخلاقيات البحوث الإنسانية بجامعة فيكتوريا.

ولذلك أنت مدعو للمشاركة في هذه الدراسة البحثية من خلال استكمال استبيان قائم في الانترنت ونقدره ان تكون مدته أقل من 25 دقيقة علما انه سيتم استخدام البيانات التي تم جمعها فقط لأغراض أكاديمية بحثية. على الرغم من أننا نقدر مشاركتك التطوعية، إلا أنه يمكنك اختيار إيقاف الاستبيان في أي وقت دون أي مسؤولية. شكرا لك على وقتك وتعاونك.

تعهد المشارك:

أقر بأن عمري لا يقل عن 18 عاما وأنتي موافقا طوعا على المشاركة في دراسة العوامل التي تؤثر على توظيف السعوديين في القطاع الخاص مع التركيز بشكل خاص على تجارة الجملة والتجزئة والصناعات الإنشائية. وأقر ايضا أن أهداف الدراسة والمشاكل المحتمل وقوعها قد تم شرحها بالتفصيل من قبل صاحب البحث: محمد وأنتي أوافق بحرية على المشاركة في هذه الدراسة.

يرجى النقر على زر "موافق" للإشارة إلى:

قد قرأت وفهمت المعلومات الواردة أعلاه
أنت توافق على المشاركة بطريقة تطوعية

يمكن توجيه أي استفسارات حول مشاركتك في هذا المشروع إلى الباحث:
المشرف على البحث:

دكتور جيمي تران

Jimmy.Tran@vu.edu.au

الباحث:

محمد بن جديع

mohammad.binjudai@live.vu.edu.au

إذا كان لديك أي استفسارات أو شكاوى حول الطريقة التي عملت بها، يمكنك الاتصال بمركز السلوك
سكتر لجنة أخلاقيات البحوث الإنسانية بجامعة فيكتوريا، مكتب البحوث، جامعة فيكتوريا:

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اللغات المتعددة للترجمة
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المملكة العربية السعودية
مكتب اللغات المتعددة للترجمة
ترخيص : ١٢٣٤٩ - س.ت : ١١٣١٠٥٦٩٦٨
الاستبيان :

الموافق / / ٢٠٠٨ م

الالتزام التنظيمي

التاريخ / / ١٤٣٠ هـ

- ١- أنا فخور بالعمل في هذه المنظمة
- ٢- أنا على استعداد لبذل جهد إضافي لهذه المنظمة
- ٣- أقبل أي مهمة عمل تقريباً حتى أتمكن من مواصلة العمل في هذه المنظمة
- ٤- لا أشعر بتعلق كبير بهذه المنظمة

ظروف العمل

- ٢- انعدام الأمن الوظيفي في مؤسستي
- ٢- تفهم شركتي للاضطرار إلى الوفاء بمسؤوليات عائلتي
- ٣- مؤسستي فقيرة في إعطاء زيادات في الأجور العادلة
- ٤- علاقات العمل بين الموظفين والإدارة "سيئة"
- ٥- ساعات العمل الطويلة
- ٦- نقص فرص الترقى والتطوير الوظيفي
- ٧- كثيراً ما أفكر في ترك وظيفتي
- ٨- المديرون / الملاك لا يتقنون بالعمال السعوديين
- ٩- ساعات العمل في شركتي لا تناسب المسؤولية الاجتماعية والعائلية للعمال السعوديين
- ١٠- هناك مستقبل مهني ضعيف في مؤسستي
- ١١- إجازة سنوية أقل للعاملين في القطاع الخاص مقارنة بالقطاع العام

الأجور

- ١٢- راتبي مرضي لي
- ١٣- يلزم رفع الأجور في هذه الشركة
- ١٤- رواتب السعوديين في الشركات الأخرى أفضل من الرواتب في هذه الشركة
- ١٥- حزمة الفوائد في هذه الشركة مرضية بالنسبة لي

المسافة الاجتماعية

- ١٦- في شركتي، يتمتع الموظفون باستقلالية في أداء واجباتهم
- ١٧- في شركتي، يتشاور المديرون مع المرؤوسين
- ١٨- في شركتي، يختلط كبار المديرين وموظفي الكوادر الدنيا بحرية
- ١٩- في شركتي، يتم توزيع الطاقة بالتساوي على المديرين
- ٢٠- في شركتي، تتمركز السلطة إلى المستوى الأعلى

الثقة

- ٢١- في شركتي، لا يثق المديرون / الملاك بالعمال السعوديين
- ٢٢- في شركتي، لا يثق الموظفون السعوديون في الإدارة لرعاية مصالحهم المهنية
- ٢٣- في شركتي، يتجنب الموظفون السعوديون التعبير عن آرائهم بسبب الخوف من العقاب
- ٢٤- المديرون في شركتي لا يقومون بتفويض السعوديين للمسؤولية
- ٢٥- في شركتي، تعتقد أن السعوديين "أصول" وليست "قيمة"
- ٢٦- في شركتي، تعتقد أن السعوديين هم أصول "تكاليف" وليست "قيمة"
- ٢٧- علاقات العمل بين الموظفين ومديريهم سيئة

(الحالة الاجتماعية / السمعة الاجتماعية)

- ٢٨- عائلتي فخورة بوظيفتي في هذه الصناعة
- ٢٩- يعتبر العمل في هذه الصناعة خدمة مفيدة ومفيدة للمجتمع في المملكة العربية السعودية
- ٣٠- لا يريد الآباء من بناتهم الزواج من شخص يعمل في هذه الصناعة
- ٣١- أتحدث مع أقاربي وأصدقائي بفخر عن مهنتي في هذه الصناعة



Appendix D: Ethical Approval

Dear PROF VAN HOA TRAN,

Your ethics application has been formally reviewed and finalised.

- » Application ID: HRE19-149
- » Chief Investigator: PROF VAN HOA TRAN
- » Other Investigators: MR Mohammad Binjudai
- » Application Title: Saudi Employment in the Wholesale-Retail and Construction Industries in the Saudi Private Sector: A Comparative Causal Study for Policy Analysis.
- » Form Version: 13-07

The application has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007)' by the Victoria University Human Research Ethics Committee. Approval has been granted for two (2) years from the approval date; 17/10/2019.

Continued approval of this research project by the Victoria University Human Research Ethics Committee (VUHREC) is conditional upon the provision of a report within 12 months of the above approval date or upon the completion of the project (if earlier). A report proforma may be downloaded from the Office for Research website at: <http://research.vu.edu.au/hrec.php>.

Please note that the Human Research Ethics Committee must be informed of the following: any changes to the approved research protocol, project timelines, any serious events or adverse and/or unforeseen events that may affect continued ethical acceptability of the project. In these unlikely events, researchers must immediately cease all data collection until the Committee has approved the changes. Researchers are also reminded of the need to notify the approving HREC of changes to personnel in research projects via a request for a minor amendment. It should also be noted that it is the Chief Investigators' responsibility to ensure the research project is conducted in line with the recommendations outlined in the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007).'

On behalf of the Committee, I wish you all the best for the conduct of the project.

Secretary, Human Research Ethics Committee

Phone: 9919 4781 or 9919 4461

Email: researchethics@vu.edu.au

