Saudisation in the Hospitality Industry: Management Issues and Opportunities

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Abstract

Late in the twentieth century, Saudi Arabia experienced its initial cohort of school leavers and graduates arriving into the private sector labour market. Until then, the country's few educational resources meant that educated Saudis were absorbed into the public sector to establish administrative systems in nation building. By the turn of the century, the public sector was unable to absorb the tens of thousands of young Saudis leaving the education system without work-ready skills. The immense public infrastructure contracts that provided the bulk of jobs were largely resourced internationally, and, paradoxically, as the job numbers grew, so did Saudi unemployment—a matter established yet again at the time of this thesis's submission. However, another growth industry is emerging in Saudi Arabia—that of religious tourism and the opportunity for an additional leisure component.

The Saudi Commission for Tourism and Antiquities expects to receive 88 million visitors by 2020, with religious tourism rising to 16 million travellers by 2014. The tourism industry's contribution to the Saudi gross domestic product in 2011 was 7.2 per cent, with 670,000 staff employed, 26 per cent of whom were Saudi (TTGMena Online 2012). Leisure and religious travel are central to the Kingdom's youth employment initiatives, Saudisation and its 2011 compliance initiative, Nitaqat. However, hotels and restaurants are not a traditional career route for Saudis, who often lack customer service skills and dislike the working conditions.

This study seeks to understand the effects of the Saudisation and Nitaqat policies, particularly in regard to the hospitality industry, as this is a priority of the government and a particular source of high job growth. For this research, a mixed methods study was undertaken, comprising quantitative data collection by means of a questionnaire distributed to 100 industry management representatives, 50 each in Jeddah and Makkah, and by using descriptive and inferential analysis. The findings from this analysis included significant differences between nationals and non-nationals in terms of industry experience, management experience and type of firm.

The hospitality and tourism firms' managers were divided in their approach to Saudisation, and participants noted that foreign management tend to hire from their home countries. This conflicts with the 32 per cent Nitaqat target for the industry, and participants broadly agreed that there is a need to introduce experienced Saudis at the management level so they can provide support for youth at the entry level. The Ministry representatives were optimistic that Saudis studying overseas will have more experience with other nationalities and will provide a managerial foundation to encourage more youth into the sector. The study concludes with recommendations of ways for the government to reach its targets and provide a Saudi presence in the industry that will serve as an impetus for Saudi career aspirations.

Declaration

I, Khalid Aldosari, declare that the DBA thesis entitled *Saudisation in the Hospitality Industry: Management Issues and Opportunities* is no more than 65,000 words in length, including quotations 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.

Signature.....

Khalid Aldosari

11 January 2013

Dedication

To my parents, Abdullah and Nurah,
who through the years have taught me to live a principled life.
To my sister, Sakra.

Acknowledgments

Working on this DBA has been a wonderful and often overwhelming experience. This dissertation would not have been possible without the guidance and help of several individuals who, in one way or another, contributed and extended their valuable assistance in the preparation and completion of this study.

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List of Abbreviations

ANOVA	analysis of variance
GCC	Gulf Cooperation Council
GDP	gross domestic product
GLOBE	Global Leadership and Organisational Behaviour Effectiveness
HRM	human resource management
IMF	International Monetary Fund
IT	information technology
SABIC	Saudi Arabian Basic Industries Corporation
SAMA	Saudi Arabian Monetary Agency
SPSS	Statistical Package for the Social Sciences
STR	Smith Travel Research
UAE	United Arab Emirates
UK	United Kingdom
UNESCO	United Nations Education, Science and Cultural Organisation
UNWTO	United Nations World Tourism Organisation
US	United States

Chapter 1: Introduction

Hospitality is embedded in the Kingdom of Saudi Arabia's culture. The title of King Abdullah bin Abdul-Aziz Al Saud includes 'Custodian of the Two Holy Mosques' to signify his duty to welcome pilgrims to the two holy cities of Makkah and Al-Madinah. This is not merely a travel or tourism task; Islam requires every healthy Muslim to go on the *hajj* (pilgrimage) at least once in their lifetime. In 2012, approximately 3.5 million people performed the *hajj*. Saudi Arabia is committed to offering millions of people an experience that changes their perspectives on life in a safe, hospitable and relatively comfortable environment—every year.

Jeddah, the historical point of entry by sea for the *hajj* and now the site of the King Abdulaziz International Airport—one of the largest airports in the world—is also the centre of a significant tourism area that offers resorts, family entertainment, coastal activities, sport facilities and museums. Thousands of pilgrims extend their stay and visit other places of pilgrimage and antiquity, and enjoy Saudi hospitality. For a country of approximately 28 million, with seven million expatriate workers, the infrastructure, planning and delivery of hospitality is perhaps the major growth industry for Saudi youth employment—known as 'Saudisation'.

This research sought to identify and articulate the factors that influence Saudi employment in the hospitality industry. This study explored the views of policy makers in order to confirm the importance of the hospitality industry for the Saudisation policy, and to identify potential benefits and issues in gaining work for youth emerging from the education system. From an operational viewpoint, hospitality managers also expressed their views on the success of the Saudisation of the hospitality and tourism fields. From these policy and operational viewpoints, this study sought to find a comparison of views to produce either consensus or points of difference in applying the more benign Saudisation or the new policy, Nitaqat, which enforces quotas in jobs and industries.

This chapter comprises an overview of the research. It commences with an explanation of the Kingdom as the environment for the Islamic *hajj*—the once-in-a-lifetime devotion that every Muslim is required to make. This is the largest global annual religious event, and the logistics to manage this event are explained in the following sections. After this, there is a brief literature review, followed by the purpose of the study and the research questions. The methodology is then explained and the chapters of the thesis are mapped.

1.1 Context

While Saudi Arabia remains dependent on its oil revenues, its non-oil sector accounted for 44 per cent of its gross domestic product (GDP) in 2011 and the hospitality/tourism industry contributed 3.2 per cent (*Saudi Gazette* 2 August 2012).[1] As an example of religious tourism, the *hajj* underlies Saudi tourism potential, and, as Memish (2010) observed, no other mass gathering can compare—either in scale or in regularity—to the annual *hajj*. Muslims are overwhelmingly the greatest number of visitors to Saudi Arabia.

The infrastructure in Makkah and Mina, to the east, to accommodate the *hajji* (pilgrims) accounts for a substantial proportion of the country's expenditure each year, as the increasing prosperity of Muslims places pressure on the Kingdom to increase *umrah* (pilgrimage) visas. The *hajj* terminal at King Abdulaziz International Airport at Jeddah is the start of the new Haramain high-speed rail, which is currently partly operational and due for completion in 2017. The Haramain rail connects to Jeddah, where a new monorail is being built, then to Makkah, where another high-speed, high-capacity intra-city rail will deliver 38,000 *hajji* per hour during peak periods (Makkah Metro 2011).The Haramain rail will continue north through to Al Madinah and east to Riyadh, spanning the peninsula (Davids 2012).

[1] Statistics and information are announced through news media in Saudi Arabia, while official websites are infrequently updated. Announcements can be confirmed by cross-referencing with other media groups and, if the government dissents, subsequent reports. News-based information is also more detailed (segmented) than official websites.

In 2012, there were five million *umrah* visas issued, and 3.5 million *hajji* visited the Kingdom (Al Hamid 2012). Accommodation is increasingly moving from the famous tented city at Mena, into 115,000 rooms around Makkah. The Saudi Commission of Tourism and Antiquities (2012) predicted that the Kingdom will receive 16 million *hajji* and secular visitors in 2014, who will spend, on average, nearly SR2,000 ($US530) during their stay. This tourism offers a considerable number of jobs to the country.

The Saudi private sector workforce is largely foreign, which is an issue for visitors who expect to have a uniquely Saudi experience. The *Saudi Gazette* (11 February 2012) reported that there were 6,991,200 people in the private sector workforce in 2010 to 2011, and a mere 724,655 (10.37 per cent) were Saudi. The Labour Minister reported to the Sixth Global Competitiveness Forum in 2012 that the Kingdom needed to create three million job opportunities by 2015 and six million by 2030 to employ all Saudis requiring jobs (*Saudi Gazette* 11 February 2012). The country must find work for its young population—36 per cent of whom are under the age of 15 years—with the Minister stating that employment generation is Saudi Arabia's main challenge. The government's three focus areas are job demand, job supply and market clearance (International Conference of Economics and Finance Monitor 2012; *Saudi Gazette* 11 February 2012).

To achieve sustainability in Saudisation in the hospitality industry by replacing foreign managers and professional staff with qualified and experienced Saudis, the skills and knowledge of expatriate professionals and managers must be transferred to Saudi school leavers and graduates to provide them with careers and an appropriate lifestyle (Ramady 2010). Further, the youth unemployment rate remains obstinately high, at approximately four times the national unemployment rate of 10.5 per cent. This is created by young Saudis who seek (and wait for) the excellent working conditions and status of the public service, while private sector job competencies remain out of their reach (*Saudi Gazette* 11 February 2012). Researchers such as Bass and Bass (2009), House et al. (2009) and Hunt and At-Twaijri (1996) refer to a series of factors that may influence the government's aims to replace expatriates with qualified and experienced Saudi workers: education and training,

jobseeker aspirations, high remuneration and good workplace conditions. Further, Arabic management styles may impinge on job satisfaction.

To explore the job environment and trends of the hospitality industry, this research sought to determine the views and experiences of hospitality managers, both Saudis and expatriates, regarding Saudi graduate employees and jobseekers. This research was further informed by access to the Saudi bureaucracy, the Ministry of Labour, and the Commission for Tourism and Antiquities for jobs; and the Human Resources Development Fund for training funds, for their collective views on Saudisation and its compliance policy, Nitaqat.

1.2 Literature Review

Definition The term 'hospitality industry' can be taken as serving national or international guests, as referring to accommodation and food providers, or as providing an integrated leisure or business package. Morrison et al. (2006) used the term 'hospitality, tourism and leisure industry'. Getz (2007) referred to 'event tourism', which is tourism based on a specific time, such as the *hajj*. There is also religion-based tourism, which Cohen (2006) stated is a growing phenomenon. For the purposes of this study, 'hospitality' refers to hotels and restaurants, while 'tourism' is a broader concept that includes travel and thus transport providers and their agents.

In defining the hospitality industry, Ottenbacher, Harrington, and Parsa (2009) found that a lack of definitional consensus on the term significantly impairs the ability to establish the epistemological roots of the new and emerging hospitality discipline. However, Brotherton (1999) uses the provision of food and beverages, and accommodation for a fee, which could be a hotel; lodgings arguably would be without food. Tourism, on the other hand, has several definitions, according to Beaver (2005), 'temporary short term movement of people' (p. 313) or 'all trips made by the residents of a country, both within the country and abroad, for non-migratory purposes' (p.314). However, the United Nations' World Tourism Organisation (2013) as

> Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure (p.1).

According to the World Tourism Organisation, the industries involved in tourism are accommodation; food and beverage; road, train, air and water travel, travel agencies, cultural activities, sports and recreation, retail trade and country-specific tourism characteristic activities.

Saudi management style Culture is frequently referred to in a Saudi context, particularly in reference to work. A workplace in Saudi Arabia that is dominated by non-Saudis may reflect different patterns of behaviour to those in the wider social environment. Saudi society is collective, patriarchal and heavily influenced by leaders and social interaction, whereas a working environment based on global practices can be individualistic, competitive and output focused (Noer et al. 2007; Ramady 2010). Foreign workers are expected to conform to the predominant Saudi culture (Sadi & Henderson 2005). Therefore, non-Saudi management styles are required to be sufficiently flexible to adapt to the prevailing social environment. Managers experiment with different management styles or seek to adapt the work environment to meet organisation aims and global standards, such as diversity management (Özbilgin 2008).

As with all Muslim actions, Saudi management style is based on Shari'a law; thus, Saudi managers place communication and friendship above organisational performance, such as social (Ali 2008). Ali (2008) explained that traditional socio-centric management values serve the need for social affiliation, and staff are placed in the subjective role of merely following orders. Kemp and Williams (2013) concurred; behaviours in Gulf Arab include meeting times were indicative only; with lateness, interruptions and disinterest in time. Similarly, meeting spaces experienced regular disruptions, open doors, and haphazard seating. The ethnicity of the chairperson frequently determines the conduct of the meeting.

Arab management's possible distance from operations make technology adoption an issue. According to the Communications and Information Technology Commission (2012), the number of internet users grew from three million in 2005 to over 15.2 million by September 2012, and the total number of mobile subscriptions reached 53.1 million—a penetration rate of 1.88 times. Pre-paid subscriptions were the most common. This explosion of mobile devices has placed older managers at a disadvantage because they are retaining out-dated information technology (IT) systems when there are other more easily accessible options. According to traditional Islamic management values, younger staff cannot advise older staff regarding such issues, and must work thus within systems that may not reflect the systems of their suppliers and customers (Baker et al. 2010).

Management style was studied by Al-Rasheedi (2012) as an aspect of the type of firm. Al-Rasheedi found that European and American managers working in Saudi international joint ventures had higher professional commitment than their Saudi counterparts. 'International joint venture' refers to a previous investment model in which Saudis sought international finance while maintaining equal equity in the firm. While such international joint ventures are still common, firms can now legally be established in the country without a Saudi partner. In contrast to earlier findings, Al-Rasheedi found that Saudi managers in this firm type had higher levels of organisational commitment than did their European or American counterparts. This may be explained by the further finding that Saudi managers in international firms had higher professional commitment than did their Saudi counterparts working in purely Saudi firms. That is, the Saudi managers exposed to globalisation arguably exhibited different values than their national counterparts. The results supported a correlation between individualism and professional commitment, as well as between collectivism and organisational commitment.

Religious tourism, one of the oldest forms of tourism and a worldwide phenomenon, is either exclusively or strongly motivated by religion (Rischede 1992). Rischede (1992) included religious-themed secular activities, such as conferences, within this sector, and extended the duration of a pilgrimage from a visit to a nearby pilgrimage centre to several days or weeks to an international location. Organised forms of religious tourism have

definitive characteristics, such as number of participants, social structure, seasonal travel, and choice of transport and accommodation. Timothy and Olsen (2006) extended the notion of religious travel to include spiritual experiences, and stated that religious travel in all its manifestations has not been adequately studied in the literature. There is limited understanding of what motivates millions of people each year to 'venerate certain spaces and visit them' (Timothy & Olsen 2006, p. xiii). Timothy and Olsen noted the rise of cultural and heritage tourism, and added that this has formed public interest in the economic potential of religious tourists. Mosques, cathedrals, pilgrimage paths, sacred architecture and the attraction of the metaphysical are part of the growing interest in cultural tourism, with curious tourists out-numbering pilgrims, thereby leading tourism marketing to expand to accommodate both aspects of the travel experience (Timothy & Olsen 2006).

Islamic countries are at the forefront of this religious and cultural experience. Several Muslim states have proved attractive to tourists. Famous Islamic architecture, such as the Taj Mahal and the Ottoman palaces in Turkey, draw large crowds of tourists; however, these areas' governments and citizens recognise the negative social aspects that tourism can entail, including illicit drugs, alcohol consumption, immodest clothing, gambling and prostitution (Al-Saleh & Hannam 2010). Timothy and Iverson (2006) noted that the Maldives has segregated its national and tourist populations by developing resort islands and restricting access to 'home' islands by day visitors who are required to abide by dress and behaviour codes. Saudi Arabia typically sources its tourists from Muslim countries, thus avoiding the pitfalls of unbridled tourism. With the world Muslim population reaching 1.9 billion by 2020—25 per cent of the world's population (Pew Forum on Religious and Public Life 2011)—this rationale appears valid to meet the Kingdom's foreseeable religious tourism capacity.

Religious tourism in Saudi Arabia centres on Makkah and Al Madinah. Timothy and Iverson (2006) described the sacred area (haram) around Makkah that includes Arafat, Mina and Muzdalifa and other points that are part of the hajj experience. The haram is marked with signs and checkpoints that no non-Muslim may cross. The Al-Masid al-Haram

is the central mosque in Makkah, and the compound is constantly expanded to cope with the numbers of pilgrims. At the centre is the Kaaba—a structure built of granite and covered in a black cloth. This is the holiest place in Islam, and the centre of the pilgrimage experience. Hajj rituals are physically demanding, such as the Tawaf (circling the Kaaba seven times counter-clockwise) and the Sa'i (travelling seven times between the Marwah and Safah hills). This second ritual commemorates the search for water in the desert by the Prophet Abraham's wife, Hagar, after she was left alone with their baby, Ismail. Pilgrims visit Mount Arafat, where Mohammad delivered his last sermon in the year 632 CE—three months before his death. At Mount Arafat, Muslims come to ask their god for forgiveness and to reaffirm their faith, in the zenith of the hajj rituals. The pilgrims also visit the Valley of Mina, where they take part in a three-day stoning of the three pillars representing the devil, called Jamrah. Stoning the pillars represents Satan being driven off by the Prophet Abraham, Hagar and Ismail. The pilgrims throw the stones to symbolically ward off their own temptations (Morgan 2010).

Gender Women occupy a unique position in Saudi society (Le Renard 2008). Al-Munajjed (2010) commented on the country's very low labour participation rate of women (now at 16.5 per cent, with high unemployment) and that the Saudi government is undertaking fundamental workplace changes to improve this position. Of interest to this study, these changes involve the hospitality industry. In November 2012, the Ministry of Labour reported that 113,000 Saudi women expressed interest in working in hospitality. At that time, just 0.3 per cent of the total number of Saudi women in the private sector worked in this industry (AMEinfo 2012). However, there remain social, legal, educational and occupational factors that affect Saudi women's ability to freely respond to job advertisements. Al Munajjed (2010) stated that these impediments include:

- Legal or practical restrictions on access to public space;
- Workplaces where men are present;
- Certain occupations reserved for men on the basis of status safety; and
- Moral objections, such as driving motor vehicles, being unable to direct men, being unable to receive equal remuneration for equal work, and some restrictions on managing funds.

While the government is working assiduously to overcome such discrimination, there remains concerted opposition. A recent example occurred when the Minister of Labour faced hundreds of clerics who demanded under threat that women be removed as waitresses and prevented from serving in shops (Al-Arabiya 2012).

Work ethic Culture also emerges in the attitude of youth to work, although these observations may be changing with time (Rice 2003). AlMunajjed and Sabbagh (2011) studied youth in the Gulf Cooperation Council (GCC) countries[2] to discover their views and experiences on a range of issues, including employment. Figure 1.1 illustrates their findings.

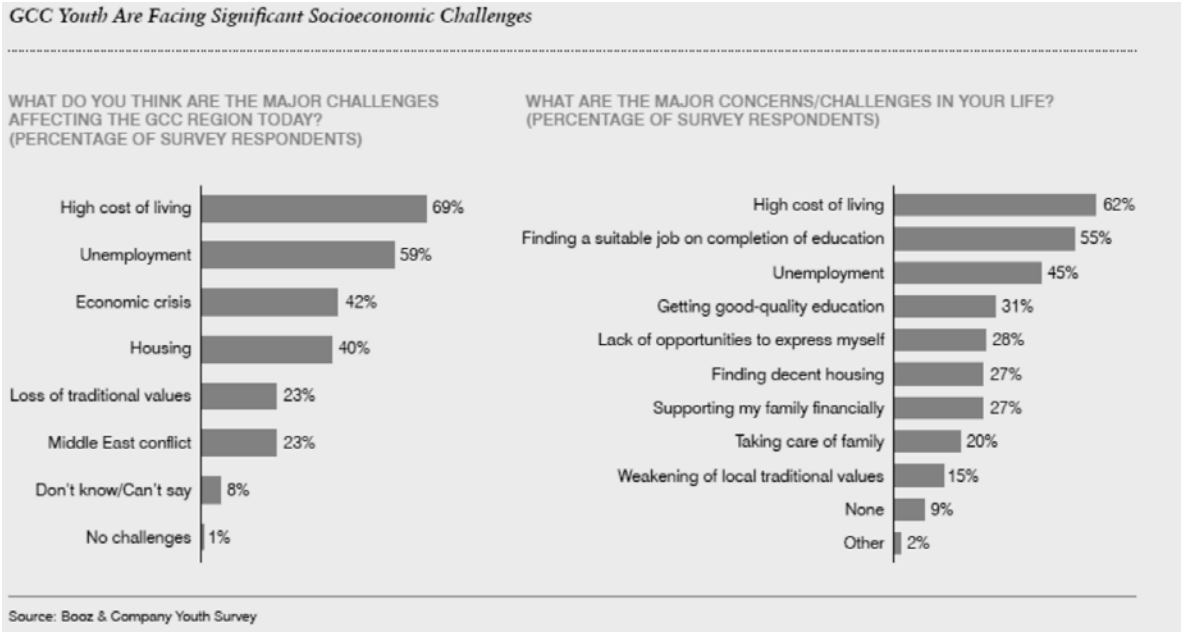


Figure 1.1: GCC Youth Survey

Source: AlMunajjed and Sabbagh (2011)

Figure 1.1 shows that GCC youth, including Saudis, understand the need for work, and that finding a 'suitable' job was a priority for half of those surveyed. Furthermore, nearly half were concerned with the prospect of unemployment.

[2] GCC countries: Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman.

Entry level competition In their study, AlMunajjed and Sabbagh (2011) observed that the predominance of non-Saudi semi-skilled workers acted as a disincentive for employers to take on and train GCC and Saudi youth. A further disincentive was the absence of private sector job placement agencies who could match youth with jobs, although this was being addressed by the Ministry under Nitaqat. Other issues the authors found related to insufficient internships or part-time work during the holidays, with half the study respondents nominating a lack of experience as an issue when applying for a job. This was exacerbated by their failure to seek employment because they were travelling, relaxing at home or not feeling ready to look for work. Only 19 per cent actually lacked employment opportunities. This was illustrated by an International Labour Organisation report in 2009, which found that voluntary unemployment among global youth had reached 49 per cent and 71.1 per cent for Saudi Arabia. Those aged between 15 to 24 years may be studying or ill, or, in the case of Saudi Arabia, young mothers caring for children (AlMunajjed & Sabbagh 2011).

Workplace competencies A McKinsey & Company (2012) study found that employers, education providers and youth do not share similar aims. In this international survey, fewer than half of the youth and employer respondents believed that new graduates and school leavers are adequately prepared for entry-level positions. In contrast, seven of 10 education providers believed that new graduates are ready to work. In fact, the percentage of Saudi employers (38 per cent) was close to the world average (39 per cent) in their observations that lack of skills is a common reason for entry-level vacancies. McKinsey & Company (2012) raised the issue of communication. One-third of global employers said they did not communicate with education providers. Of the remaining two-thirds, fewer than half found such communication effective. More than one-third of education providers could not estimate the job placement rates of their graduates and school leavers. For jobseekers, fewer than half said that they considered professions with job openings or wage levels when choosing their subjects and degree streams.

English language In Saudi Arabia, the working environment remains an issue, given the contractual basis of employment and the two-level approach to labour laws. Particularly in

the hospitality industry, English is used as the *lingua franca* among non-Saudi Arabs and southern Asians who comprise the bulk of the workforce, thus also forcing Saudis to use this language (Frankel 2008). There are several other employment issues for potential Saudi workers, which are being addressed by Nitaqat: working outside in the heat of the day, low wages in comparison to itinerant labour, lack of a minimum wage and a 48-hour working week (*Gulf News* 23 December 2012).

Social norms (culture) As an aspect of globalisation, cultural diversity encompasses differences in nationality, language, race and religion in the workplace (Bjerke 1999; Hearns et al. 2007). Addressing hospitality management, Bjerke (1999) and Mwaura et al. (1998) observed that culture is embedded in the individual. Mwaura et al. (1998) believed that a strong national culture can significantly influence the workplace, and can be a cause of conflict with expatriate managers. Thus, hospitality managers may need awareness training to identify desirable traits in job applicants. Hearns et al. (2007) further noted that intercultural issues represent a significant training gap. Hofstede (1983, cited by Gerhart 2008, p. 242) stated that 'management is culturally dependent … and effective organisations in different cultures have leaders who adapt foreign management ideas to local cultures'. Therefore, this research considered culture a factor of the Arabic hospitality industry.

1.3 Gap in the Literature

This research focused on the progress of Saudisation and Nitaqat. While the gap in the literature is youth employment, researchers generally adopt a country or region as a starting point for their research—the research is usually grounded in a particular place and time. There are many similarities among global youth in their views towards employment; thus, Saudi youth follow global trends to a greater or lesser degree. However, the Saudi experience is unique, given the country's wealth and pace of cultural change. The gap in the literature is amply demonstrated by rapid change, which causes prior research findings to be quickly overtaken by new policy initiatives (such as Nitaqat). It is also demonstrated by the fact that private international firms, such as Booz & Company, McKinsey &

Company and Alpen Capital, are either directly employing academics or are using university affiliations to produce advisory reports, when this should be provided independently by universities.

This thesis therefore fulfils the gap in the research regarding the impact of religious tourism on youth careers in management in the Saudi hospitality industry. As a compliance measure, Nitaqat has severely increased the pressure on hospitality firms to improve their quotas of employed Saudis, and this must be accomplished despite individuals' inability to engage, and at the cost of workplace productivity.

1.4 Purpose of the Research

The purpose of the research is to investigate the contributory factors to Saudisation, which seeks to place young people in rewarding careers in the tourism industry. Young Saudis prefer the certainty, higher remuneration and superior working conditions of the public sector to the private sector. The primary human capital stakeholders are the jobseekers who are exploring career options and the government that has funded the jobseeker's education to produce a generation who will eventually be able to lead the country unassisted. The aims of these actors have a similar goal—to attain careers that will generate a cumulative pathway to the future Saudi society, even if the education system has broadly failed in its task of producing work-ready graduates. Unfortunately, the employer has a different motive, which is to achieve sustainable profits with minimised cost and maximised income. This research sought to understand the social, commercial and regulatory environments and the factors and trends in these environments that affect young jobseekers. Of importance was the interaction between these stakeholders, their communication and their points of similarity and difference.

The hospitality industry is a target of many emerging economies to provide work and careers for their young citizens. This research sought to provide outcomes to identify the cultural and societal issues viewed by hospitality managers in Saudi Arabia, their interest and acceptance of working in a multicultural workplace, and their attitude to risk. These

matters are particularly relevant to the Gulf countries with their high local unemployment, and to other developing economies that have similar issues with globalisation.

The problem is to identify the factors that influence Saudi youth employment in the hospitality sector of the tourism industry. This is undertaken by seeking the views of policy makers to identify their overview and expectations for Saudi careers in this industry. Further, hospitality managers participate in this study by their opinion of the operational aspects of Saudisation and whether it can achieve the policy makers' expectations.

1.5 Research Questions

The aim of this study was to identify barriers to Saudisation in the hospitality sector from the viewpoints of decision makers and managers already working in the industry. Data were collected to analyse points of similarity and difference in how each group understands Saudisation and Nitaqat and how the policies should be implemented. The recent McKinsey & Company (2012) report noted that, even in policy matters, the group outlook differs: the authorities seek jobs and the employers do not consider the long-term approach, but concentrate on the current issues. Therefore, this research sought the perceptions of these stakeholders in identifying factors that may inhibit the replacement of expatriate staff with qualified nationals. The research questions that supported this aim were as follows:

1. What are the main factors impeding the recruitment and retention of Saudi hospitality employees?
2. What are the perceptions and experiences of managers and employees regarding factors that could improve Saudisation in the hospitality sector?
3. What Saudisation policies and practices are relevant to the sector and are they efficient?

1.6 Significance and Contribution of Research

The significance of the research is that it investigates the impact of change of employment policy from industry self-regulation to the Saudi government imposition of quotas, identification and publicising the status of firms, and a reward/penalisation regime. The

long-stated objective of the government is to diversify the economy and to engender youth employment; the tourism industry, centred as it is on religious tourism, provides opportunities in many professions and occupations for young Saudis to take up rewarding careers in the industry. Apart from religious tourism, although this is the bulk of the visitor numbers, lie opportunities for expansion of visitor numbers. These may be in new or expanded sectors involving conferences, exhibitions and events, and target destinations for archaeology, environment and nature, that can assist youth employment in remote places on the Arabian Peninsula.

The contribution to the literature of this research is that it adds to management literature, particularly in the changing business environment as Saudis begin to adopt senior positions in industry and replace non-nationals. Further, as larger resorts and hotels replace the smaller accommodation providers, there is an opportunity to develop of lines of research enquiry in gender, culture, society and economic development. The research is also one of the first in-depth studies of the transition of Saudi Arabia from its dependency on foreign labour to localisation of the workforce, and thus provides findings that can support further research.

1.6 Methodology

This section comprises the conceptual framework, research methodology, study sample, data collection and analysis, and expected generality of the findings. Together, these steps fulfil the original research for this study.

The design of this research followed Altinay and Paraskevas's (2008) suggestions for research in the hospitality and tourism industry, with particular attention given to management. Altinay and Paraskevas advocated a clear definition of 'hospitality' and a well-articulated research philosophy locating hospitality within management and the social science field. In addition, Morrison (2002) promoted an enhanced awareness of research philosophy. In this study, the Saudi hospitality industry was focused on in terms of providing pilgrims support for the seasonal *hajj*, and at other times for *umrah*—a personal

pilgrimage. The industry also serves work-related travel for large numbers of expatriate workers, with professionals using hospitality industry products and services. As elsewhere, the Saudi industry includes domestic and international leisure and business services.

To meet the research philosophy of Morrison (2002), this thesis sought to extend beyond the international focus of the hospitality and tourism industry because the religious and traditional environment had to be captured in the data. Furthermore, as the Saudi owners and directors determine the corporate culture, Arabic management practices may differ from the international norm, so that customer service can vary between organisations and individuals. Thus, the data collection assumptions of Altinay and Paraskevas (2008) regarding management traits and responses may vary in the Saudi instance.

1.6.1 Research Approach

The plan for this research was to adopt Creswell's (2009) mixed methods approach, although the parameters of the study were defined by the quantitative data collection and analysis. Creswell advised that a quantitative approach requires a survey-based instrument with predetermined questions to collect performance, attitudinal and observational data, and apply statistical analysis to produce results. In contrast, qualitative research is used to gather data through interviews and observation, to apply open-ended questions to collect and record the emerging data, and then to apply text analysis. A mixed methods approach selects elements from both research types to gather pragmatic knowledge (problem centred, consequential in nature and pluralistic): 'where the study begins with a broad survey to (generalise results) and … detailed qualitative, open-ended interviews to collect the detailed views from participants' (Creswell 2009, p. 21). However, Sandiford and Seymour (2007, p. 724) noted the lack of rigour in qualitative research in the hospitality field, and argued for the use of the range of analytic tools, 'such as reflective note-taking, line-by-line analysis, domain and taxonomic charting, visual/diagrammatic constructions and metaphor'.

The first part of this study's survey questionnaire sought demographic and industry sector information. The statements of the second part established the managers' views and experiences in recruiting and working in the industry. The survey questions of the third part elicited information on management styles for Saudi and expatriate hospitality managers. Both the recruitment and management style sections of the survey involved a Likert scale measurement. The fourth part of the questionnaire, and of significance to the qualitative part of the study, was managements' knowledge of Saudisation, relevant programmes and the managers' organisations' policies and practices to accommodate Saudisation. The questionnaire data were analysed using Oppenheim's (2005) techniques to form research findings and conclusions.

The second part of the data collection involved interviews with decision makers in the Ministry of Labour and the Commission of Tourism and Antiquities, which administers Saudisation/Nitaqat through the Human Resources Development Fund. For the interviews, a series of questions were formulated, based on the research questions, to include the following topics:

- The importance of the hospitality industry—that is, hotels and accommodation, and food and beverage outlets—as a source of employment in Saudi Arabia;
- Whether the hotel sector is well resourced—that is, whether it has access to capital for building new premises and refurbishing out-of-date establishments;
- The management in the industry in terms of professionalism and whether it could competently manage a substantial increase in tourists;
- The targets for Saudisation in the hospitality industry (now Nitaqat);
- Whether similar targets have been met in the past;
- The types of incentives for employers, including training, employee support and controls placed on foreign employees;
- Whether employers in the hospitality industry actively seek Saudi staff as managers or staff; and
- Issues regarding Saudis' willingness to seek employment in the hospitality industry.

Quantitative data were validated and analysed for themes, issues and value emphasis. These were compared and contrasted to establish the similarities, linkages and differences in the aspects highlighted by managers (Oppenheim 2005). The value of this study lies in the interest it raises among the stakeholders, and its contribution to the body of knowledge through cross-cultural comparisons (House et al. 2002).

1.7 Presentation of the Thesis

The thesis proper commences with the second chapter, which places the research in its context of the *hajj* and *umrah* to Makkah and Al Madinah, and the oil incomes of Saudi Arabia that continually support the economic and social development in the country. It explains that, in response to the young demographics of the country, the government is using hospitality and religious tourism as a vehicle to open jobs to the tens of thousands of school leavers and graduates who flood into the job market each year. Saudisation and Nitaqat are described, as are their effects on employers who rely heavily on non-national labour. Saudi Arabia is among the world's highest in its proportions of youth unemployment and disengagement.

Due to its recent emergence onto the world's forums, Saudi Arabia does not have a history of building a private sector through finance, industry and commerce. The literature review in Chapter 3 discusses non-Arab and Arabic management styles and the Saudi workplace, with its varying employment laws. The management styles that emerge from the changing workplace are presented together with cultural theories in terms of skills, such as customer service. Issues of implementing employment policies are explained, together with the need for effective intervention to achieve Saudisation in the private sector.

Chapter 4 comprises the methodology chapter. It explains the mixed methods approach of obtaining quantitative data from hospitality managers in Makkah and Jeddah, and obtaining qualitative, explanatory data from policy makers in Riyadh. A mixed methods analysis was adopted to enrich the findings. Chapter 5 comprises a discussion of the findings, while

Chapter 6 presents the recommendations and conclusions. A full summary of the chapters is presented in Section 6.1.

The next chapter, as aforementioned, presents the physical characteristics of Saudi Arabia, a sketch of its history and economics, the development of its hospitality industry around the *hajj*, and its attempts to replace non-national workers with Saudis.

Chapter 2: Saudi Arabia and the Hospitality Industry

As an ancient land and host to the two Holy Mosques, the Arabian Peninsula has significant antiquities, trading traditions through the Bedouins and other tribes, and natural attractions of coastal regions, desert and mountains. It also has a significant built environment, first based on its protectionist culture in its *souqs* and *riyadhs*, and now involving tall buildings in their diverse shapes and forms. It is amazing contrast of ancient practices and beliefs with futuristic living and working.

This section explains the Kingdom of Saudi Arabia's geography and climate, history and religion, people and government, economy and tourism, and, lastly, the government initiatives to build on all these elements to create a vigorous and successful nation. The crucial element among all these factors is diversification of the economy from oil.

2.1 Country Characteristics

This section presents a brief overview of the conditions of the Arabian Peninsula. The present Kingdom of Saudi Arabia comprises a large proportion of this peninsula.

2.1.1 Arabian Peninsula

When the climate dried after the melting of the European icecap 15,000 years ago, on the Arabian Peninsula (Arabic: شبة الجزيرة العربية), savannah gave way to scrubland and deserts and river systems disappeared, leaving the river beds dry (*wadis*) and causing animal herds to dissipate. This forced humans to move into oases formed by underground springs from ancient water, and to take advantage of the cooler summers and some winter rain in the mountain valleys. As they could no longer survive as hunter-gatherers, they developed agriculture, first in Mesopotamia, then in the Nile River Valley and across the peninsula. Agriculture changed the nomads and, once settled, they domesticated goats, cattle, sheep, horses and camels and began moving towards civilisation, developing pottery to store food

and making artefacts. Intensive farming emerged and settlements became permanent, thus developing language, recording methods, art and architecture (Royal Embassy of Saudi Arabia 2012).

The Arabian Peninsula (Arabic: شبه الجزيرة العربية) forms the junction that lay on the ancient trade routes of Europe, Egypt, western Asia and the southern and middle Asian countries. Its very large hydrocarbon reserves, mainly in the shallow seas of the Arabian Gulf, and now the Red Sea, form its wealth[3] (*Saudi Gazette* 2012). To the peninsula's north is the Zagros zone, where a continental collision between the Arabian Plate and Asia merges with the Syrian Desert. According to the New World Encyclopedia (n.d.), the Arabian Peninsula includes parts of Jordan and Iraq, although the countries of the GCC are Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE) and Oman. All these countries are oil-rich, although population numbers tend to restrict Saudi Arabia and Oman. The other country to the south of the peninsula is Yemen, which is poor and a constant source of unrest for the GCC.

The Kingdom of Saudi Arabia itself is defined by desert; a mountainous southern interior; and large cities, such as Riyadh, the capital in the centre, Dammam on the east coast with its manufacturing industry, and Al Madinah, Jeddah and Makkah along the western coastline. The large part of the peninsula of the Kingdom comprises a large central plateau that rises from the Red Sea to nearly 800 metres, deserts, coastal swamps and mountain ranges. The Red Sea contains coral reefs, and the peninsula has arguably the largest uninterrupted sand dune of 40 kilometres in the Empty Quarter to the south and southwest. As a desert, there is little rain, no freshwater lakes or rivers and an average summer day in Riyadh is 45°C, while along the coasts, the temperature is lower in summer (38°C), but with high humidity (New World Encyclopedia n.d.). Thus, March to October is not a favoured time to travel. However, the *hajj* pilgrimage arrives approximately 11 days earlier each year, and is now in early October. Due to constraints on numbers of religious scholars, difficulties experienced by unaccompanied women travellers, restrictions against alcohol

[3] Data from New World Encyclopedia (among others). Accessed 26 November 2012 from http://www.newworldencyclopedia.org/entry/Arabian_Peninsula

and a strict dress code for women, tourism is constrained to Muslims, men and family groups. There is somewhat more freedom for other nationalities and religions in the remaining GCC countries (Ramady 2010).

2.1.2 History

Once humans were established in the region thousands of years ago, the Arabian Peninsula formed a crossroads (and a relatively impenetrable barrier to unwise travellers) to the main trading areas between Egypt, west to Europe and Mesopotamia, and east to the Silk Road and India. The lack of local resources for subsistence living meant that trade was crucial to the peninsula, and caravan routes made life possible for the limited few at the oases and hill valleys, and along the coast where they could access fresh water.

As travellers, the tribes intermingled with the agrarian settlements and formed complex networks and way stations that allowed food and other essentials to be transported from the east and west. This trade moved from essentials such as dates and almonds to highly prized essential oils such as frankincense and myrrh from the Tihama plain. Later, spices from the east were incorporated, traded from the dhows that plied the Arabian Sea, and then transported by caravan from the south (Oman and Yemen), through Saudi Arabia's Asir Province, up to Makkah and Al Madinah through to the Mediterranean, and across to Egypt (Royal Embassy of Saudi Arabia 2012).

In Makkah, early in the seventh century CE, it is believed that Mohammed received messages from the Angel Gabriel to rise against polytheism and proclaim the oneness of god. As he proselytised, the Prophet Muhammad's following grew, creating enemies and causing him to flee to the town of Yathrib, now known as Al Madinah. By 628, Mohammed unified the tribes and moved back to Makkah. The Islamic Empire later extended from parts of India and China to Spain, and, although economic power moved away from the harsh desert, trade flourished on the peninsula as travellers frequently used the Bedouin land-based trade services to explore. Pilgrims began visiting the peninsula, and many settled in the two holy cities of Makkah and Madinah, bringing knowledge and the

exchange of ideas from other Arab and Muslim countries. The Islamic Empire continued into the seventeenth century, when it divided into smaller Muslim fiefs (Royal Embassy of Saudi Arabia 2012). Invasions of Mongols from the north and east and internal politics weakened the Islamic world, and the Ottoman Empire moved into the region (Lewis 2002).

By the late eighteenth century, the first Saudi state controlled the central plateau, and early in the nineteenth century, this extended generally throughout the peninsula, including Makkah and Al Madinah (Lewis 2002). The Ottoman Empire attacked the insurrection at Diriyah—a large settlement to the west. However, by 1824, the Al-Saud family had regained political control of the peninsula. The Ottoman returned to the peninsula in 1865, and Al-Saud was defeated in 1891, retreating to Kuwait. In 1902, Al-Saud's son, Abdulaziz, 'staged a daring night march into Riyadh to retake the city garrison, known as the Masmak Fortress' (Lewis 2002). Abdulaziz continued his quest and united the warring tribes into one nation in 1932. The Kingdom of Saudi Arabia was declared an Islamic state with the Holy Qur'an as its constitution.

The history of the Arabian Peninsula is of immense interest to scholars and niche travellers who seek a desert experience and visit remote sites, such as the World Heritage Site of Al-Hijr (Madâin Sâlih)—the largest conserved site of the Nabataeans, south of Petra in Jordan. In its regional areas, the country offers colourful villages and their handicrafts, national parks with recreational pursuits such as trekking and camping, and day and overnight tours to experience the desert and its communities. In the cities, there are coastal activities, resorts, fun parks and extensive accommodation and restaurant choices. There are also museums, markets and art galleries for domestic and international tourists. Other references to support this discussion are Ramady (2010), Ali (2008) and Almunajjed (2010).

2.1.3 Government

Decision making in Arab and Islamic societies for society, business and government is through consensus (*ijma*); thus, Arab leaders are chief consensus makers (Kéchichian 2008). Consensus requires consultation (*shura*), which avoids the clear division that

emerges from a vote. In its perfect form, consultation incorporates input from all, which the (designated) ruler of the family, tribe, organisation or country must consider. Thus, those who contribute to the consultation must be carefully selected (Al-Rasheed 2008). At the beginning of Saudi rule, a local Majlis al Ahli in the Hijaz remained from the Ottoman regime and was retained with limited elected representation. Abdulaziz developed the Majlis al Ahli into a national council that had appointed and elected members; this was disbanded in the 1950s and replaced by the Council of Ministers, with the King as Prime Minister (Kéchichian 2008). As oil revenues began to flow, King Faysal (1964–1975) and the Council of Ministers began building structures for government, business and society (Al-Rasheed 2008).

The Basic Law—a declaration of rights and responsibilities between the citizens and the state—was introduced by King Fahd in 1992, reaffirming the principles of government as consultation and the equality of citizens under Islamic Shari'a law (Ansary 2008). Majlis al Shura was reinstated and a Regional Law proclaimed. The Shura was an advisory council that was established the following year and its 60 members were appointed for four years (Dekmejian 1998). The Shura was extended to 90 members in 1997, 120 in 2001 and 150 in 2005. The Shura has 12 separate committees to provide the King and the Council of Ministers with information and advice, and citizens can approach Shura members to communicate their views. However, as a consultative council, the Shura has no legislative power (Ansary 2008). Under this structure, the 13 provincial governors administer their domains. Each province, a city and its surrounds has an appointed governor, municipal government and departments to administer and implement the economic plan.

Figure 2.1: Provinces of Saudi Arabia

Source: Royal Embassy of Saudi Arabia (2012)

The provinces are Riyadh, Makkah, Al Madinah, Eastern (capital Dammam), Asir (Abha), Al-Baha, Tabuk, Qassim (Buraidah), Hail, Al-Jouf (Sakakah), Northern Borders (Ar'ar), Jizan and Najran (Royal Embassy of Saudi Arabia 2012). The ministries of interest to this study are the Prime Minister's Office, Ministry of Commerce and Industry, Ministry of Culture and Information, Ministry of Foreign Affairs, Ministry of Education, Ministry of the *Hajj*, Ministry of Labour and Social Affairs, Ministry of Municipal and Rural Affairs, and Ministry of Planning and National Economy. Government agencies include three chambers of commerce and industry (in Jeddah, Riyadh and Dammam); various financial institutions, including the Saudi Arabian General Investment Authority; ports, railways and aviation organisations; and the Supreme Commission for Tourism and Antiquities (Royal Embassy of Saudi Arabia 2012). There is a blurred zone between the public and private sectors, with Saudi Arabian Basic Industries Corporation (SABIC) listed as a government body, and Aramco and Saudi Airlines not, and with Saudi Telecom 70 per cent owned by the government, according to Telegeography (2012) (an international data site).

This indecisive zone is apparent in the tourism industry, which permeates each of these organisations, with the possible exception of SABIC (chemicals) and Aramco (oil); however, these companies also have a large number of international workers. The importance of tourism and the hospitality industry to the government is paramount due to the potential for careers for Saudisation (the replacement of non-nationals with skilled,

experienced Saudis). This was highlighted by the president of the Saudi Commission for Tourism and Antiquities, who estimated projects underway in the Kingdom at SR290 billion ($AU74 billion), including high-speed trains (Al Hamid 2012). The Commissioner announced that, as a result of intercession by the Commission between the Ministries of Foreign Affairs and *Hajj*, a greater number of *umrah* (private pilgrimage) visas were to be issued to reach over five million religious tourists each year. Further, the Commission has agreements with 45 government organisations to promote tourism and improve infrastructure (Al Hamid, 2012).

2.1.4 Demographics and Human Capital

The demographic profile for residents in Saudi Arabia is that they are young and seeking work in the public sector. Saudis marry young in relation to other countries; however, the birth rate has fallen over the last decade to average world rates as women's education levels rise. There is no minimum age of marriage for Saudi girls, and their fathers, as guardians, have control over whom they marry and when this can occur (Reuters 2012).

The Central Department of Statistics and Information (2011) reported 28.38 million people in the country in 2010, with 19.4 million Saudis and the remainder largely foreign workers. The population growth rate was a high 2.9 per cent from foreign workers, with 2.28 per cent among Saudis. However, production of other statistics is somewhat erratic, with an annual book of statistics not produced since 2010 and other data falling behind. Euromonitor (2012) placed Saudi households at five million in 2011, up 17 per cent since 2006. There were 5.3 people per household, which was slightly down from the figure of 5.6 in 2006. This reflects the reduced birth rate. The World Factbook (2012) placed the population at 26.5 million in 2012—which may reflect turnover in itinerant workers—with approximately 21 million Saudis. Approximately 29 per cent of these people were under the age of 15 years, with a median age of 26 years. The population growth rate was estimated by the World Factbook at only 1.5 per cent for 2012—half that estimated by the Census Department.

The literacy rate was low at 87 per cent, reflecting the rise of education from the 1980s, with only 81 per cent of women being able to read and write in 2010. However, expectancy for school life was 14 years for both girls and boys in 2012 (World Factbook 2012). The United Nations Education, Science and Cultural Organisation (UNESCO) (2010–2011) reported that the orientation of the Ministry of Education's 10-year plan for 2004 to 2014 was *inter alia* to equip citizens with skills and knowledge, to develop society economically and culturally and to prepare individuals to be useful members of their communities. The ninth economic development plan for 2010 to 2014 emphasises the role of education in achieving and strengthening human capital development. The education system comprises the Supreme Committee of Educational Policy, which oversees the Islamic orientation of Saudi education, and the Ministries of Education and Higher Education, which include a standards committee—the National Commission for National Accreditation and Assessment. A Technical Vocational Training Corporation has assumed responsibility for this sector. In the school structure, there are 13 General Educations Departments, one for each province, and 29 Provincial Education Administrations. In addition, there are now Educational Councils in each administration to better integrate the needs of the community into outcomes for the students (UNESCO 2010–2011).

The United Nations noted that school education consists of kindergartens, generally in the urban areas; primary school of six years; separate intermediate school of three years; and secondary school of three years. Girls and boys occupy separate establishments throughout, although the curricula are common until secondary school. During the sixth grade, a typical week's schooling would be nine 45-minute periods of Islamic studies; eight of Arabic language; eight between mathematics (five) and science (three); one each for history, geography, civics and fine arts; and three for physical activities. In the last intermediate year (grade nine), there are eight periods of Islamic studies; six of Arabic language; four of English language; four each of mathematics and science; two each of history, geography and fine arts; and one 45-minute period for physical activities. However, the *Guardian* reported that the Saudi Cabinet decreed that English instruction would begin in primary schools in 2011 (de Lotbinière 2011). There is a choice in secondary school between the

religion, administration, social sciences, natural sciences and technical science streams; however, there are a minimum of five periods for Islamic studies.

Despite the investment of five per cent of GDP per year in education, the results remain poor. UNESCO data shows that, in 2010, approximately 80,000 young Saudi women were illiterate and 28,000 Saudi men were uneducated, with over 500,000 Saudi children not attending school. Saudi Arabia's tertiary enrolment is low for a G20 nation, and significant investment in education infrastructure and its curriculum is still required for Saudi Arabia to maintain its current standards of living.

2.1.5 Economy

Oil formed Saudi Arabia's wealth, and will continue to do so in the foreseeable future, as sites for more oil are being discovered around the peninsula (*Saudi Gazette* 2012). Aramco is the driver of this wealth. In the 1960s, the company was producing two billion barrels per day, and annual crude oil production had more than doubled by 1974. The Saudi government began acquiring the company from its previous owners—Standard Oil and Californian Oil. In the 1980s, the handover was completed and the company had its first Saudi Chief Executive Officer. By the end of the decade, nearly three-quarters (73 per cent) of its employees were Saudi. After the Gulf War of the 1990s, Aramco emerged with expansion into petrochemicals and gas exploration, with partnerships around the world. To counter the oil shocks of the 1980s, 'the company delivers on the Kingdom's long-standing promise to ensure the stability of the international oil market and the reliability of supplies to consumers' (Aramco 2012). The company currently manages one of the world's largest oil reserves of 259.7 billion barrels, producing 9.1 million barrels per day in 2011, and natural gas reserves of 282.6 trillion cubic feet.

Saudi Arabia's economy is subject to strong government controls (Ramady 2010). According to the World Factbook (2012), the petroleum sector accounts for approximately 80 per cent of budget revenues, 45 per cent of GDP and 90 per cent of export earnings. While this enables strong economic expansion, productivity is low, and the government is

promoting growth in the private sector for diversification and employment—particularly in the hospitality industry, in order to serve the five million pilgrims, as well as in finance, retail and telecommunications (Al Somali et al. 2011). Nevertheless, approximately five million foreign workers form the bulk of the private sector, mainly in the construction and oil businesses.

A nation's competitiveness depends on its ability to capitalise on factors that can lead to new sources of wealth, thereby offering productivity and a good business environment. In this regard, Saudi Arabia has moved on the Global Competitiveness Index from sixty-seventh among 135 countries in 2005, to eighteenth in 2012 to 2013 (Ramady 2010; World Economic Forum 2012). However, it was ranked sixty-second on the equally important (for this study) 2011 Travel Tourism Competitiveness Report.

The International Monetary Fund (IMF) (2012) stated that the outlook for the Saudi economy, which grew at 7.1 per cent in 2011, remains buoyant. The oil sector continues to dominate; however, budgetary controls have reduced the relationship between the oil price and budgetary spending, and the IMF noted that progress is being made on diversifying the economy. Eight per cent growth was recorded in the non-oil sector, which was the highest rate since 1981. The private sector grew at 8.5 per cent, with the construction and manufacturing sectors providing the majority of this growth.

Increased oil prices and oil production has allowed infrastructure projects to continue, especially railway and accommodation infrastructure, which is important for the peak season of the *hajj*. However, financial deepening in the private sector and an increase in productivity remain issues for the Kingdom. Increased oil revenues are also necessary to address long-standing social issues, including employment creation, the availability of affordable housing, and financing for small and medium sized enterprises. This would assist the midsized tourism operators and other companies, such as tour providers, tourist agencies, online tourism businesses and retailers (IMF 2012).

Nonetheless, the substantial reliance of the Saudi economy on oil implies that the global oil market remains the main source of risk and private sector growth. Non-oil growth per capita has lagged behind that of other emerging market economies. The IMF cautioned that labour market reform, including training and skill-acquisition programmes, would facilitate a more dynamic private sector and stimulate job creation for nationals outside of the public sector. The report noted that credit funding to the non-oil sector grew substantially between 2000 and 2011, although small and medium sized enterprises and mortgage lending remain relatively underdeveloped:

> The share of bank loans going to small and medium-sized enterprises, for example, is below the levels in other countries. Consequently, it is important to support the emergence of a strong small-business sector in a manner that facilitates a transition to regular financing sources (IMF 2012).

2.2 Tourism and Travel Industry

The tourism industry is a manifestation of globalisation and rising prosperity in emerging economies. As a rule, the tourism industry consists of desirable locations, the public sector's provision of the physical infrastructure and regulatory environment required to access these locations, and the private sector's willingness to provide an attractive destination and pleasant experience. This section presents a brief overview of the tourism industry, focusing on hospitality, religious tourism and the Saudi experience.

2.2.1 Global Tourism

In a seminal study, Smith (1977, 1989) defined the anthropological nature of tourism as the study of cultures and the factors that entice humans to travel. In this early work, based on the pivotal role of the United States (US) in the world economy, the factors that led to tourism were leisure time, discretionary income and 'positive local sanctions'. Leisure time occurred as the workweek in the US shrank from 66 hours to 48, and then to full- and part-time work and contracted labour. Paid annual leave started at two weeks, then three, then four or more. National observance days moved to permit long weekends, the retirement age fell, and rising longevity saw people travelling into their eighties. Discretionary income—

income left over after living expenses—tended to rise in the long term, and propensity to save decreased as a new generation grew up in the seemingly continual economic expansion of the second half of the twentieth century. Thus, tourism evolved as an industry.

Interestingly, Smith contrasted the US and European viewpoints to travel, or social 'sanctions', as stating that while it was acceptable for a European student to hitchhike across Europe and stay at youth hostels as a means of gaining cultural experiences, hitchhiking was not condoned in the US. In the US, using aircraft to reach a destination was socially preferable to transcontinental bus, which was a sign of poverty; in Europe, railways and railway stations were highlights of the travel experience. Further, Smith (1989) predicted that East Asia countries (as emerging economies) would engender local or internal tourism, then attract international travellers, and finally travel themselves. This prediction also seems true of Saudis. Saudis have long hosted pilgrims on *hajj* and are now developing the infrastructure to accommodate larger numbers of tourists. However, as the Commissioner for Tourism and Antiquities recently complained, 'few Saudis toured in their own country: "I know that about 95 percent of Saudis have not seen beautiful places in various parts of their country including Jazan, Tabuk, Farasan and Al-Ula"' (Al-Hamid 2012).

Saudi Arabia joined the United Nations World Tourism Organisation (UNWTO) in 2002, and now 1,555 countries are signatories (UNWTO 2012). The UNWTO stated that there were 982 million international arrivals 2011, and, in 2012, this is expected to reach one billion. These arrivals generated $US1.03 billion in export earnings. The tourism industry body, the World Travel and Tourism Council (2012), stated that the countries to which travel and tourism provide the largest absolute contribution to GDP in 2011 were:

1. United States ($US434.4b);
2. China ($US181.6b);
3. Japan ($US123.5b);
4. France ($US102.8b);
5. Brazil ($US80.2);
6. Spain ($US78.5);

7. Italy ($US71.6);
8. Mexico ($US63.7);
9. Germany ($US58.3); and
10. The United Kingdom (UK) ($US56.2).

The fastest growing tourism countries are building their infrastructure and are vulnerable to economic, social and environmental issues; however, of those countries within the top 10 positions, Uganda (one), Namibia (five) and Turkey (six) are arguably in the region. Relevant to this study, the countries experiencing the largest number of jobs from tourism and travel were:

1. China (61.9 million jobs);
2. India (39.3 million);
3. United States (14.3 million);
4. Indonesia (8.6 million);
5. Brazil (7.7 million);
6. Mexico (6.3 million);
7. Thailand (4.5 million);
8. Japan (4.4 million);
9. Vietnam (4.3 million); and
10. Russian Federation (3.9 million).

Saudi Arabia had 234,500 jobs in the hotel industry alone (World Travel and Tourism Council 2012). In the hospitality area, the UK Smith Travel Research (STR) Global Hotel Review publishes monthly indicators, which are presented in Table 2.1.

Table 2.1: Global Hospitality Indicators 2011–2012

Region	Global performance (data in $US) October 2012 and October 2011								
	Occupancy rate per cent (Occ.)		Average day rate per room (ADR)		Revenue per available room rate (RevPAR)		Per cent change from October 2011		
	2012	2011	2012	2011	2012	2011	Occ.	ADR	RevPAR
Asia Pacific	70.9	71.1	135.51	136.30	96.08	96.86	-0.2	-0.6	-0.8
Central and South Asia	60.5	56.4	144.57	154.01	87.51	86.90	7.3	-6.1	0.7
North-eastern Asia	70.2	71.8	123.02	122.18	86.31	87.67	-2.2	0.7	-1.5
South-eastern Asia	72.4	69.8	135.02	129.96	97.72	90.66	3.8	3.9	7.8
Australia and Oceania	77.4	76.5	179.42	189.24	138.92	144.76	1.2	-5.2	-4.0
Americas	64.3	62.8	111.10	106.92	71.39	67.10	2.4	3.9	6.4
North America	64.3	62.8	110.37	106.09	71.02	66.67	2.4	4.0	6.5
Caribbean	54.8	49.4	136.72	129.77	74.93	64.10	11.0	5.4	16.9
Central America	52.5	56.6	101.14	102.93	53.10	58.30	-7.3	-1.7	-8.9
South America	67.8	69.1	143.17	144.58	97.07	99.88	-1.9	-1.0	-2.8
Europe	71.6	71.3	138.17	142.31	98.93	101.51	0.4	-2.9	-2.5
Eastern Europe	66.7	64.7	118.72	120.80	79.13	78.11	3.1	-1.7	1.3
Northern Europe	75.8	74.9	131.44	131.59	99.66	98.60	1.2	-0.1	1.1
Southern Europe	67.2	68.2	136.61	142.22	91.83	97.02	-1.5	-3.9	-5.3
Western Europe	71.9	71.7	154.05	162.57	110.74	116.55	0.3	-5.2	-5.0
Middle East /Africa	65.5	62.7	183.97	168.14	120.56	105.35	4.6	9.4	14.4
Middle East	68.6	66.6	246.44	217.53	168.95	144.77	3.0	13.3	16.7
Northern Africa	59.4	53.9	93.02	93.37	55.29	50.29	10.4	-0.4	9.9
Southern Africa	64.6	62.8	128.99	131.30	83.38	82.52	2.9	-1.8	1.0

Source: STR Global (2012)

The latest data from STR Global (November 2012) was that the Middle East/Africa region reported positive hotel performances, with hotel occupancy increasing by 4.6 per cent to 65.5 per cent during October 2012, while its average daily rate rose 9.4 per cent to $US183.97, and revenue per available room grew 14.4 per cent to $US120.56. Saudi Arabia's hotel occupancy was up to 66 per cent—a change of 10.5 per cent over the

month—and revenue per average room rate was at SR762.85—a change of 38.5 per cent over the previous month, reflecting the influence of the *hajj* (24–29 October 2012).

Undoubtedly, the statistics reflect a relatively volatile industry, which means, as Smith (1977, 1989) alluded, that discretionary income and consumer sentiment and thus customer service are paramount. The travel and hospitality industries are very much tied to season and location, and these are the drivers of income for the local industry. This is particularly true for religious tourism.

2.2.2 Religious Tourism

Religious tourism, one of the oldest forms of tourism and a worldwide phenomenon, is either exclusively or strongly motivated by religion (Rischede 1992). Rischede (1992) included religious-themed secular activities, such as conferences, within this sector, and extended the duration of a pilgrimage from a visit to a nearby pilgrimage centre to several days or weeks to an international location. Organised forms of religious tourism have definitive characteristics, such as number of participants, social structure, seasonal travel, and choice of transport and accommodation. Timothy and Olsen (2006) extended the notion of religious travel to include spiritual experiences, and stated that religious travel in all its manifestations has not been adequately studied in the literature. There is limited understanding of what motivates millions of people each year to 'venerate certain spaces and visit them' (Timothy & Olsen 2006, p. xiii). Timothy and Olsen noted the rise of cultural and heritage tourism, and added that this has formed public interest in the economic potential of religious tourists. Mosques, cathedrals, pilgrimage paths, sacred architecture and the attraction of the metaphysical are part of the growing interest in cultural tourism, with curious tourists out-numbering pilgrims, thereby leading tourism marketing to expand to accommodate both aspects of the travel experience (Timothy & Olsen 2006).

Islamic countries are at the forefront of this religious and cultural experience. Several Muslim states have proved attractive to tourists. Famous Islamic architecture, such as the

Taj Mahal and the Ottoman palaces in Turkey, draw large crowds of tourists; however, these areas' governments and citizens recognise the negative social aspects that tourism can entail, including illicit drugs, alcohol consumption, immodest clothing, gambling and prostitution (Al-Saleh & Hannam 2010). Timothy and Iverson (2006) noted that the Maldives has segregated its national and tourist populations by developing resort islands and restricting access to 'home' islands by day visitors who are required to abide by dress and behaviour codes. Saudi Arabia typically sources its tourists from Muslim countries, thus avoiding the pitfalls of unbridled tourism. With the world Muslim population reaching 1.9 billion by 2020—25 per cent of the world's population (Pew Forum on Religious and Public Life 2011)—this rationale appears valid to meet the Kingdom's foreseeable religious tourism capacity.

Religious tourism in Saudi Arabia centres on Makkah and Al Madinah. Timothy and Iverson (2006) described the sacred area (haram) around Makkah that includes Arafat, Mina and Muzdalifa and other points that are part of the *hajj* experience. The haram is marked with signs and checkpoints that no non-Muslim may cross. The Al-Masid al-Haram is the central mosque in Makkah, and the compound is constantly expanded to cope with the numbers of pilgrims. At the centre is the Kaaba—a structure built of granite and covered in a black cloth. This is the holiest place in Islam, and the centre of the pilgrimage experience. *Hajj* rituals are physically demanding, such as the *Tawaf* (circling the Kaaba seven times counter-clockwise) and the *Sa'i* (travelling seven times between the Marwah and Safah hills). This second ritual commemorates the search for water in the desert by the Prophet Abraham's wife, Hagar, after she was left alone with their baby, Ismail. Pilgrims visit Mount Arafat, where Mohammad delivered his last sermon in the year 632 CE—three months before his death. At Mount Arafat, Muslims come to ask their God for forgiveness and to reaffirm their faith, in the zenith of the *hajj* rituals. The pilgrims also visit the Valley of Mina, where they take part in a three-day stoning of the three pillars representing the devil, called Jamrah. Stoning the pillars represents Satan being driven off by the Prophet Abraham, Hagar and Ismail. The pilgrims throw the stones to symbolically ward off their own temptations (Morgan 2010).

As the *hijri* calendar is lunar and differs by about 10 days each year from the Gregorian calendar, the *hajj* is performed throughout the year, including summer, when temperatures regularly reach 45°C (Royal Embassy of Saudi Arabia 2012). Together with the vast numbers of pilgrims, the experience can be overwhelming, and heart attacks can occur. Infectious diseases are another manifestation of the *hajj*, as people come from tropical areas. With the region acting as host to so many Muslims, the *hajj* is a time of considerable risk for the government. Thus, it is necessary for them to ensure the availability of secure accommodation in hotels, rather than tents; provide sufficient support during the arduous rituals; and ensure that the logistics of the *hajj* operate smoothly and without danger to the pilgrims.

2.3 Tourism in Saudi Arabia

As the previous sections illustrate, tourism management is particularly complex in Saudi Arabia. The *hajj* has become the epicentre of the mass migration of millions of Muslims of enormous ethnic diversity. No other mass gathering can compare, either in scale or in regularity (Memish 2010). This section considers the logistics and challenges involved in hosting a religious event of these proportions each year.

2.3.1 Logistics of the *Hajj*

The logistics of the *hajj* and the supporting *umrah* pilgrimage during the year account for a substantial proportion of the country's annual expenditure, through services, consumables and infrastructure. The *hajj* terminal at King Abdulaziz International Airport at Jeddah is linked to the Haramain speed rail project, which will begin operation in 2017. This connection will link the two holy cities through Jeddah to Riyadh and Dammam, thus spanning the peninsula for the first time. The rail link is expected to carry more than 150,000 passengers daily during the peak seasons of *hajj* and *umrah*, and operational parts in Makkah can transport (Davids 2012). In the meantime, the metro can transport around 38,000 passengers per hour between stations around Makkah. The services will be fully operational in 2012 (Makkah Metro 2011).

Planning of the *hajj* each year is probably finalised with the number of visas to be issued. In 2012, there were five million visas issued, and three million people attended the *hajj* (Al Hamid 2012). The *hajj* visas are issued to firms who employ agents throughout the world, who then book flights and accommodation based on the number of (free) visas they receive. On arrival, the pilgrims are designated to a representative of the Unified Agents in Jeddah, who is their point of contact (Royal Embassy of Saudi Arabia 2012).

Accommodation is usually delivered through one of the massive new hotels, such as the Makkah Clock Fairmont Hotel, which has 858 rooms. According to the Saudi Commission of Tourism and Antiquities (2012), there are 574 licensed hotels and furnished apartments in Makkah, with 115,000 rooms of various classes that can accommodate 1.3 million *hajj* and *umrah* pilgrims each month. The Commission expects that the Kingdom will receive 88 million visitors by 2020, with religious tourism accounting for around 16 million travellers by 2014. These predictions have given impetus to growth in the number of hotel rooms to be built in the Makkah region, with many developers announcing projects. One company is investing $US3.2 billion to add 8,500 rooms.

2.3.2 Tourism Overview

Researchers have questioned the traditional separation between tourism and leisure. Morrison et al. (1999/2006) did not segment the industry, and referred to the 'hospitality, tourism and leisure industry'. In a review of the literature, and despite potential differences in observable behaviours, Carr (2002, p. 972) stated that 'there is a commonality between the underlying influences that define how people behave during their leisure and tourism experiences'. However, in an economic study of the leisure and non-leisure tourism industries, Divisekera (2010) studied the elasticity of tourist expenditure data, which were placed in commodity groups of accommodation, food, transport, shopping and entertainment for the two groups. Divisekera found that leisure tourism was more price-elastic than non-leisure tourism, which was price inelastic. This separation of tourism was termed by Getz (2007) 'event tourism', where the event may be business, sport or festivals

and culture. This may be of consequence to Saudi Arabia, with the annual *hajj* and regular *umrah* pilgrimages to Makkah and Al-Madinah; thus, religious tourism is another part of the research field.

Hospitality is a human trait and can be seen as a powerful economic activity; however, it is a recent academic discipline with no consensus on an appropriate definition (Ottenbacher et al. 2009). Researchers argue that hospitality is a broad term and a diverse group of industries. They state that this situation creates substantial issues in research, such as the validity and cross-referencing of empirical studies, and whether dimensions of hospitality separate it from the broad field of social studies. Wood and Brotherton (2008) formulated an extensive multi-discipline approach to the problem. They synthesised the issues thus:

- Hospitality is an evolving phenomenon with multiple characteristics and qualities at any given point in time;
- Hospitality is present in multiple social contexts, such as local, regional and international;
- Hospitality is provided for many reasons, but always expects some form of reciprocity;
- Hospitality involves strangers as visitors (which researchers dispute); and
- Hospitality can be provided and experienced without the provision or receipt of hospitable behaviour.

For pragmatic purposes involving time and the need for parameters, this study will define hospitality broadly, and select hotel and restaurant sectors to survey management. Jeddah and Makkah are the venues for the survey, as these cities host the majority of visitors to Saudi Arabia. As noted, Saudi Arabia has a highly seasonal tourism experience, based on the *hajj*. However, in addition to those attracted by the *hajj*, as a country of 28 million people, it also has holiday makers, short-term visitors, business travellers and pilgrims who take advantage of their time in the country by undertaking tourist activities. Tourism indicators are shown in Table 2.2.

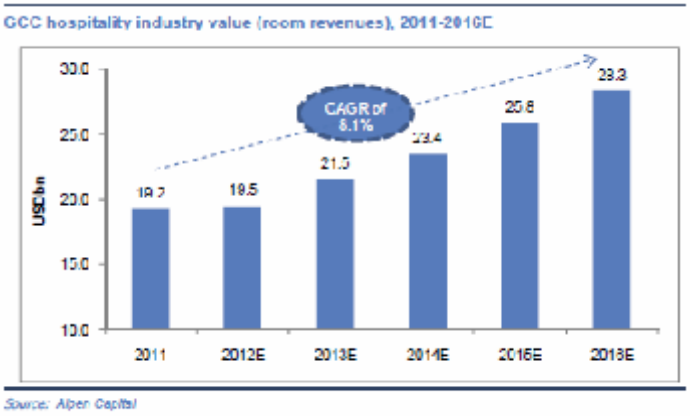
Table 2.2: Main Saudi Tourism Indicators 2004–2010

Indicator	2004	2005	2006	2007	2008	2009	2010
Inbound tourism							
All arrivals (000)	11,082	10,417	10,962	13,479	17,717	13,318	13,025
Overnight (000)	8,579	8,037	8,620	11,531	14,757	10,896	10,850
Same day (000)	2,503	2,380	2,341	1,948	2,960	2,422	2,147
Tourist nights (000)	111,810	91,359	112,383	152,372	209,309	157,010	180,885
Av. length of stay (days)	13	11.4	13	13.2	14.2	14.4	16.7
Total expenditure	SR24.3b.	SR20.3b	SR18.6b	SR19.6b	SR36.4b	SR29.1b	SR25.6b
Outbound tourism							
All departures abroad (000)	4,234	5,009	2,336	4,817	4,705	6,467	7,551
Nights outside KSA* (000)	52,844	56,143	25,944	45,376	42,155	54,657	89,045
Total expenditure	SR16b	SR14.1b	SR6.8b	SR18.3b	SR19.7b	SR28.4b	SR22.5b

*KSA: Kingdom of Saudi Arabia

Source: Saudi Commission for Tourism and Antiquities (2012)

This table shows that tourism continues to grow, and is forecast to maintain this trend. Alpen Capital (2012) reported on the GCC hospitality industry, and expects that it will continue to grow 8.1 per cent per annum from $US19.2 b in 2011 to $US28.3 billion by 2016. The firm agreed with STR Global (2012) that hotel occupancy rates will average around 67 to 73 per cent between 2012 and 2016. They also noted that the number of upmarket hotel rooms coming online will raise the average room rate from $US212 to $US247 between 2012 and 2016. Given its position on the peninsula, Saudi Arabia is predicted to continue to dominate the industry for the GCC in terms of revenues, followed by the UAE (see Figure 2.2).



Source: Alpen Capital (2011)

Figure 2.2: Industry Outlook

This accords with the views of the Commissioner of Tourism and Antiquities, which intends to broaden the scope of services for land travellers, such as by improving the frequency and resources in service centres along the country's arterial roads, given that approximately 86 per cent of travellers use these. The Commissioner noted that such facilities are a good source of jobs for remote regions. It also noted that Saudisation in the travel industry was 26 per cent in 2012—crucially, without financial support from the government. Interestingly, the Commissioner called for the establishment of a tourism company and tourism fund to implement major tourist initiatives, such as the Red Sea tourism development project. The Commissioner noted that a general tourism law and an antiquities and architectural heritage law will be issued in 2012 (Al Hamid 2012).

Saudisation was introduced in the last part of the 20th century to reduce the liability on the government to provide employment for nationals. The aim of Saudisation was to replace the non-national expertise in management and professions with nationals who were beginning to emerge from the enlarged education system. However, there were several factors that acted as significant barriers. Initially, Saudi graduates and school leavers lacked workplace skills including adequate English fluency, computer knowledge, and skills and knowledge to compete against the cost-effective labour available from other Arab countries and southern Asia (Madhi & Barrientos 2003). There were also insufficient numbers of qualified and experienced Saudis to meet employer needs, especially in staffing new

developments in the tourism industry, thus employers could with relative ease obtain more work permits for their needs. Several Saudisation projects over the decade targeted certain industries such as insurance and finance with some success, and some service occupations that less qualified Saudis tended to avoid. There were therefore very few entry points for Saudis in the private sector, especially for women, who were legally segregated in public (Almunajjed & Sabbagh 2011). Whilst there were laws that facilitated women's entry into the workplace, and stipulated rising Saudi quotas dating from 2005, these were not enforced because of the perceived barriers until 2011, when the Arab Spring and social pressure for youth employment engendered Nitaqat. Nitaqat is a colour-coding system that classifies firms in their adherence to Saudisation; those in the red and yellow find difficulty in obtaining non-national work permits and are penalised in their dealings with government administration, especially when using illegal (non-permit) labour. Those in the green and superior ranges gain assistance reaching Saudi minimum pay (SAR3000 per month, or $AU870), training for their employees, and assistance gaining non-national labour. Saudi levels in the tourism industry vary around 35 per cent (Alpen Capital 2012).

Hospitality is a leading sector in Saudisation. It benefits from religious tourism, which accounts for 47 per cent of inbound tourism. In 2012, the total number of tourists to the country for the year is expected to reach 16.2 million. Domestic tourism paralleled inbound tourism in 2009, with summer holidays comprising 40 per cent of all domestic travel as Saudis visited the Makkah and Jeddah region. Jeddah's location on the Red Sea is very attractive, and, in combination with religious tourism and activities such as the Jeddah Summer Festival, the area is the preferred tourism destination, with 40 per cent market share of domestic tourism and 3.8 million visitors during Ramadan in August to September 2009. This same year, Saudi tourism in all areas comprised 43 million visitors who spent 355 million nights in hotel accommodation (*Arab News* 10 April 2012).

The World Travel and Tourism Council (2012) stated that Saudi Arabia has 234,500 jobs in the hotel industry, while the Saudi Commission of Tourism and Antiquities (2012) placed tourism's overall contribution to GDP at 7.2 per cent in 2011, with 670,000 staff employed, including 26 per cent Saudisation. This theme was raised by the managing director of the

French company, Accor Middle East (Dubai), who expects to open 11 hotels during 2012 to 2013, nine of which will be in the UAE. In Saudi Arabia, the 176-room Ibis Yanbu will open in 2012—the first time a global group has brought an economy brand into Saudi Arabia. The managing director noted that all Accor hotels in Makkah were Nitaqat green label, with a target of recruiting 1,400 nationals by 2016 (Hotelier Middle East 2012). Hotelier named the 10 largest firms on the peninsula as:

1. Accor;
2. Golden Tulip;
3. Hospitality Management Holdings;
4. InterContinental Hotels Group;
5. Marriott International;
6. Rotana;
7. Starwood Hotels;
8. Hilton Worldwide; and
9. Jumeirah Group.

The majority of these firms have a presence in the Kingdom, and the remainder have advanced plans for expansion into Saudi Arabia. Gannon et al. (2010) cautioned that international hotels' ability to develop and sustain human resource competitive advantage is compromised by the models they adopt when entering new territory. Only where companies 'develop … supportive relationships with their property-owning partners can the challenges of managing human resources in these complex and diversely owned arrangements be surmounted' (Gannon et al. 2008, p. 638).

Furnished and serviced apartments form another part of the accommodation sector. These nearly doubled from 2006 and 2009 to 4,423, responding to the growth of domestic tourism. The Makkah province, including Jeddah, accounts for nearly 35 per cent of the country's furnished apartments; however, peak season trade reached only 54 per cent occupancy during the 2009 *hajj*, which showed an oversupply of this type of accommodation. The third accommodation sector is that of friends and relatives' accommodation, which is particularly popular during *hajj*. However, the numbers of people

using this form of accommodation are thought to be declining in response to the competitive pricing of the commercial accommodation sector.

Small to medium sized businesses in Saudi Arabia, which comprise 95 per cent of commercial registrations, are those businesses that employ fewer than 100 workers. There are more than 700,000 such enterprises active in the Kingdom, and 47 per cent of these were engaged in commercial and hotel businesses in 2008. In a GCC report for Eurochambres, Hartog (2010) referred to the Riyadh Chamber of Commerce data, which placed 47 per cent of these businesses in trade and hospitality, representing around 330,000 enterprises throughout the Kingdom. The author found few GCC nationals employed in very small businesses with up to 10 employees, while firms with up to 100 employees employed between 40 per cent and 63 per cent of the insured private labour force—a very substantial share, but below the high estimates of up to 85 per cent that are sometimes claimed.

The practice of delegating daily operations to expatriate managers limits innovation and the acquisition of skills among small business owners. Hartog (2010) said that such businesses prefer regular income from low-margin activities and low effort from the owner. In addition, there is a clumping issue, with dozens of similar businesses established next to each other, so that standardised products and services are the mainstay, thereby undermining growth and the accumulation of capital for expansion or innovation. Unfortunately, this also prevents the creation of the more highly paid, high quality jobs that are the national aspiration. The business culture in the Gulf is largely oral and research is not sought after due to its cost and the disinclination of business owners. Thus, small businesses in the country average only seven years—they go out of business as soon as market conditions change.

With the strong tourism traffic, restaurant management must also consider value-related factors; décor, product and service have a significant effect on consumer satisfaction, while product price is not as important. Thus, an expatriate manager must differentiate, innovate and provide a superior experience for restaurant patrons, while understanding Arabic

cultural mores. Furthermore, food safety is a notable issue. In a study of the presence of vermin in Jeddah, Noureldin and Farrag (2010) found that all restaurants had significant infestations of cockroaches—40 per cent of all those caught in commercial and private premises—while hotels had the least (four per cent). The necessity for strict hygiene practices was supported by Al-Goblan and Jahan (2010), who studied data from Qassim province and found that the majority of food poisoning involved cooked meat and occurred during the summer months. The authors advocated better management of commercial food establishments to ensure food safety, with better training for industry employees. Such indirect support for the industry is another pathway for professional employment (Sadi & Saricimen 2010).

2.4 Employment

The Saudi population holds certain cultural and social perceptions towards employment in the private sector, and these ideas are projected onto their willingness and motivation to work. Therefore, recruiting and retaining qualified Saudi workers is made more difficult for companies because they not only have to train them in the skills they lack, but must also enforce a work ethic. Expatriate supervisors are unable to raise productivity levels in Saudis (Tayeh & Mustafa 2011). Saudis acquire social status from their position title; however, senior positions in the hospitality industry demand a higher level of technical expertise than can be fulfilled by local labour. Therefore, in the hotel industry, most Saudi workers occupy clerical and supervisor positions, with accounting, legal and IT professionals provided by foreigners. In addition, service staff, such as housekeepers, chefs, waiters and bellhops, are also imported labour, as it is commonly assumed that imported workers are more willing to take on tasks that demand greater physical activity at lower wages than are Saudis. This makes them an attractive commodity in the hospitality industry, which requires workers to perform demanding tasks (Tayeh & Mustafa 2011).

2.4.1 Foreign Labour

All GCC countries use imported labour. Rees et al. (2007) observed that this reliance will have long-term negative effects on social, economic and political conditions through social disquiet caused by youth unable to access the jobs and money that give them sufficient status to start a family. Consequently, the GCC governments have nationalisation policies to balance the needs of local workers and the demand for qualified workers, especially in the hospitality industry. According to Shah (2006), policies intended to improve the employment rates of indigenous workers generally include issues related to visa regulation, health insurance, training workers and creating job opportunities. In addition, they also involve measures implemented in marketing and importing, as well as nationalising, the workforce.

Al-Dosary and Rahman (2005, p. 495) noted that Saudisation—that is, the replacement of non-nationals with qualified and experienced Saudis—is also aimed at reducing poverty levels in Saudi Arabia; however, business owners cite lower productivity with Saudi workers (Sadi & Henderson 2005). This is partly due to the standard of graduates from universities, and an inability to employ certified people through the vocational and training system (Tayeh & Mustafa 2011). Due to the relative lack of tourism qualifications in the country, and the lower inclination of Saudi youths to pursue tourism as a career, few students currently study in this area. When this was attempted to be addressed, Tayeh and Mustafa (2011) claimed that the resulting curricula lacked commitment, resources and focus.

The foreign workforce has expanded in its proportion of the national labour force over time. At the end of the first development plan in 1974, Saudi employees represented 80.4 per cent of the total labour force, with just 19.6 per cent of employees from other countries. As the workforce increased, the Saudi proportion decreased to 57 per cent of the total labour force in 1979—at the end of the second development plan—and 34 per cent in 1989, when the proportion stabilised (Al-Shammari 2009). This was a manifestation of the influx of construction workers, technical professionals and service workers. Al-Asmari (2008) stated that, until at least the 1990s, the objective of the education system was public service employment for secondary school leavers and new graduates. However, from the sixth

development plan (1995 to 2000), the Ministry of Planning and Economy stated that various initiatives were used to redirect the Saudi workforce into the private sector and reduce the numbers of foreigners in the labour market. By 1995, Saudi workers increased to 39.2 per cent of the total labour force, and to 44.2 per cent in 1999 (Al-Asmari 2008).

The number of workers continued to expand, with 1.04 million new jobs created during the seventh development plan (2000 to 2004). Al-Shammari (2009) stated that, during this time, nationals gained 55 per cent of these new jobs, which increased at an average of 3.4 per cent per year. The total workforce increased from 7.23 million in 2000 to about 8.3 million in 2003. By the eighth development plan (2005 to 2009), the Saudi workforce was growing at an average of 5.13 per cent per year, and the government increased the Saudi participation rate from 36.9 per cent in 2005 to 39.2 per cent by the end of the plan in 2009. This plan also increased women's participation rate from 10.3 per cent to about 14.2 per cent by the end of the plan period in order to reduce the gender gap in employment (Al-Shammari 2009).

While the accuracy of statistics from the region cannot be fully substantiated, McDowell from Reuters (2012) estimated that 90 per cent of employed Saudis were working in the public sector, while 90 per cent of private sector jobs were taken by expatriates. In 2012, the Saudi Labour Minister stated that the Kingdom needs to create three million jobs for Saudi nationals by 2015, and six million jobs by 2030, partly through the Saudisation of jobs now filled by expatriates. This statement is supported by the population age illustration presented in Figure 2.3.

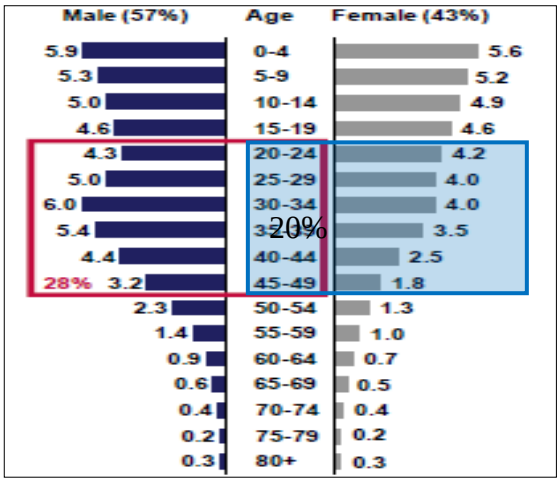


Figure 2.3: Working Age Population by Gender 2009

Source: Central Department of Statistics and Information (2011)

Recent statistics show that, in 2012, the total Saudi labour market was 7.63 million workers, with approximately 80 per cent of these workers being non-nationals (World Factbook 2012). Non-nationals are granted only basic employment and residential rights. Alsini et al. (2008) explained that many non-nationals were relocated into the country by their international hotel chains. Hospitality recruiters arrange training for nationals and non-nationals alike to adjust them to the Saudi working environment. Researchers state that hotel chains value their skilled employees, and their wages are subsequently periodically raised. In addition, 'hospitality employees receive free furnished accommodation, tax-free earnings, duty meals, guest-satisfaction incentives, and return flights home' (Alsini et al. 2008, p. 27).

2.4.2 Saudi Qualifications and Skills Standards

Due partly to its rapid development, Saudi Arabia has issues regarding skills levels and its citizens' attitude towards employment. As such, foreign workers perform the majority of private sector work. Saudis in the workforce—both employed and jobseekers—are considered to lack technical skills and work ethics. Thus, private sector employers are uninclined to take responsibility for their employment, given the nationals' preference for the public service (Al-Asmari 2008; Al-Dosary & Rahman 2005; Almunajjed 2010; Al-

Shammari 2009). As a result, joblessness is faced by the majority of Saudis who cannot gain a public service job and who lack the work-readiness and competency levels required by the private sector (Ramady 2010). This issue is a major barrier to economic diversification (World Factbook 2012).

To address this intractable situation, the government continues to invest considerable resources in developing human capital. Since the first development plan in 1970, the education sector has received a large proportion of the annual budget. The news agency Zawya (2012) reported that in its ninth five-year plan (2009 to 2014), Saudi Arabia dedicated $US195 billion to human resource development, at the rate of 5.6 per cent of GDP. The government is continuing to build its programme towards job creation by establishing 25 technology colleges, 28 technical institutes and 50 industrial training institutes, as well as establishing research centres and providing $US240 million in grants for research projects each year.

Furthermore, Saudi Arabia has opened up education to private industry, encouraging the development of private schools and tertiary institutions. Saudi Aramco, while government-owned, has invested strongly in Saudisation and education, in association with the King Abdullah University of Science and Technology. Medical courses are also strong drivers of private higher education revenue, with enrolment growing at 45 per cent each year between 2007 and 2011. The Parthenon Group (2011) stated that the private sector was directly responding to employability, with over 80 per cent of enrolments in private universities and colleges in highly employable graduate areas, such as medicine, management, commerce, IT and engineering. In the free public universities, over 50 per cent were enrolled in humanities and allied fields. Private higher education facilities offer quality English language instruction by hiring more expatriate English language teachers (37 per cent of all teachers) than in public universities (five per cent of all teachers). The Parthenon Group (2011) envisioned that quality options in private sector courses and their inherent competition in the industry will also raise qualification standards in the public sector as private sector graduates gain a higher profile in the job market.

The Parthenon Group's stance is similar to Al-Munajjed (2010), who claimed that just 10 per cent of public sector school leavers and tertiary graduates succeed in gaining employment. Arabic preferences relate to religious and cultural studies, rather than technical subjects. Ramady (2010) and Baqadir et al. (2011) confirmed that a low proportion of educated Saudis were graduates from scientific disciplines or technical training.

2.4.3 Women's Employment

One of the aims of Saudisation and Nitaqat is to promote women's full participation in the labour market. Due to the segregation between non-related men and women in education and public places, such as shopping malls, restaurants, banks and hospitals, according to Al-Munajjed (2010), the 15 per cent of the national workforce who are women represent a source of enormous untapped potential. There are numerous constraints that prevent women from working and are legislative, religious, educational and occupational (Anderson et al. 2012). Significant legislative, social equity, educational, labour market and labour law reforms are required to allow and encourage women's participation in the workforce.

Over two decades from 1992 to 2012, women's participation rate in the Saudi national labour force tripled, from 5.4 per cent to 16.5 per cent (*Arab News* 2 August 2012a). According to the GCC criteria, this is unprecedented. In 2010, the UAE's national female participation rate was 59 per cent, Kuwait's was 42.49 per cent, Qatar's was 36.4 per cent, Bahrain's was 34.3 per cent and Oman's was 25.4 per cent (Al-Munajjed 2010; UNData 2012). The women's unemployment rate in Saudi Arabia in 2012 was reported as 29.6 per cent (Al Arabiya 2012; *Arab News* 14 August 2012).

According to Al-Munajjed (2010), over 90 per cent of Saudi women who are active in the workforce have tertiary qualifications, while 78.3 per cent of unemployed women are university graduates and more than 1,000 have a doctorate. Women's preferences for education and humanities have led to a shortage of jobs in the Kingdom, forcing them to look for work in other GCC countries. Uneducated women are even more challenged,

particularly in rural areas. In 2010, the World Factbook (2012) estimated that 18.7 per cent of Saudi women over the age of 15 are illiterate. Al-Munajjed (2010) stated that over one million Saudi women cannot gain income due to lack of education or appropriate skills. Saudi laws stipulate that women can only work in certain environments—they must be segregated and are not allowed to direct men or manage finances.

Unsurprisingly, Saudi women seek work in the public sector, and represent around 30 per cent of government employees. Approximately 95 per cent of working Saudi women are in the public sector: 85 per cent are in education (in both teaching and administrative positions), six per cent are in public health and four per cent are in administration (Al-Munajjed 2010). *Arab News* (14 August 2012) presented the Ministry of Civil Service's 2010 report, which stated that no Saudi women work in the judiciary or the public prosecutor's office, and there is just one woman among the country's 974 diplomats. There were more women teachers (230,000) than men (211,000) in 2010, and fewer women in the health sector (25,000) than men (53,000). In total, Saudi men comprise 66.6 per cent (589,000) of the public sector, while there are 280,000 national and non-national women. There are 75,000 male and female non-nationals in public administration (civil service) (*Arab News* 14 August 2012).

Five per cent of working Saudi women are employed in the private sector, and the majority work in private business and banking—a 2006 Saudisation initiative. Saudi women are also entrepreneurs, generally in wholesale and retail trade, finance and business services, and construction. They own 12 per cent of the firms in these areas. Although the need to hire men to enter into contracts was officially overturned, this is not enforced and women still employ men for this task (Al Munajjed 2010).

The Saudi labour regulation guarantees every citizen the right to work, and stipulates that firms must train their employees. It grants maternity and medical leave, childcare, and vacation and pension provisions. The Saudisation policy identified positions the government considers appropriate for women in the private sector, such as administration officers, tailors, nutritionists, governesses, photographers, beauticians, caterers and—

importantly for this study—hospitality and recreation industry workers: caterers, administration officers and waitresses. The eighth five-year development plan (2005 to 2010) planned to establish 17 technical colleges for women and focus on the tourism industry for women. However, difficulties arise from the labour regulations that allow 48 working hours per week, low wages and working conditions that Saudis find untenable. *Gulf News* (2012) reported late in 2012 that these conditions—including the introduction of a two-day weekend—were under review.

2.4.4 Unemployment

In 2009, Saudi Arabia had an official unemployment rate of 10.5 per cent. The latest available figures are shown in Table 2.3.

Table 2.3: Saudi Unemployment Rates 2002–2009

Year	Men %	Women %	Total %
2002	7.6	21.7	9.7
2003	8.0	23.2	10.4
2004	8.4	24.4	11.0
2005	8.7	25.4	11.5
2006	9.1	26.3	12.0
2007	8.3	24.7	11.1
2008	6.9	24.9	9.8
2009	6.9	28.4	10.5

Source: Saudi Arabia Monetary Agency (2011)

The Saudi Arabia Monetary Agency (2011) (SAMA) stated that the targeted unemployment rate for the eighth economic plan was 2.4 per cent, whereas the actual rate was an average of 9.6 per cent. The target for the current (ninth) plan, 2010 to 2014, is 5.8 per cent. The youth unemployment rate is high—42 per cent for those aged 20 to 24 years and 39.4 per cent for those aged 25 to 29 years. Thus, 82 per cent of the total Saudi unemployed are between the ages of 20 and 29, and 96 per cent are under 35 years. In 2010, the Ministry of Labour reported there being 131,000 jobs for Saudi nationals; however, the economy must provide 250,000 jobs annually (Qatar National Bank 2011). These figures were updated by the Ministry of Labour in December 2012, with total unemployment at 10.5 per cent, representing almost two million people—a 500,000 increase from 2011 (Ahram 2012).

Unemployment for Saudi women is 1.7 million, which is 30 per cent higher than men, even though half of these unemployed women hold university degrees.

The issues arise not from lack of work—as evidenced by the millions of employed expatriates—but by a series of barriers, as demonstrated by many studies (e.g. Al-Shammari 2009; SAMA 2011). Employers are unwilling to engage Saudis who lack commitment and competency, both in a technical sense and in their working environment. Saudis only want to gain public employment for its financial and emotional security. Meanwhile, employees are expected to work in resentful climates in which expatriates fear losing their jobs. They are required to work for wages that may not support their standard of living, for little recognition of achievement, and in workplaces that do not support Saudi cultural views.

2.4.5 Saudisation and Nitaqat

Since the 1990s, the Saudi government has attempted to induce young people away from the public sector, exhorting employers to limit their numbers of foreigners and to recruit Saudis (Al-Dosary & Rahman 2009; IMF 2012). In the sixth economic development plan (1995 to 2000), the government began to restrict public sector growth and encourage the private sector to recruit Saudis, in an early attempt to diversify the oil industry. Private employers with over 20 workers were expected to reduce their non-national numbers by five per cent annually, with economic (taxes) and administrative (delays in processing documentation) penalties for non-cooperative firms, in order to restrict their access to foreign labour. However, many firms relocated to the business-friendly UAE to escape nationalisation—although the UAE government is also trying to increase the miniscule Emirati presence in its own private sector. Those who have Saudisation policies find their best employees headhunted by other firms seeking to meet their quotas (Looney 2012).

The Ministry of Labour is the authority administering the government's employment, while the Human Resource Development Fund, in its role of workplace training, implements Saudisation. Attempts at quotas on working visas, finding and expelling non-nationals who

have overstayed, and placing quotas for Saudisation on specific jobs and industries have had mixed responses. For example, the first industry to be targeted—banking—reached its quota of over 80 per cent Saudisation in 2004, with 19,500 Saudis in a total workforce of 23,800, and 99 per cent Saudisation in the (segregated) women's branches number. In contrast, in the private industry, Saudisation in 2004 was generally 15 per cent (Hassan 2004). However, by 2008, with an industry rate fixed at 30 per cent Saudisation, the *Saudi Gazette* stated that there were widespread general exemptions from the quotas. These exemptions included contracting, maintenance, cleaning and operations, which ranged up to 20 per cent; industries such as agriculture and transport; and occupations such as pharmacists (Al-Johani 2008). As part of this strategy, the government increased fees for foreign workers' visas and now uses these funds for further training (Ramady 2010). The succeeding development plans maintained this pressure, increasing national workers from 36.9 per cent in 2004 to 39.2 per cent in 2009, and attempting to increase the female participation rate from 10.3 per cent to 14.2 per cent (AlMunajjed 2010).

The Saudisation policy in its various manifestations did not achieve the government's goals. The percentage of non-nationals in private labour grew to 90 per cent in 2009 and the Saudis' participation rate decreased from 13 per cent to 10 per cent in the same period (SAMA 2010). Interestingly, the SAMA did not report these figures in its 2011 report, although it showed that targeted growth for the 2004 to 2009 economic plan was 3.2 per cent per year (see Table 19.6), when it was actually 12.8 per cent per year.

As Saudisation was not enforceable through the penalty system, in June 2011, the Saudi government announced a new employment programme—Nitaqat ('ranges' or levels). This restricts exemptions from Saudisation, increases quotas, enforces harsher penalties for non-compliance and strengthens skills development. The Ministry explained that Nitaqat evaluates firms' national and non-national employees and hiring ratios, depending on the number of Saudi jobseekers within that industry sector. The Saudi labour market sectors increased from 11 to 41, and applied varying percentages to firms, depending on size and industry. These firms were then categorised into one of four levels—from non-cooperative to cooperative—and were classified as red, yellow, green or blue (Randeree 2012).

Organisations in the red category—the most uncooperative—were not allowed to obtain new visas or renew their foreign employees' work visas if they had not improved their status by 2011. Non-complying firms, classified as yellow, were not able to extend their existing expatriate employees' visas beyond six years if they did not improve their status by 2012. The green category was for firms achieving their target. These firms could offer jobs to expatriate staff employed by corporations in the red and yellow categories and could transfer their visas. Firms in the highest blue zone could hire expatriates with minimal administration (Randeree 2012).

The blanket enforcement of quotas under Nitaqat had predictable consequences. *Arab News* (2012, 11 December) reported a hygiene emergency caused by striking street cleaners in Jeddah. The contractor could not find any Saudis who were willing to work in rubbish removal, and the contractor was subsequently unable to escape the red category. Nitaqat made it impossible for the contractor to renew residency permits for its workers, and the costs for labour and residency permits were raised to SR2,400 each per annum. However, the Ministry refused to negotiate with the contractor, and issued new permits for other firms to use.

In August, the Eastern Province Chamber of Commerce and Industry (*Arab News* 2 August 2012b), said that investors in the transport sector plan to submit a complaint against the Minister of Labour (responsible for Nitaqat) to King Abdullah regarding losses of SR200 million from transport companies, on the grounds of non-consultation, which the Minister rejected. The Chamber executive stated that, at one stage, 50 per cent of transport activities were brought to a standstill because of their inability to cope with the demands of Nitaqat. The difficulty of finding qualified Saudi drivers who would accept the risks of the job resulted in a loss in the Eastern Province and trucks lying idle. There were to be no exemptions from Nitaqat, even though, as stated by Fahd Al-Shoraie, the deputy chair of the Eastern Province Chamber of Commerce and Industry:

> Seventy percent of our problems are related to Nitaqat regulations. We advertise for qualified Saudi drivers but none apply. We contacted the Labour Ministry and the Human Resources Development Fund but we still have no drivers. We have raised salaries and offer other perks but to no avail (*Arab News* 2 August 2012, p. 1).

Nitaqat also aims to accelerate women's employment, train employment seekers, introduce a minimum wage and protect the rights of employees (Jabarti 2011). The short-term target to obtain an accurate census of Saudi jobseekers is 2013. By this date, the government aims to gather data to form benchmarks from which to reduce the unemployment rate. Following this, 2014 is the target to reduce expatriate employees in the private sector by 20 per cent. The long-term strategy of Nitaqat extends to 20 years and full employment. Nitaqat has attracted argument from foreign workers who have few rights, and from those who claim that Nitaqat relates to quantity and not quality. It is argued that Nitaqat will lead to firms becoming non-competitive and thus failing (Randeree 2012).

To encourage youth into the labour force, the Director of the Human Resources Development Fund introduced an unemployment payment (Hafiz) of SR2,000 in November 2011. Six hundred thousand people were declared legitimate and signed up for this repayment, against reports of 1.5 million applications. However, the Director noted that urban youth refused to update their details, and there were reports of people rejecting jobs that offered SR8,000 ($US2,133) per month. The Hafiz programme, with its objective of youth employment, was to be reassessed after one year. Even though the Ministry of Labour claimed that 380,000 young Saudis were employed during this year—five times the rate of that under Saudisation—the scheme was abandoned in November 2012 (*Arab News* 13 August 2012, 23 November 2012).

By December 2012, frequent complaints by employers of being forced to hire unqualified, inexperienced and risk-adverse Saudi youth removed from Hafiz resulted in a new tranche of Nitaqat. *Arab News* (19 December 2012), which frequently reports unpalatable criticism, stated that the Ministry of Labour would instigate a version of the employers' Nitaqat that would not only placed young Saudis in jobs, but would keep them employed. Similar categorisations to employers—red, yellow, green and platinum—were designed to instil a work ethic in young Saudis. This work ethic is comprised of commitment to the assigned work, compliance with work contracts and inability to quit without giving notice. The

system will clearly define the employer–employee relationship in order to avoid the high rate of job desertions that result in significant business costs.

2.5 Chapter Summary

This chapter presented a brief review of the Kingdom's attractions by discussing its history, traditions, natural landscapes and rapidly emerging tourism infrastructure. This infrastructure highlights how the government is pursuing diversification from the oil revenues that continue to dominate the economy. The *hajj* and leisure activities pursued by pilgrims after they complete their devotions can provide the diversification that the economy requires. Deepening the private sector through assisting entrepreneurs to establish tourism services for the *hajj* outside the government controls would enable younger people to move into the hospitality industry through the internet, thereby providing activities, transport and day trips to regional locations, and thus leading them to hire employees as guides and agents.

This chapter also described the global tourism industry and explained its increasing importance. Emerging economies first use tourism as a means of income and diversification into service industries, then locals travel themselves as incomes rise and leisure time appears. Religious tourism is an ancient form of travel for pilgrims to reach revered sites, and Saudi Arabia is the epicentre of this phenomenon for Muslims, with the *hajj* being the largest pilgrimage in the world. The Saudi government seeks to use this growing industry to diversify from oil revenues, and is spending considerable sums on infrastructure and encouraging the private sector to invest in hotels, transport, services, leisure activities and resorts.

Employment for Saudi's youthful population is a long-standing aim of the Saudi government; however, until recently, employment targets were unattainable due to employer preferences for non-nationals who are flexible, experienced and competent. Similarly, potential employees do not seek service jobs; they prefer status titles and salaries that are currently in excess of their ability to perform. This led to the Nitaqat programme

being implemented in 2011, in which strengthened incentives and penalties have forced the labour participation rate up and have arguably forced the unemployment rate down, although the situation for women's employment remains unclear.

Chapter 3: Literature Review

The literature on the effects of globalisation and cross-cultural issues in national workplaces generally concerns the integration of non-nationals into a firm's 'culture'—that is, the policies, norms and practices. When building cross-cultural teams—or globalisation—the home country management and host country workplace can differ in their fundamental worldviews, both individualistic and collective. In the case of a wealthy country such as Saudi Arabia, which has a half-century tradition of development built on foreign labour, the global workplace has taken hold in the private sector as an efficient and temporary model to complete a project. As the economy has matured, service firms have arrived and again used the global model in the workplace. Since Saudis were only employed in the public service until the 1990s, there was previously little need for concern.

This literature review presents an overview of the international approaches to workplaces, and then describes the shifting nature of the Saudi workplace, with its two tiers of legislation, the evolving labour law for Saudis, and the labour contracts for non-nationals who have temporary visas and few underpinning rights regarding their working conditions. The leadership of more stable workplaces is discussed as largely foreign contracted managers for the hospitality industry in Saudi Arabia. Arab management is discussed in terms of the aloof and autocratic descriptions that are traditionally presented in the literature (e.g. Hofstede 1983). Cultural theories are then presented, in terms of divergence, cross-divergence and the intersection of cultures that occur with customer service. Following this, employment policies are discussed alongside researchers' views on the quality of data in the sector, Saudisation and the need for effective intervention by policymakers for further implementation.

3.1 Arab Management

There is a large body of research about the effects of national culture on organisations. Gerhart (2008) and Morden (1995) addressed the constraints of national culture on

organisational culture, Attiyah (1996) and Choudhury and Al-Sakran (2001) discussed expatriate acculturation in the GCC countries, and Rodsutti and Swierczek (2002) considered leadership effectiveness in southeast Asia.

As the social environment influences management styles, a non-Arab manager moving into a Saudi hospitality workplace can be confronted with cultural mores and norms that conflict with staff relationships and thus customer service (Saee 2006). An example of the literature on this matter is Morden (1995), who stated that, given a global society, organisations remain bound by the domestic culture. Members of the national workforce are products of their culture, and their behaviours reflect this when they become expatriates. Morden (1995) referred to Hofstede's four dimensions of cultural diversity: power distance, collectivism versus individualism, masculinity versus femininity and uncertainty avoidance. In this regard, Morden (1995, p. 16) stated that 'cultural interpretation and adaptation are a prerequisite to the comparative understanding of national and international management practice'. Empirically, this knowledge can then be used in human resource development for the 'effective development of skills and competences appropriate to the different market and operating environments of those countries and cultures' (Morden 1995, p. 16).

3.1.1 Saudi Workplace Culture

When entering a Saudi workplace, an expatriate recruit finds a homogeneous, hierarchical and paternalistic culture (Noer et al. 2007). Saudi Arabia has few immigrants due to legal and religious tenets. However, with its oil wealth and modernisation of society, it does have a high proportion of foreign workers on labour contracts who are expected to conform to the Saudi traditionalist culture (Sadi & Henderson 2005). The incoming non-Arabic manager is presented with three options of management style, according to Özbilgin (2008, p. 22), who explained these approaches as 'drawing upon individual tolerance and self-control', 'trial-and-error processes coupled with personal relationships' and 'setting up transnational cultures'. When managing cultural differences as an outsider, Özbilgin stated that this approach stems from a belief by the expatriate that some difference is legitimate,

and thus is merely ignored. The trial and error method is where parties consult to attempt to understand each other's positions. However, unless the norms and cultural assumptions underlying the discourse are recognised, this is not a long-term solution. The third approach is to form a transnational culture—that is, to have shared cultural constructs. If this is not viable, organisations may adopt the international cultural workplace environment offered by professions or multinational corporations.

Referring to global diversity practices, Özbilgin (2008) stated that diversity management—that is, equal treatment and opportunity across race, age, gender, marriage status, sexual orientation and disability—does not apply in autocratic cultures, such as Japan, or those in which women are excluded, such as Saudi Arabia. Le Renard (2008) supported this view, stating that segregation of women in Saudi Arabia is not a consequence of tradition or conservatism, but has been increasingly imposed over the last 30 years of urbanisation and as the state's authority spreads through socioeconomic activity. Women have exclusive public spaces in educational institutions, hospitals, health clinics, government offices and restaurants. Le Renard (2008) opined that this has led to a female sphere of activities, in which state institutions place women in a distinct category. Saudi women have adopted this segregated social organisation by 'developing their own activities and discourses that are by women, and for women' (Le Renard 2008, p. 629). Thus, in the highly infrequent occurrence in which a female managerial position becomes available in a workplace, there is no opportunity for a teamwork approach, or for shared decision making.

According to the international consultants Communicaid (2009), there are core values in Saudi Arabian culture that are important—especially in the hospitality industry because of the high interaction between customers and service providers. These core issues include face, Islamic tenets and high context communication. The Saudi Arabian culture is characterised by the avoidance of confrontation, thus the issue of face is fundamental in daily activities (Noer et al. 2007). Customer service employees in the hospitality industry should demonstrate dignity and respect. In addition, face-saving techniques, such as compromise, self-control and patience, need to be practised by service providers in the hospitality industry. For Saudis in the industry, this should be less of a challenge, since this

is part of the Saudi Arabian culture. Understanding the influence of Islam on social and business encounters is also important. This is discussed in detail in the following section. A high context culture places greater reliance on the context of the discourse, as well as the content, in order to clearly understand communication. Communication in a high context situation is only interpreted correctly if the context is considered, including the environment, occasion and the speaker's gestures, both non-verbal communication and other bodily cues.

3.1.2 International Management

Researchers have not appropriately studied cross-cultural management, according to van Emmerik et al. (2006). Emmerik et al. (2006) noted that there is a greater diversity between managers from different cultures than there is between managers of different genders. Apart from the generic theoretical models of Hofstede (1980, 1983) and others, there are few specific cultural studies relating to expatriate and Saudi management styles and their effect on recruitment under Saudisation. Few researchers consider the effects of expatriate management from open societies on the religious-based workplaces of Saudi Arabia (e.g. Steers et al. 2010). Further, while workplaces in open societies should be able to accommodate cross-cultural differences through their diversity programmes, Cordesman (2003) argued that this is not always the case.

However, the long-term Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project (House et al. 2002) is based on a number of theoretical constructs: value/belief theory of culture (Hofstede 1980), leadership theory (Lord & Maher 1991), implicit motivation theory (McClelland 1985) and structural contingency theory for organisations (Donaldson 1993; Hickson et al. 1974). While only Turkey was included in the longitudinal study, the GLOBE project investigated the complex relationship between culture and organisational behaviour, focusing on leadership (Dorfman et al. 2012). The findings included evidence that national culture indirectly influences leadership through societies' expectations of leadership commitment—that is, organisational leaders tend to conform to the stereotype endorsed within their particular culture. In turn, the most

effective leaders conform to these beliefs, although leadership behaviours that are universally effective include charismatic/value-based leadership, while others, such as participative leadership, are much more culturally sensitive. Understanding the national culture is a precursor to effective leadership in every society.

3.1.3 Saudi Managers

Saudi management style reflects the tenets of Islamic Shari'a law (Hunt & At-Twaijri 1996). As such, a Saudi manager prioritises communication and friendship in the workplace, while organisational performance, goals and objectives are of secondary consideration. Ali (2008, p. 90) considered a successful manager in Saudi Arabia as someone who:

> looks after his family and other relatives and is always ready to lend a helping hand. He is the one who builds a reputation of being honest, wise, generous, and committed to his extended family and community.

Friendship and family bonds are essential to Saudi culture. Other aspects of Islam that influence productivity include:

- Managers and staff will work only six hours each day;
- Managers and staff pray five times each day;
- Friday is the week's end; and
- Further constrictions on hours of work are required during the fasting month of Ramadan (Kwintessential 2007).

Ali (2008) reported that, because the Saudi work culture has a low tolerance for unclear rules and ambiguity, traditional socio-centric management values form the organisational structure and rules for staff, thus subordinates are expected to simply follow instructions. Moreover, Saudi managers are more likely to adopt a style of management that serves their need for social affiliation, while having little regard for the wealth generated by most businesses.

For an expatriate manager, Saudi workplace issues can include basic matters such as internet accessibility (Al-Shohaib et al. 2010). Although managers from developed

economies assume that productivity is the driver for the adoption of information and communication technology, Al-Shohaib et al. (2010) found that the public and private sectors and decision-making style are factors in the decision to adopt the internet. Authoritarian decision making and organisational policy are predictors of adoption, with 93 per cent of private sector professionals using the internet, compared to 83 per cent in the public sector. Other issues can include the need for differing organisational tourism policies, marketing and prayer times and the increasing need to have community involvement when establishing new projects (Zamani-Farahani & Henderson 2010). However, researchers such as Yavas (1997) have noted that graduates returning from overseas study are introducing international management practices that are challenging the Saudi workplace attitude. This is eroding some of the cultural norms that affect profitability in businesses, and younger managers are placing greater emphasis on organisational performance, rather than their personal affiliations.

Cross-cultural training is particularly important in a country that can host two million Muslims each year on their religious pilgrimage, *hajj* or *umrah*. Religious tourists can come from nearly every nation, and business people and holidaymakers circle the globe. As transport and accommodation firms expand into new markets, they must acquire knowledge of local practices, polite behaviours and the norms that reflect the society. For the hospitality industry, customers reflect this diversity and not all are well travelled, so they easily adapt to a global standard of polite behaviour (Burton 2009).

This thesis relates to Saudisation in the hospitality industry. Since commencing this research, changes in government policy towards strengthening compliance to Saudisation (Nitaqat) have resulted in a significant employment increase—approximately five times the previous rate of Saudi employment (see Section 2.2.4). As previously noted, Nitaqat targets sub-sectors of the private sector, and job classifications within those sub-sectors (Bin Gharsan & Al-Masoudi 2012).

3.1.4 Effects of Management Style on Work Teams

Continuous development of the service industry heightened Saudis' awareness of cultural differences in their working environment. To some extent, the expatriate labour force mirrors the cultural diversity of the country's visitors, pilgrims and clients, and Saudi managers need to meet the challenge of leading a diverse hospitality team to serve a diversity of cultures. Managers need to develop an organisational culture that incorporates cultural sensitivity in customer services, manages complaints effectively and initiates service recovery in case of problems (Malhotra et al. 2005). Corporate success in international business can only be realised once managers develop a sensitive and open attitude towards the cultures of their employees, suppliers and guests. Training programmes for staff include language training so that staff can communicate effectively with customers in English and Arabic.

As discussed in Section 2.2.4, Al-Dosary and Rahman (2009) noted that hospitality firms, among others, are obliged to hire and retain a proportion of their staff as nationals, and this percentage will continue to increase. Sadi and Henderson (2005) posited that Saudisation has implications for the tourism and hospitality industry in two aspects. The first is that immigrant workers currently fill most of the jobs and positions in which locals prefer not to work because of low pay or simple preference. The second is that most hotels are dependent on expatriate management to run operations and for their technical expertise. If Saudisation is to be successful, the changes need to start from management positions that affect employment and recruitment.

Managers also have to be prepared to deal with problems that will arise while Saudis adjust to their new work environment and obligations. Manual work is not common among Saudis and is not held in particularly high regard. Therefore, there will be issues in control and discipline (Ramady 2010). Research of the labour market in Saudi Arabia has shown that expatriate managers generally prefer foreign workers due to their flexibility and acceptance of the working environment. In addition, expatriates show more discipline in executing their assigned roles and duties, partly due to their temporary work permits and because they

cannot achieve citizenship or residency, regardless of their work duration (Tayeh & Mustafa 2011). Foreign workers have few rights other than their work contract, and are completely dependent on their employers, who hold their passbooks and an exclusive contract. They cannot seek other work in the country. In contrast, Saudi workers are entitled to a highly controlled working environment, have little regard for productivity, have high job security and have the right to demand more pay.

In Saudi Arabia, the legal and structural environment for organisations is formed by Islamic values. Emphasis is placed on accepting the authority of superiors and respecting them, as well as focusing on forgiveness and compassion. However, Islamic values also include efficiency and proficiency (*ihsan*), intention (*niyat*), justice (*'adl*), cleanliness, conscientiousness (*itqan*), achieving excellence (*al falah*), truthfulness (*amanah*), consistency, sincerity (*ikhlas*), cooperation, discipline, consistent self-examination, dedication, patience (*sabar*) and accountability. Islamic practices affect the nature of interaction that takes place between management and workers, as they must meet and pray together twice a day, regardless of their positions, in order to enhance cohesion in the organisation (Fakeeh 2009).

Human resource management in the private sector has been evolving since the introduction of Saudisation. Human resource management in Saudi Arabia is in its early stages because management in the private sector and the government are experimenting with the recruitment of nationals into the hospitality industry. The recruitment and management of nationals is on the forefront of the agenda for private sector management. Firms must ensure that management is competent to enable nationals to communicate and engage with customers appropriately, and so that both categories are confident and motivated in their respective roles. Other competencies for managers include management of individual activities, performance management and performance systems.

3.2 Culturalism

In cultural theory, McGaughey and De Cieri (1999) conceptualised divergence by referring to a situation in which the content and form of function is affected by the culture. The authors contend that if businesses pay high regard to cultural differences, there is commonality or convergence in management practices (McGaughey & De Cieri 1999). When developing an understanding of convergence, England and Lee (1974) described a situation in which managers gradually embrace common values in relation to work behaviour and economic activity. Parallels were also found in managers' personal values of success, as 'more successful managers had pragmatic, dynamic, and achievement-oriented values, while less successful managers had more static and passive values' (England & Lee 1974, p. 411).

Convergence in management practices is expected to occur with globalisation. As trade and greater mobility of labour occurs, there could be significant changes in management values as market capitalism guides a shift in behaviour (Ralston et al. 1997). Since economic ideologies are similar in many nations, scholars have postulated that the individual value systems developed in each country will have similarities. However, owing to divergence, the national culture will continue to influence a country's value systems (Ralston et al. 1997). National culture forms values so that, even if a capitalist approach is adopted, the workforce's value system remains unchanged. Regardless of economic ideologies, individuals maintain their culturally influenced and diverse values.

'Crossvergence' describes a situation in which economic ideologies, as well as the national culture, affect the value systems that are used in a business environment. Thus, crossvergence describes a new value system that is influenced by both economic ideologies and national culture (McGaughey & De Cieri 1999). In the crossvergence model, the effects of economic ideology and national culture are a continuum. The Saudisation programme displays characteristics of crossvergence. Divergence and convergence show two effects of globalisation on values systems that parts of a society may adopt. The majority of societies, including Saudi Arabia, exhibit crossvergence. Globalisation and

emerging international business practices result in human resource managers who take different approaches to the task of managing labour (Brewster et al. 2008). There are additional factors to consider, including labour laws, different views on employee responsibilities and cultural differences.

Interestingly for the range of issues that emerge from this study, Martín-Alcázar et al. (2008) called for more research attention to be given to many aspects of human resource practices involving international workplaces. They stated that research is necessary on the strategic use of work practices, or how practices can be combined to form synergic systems. This complexity occurs at the intersection of globalisation and the actual workplace function in a variety of cultural environments. Multinational enterprises and firms involved in cross-border alliances thus need to revisit many of their traditional work practices. Taking a wider view across a variety of social and cultural contexts, Martín-Alcázar et al. (2008) stated that to assist organisations to manage and control a global workforce, research must explore global career systems, appraisal practices, international labour relationships and compensation mechanisms. Furthermore, globalisation produces new factors regarding HRM, such as expatriation and repatriation processes, transnational teams, diversity management and cross-cultural competencies development.

Convergence, divergence and crossvergence are concepts that relate to Saudisation. The major elements used in analysing these concepts are the values held by individuals. These individual influences are derived from theories of time change clusters and value evolution, as posited by Ralston et al. (1997). Ralston et al. (1997) grouped these influences into business ideology and sociocultural influences that affect HRM policies and practices. Ralston (2008) later introduced the term ‘economic ideology’ to identify socialism and capitalism as the two main economic ideologies in the world today. Ralston explained that these economic ideologies are derived from political systems; however, they are not the same as legal and financial concepts. Capitalism is associated with individualistic ideology, while socialism is associated with group ideology. Ralston coupled eastern culture group ideology and socialism, thus influencing the decisions made in areas of work and employment.

Another dimension of convergence occurs when macro level variables, such as technology and organisational structure, are considered. However, the behaviour of the people within organisations will continue to exhibit dissimilarities stemming from cultural differences (McGaughey & De Cieri 1999). Brewster (2004) came to a similar conclusion, suggesting that HRM practices cannot be separated from their institutional contexts. These practices are similar in that decisions regarding business strategies are made based on a holistic view of the actors in the system. In this situation, collectivist and individualist cultures underpin the globalisation of the workplace.

Other theorists in HRM have discussed the concept of isomorphism. Isomorphism states that organisations adjust their practices and policies to reflect the institutional and cultural realities presented in the countries that host them (Westerduin 2010, p. 24). The hospitality industry in Saudi Arabia had to adjust its practices to include the parameters set by Saudisation. The international management in these organisations structures their business strategies to accommodate the legal requirements in their host society. On arrival in the country, global organisations encounter a national work ethos with a negative attitude towards services and physical labour. In reaction to this, the new operational managers use imported labour (Brewster et al. 2008). After the introduction of Saudisation, a different recruitment practice was adopted.

Duality theory can occur when organisations encounter conflicting pressures from different sources that have opposing effects on the local practices of the host society (Brewster et al. 2008). Structural and operational pressures can also affect organisations, including ownership type, size, strategies and market conditions. For instance, most organisations in the hospitality industry import labour as a result of Saudis' disinterest in customer service. Saudisation affects management decision making because workplace practices must adapt to accommodate the special needs of Saudis, and profits are affected by Saudis' demands regarding wages and working conditions. Ralston (2008) noted the flexibility and dynamism of international organisations and that these firms are adept at changing their policies and practices to accommodate local legal and social requirements. The success of

an organisation is dependent on how effectively it can adapt its business model, corporate culture and local operations to achieve its profit margin. The feasibility of this international corporate model is dependent on its growth potential (Ralston 2008).

3.3 Workplace Behaviour Patterns

One aspect of this employment for Saudis who could not previously access work is management of their expectations. Especially in smaller firms, line managers are confronted with untrained recruits who do not understand workplace behaviour, and have little or no experience of teamwork, or customer or supplier interactions. Mohsin (2006) noted a culture-based behaviour pattern in communications and interactions between suppliers and employees, and between customers and hotel services. The hospitality industry has persistent cross-cultural challenges in staff service performance and market expectations. Mohsin (2006) noted that Saudi staff had received service in the past; however, this did not necessarily lead to assessment of customer service practices that could be used in employment. Hospitality managers needed awareness of the various nationalities' responses, both as staff and customers, and this required a high level of skill in communication.

3.3.1 Customer Service

A 'service encounter' is the interaction that takes place between the service provider and customer. Bitner (1990) used this term to express the time involved when a customer is interacting with a firm, and the knowledge for the firm's representative that is critical customer satisfaction. Ekinci et al. (2009) studied the factors relating to customer satisfaction in the hospitality industry and found that the quality of the service—that is, the standard of service and staff behaviour—has a positive effect on the desire to receive ideal service and on consumer satisfaction. Ekinci et al. (2009) reported that consumer satisfaction is a better indicator of consumers' overall attitudes to the service firm than service quality. Thus, consumer satisfaction mediates the relationship between the two service quality dimensions—ideal service and intention to return. Strauss and Mang (1999)

explained that the way service customers perceive quality differs among customers. They found that intercultural encounters are perceived as less problematic than intra-cultural encounters, so there is an expectation by both parties that they may have misinterpreted perceived impoliteness.

If employees lack knowledge regarding the core cultural expectations in their services, there will be a perception of inadequate service by the customer. Therefore, staff should be trained in national preferences regarding services, and should be trained to respond accordingly. Prayag and Ryan (2012) studied visitor evaluations of interactions with hotel employees in Mauritius, noting that the island's core tourism product is based on luxury resorts, thus tourist–hotel employee interactions are important for the economy. They found that nationality, ethnicity and languages spoken were factors in the guests' opinions of difference, with nationality being the strongest discriminator of difference. Thus, firms should access information regarding service preferences for nationalities and find ways to fulfil these in service provision. Harris (2004) stated that staff should understand social distances for various nationalities, and gain some knowledge of frequent visitors' language and forms of verbal and non-verbal communication, such as gestures. They need to consider factors such as food preferences, meal times, eating habits, promptness for booking times, and work practices and habits. Harris (2004) pointed out the importance of cross-cultural sensitivity for employee performance. The 2012 (16 October) reported that the Saudi Commission for Tourism and Antiquities noted this issue and introduced a training programme on communicating and offering service to tourists in order to overcome cultural and other issues. This extended to security and service agencies, park rangers and taxi drivers.

Intercultural sensitivity influences the ability to interact with others successfully, and this skill should be acquired by all staff as part of their customer service (Sizoo et al. 2005). Once gained, this ability enables the flexibility to respond to a range of customer expectations and requests (Harris 2004). Especially in tourism, intercultural sensitivity facilitates communication between suppliers and staff, and between team members. Weiermair (2000) noted that lack of satisfaction during service encounters between

different cultures can also result in cultural conflict. In cases where cultural insensitivity occurs during a customer transaction and offence is taken, service recovery attempts can be made and these will determine the final level of customer satisfaction. If no attempt at service recovery is made, the customer can take the matter further. According to Weiermair (2000), appropriate apology and recompense for the customer can result in full restitution of the customer evaluation; in fact, the ratings can be higher. When customers are aware that failure has occurred due to cultural confusion, they may give the firm the benefit of doubt, thereby increasing the chances of service recovery success.

3.4 Employment Policy

Saudi Arabia's discovery of oil and the revenue that was generated from this in the 1970s resulted in major changes in the country. Before the oil boom, the Kingdom was characterised by a subsistence economy and minor religious tourism through the *hajj* and *umrah* industry. While Saudi Arabia has become a contemporary economy, youth employment is dependent on the reduction of the disparity in salaries and working conditions between the private and public sectors (Ramady 2010). The private sector must be made more attractive through the minimisation of wage differences, effective pension plans and social insurance similar to that in the public sector. As this occurs, the public sector must achieve governance and productivity that characterise the public sectors in successful jurisdictions. Ramady (2010) stated that the challenge to the Kingdom's decision makers is to identify key positive drivers that are already operating in the economy and to use these to lead the country forward in non-oil directions, while minimising the negative effects to society.

To address inherent unemployment, the hospitality industry has hired Saudis without specifying the job for which they are being hired. Therefore, they gain little experience as the government supports their wages for months (Al-Dosary & Rahman 2009). Although this represents a social welfare payment during the adjustment, over time, exposure to workplace conditions should develop employee confidence in the private sector and its growth potential and enable entry into the competitive labour market. Saudisation has the

potential to change the economic landscape of Saudi Arabia (Mashood et al. 2009). Overall, this should have a positive effect on the hospitality industry. However, to ensure that this happens, the government should be at the forefront of ensuring there is equity between the private and public sectors to reduce the attraction of the latter.

The emphasis of employment policies should be on skill development to allow young jobseekers to achieve job description standards and work-readiness. Vocational and educational training supports learning and work-readiness. However, many stakeholders have diffident views towards a career in the hospitality industry due to perceptions of the status of the work in a vocational field and because of the technical aspects of hospitality. These perceptions need to be addressed as part of the government's employment policies.

Awang et al. (2011) studied the perceptions of school students and apprentices on their image of technical education and vocational training. Interestingly, they found that students and apprentices did not agree 'that technical students and vocational trainees had low academic interest, tend to be juvenile delinquents, problematic and have low interest in furthering their study to tertiary level' (Awang et al. 2011, p. 1). Instead, they found that apprentices in the system appreciated the benefits of technical education and vocational training more than secondary school students, and predictors of views comprised attitude towards recognition of qualifications, work ethic, social values and applicability of course content. The authors advocated a higher profile for technical and vocational education and training credentials. They stated that nurturing a skilled workforce with a strong work ethic and good social values should be projected via the electronic media, and that occupations such as chefs should be promoted with the notions of working in luxury surroundings and having the chance to travel.

3.4.1 Assessing the Labour Market

While the government is undertaking a review of jobs and the Saudi workforce, statistics remain an issue in the Kingdom due to porous borders and a lack of rigour in work permit and visa enforcement. Flynn (2011) stated that, until the 2003 census, which contained few

questions on employment and unemployment, and the more recent 2011 census, for which data have not been released. Baldwin-Edwards (2011) observed that Saudi Arabia, in common with the GCC countries, has a constrained history of demographic and labour market data collection, which may emanate from a desire to suppress sensitive data. For demographic data, this could be attributed to the size of the foreign population and because such information could harm national interests. The quality of labour market data follows this contention. Although there is dated information on nationals' employment, and especially unemployment, there is no unemployment insurance system, so that few people were registered as unemployed until 2011, via the year-long Hafiz payment (see Section 2.4.4). Substantial informal employment within families could account for Saudi women's participation rate of 17 per cent in 2010 and unemployment of 16 per cent in 2009 (Baldwin-Edwards 2011; World Bank 2012). Baldwin-Edwards (2011) attributed the paucity of employment data to a more favourable stance in the media, which focuses on Nitaqat successes (see Section 2.4.4). There is little data on immigrant populations because no statistics have been previously kept on accompanying family members that do not have work permits. In addition, irregular migrants, as in every country, are unknown.

Not only should the true unemployment levels be ascertained, the economic needs of different sectors in the society should be investigated to establish the current situation and project the future needs of various professions and job categories. This could assist investors and policy makers in the hospitality industry respond in terms of current certification and tertiary qualification output, and determine what is necessary to expand by using Saudi labour. Idrees (2011) studied employment practices among five-star hotels for the religious tourism and hospitality industry in Al Madinah, and found that there are a few very large hotels in intense competition, but there is also internal cooperation. An oligopoly is characterised by few suppliers, a strategic interdependence and a state of tension between self-interest and maintaining the status quo. As well as standardising offers and prices, these hotels assist each other through information on potential or unwanted employees, and troublesome staff or clients. Singapore provides an example of public–private partnership, where the sectors cooperate to align employers' needs with the outcomes of the vocational and technical training sector. This has also been explored in Saudi Arabia (Mellahi 2007).

3.4.2 Marketing Employment Initiatives

Youth employment initiatives can be readily adapted to electronic media. Entrepreneurship is not well understood in Saudi Arabia, despite there being a similar proportion of small firms in the business sector compared to global averages. There is a lack of information and support in the form of business incubators, although, as stated by Rishi (2012), there are a few successful start-ups, such as Glowork.net. This website bridges the gap between Saudi employers and potential women employees, and is supported by several universities and the Ministry of Labour. It uses the internet to connect women who want to work from home with potential employers who address restrictions on women's movements in public places. Another entrepreneur has invented an online game that quickly achieved success and was sold to Turkish interests.

Rishi (2012) mentioned another website that features inventions and ideas by young Saudis who use social media for crowd sourcing (crowd funding). Entrepreneurs present details of their projects on the website in order to gain small contributions from many people to fund their initiative. Success for such endeavours is a good indicator that the Saudi public is interested in these novel forms of employment, and can encourage young entrepreneurs to start new businesses and improve the economy. Fakeeh (2009) called for open debate among stakeholders to fully address the lack of progress in Saudisation. This exhortation, together with widespread interest from the industry and researchers, led to the introduction of Nitaqat. Nevertheless, the private sector has the challenging task of implementing and maintaining these policies. All the political and economic efforts by the government have a direct effect on training policies, education and management activities. Thus, managers need to develop new recruitment strategies (Fakeeh 2009). Educational reforms should not be left to the government alone, but should include private sector trainers with the capacity to implement these new educational policies. Firms can contract these institutions to train their new employees (Westerduin 2010).

While these policy initiatives are clear in intent—with the Labour Minister calling for the creation of three million Saudi jobs by 2015 and predicting that six million will be necessary by 2030—employment generation is Saudi Arabia's main challenge (International Conference of Economics and Finance Monitor 2012; *Saudi Gazette* 11 February 2012). As discussed in Section 1.2, AlMunajjed and Sabbagh (2011) explained that the accepted pathway into the private sector was for youth to have work experience and internships while studying to gain workplace knowledge and understand their role in the enterprise. This has not occurred in the majority of large Saudi enterprises, which are not engaged with local schools or tertiary institutions.

AlMunajjed and Saba (2011) posited that the structure of the Saudi labour market precludes youth employment, as there is a global supply of productive labourers who accept entry conditions and wages. This acts as a disincentive for employers to employ and train Saudi youth. They reported that voluntary unemployment among GCC youth during summer holidays or for longer periods was caused by preferences for travel, relaxing at home or not being ready to look for work, and that 19 per cent of those studied reported that they lacked opportunities for work. While the International Labour Organisation reported voluntary unemployment among global youth as being at 49 per cent, according to AlMunajjed and Saba, this reached 71.1 per cent in Saudi Arabia in 2009. The authors attributed this partly to women's very low labour participation rate (16.5 per cent). Youth intransigence when settling into private sector jobs, given the onerous working conditions in the industry, has recently been met by Nitaqat (AlMunajjed & Sabbagh 2011; *Arab News* 19 December 2012).

3.5 Summary

This literature review considered the tourism industry, workplaces and Arab management, and the effects these have on youth employment. Saudi workplaces, particularly in the hospitality industry, are characterised by foreign service labour and foreign executives, with little official data upon which of these to base planning and Saudisation, although there is a claim of over 20 per cent in the industry. Thus, Saudis tend to hold positions of

rank, but arguably of little substance. They are viewed by management as a necessity in order to gain the right to access the flexible, qualified and experienced labour for the 80 per cent of the hundreds of thousands of job classifications in the tourism and hospitality industries.

The bulk of the tourism industry in Saudi Arabia focuses on the *hajj* and associated *umrah*. This source brings increasing numbers of religious tourists from all parts of the globe, and, while all are Muslims, they uphold very different customs and values. These differences in social behaviour require hospitality staff to be sensitive to tourists' varying needs and requests. This is one of the major issues of customer service, as the Arab culture is not conducive to personal service; thus, there are few Saudi customer service positions, despite the need for nationals as at least a first contact for customer arrivals.

Employment policy was discussed in Chapter 2. It is evident that the bulk of literature calling for stronger measures for Saudisation has been heeded by policy makers. However, calls for transparency in unemployment and industry data, and estimates of the actual size of the non-national labour force from the recent census, have not yet found their way into the public domain. Despite concerns from researchers and the industry that Nitaqat is a simple numbers exercise that will result in few permanent jobs for Saudis, there appears to be some apocryphal data in the news of increased entrepreneurships, and that the numbers employed through Nitaqat in just one year are equal to those employed in five years under Saudisation.

While there remain issues regarding the quality of the youth workplace experience, the rigour of the education system (particularly the vocational and technical training sector) and the commitment of Saudi youth to hospitality firms, progress is certainly occurring. It remains to be seen whether this will be a watershed solution for Saudi stakeholders to improve the future of their youth, or whether this will once again prove to be an ineffective policy.

Chapter 4: Methodology

The study to this point has provided the introduction, the context of the problem of Saudi youth employment in the hospitality industry, and the literature that informed this study, given the paucity of direct evidence. In this chapter, the primary research is presented by explaining the research design, the method of data collection and analysis, and the processes of the research.

There are two main approaches for a research methodology. It can be quantitative, in which data are quantifiable or measurable; or it can be qualitative, in which the data analysed are subjective and determined through experience and knowledge (Kothari 2009). An in-depth research study can incorporate both qualitative and quantitative data collection methods; however, this is constrained by time and financial issues.

A clear research methodology is necessary in academic research when the main goal is to test the hypothesis or the available theories. An appropriate design should be established to ensure that the research is valid—that is, to verify causes of extraneous variables and test the acceptance or rejection of the hypothesis. If this is achieved, the research is considered valid and reliable because the results are consistent (Kumar 2010). The main purpose of research methodology is to document the step-by-step procedure of how the research is conducted. The study design typically includes data gathering using questionnaires, interviews, experimentation and observation. The terminology of the research methodology is referred to as 'methods of research' because it encompasses the different procedures that need to be followed to analyse and interpret the gathered data. These require a wide range of statistical tools to analyse the complex data and identify associations and/or significance in the results (Tashakkori & Teddlie 2008).

Research methodology is a platform-based structure in which the systematic approach to managing the research process is well organised and written. It plays a major role in constructing and drafting the whole research process. The research process should start

with the title identification and problem formulation. Once the problem is formulated, the methodology begins, with the systematic procedures for answering the problems posed for investigation drafted to result in valid conclusions and recommendations. The key concepts in the conduct of research should be presented, particularly when the scientific research aims or attempts to correct and avoid misconceptions in the scientific process of research. In all research, it is important that the methodology be presented systematically to showcase the step-by-step procedures in the conduct of the research. These procedures were performed in this study to carefully address the issue being examined. All important issues and problems were discussed and considered in order to arrive at a valid conclusion and formulate meaningful recommendations that will serve as a guide to improve the area of study (Flick 2009).

This methodology chapter describes this study's research methods, population and sampling selection process, and ethical considerations. The two forms of data collection and analysis are presented. First presented is the quantitative method, which used a questionnaire given to hospitality and tourism managers in Makkah and Jeddah. Second presented is the qualitative method, which was intended as face-to-face interviews for policy makers in the Ministry of Labour and the Commission for Tourism and Antiquities. However, as aforementioned, interviews were not possible because the responsible administrators were in Riyadh. Instead, they supplied written responses to open-ended questions. This chapter completes with a presentation of the mixed methods analysis that was adopted to enrich the findings.

4.1 Research Methods

The aim of this study was to identify factors in Saudisation in the hospitality sector from the viewpoints of the public authorities, industry managers and Saudi youth who seek careers in this sector. The data collection sought the views of these stakeholders by identifying factors that may inhibit or accelerate the replacement of expatriate staff with qualified nationals. The research questions that supported this aim were as follows:

1. To identify the main factors impeding the recruitment and retention of Saudi hospitality graduates by using the literature and surveying relevant authorities in Makkah and Jeddah;
2. To survey the perceptions and experiences of managers and employees regarding factors that could improve Saudisation in the hospitality sector; and
3. To identify Saudisation policies and practices relevant to the sector and establish their efficacy.

A research design must be established in order for the research to follow. Qualitative research is sometimes regarded as subjective because it is more subjective than the actual meaning and includes an examination of, and reflections on, the researcher's perceptions from gaining a clearer understanding of humanity and its social activities. Quantitative research differs because it is objective in nature and includes collecting and analysing numeric values that enable the use of different statistical tests (Tashakkori & Teddlie 2008). There are two overarching paradigms of research design, according to Flick (2009). The first is a natural concept in which human behaviour follows a causal set of conditions, and there is a sequential set of actions modelled on the natural sciences. The second is an interpretive paradigm in which human actions are predicated on norm-governed institutions and practices. This is typically associated with interpretative qualitative approaches (Flick 2009).

A mixed method design is a triangulation method in which the quantitative research result is supplemented by qualitative findings—that is, they are complementary (Creswell 2009). A sequential mixed model design was used in this study, with the quantitative (hotel managers) and qualitative (policy makers) phases separate. The conclusions were made based on the results of the first strand—the quantitative phase—and these were then compared to the qualitative phase. Triangulation was applied in this study to cross-validate and confirm the results from the study (Creswell 2009).

Instrumentation is also part of methodology. The instrument is a testing tool or device used to measure certain phenomena. It includes survey questionnaires, structured interviews and

guidelines established for an in-depth investigation. This study's instrument was constructed to establish the profile of the respondents. The researcher should also validate the instrument using different methods of validity and reliability testing. Once the validity and reliability have been established, the researcher can be confident in the quality of the research. Statistical treatment is also an important part of a research survey. Statistics play an important role in answering the problem posed for investigation. An accurate statistical tool yields meaningful results (Kumar 2010).

The current research focused on the management issues and employment opportunities in relation to the Saudi Arabian government's Saudisation initiative. A clear research design needed to be clearly stated to achieve the informative results of benefit to the government regarding Saudisation. By using a triangulation design, research achieves both reliability of the data and validity of the findings. The results derived from the data analysis of the survey questionnaire responses were supplemented by the interview results (Creswell 2009). The survey questionnaire focused on views about the Saudisation process and the benefits of its implementation. The interviews occurred after the instrument was distributed.

Once the information was obtained from the survey instrument, interviews of some government personnel and luminaries in the field of the Saudisation initiative were scheduled. The results of the two approaches were subjected to strict information capture procedures to ensure consistency of the analysis results, using the triangulation process in which the two research approaches complemented each other (Creswell 2009). A basic distinction between the quantitative data and the qualitative data is the principle of how data may be analysed, as it simultaneously reflects the varied traditions, philosophies and practices of diverse social science disciplines. Qualitative data provides more detail regarding the subject under consideration, while quantitative information appears to provide much more precision, but gives only a partial description (Flick 2009).

The function of an investigation design is to ensure that the evidence obtained enables the research to answer the initial question as unambiguously as possible. Obtaining relevant

evidence entails specifying the type of evidence required to answer the analysis question, to test a theory, to evaluate a programme or to accurately describe some phenomenon (Tashakkori & Teddlie 2008).

Especially in the tourism industry, in which the importance of destinations in tourism has expanded across the globe, the use of quantitative and qualitative techniques have grown momentum. Stakeholders of the industry, including operators, destination managers and governments, need to make more informed decisions on policy and planning. Qualitative research is a well-established approach to investigating phenomena in the social sciences, and is gaining greater acceptance through other fields (Tashakkori & Teddlie 2008). This acceptance is due to the qualitative method, which has the ability to provide rich, in-depth data from multiple viewpoints, especially with regard to tourism-related knowledge and experiences.

Research design originated from European-influenced logic, and, until recently, studies of tourism phenomena were founded in developed country contexts. There was an assumption that these concepts and dimensions are universal and that different cultures interpret the world under these conditions. However, many theorists now consider this assumption flawed, and tourism phenomena should be explored through data collection and analysis of many cultures (Dwyer et al. 2012).

Qualitative analysis is a method to structure understanding by using enquiry techniques that emphasise subjectivity and the meaning of knowledge to the individual. Qualitative study is an inductive method to discover or expand understanding. It requires the researcher's involvement in identifying the meaning or relevance of a particular phenomenon to the individual. A qualitative investigation strategy might take several forms, including phenomenological, philosophical, historical, grounded-theory method or ethnographic research. The difference between qualitative and quantitative analysis is not completely clear (Silverman 2011).

Similarly, research styles are frequently equated with qualitative and quantitative study methods. Social surveys and experiments are regularly viewed as prime examples of quantitative research and are evaluated against the weaknesses and strengths of statistical, quantitative research strategies and analyses. The objective of a study style is to minimise ambiguity in the investigation's evidence. There are two associated strategies for achieving this: eliminating rival explanations of the evidence and deliberately looking for evidence that could disprove the theory (Kumar 2010).

This study on Saudisation used the triangulation method. The triangulation method uses the two research approaches, with the qualitative approach supplementing the quantitative approach. An analysis design is a framework for collecting and analysing information. It is designed to generate evidence and is suited to a certain set of criteria and research questions. Thus, it is defensible (Bryman 2008). The dimensions of the research process include the importance attached to:

1. Expressing causal connections between variables;
2. Having a temporal (as time passes) appreciation of social phenomena, their interconnections and process;
3. Understanding behaviour and what that behaviour means in its specific social context, including validity; and
4. Generalising to larger groups other than those who were part of the investigation, and deciding on sample size (Kumar 2010).

In the social sciences, triangulation is frequently employed to indicate that more than two methods are used within a study with the aim of double-checking outcomes. With this method, a researcher can be far more confident with an outcome if diverse methods result in exactly the same outcome. If an investigator uses only one method, the temptation is strong to believe its findings. If an investigator uses two methods, the results may be contradictory. By using three strategies to acquire the answer to one question, the hope is that two of the three will create equivalent answers, or, if three clashing answers are produced, the investigator will know that the query needs to be reframed, the methods reconsidered, or both.

Triangulation can be employed in both quantitative (validation) and qualitative (enquiry) research and is a method-appropriate approach for establishing the credibility of the qualitative analyses. It is an alternative to traditional criteria, such as reliability and validity, and is the preferred method within the social sciences. By combining several experts, ideas, methods and empirical materials, researchers can hope to overcome the weaknesses, intrinsic biases and difficulties that arise from single-approach, single-observer and single-theory studies (Creswell 2009). Thus, this study on Saudisation used the triangulation method because the survey questionnaire's findings were supplemented by the qualitative approach's findings.

4.1.1 Synopsis of Justifications for Research Design

To summarise, the justification for the various elements of the methodology are as follows:

- an interpretive paradigm was chosen as it is associated with interpretative qualitative approaches (Flick 2009)
- a mixed method approach was used as this is a quantitative study, which was used to answer sub-question 2; whilst a qualitative approach was used to answer sub-questions 1 and 3; the two sets of results were then compared (section 5.3) (Creswell, 2009)
- to gather quantitative data, a questionnaire was chosen as the best method to collect large amounts of data efficiently. For the qualitative data a number of interview questions were selected to gather data from interview participants.

4.2 Sampling

Determining the appropriate number of participants should be done by using a random sample to avoid or minimise bias. This study examined how Saudisation affects all sectors in the study's target industry of hospitality; thus, the government's policies and the views of the various ministries' representatives were important. The qualitative data collection included interviewing at least four senior bureaucrats who were involved in Saudisation—

two in Makkah and two in Jeddah—to determine the government's position and views on Saudisation in the hospitality industry, including issues and opportunities for jobs in the sector. Therefore, this was a targeted sample, although there was a random factor because the identities of those available for the interviews were previously unknown (Bryman 2008).

Sampling can be classified as probability sampling or non-probability sampling. Probability or random sampling is a selection method that ensures every participant has the same probability of being chosen. Random sampling ensures that a sample is representative of the larger population. It can be straightforward random sampling, stratified random sampling or cluster sampling. Non-probability sampling is a selection method that does not involve random sampling—that is, the possibilities of inclusion and the degree to which the sample represents individuals are unknown. The potential for sampling bias is the key problem with non-probability sampling. The types of non-probability sampling are convenience sampling, purposive sampling and quota sampling (Rubin & Babbie 2008).

When discussing sampling, the first consideration is to determine how many participants are needed in the study. It is also important to consider the population from which the researcher selects a sample of individuals, so that conclusions can be drawn from the data.

4.2.1 Population and Sampling Factors

A population is commonly understood to be a natural, geographical or political variety of people, animals, plants or objects. At an early stage of the study planning, the population under consideration should be clearly and explicitly defined in terms of location, time and other relevant criteria. The appropriateness of the study population refers to its suitability for attaining the study's objectives. The selection of the study population on the basis of suitability usually affects the validity of subsequent generalisations from the findings (Neuman 2011).

The sample is a subset in the population selected to gather data for analysis. Each unit inside the sample offers a record—an observation. Issues involving the selection of individuals for research include the appropriate number of participants to lessen the bias in the outcome. Factors in determining the appropriate number of respondents for the sample include the purpose of the study, the population size and the sampling error. Criteria that determine sample size include level of confidence (precision), risk and variability. The level of precision—the sampling error—is defined as the range in which the true worth of the population is estimated. The risk level is based the Central Limit Theorem—that is, when a population is repeatedly sampled, the average worth of the attribute obtained by these samples is equal to the true population value (Lohr 2010). Furthermore, the values obtained by these samples are distributed commonly concerning the accurate value, with some samples having a larger value and some a lower score than the accurate population value. In a standard distribution, around 95 per cent with the sample values are within two standard deviations from the correct population worth (e.g. mean).

The third criterion—the degree of variability in the attributes being measured—refers to the distribution of attributes inside the population. The more heterogeneous a population, the larger the sample size needs to be to obtain a degree of precision. A proportion of 0.5 indicates the maximum variability inside a population, which is typically employed in determining a far more conservative sample size, which might be larger than if the accurate variability in the population attribute was used (Lohr 2010). Several techniques are available to determine the appropriate number of individuals who represent a population, including employing a census for small populations, initiating a sample size from equivalent studies, using published tables or applying formulae to calculate a sample size.

Sample size is also affected by data collection and analysis. For example, quantitative analysis requires larger samples when using descriptive statistics, regression, analysis of covariance or log-linear analysis. The sample size should be appropriate for the planned analysis (Chou et al. 2011). The sampling techniques discussed concern random sampling. However, there are variations of this technique, such as stratified random samples that take into account the variances of subpopulations, strata or clusters prior to estimating the

variability in the population as a whole. Simple random sampling was used in this study, in which each unit in the population has an equal probability of inclusion. The samples were collected from hospitality firms who agreed to the survey of their managers in December 2011, and they are further discussed at section 4.4.3.

4.2.2 Synopsis of Justification for Selection of Samples

The sample for the quantitative survey comprised the hospitality and associated firms in Jeddah and Makkah. A purposive and stratified sample of participant firms was chosen from official lists on the basis of size, business and location (Neumann, 2011). As all firms are subject to Nitaqat, this was not so much a criterion for selection as to ensure that tourism management was widely represented in the survey. The qualitative sample was not under the control of the researcher, as an approach was made to the Department of Labour in each city with a request to interview at least two Departmental representatives in the hospitality or tourism sector. This was granted.

4.3 Ethical Considerations

Issues of moral action are key to all fields of investigation. Analysis participants at risk are people who could be harmed physically, emotionally, spiritually, economically, socially or legally by participating in a study. A standard responsibility of all researchers is to shield analysis participants from harm if they are participating in a study. Informed consent is the process of providing an individual with enough understandable data regarding his or her participation in a study project. This process includes supplying prospective participants with data about their rights and responsibilities with regard to the task, and recording the nature of the agreement. All consent forms require assuring potential participants of their right to withdraw from a study at any time. Confidentiality refers to the researcher's responsibility to shield all data gathered within the scope of the project from being divulged to others. Anonymity refers to the act of keeping individuals nameless in relation to their participation in an investigation project. The researcher may wish to obtain permission

from bodies that regulate the conduct of study investigations, particularly when subjects are human beings (Charmaz 2006).

For this research, permission was obtained to conduct the interview from the Ethics Committee, Victoria University. Furthermore, permission to conduct the interviews was obtained from hotel management before distribution of the surveys, and interviews with government representatives were arranged by the hotel management offices.

4.4 Quantitative Data Collection and Analysis

Questionnaires are frequently used for quantitative data collection. These can be administered by the researcher or can be self-administered. They can also be distributed in hardcopy or by electronic means (Bryman 2008). When developing the questionnaire for this survey, the initial requirement was to determine the sources of data that would inform the research questions. Thus, questions that comprised the qualitative data collection included factors raised in the literature, in government regulations and announcements, and in the news media. To canvass for further topics for the questionnaire, participants could add comments at the end of the interview. Depending on the literature assessment and categorisations used, six categories, with 29 variables, were constructed (see Simnett & Wright 2005). An instrument comprising questions was used to collect and measure data that were relevant to the research questions. This instrument was required to be correct, objective, sensitive and effective. Measures used to attain results for study targets include quantitative data that can be statistically analysed, or subjective data, from which inferences can be drawn. Instruments can include observation scales, questionnaires or interviews (Flick 2009).

4.4.1 Data Collection from Hotel Managers

For this study, management views were obtained through a written survey posted to the participants who elected to undertake the survey. These were employed by hospitality managers who were selected as representative of a range of large and small hotels,

restaurants and tourism firms in the two cities. Permission was obtained by telephone from management to undertake the surveys. The questions are categorised in Table 4.1. The five-point Likert scales were (Bryman 2008, Creswell, 2009, Flick, 2009, Neumann 2011):

- One: strongly disagree;
- Two: disagree;
- Three: no opinion;
- Four: agree; and
- Five: strongly agree.

A copy of the questionnaire is included in Appendix 1.

Table 4.1: Questionnaire Structure

Category	Type	Item
Demographics	Gender selection, multiple choice questions	10
Overview of the hospitality industry in Saudi Arabia	Five-point Likert scale	13
Comparing Saudi managers and non-Saudi managers	Five-point Likert scale	14
Saudisation factors affecting productivity	Five-point Likert scale	6

The instrument shown in Table 4.1 has four parts: the demographic characteristics of the respondents, the views of the respondents regarding the hospitality industry in Saudi Arabia, the perceptions of the hospitality industry by Saudi and non-Saudi managers, and the perceptions of Saudi and non-Saudi managers of the effectiveness of Saudisation on their firm's operations.

Gender selection and multiple choice questions were used to collect the participants' demographic characteristics, as these data were directly quantifiable. Multiple choice questions included nationality, age group, educational qualifications, years of residence in the Kingdom, years of experience in the industry, years of management experience in Saudi Arabia, the size and the type of firm in which the participant worked, and the participant's position in the firm.

The questionnaire had 13 items and the respondents had to agree or disagree with each statement regarding their views on the hospitality industry in Saudi Arabia. The questionnaire used a five-point Likert scale to identify the respondents' experiences and opinions on different issues on Saudisation. Similarly, a Likert scale was used to collect the managers' views on national and non-national managers and their views about the influence of Saudisation on their hotels' productivity.

4.4.2 Pilot Testing

Pilot testing is useful to test the effectiveness of an instrument in capturing the essence of the intended results. It is an important aspect to ensure the reliability and accuracy of the study's findings. The purpose of pilot testing is to determine whether any changes are needed to the questionnaire design, wording or instructions. Pilot testing is also important to ensure acceptance of the items in acquiring the required information (Creswell 2010). In this research, pilot testing was undertaken by emailing three of the researcher's colleagues who had connections with the hotel industry in Jeddah. These colleagues forwarded the questionnaire to their contacts, and the final survey was adjusted to incorporate their suggestions.

4.4.3 Validity and Reliability

In mixed methods research, quantitative data collection allows statistical analysis based on content validity that informs researchers how items used in a survey represent their category, how clear they are, and the extent to which they answer the research questions. Reliability refers to the consistency in results from the questions when repeated in other studies (Flick 2009). The validity of the instrument used and of the investigation's design as a whole are required to evaluate the value of the study's results. Internal validity refers to the likelihood that experimental manipulation was, indeed, responsible for the differences observed. External validity refers to the extent to which the results from the study can be generalised to the larger population. Among others, four forms of validity can be used for

the truth of an instrument: content validity, predictive validity, concurrent validity and construct validity (Messick 1980).

Validity presumes reliability because, if the measures are not reliable, they cannot be valid. Bryman (2008) stated that there are three measures of reliability, as follows:

- Time—if the question is not valid over time, there is no point measuring it;
- The question must measure one factor alone and cannot tend towards becoming another factor; and
- The question must have internal consistency so that participants recognise the measure and agree on its meaning.

Religious tourism is the focus of the hospitality industry in Makkah, while hotels in Jeddah rely more on seasonal and economic factors due to its location along the Red Sea. For these reasons, Makkah and Jeddah were selected as the setting for this study. For the quantitative survey of youth employment in the hospitality industry, 100 participants were selected from the Makkah region and 90 from the Jeddah region to adequately represent the firms contacted. The firms were selected from lists published by the Commission of Tourism and Antiquities. Of the larger firms, branches of six brands were surveyed in both cities—two firms for restaurants and four chains for hotels. The managements of the firms were approached in early December 2011, and agreed to participate.

The questionnaires and cover letters containing the privacy conditions and purpose of the survey were distributed by hand over two weeks from 7 December 2011 to the appointed contacts in each hotel. The conditions for data collection were that potential participants were adult hotel managers and supervisors. After several phone calls and reminders, 110 questionnaires were received, with the last returned on 23 January 2012. This represented an acceptable 58 per cent return. However, 10 of these questionnaires were incomplete and thus discarded, so that 100 surveys were used in the study. The completed surveys were sourced as follows.

Jeddah (50 surveys)

Twenty-five completed surveys were received from hotels in Jeddah:

Size of firm

< 10 employees: two questionnaires

10–49 employees: one questionnaire

50–100 employees: 12 questionnaires

> 100 employees: 10 questionnaires

Nineteen completed surveys were received from food providers in Jeddah:

Size of firm

10–49 employees: three questionnaires

50–100 employees: nine questionnaires

> 100 employees: seven questionnaires

Six completed surveys were received from other industry members, such as travel agents, in Jeddah:

Size of firm

< 10 employees: one questionnaire

10–49 employees: two questionnaires

50–100 employees: one questionnaire

> 100 employees: two questionnaires

Makkah (50 surveys)

Twenty-five completed surveys were received from hotels in Makkah:

Size of firm

10–49 employees: seven questionnaires

50–100 employees: 13 questionnaires

> 100 employees: five questionnaires

Ten completed surveys were received from food providers in Makkah:

Size of firm

< 10 employees: one questionnaire

10–49 employees: one questionnaire
50–100 employees eight questionnaires

Fifteen completed surveys were received from other industry members, such as travel agents, in Makkah:

Size of firm

< 10 employees: one questionnaire
10–49 employees: seven questionnaires
50–100 employees: five questionnaires
> 100 employees: two questionnaires

4.4.4 Quantitative Data Analysis

The objective in a study analysing data is to describe the data in meaningful terms. Statistics are used to analyse quantitative data, and these can be descriptive and inferential. Descriptive statistics convert data into information that is readily understandable, while inferential statistics lead to underlying information that is not readily perceived. The two approaches are usually used sequentially so that the first data are described with descriptive statistics, followed by further statistical manipulations that, when completed, allow the researcher to make inferences about the population (Kantardzic 2011).

The techniques used in quantitative research to analyse the data include univariate analysis for analysing a single variable at a time. The method for analysing relationships between variables is bivariate analysis, while analysis of relationships among three or more variables is multivariate analysis. There are many statistical packages run on a variety of platforms or computer configurations for these analyses. For this study, the Statistical Package for the Social Sciences (SPSS) Version 15.0 was selected (see Bryman 2005). This was also advocated by Oppenheim (2005).

For univariate analysis, a frequency table provides the number of people and the percentage belonging to each of the categories of the variable in question. Univariate analysis is the

simplest type of quantitative (statistical) analysis. The analysis is undertaken together with the description of a single variable and its attributes in the applicable unit of analysis. Univariate analysis is frequently used in the initial stages of an investigation to analyse the data at hand before it is supplemented by the much more advanced inferential bivariate or multivariate analysis. Together with frequency distribution, univariate analysis reports measures of central tendency, such as (arithmetic) mean, median, mode or any other measure of location, based on the context (Babbie 2009). An additional set of measures determines how values are distributed about central tendency, typically studying the range, interquartile range and standard difference.

Bivariate analysis is concerned with the relationships between pairs of variables (X, Y) in an information set, seeking differences among the dependent and independent variables. It explores the relationships between two variables—that is, whether an association exists and the strength of this association, or whether there are differences and the significance of those differences (Yang et al. 2009). Multivariate data analyses usually are not designed to replace physical analysis, and statistical strategies can be used for preliminary investigation. Physical analysis is used to refine and interpret the results.

Descriptive and inferential statistics were used in this study. Descriptive statistics were used to describe the basic characteristics of the data. The data were tabulated using a five-point Likert scale from which was derived the frequency, mean and standard deviation. Cronbach's alpha was applied to test measures of internal consistency—that is, how closely related a set of items were as a group. Inferential statistics included an independent t-test to determine the probability that two populations were the same with respect to the variable tested. A one-way analysis of variance (ANOVA) was used when the study involved three or more levels of a single independent variable. The ANOVA test procedure produces an f-statistic that is used to calculate the p-value. If $p < 0.05$, the null hypothesis is rejected and the conclusion is that the average of the dependent variable is not the same for all groups (Babbie 2009).

4.5 Qualitative Data Collection and Analysis

This study concerned mixed methods research, thus a qualitative approach was considered necessary to further explain the results from the quantitative data collection and analysis. The qualitative data collection for this study was designed as a semi-structured interview in order to gather information from study participants regarding government policy and programmes on youth employment. It was also intended to gain insight into the study participants' views regarding the adequacy of the measures, issues arising from the measures and the socioeconomic implications of Saudisation and Nitaqat.

Interviews concern groups and single participants. They can be delivered face-to-face or, if this is unavailable—as in this study—the questions can be delivered in hardcopy or electronic form. The style of the interview can be unstructured, which allows full control of the interview by the participant or participants. These can be biographical, in-depth, narrative or non-directive interviews. Interviews can also be structured or semi-structured, which use a checklist of topics (Creswell 2009). If the method is flexible, open-ended questions elicit information from the participant, and interesting trends can be pursued by the researcher. Alternatively, a standardised method in which the participant is given little flexibility in response to closed-ended questions results in a structured interview. For this study, a series of questions were formulated based on the research questions. These covered the following topics:

- The importance of the hospitality industry—that is, hotels and accommodation, and food and beverage outlets—as a source of employment in Saudi Arabia;
- Whether larger firms tend to crowd out smaller firms in the industry;
- Whether the hotel and food sectors are growing strongly and offering choice and good services;
- Whether the hotel sector is well resourced—that is, whether it has access to capital for building new premises and refurbishing out-of-date establishments;
- The management in the industry in terms of professionalism and whether it could competently manage a substantial increase in tourists;
- Issues regarding hospitality managements' professionalism;
- Targets for Saudisation in the hospitality industry (now Nitaqat);

- Whether such targets have been met in the past;
- The types of incentives for employers, including training, employee support and controls on foreign employees;
- Whether employers in the hospitality industry actively seek Saudi staff as managers or staff;
- Whether graduates should seek a career in the hospitality industry; and
- Issues regarding Saudis' willingness to seek employment in the hospitality industry.

It should be noted that these questions were constructed before the government announced the strengthened Nitaqat categories that currently compel Saudi firms to conform to the targets for national employment. The questions were trialled with hospitality members in Saudi Arabia to test whether they were clear and unambiguous. They were then translated into Arabic for the expected interviews.

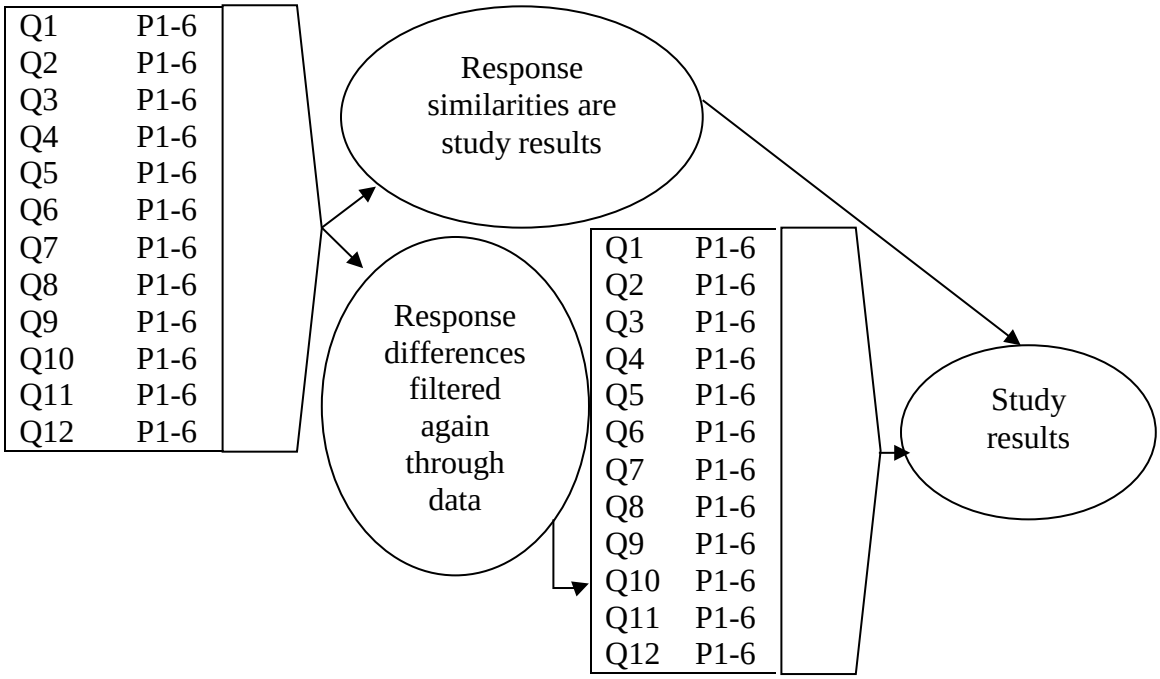
4.5.1 Qualitative Data Collection

The Ministry of Labour was contacted initially on 17 November 2011 to arrange six interviews with government representatives relating to Saudisation and Nitaqat in the hospitality industry. However, there was a delay in gaining access to potential study participants. Contact was eventually made with an undersecretary to the Ministry on 25 December 2011 in Riyadh. During the meeting, the undersecretary advised that the Commissioner of Tourism and Antiquities was responsible for Saudisation programmes in the hospitality sector, and that the authority agreed to participate in the study. However, the undersecretary undertook the task of accepting the survey questions for distribution to three participants from the Ministry and three from the Commission. The undersecretary further advised that the survey questions would be answered by policymakers in Riyadh, as members of the central office were those authorised to comment. The written responses of the six participants were received by email on 13 February 2012.

4.5.2 Qualitative Data Analysis

Qualitative methods of data collection are time consuming and information is collected from smaller numbers of people than would usually be the case in quantitative approaches. However, the positive aspects include the richness of information gained and the deeper insights into the phenomena underlying the study (Creswell 2009). In contrast to quantitative data, raw qualitative data cannot be analysed mathematically.

As the qualitative data in this study were received via email, the replies were translated into English and analysed based on each question—that is, the answers participants gave to each question, the similarities in their answers and the differences in their answers. The similarities were grouped as a standard response, and the differences were further analysed to seek the views of various officers (Babbie 2009). These were then compared to the remainder of the questions and the participants to see if trends emerged from the data—that is, whether there were consistencies among the responses to other questions that may support a result. The analysis is depicted in Figure 4.1.



Q is question, P is participant

Figure 4.1: Qualitative Analysis Procedures

Source: Adapted from Gliner and Morgan (2009)

4.6 Mixed Methods Analysis

Triangulation was applied between the two phases—quantitative (hospitality managers) and qualitative (policymakers)—also following the broad outline of the qualitative results (Figure 4.1). That is, similarities were extracted as part of the study findings, and differences were analysed for their meaning between the government's intent or wishes, and the industry's practices. This follows Flick's contention that triangulation becomes a source of further information and insight, and is not so much concerned with validating the results from the two approaches, although this is relevant to this study design.

4.7 Chapter Summary

This chapter presented the research design, and explored options in that regard. A mixed method design was selected, which fits an interpretive paradigm, as the quantitative data

collection and analysis lies within an interpretative model. The quantitative data collection concerned managers in the hospitality industry in Saudi Arabia, and the qualitative research concerned policymakers in Riyadh, within the Ministry of Labour and the Commission of Tourism and Antiquities, which manages youth employment for the tourism industry.

The sample for the quantitative phase of the study was selected from a range of small, medium and large firms operating in the hospitality industry in two distinct environments: the religious tourism location of Makkah and the commercial and leisure city of Jeddah. In this way, the questionnaire distribution was constructed to gather data to inform the study from the range of possible experiences and views that the industry members may hold. Ethical questions relating to the research plan were described, and the discussion then turned to the phases of the mixed method design that were selected to gather and analyse the data. The instrument for the quantitative data collection from the hospitality industry was first described, noting a good response from the management of the firms approached. However, the qualitative data collection from senior policy makers did not go according to plan, as the bureaucracy that at first agreed to participate in the study cited jurisdictional issues from the departmental offices in Jeddah. As a result, only written answers from the Ministry and Commission members in Riyadh were available. Despite this initial disappointment, the data were collected and made available for analysis.

This chapter finished with a brief description of the mixed methods approach, with the observation that this design offered further insight through triangulation, as well as through validating the responses. The next chapter discusses the results from the analysis.

Chapter 5: Study Results and Discussion

The previous chapter established the research environment and discussed the intention of the study design and the issues that arose from its implementation. Despite these issues, for the purposes of this study, the data were sufficient to undertake a full analysis. Thus, this chapter presents the analysis and the discussion for the study. First, the quantitative results are presented, followed by the qualitative analysis and results. The discussion then moves to the triangulation of the results, and locates this within the literature.

5.1 Quantitative Research

The quantitative research comprised participant views obtained through a written survey of hospitality industry managers who were selected from small to large hotels, restaurants and tourism firms in Makkah and Jeddah. The questions were first demographic, then categorised using a five-point Likert scale to answer the research questions:

1. To identify the main factors impeding the recruitment and retention of Saudi hospitality graduates by using the literature and surveying relevant authorities in Makkah and Jeddah;
2. To survey the perceptions and experiences of managers and employees regarding factors that could improve Saudisation in the hospitality sector; and
3. To identify Saudisation policies and practices relevant to the sector and establish their efficacy.

The questionnaire (see Appendix 1) gathered data on the views of the respondents about the Saudi hospitality industry and the effectiveness of the Saudisation policy on their firms' operations. Demographic questions included nationality, gender, age group, educational qualifications, years of residence in the Kingdom, years of experience in the industry and years of management experience in Saudi Arabia. Descriptive questions also included the size and type of the firm in which the participant worked, and the participant's position in the firm. The remainder of the questionnaire comprised 13 statements to which respondents

could agree or disagree. These investigated their views on the hospitality industry, issues on Saudisation and the influence of Saudisation on their hotels' productivity.

5.1.1 Consistency (Cronbach's Alpha)

Before discussing the results, Cronbach's alpha—a measure of internal consistency—was applied to the data entered into SPSS Version 15. This is one indicator that describes the internal consistency of a set of items. The results of this analysis on 43 items determined Cronbach's alpha as being at 0.545, and 0.543 based on standardised items. A reliability coefficient of 0.70 or higher is usually required (Cronbach et al. 2011). However, once validity is achieved, the instrument is automatically considered reliable. As the instrument for this study was determined valid, it was expected that the study results would be also reliable.

Table 5.1: Reliability Statistics

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's alpha if item deleted
1. Gender	146.48	77.991	-0.272	0.553
2. Nationality	145.19	79.228	-0.206	0.569
3. Age	144.74	74.331	0.209	0.534
4. Education	144.52	76.058	0.067	0.544
5. Years in Saudi Arabia	144.94	73.462	0.235	0.531
6. Years of experience in hospitality industry	144.97	75.232	0.069	0.544
7. Years of management experience in KSA*	145.55	77.256	-0.073	0.556
8. Size of the firm	144.65	73.103	0.189	0.533
9. Type of firm	145.81	76.495	-0.013	0.550
10. Position in the firm	145.06	77.862	-0.132	0.556
11. The hospitality industry is a good career choice	143.48	72.791	0.202	0.531
12. Larger firms in the industry tend to treat their staff better than do smaller firms	143.68	70.559	0.371	0.514
13. The hospitality industry is diverse and offers a good range of choice for Saudis and visitors	143.45	74.923	0.107	0.541
14. I would encourage young people to consider working in the hospitality industry	143.58	72.852	0.248	0.528
15. Most larger firms in the industry are owned by Saudis	143.68	76.292	-0.001	0.550
16. There is a good range of management training available within the industry	144.00	72.800	0.203	0.531
17. Managers in the Saudi hospitality industry are held in high esteem	143.77	76.247	-0.003	0.550
18. In general, the hospitality industry pays its managers well	143.68	77.492	-0.093	0.563
19. Working conditions are harsh in most firms in the hospitality industry	144.13	75.583	0.026	0.549
20. The hospitality industry is growing strongly	143.32	69.226	0.492	0.503
21. There are not many senior management opportunities in Saudi hotels and restaurants	143.90	67.757	0.445	0.499
22. I would prefer working for a smaller Saudi firm than for a large international corporation	144.48	76.258	-0.062	0.571
23. I would consider leaving the hospitality industry and seeking work elsewhere	144.29	80.280	-0.214	0.592
24. Management skills in the hospitality industry are generally not high	144.13	77.916	-0.117	0.564
25. Saudi managers have better employee skills than do non-Saudi managers	143.84	74.140	0.143	0.537
26. All managers need training to get the best from their employees	143.35	73.437	0.223	0.531
27. Experience in the hospitality industry makes better managers	143.77	76.914	-0.048	0.554
28. There are more international managers than Saudi managers in my firm	143.81	72.028	0.195	0.531
29. International managers in my firm soon learn Saudi values	143.39	68.112	0.564	0.495
30. I prefer working with international managers than with Saudi managers	143.81	75.361	0.008	0.554cont.

Table 5.2: Reliability Statistics (cont)

Item	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's alpha if item deleted
31. Saudi senior managers can be arrogant and aloof	144.45	75.256	0.020	0.552
32. All hospitality managers should have some tertiary qualification	143.55	67.589	0.525	0.494
33. International managers hire more Saudi staff than do Saudi managers	144.10	77.357	-0.090	0.566
34. Saudi managers are more innovative and effective than are international managers	144.16	73.473	0.151	0.536
35. My firm provides a good working environment	143.84	68.873	0.417	0.505
36. I can easily access training to improve my career prospects with this or other firms	143.52	76.258	-0.018	0.554
37. I feel that I can innovate and build business for my firm	143.55	68.656	0.359	0.508
38. International managers work to transfer their skills to new Saudi managers	143.74	66.798	0.568	0.488
39. Programmes to help Saudis build careers in the hospitality industry are successful	143.94	68.729	0.530	0.500
40. In my firm, any Saudis who are hired as trainee managers leave as soon as they can	144.03	74.232	0.065	0.547
41. Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	143.68	75.092	0.080	0.543
42. There are too many regulations about Saudisation and it is hard to work with them	143.77	75.647	0.040	0.547
43. Saudi hospitality managers should have regular training to keep up with the industry	143.26	77.065	-0.054	0.552

*KSA: Kingdom of Saudi Arabia

In Table 5.1, the last column presents the value of Cronbach's alpha if that particular item was deleted from the scale. For example, the first question has a value of $r = 0.553$; thus, the Cronbach's alpha of this scale would change from 0.545 to 0.553 if that item was removed. As a higher alpha indicates more reliability, items with alpha values lower than 0.553 should remain on the scale. In fact, the values of the 'Alpha if item deleted' column show few greater than the current alpha of the entire scale. Therefore, it is clear that removal of any question, except Question 8, would result in a lower Cronbach's alpha. Therefore, these questions were not removed. Removal of Question 23 would lead to a small improvement in Cronbach's alpha, and it was also clear that the corrected item-total correlation value was low (-0.214) for this item; thus, this item could be removed. The first two columns ('Scale mean if item deleted' and 'Scale variance if item deleted') were

included for consistency of reporting only. The third column shows the correlation between a particular item and the sum of the rest of the items, which shows consistency. In the table, Question 38—'International managers work to transfer their skills to new Saudi managers'—has the highest item-total correlation of $r = 0.568$. The item with the lowest item-total correlation is 30: 'I prefer working with international managers than Saudi managers' ($r = 0.008$). When r is close to zero, the item is not consistent with measuring the same matter as the rest of the items. Therefore, no items were removed from the scale.

5.1.2 Respondent Characteristics

This section describes the characteristics of the hospitality industry respondents to the research, according to location. It commences with demographics: gender, then nationality, age, education, time in the Kingdom, industry experience and management experience. It also includes the size of the firm based on the total number of employees, the type of firm, where the firm operates and the position the respondents held in the firm.

Table 5.3: Gender by Location

Gender	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Male	50	50	46	46	96	96
Female	0	0	4	4	4	4
Total	50	50	50	50	100	100

Table 5.2 presents the frequency and percentage distribution of the respondents' gender, showing an equal number of participants (50) from Jeddah and Makkah. All participants from Jeddah were male, while there were 46 males and four females from Makkah (96 per cent male, four per cent female). The low female response rate is evidence of the government's intentions as it attempts to raise the female participation rate from 10.3 per cent to 14.2 per cent (Almunajjed 2010).

Table 5.4: Nationality by Location

Nationality	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Saudi	31	31	30	30	61	61
Other Arab	10	10	19	19	29	29
Other response	9	9	1	1	10	10
Total	50	50	50	50	100	100

Table 5.3 presents the respondents' nationalities. As shown, the majority of the participants (61 participants—61 per cent) were Saudi nationals. The 'Other Arab' category accounted for 29 participants (29 per cent), and there were 10 respondents for other nationalities or non-specified (10 per cent). The distribution was similar for nationals, with 31 per cent from Jeddah and 30 per cent from Makkah, while the 'Other Arab' category was greater in Makkah, with 19 per cent and just nine per cent from Jeddah. However, the non-Arab or non-response category was greater for Jeddah (nine per cent) than for Makkah (one per cent).

As noted in Section 2.4.2, the percentage of non-nationals in the private labour force grew to 90 per cent in 2009 and Saudis' participation rate decreased from 13 per cent to 10 per cent in (SAMA 2010). Saudi Arabia had 234,500 jobs in the hotel industry alone in 2012 (World Travel and Tourism Council 2012). The Saudi Commission for Tourism and Antiquities (2012) reported that direct tourism jobs in the period from 2000 to 2009 rose from 333,123 to 457,658, with an annual growth rate of 7.4 per cent. Meanwhile, the numbers of Saudis working in the industry rose from 66,704 in 2000 to 117,384 in 2009, with an annual growth rate of 12 per cent. Saudisation at the time (circa 2009) was 26 per cent. It was reported that Saudis preferred management jobs, so the high Saudisation rate among managers in the hospitality sector reflected previous reports (e.g. IMF 2012).

Table 5.5: Age by Location

Age group	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
18–19 years	0	0	2	2	2	2
20–29 years	17	17	18	18	35	35
30–39 years	31	31	24	24	55	55
40 years +	2	2	6	6	8	8
Total	50	50	50	50	100	100

Table 5.4 presents the frequency and percentages of the age groups of the respondents in Jeddah and Makkah. Participants from Makkah had a wider age distribution than those from Jeddah. It should be noted that the minimum age for a Saudi work permit is 22 years for non-nationals. As shown, there were no participants in the age group of 18 to 19 years for Jeddah and only two (two per cent) for Makkah. Jeddah had 17 participants (17 per cent) in the age group 20 to 29 years, while Makkah had 18 (18 per cent). The age difference also showed that Jeddah reported 31 participants (31 per cent) in the age group 30 to 39 years, whereas Makkah had 24 (24 per cent). While Jeddah had two (two per cent) managers over the age of 40 years, Makkah had six (six per cent). Thus, Jeddah represented 17 per cent of the sample under 30 years of age, while Makkah represented 20 per cent. Jeddah reported 33 per cent of the respondents over 30 years and Makkah reported 30 per cent. However, over half of the respondents (55 per cent) were in the range of 30 to 39 years, and over one-third (35 per cent) were younger, at 20 to 29 years. Section 2.4.1 illustrated the youth profile of Saudi Arabia. In 2012, the total Saudi labour market was 7.63 million workers with approximately 80 per cent of non-nationals (World Factbook 2012).

Table 5.6: Education by Location

Qualification	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Diploma or under	3	3	15	15	18	18
Undergraduate qualification	11	11	0	0	11	11
Bachelor or above	35	35	26	26	61	61
Other qualification	1	1	9	9	10	10
Total	50	50	50	50	100	100

The qualifications of the participants, by city, are shown in Table 5.5. Given Makkah's pre-eminent university reputation, it is somewhat surprising that the participants from Jeddah reported higher qualifications than Makkah. However, Makkah is a religious centre and Jeddah a commercial centre, so there is a possibility that graduates from Jeddah have more relevant qualifications for hospitality careers. Of the 75 qualification holders (75 per cent), there were 35 Jeddah respondents (35 per cent) and 26 Makkah respondents (26 per cent) who held bachelor or higher degrees. However, there were 15 respondents (15 per cent) from Makkah who held a vocational training certification or under, while only three (three per cent) from Jeddah were thus qualified. Overall, nearly two-thirds (61 per cent) of respondents held university qualifications.

In Saudi Arabia in 2012, expectancy for school life was 14 years for both girls and boys (World Factbook 2012). The UNESCO (2010–2011) reported that the orientation of the Ministry of Education's 10-year plan for 2004 to 2014 was *inter alia* to equip citizens with skills and knowledge, to develop society economically and culturally, and to prepare individuals to be useful members of their communities. The ninth economic development plan for 2010 to 2014 emphasises the role of education in achieving and strengthening human capital development.

Despite the investment of five per cent of GDP per year in education, the results remain poor. UNESCO data shows that, in 2010, about 80,000 young Saudi women were illiterate and 28,000 Saudi men were uneducated, with over 500,000 Saudi children not attending school. Saudi Arabia's tertiary enrolment is low for a G20 nation, and significant investment in education infrastructure and its curriculum is still required. The US Department of State reported the Saudi literacy rate at 84.7 per cent for men and 77.8 per cent for women. Saudi Arabia's nationwide public training method includes eight public universities and more than 20,000 schools. Public education, from the primary grades through to high school, is a major government priority and is open and free to every citizen. In 2005 and in subsequent years, the government committed approximately 25 per cent of budget expenditure to education.

As noted in Section 2.4.2, the processes of the Saudi education system remain close to Islamic teachings. In public universities, over 50 per cent of students were enrolled in the humanities and related fields. Al-Munajjed (2010) claimed that just 10 per cent of public sector school leavers and tertiary graduates succeed in gaining employment, while Ramady (2010) and Baqadir et al. (2011) stated that a low proportion of educated Saudis were graduates from scientific disciplines or technical training. However, the Parthenon Group (2011) stated that entrants into private sector education were changing their qualification focus towards employability, with over 80 per cent of enrolments in private universities and colleges in employable areas, such as medicine, management, IT and engineering. This study's results of nationality and educational demographics (61 per cent of participants were Saudi and 61 per cent held a university degree) were coincidental; however, they may indicate that the hospitality industry is useful as a growth area for the humanities degrees to which many Saudis are drawn, using their 'people skills' as a career path.

Table 5.7: Non-nationals' Residency by Location

Residency	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
< 2 years	1	1	1	1	2	2
2–5 years	6	6	8	8	14	14
6–10 years	6	6	12	12	18	18
> 10 years	5	5	0	0	5	5
Total	18	18	21	21	39	39

The non-nationals' residencies are shown in Table 5.6. This relates to their employment contract, which must be renewed after two years, according to the labour law. Of interest is the length of time that non-nationals remain in Saudi Arabia, as their work permit is tied to a single employer. In this study, the length of stay of the respondents from Makkah was longer than those from Jeddah, and just two per cent of participants were under two years' residency, which may reflect a change to Saudi employment from the previous practice of hiring non-national managers, particularly from the larger hospitality corporations. It appears that the non-nationals were employed to the maximum of their permissible stay in Makkah, which could mean that there will be a greater Saudisation of the Makkah

hospitality industry in the next few years as the work permits expire. Furthermore, there were more non-nationals working in Makkah (21 per cent) than Jeddah (18 per cent), which could be explained by greater turnover of staff in Jeddah in that particular period. In total, 39 per cent of respondents were non-nationals, and 18 per cent of respondents had lived in the country for a long period (six to 10 years).

Table 5.8: Industry Experience by Location

Industry experience	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
< 2 years	10	10	12	12	22	22
2–5 years	15	15	15	15	30	30
6–10 years	20	20	16	16	36	36
> 10 years	5	5	7	7	12	12
Total	50	50	50	50	100	100

Following from the argument derived from Table 5.6 that employment of nationals will increase as non-nationals' contracts expire, Saudisation is based on equal qualifications and equal experience. Table 5.7 shows that Makkah had slightly more less experienced manager participants (12 per cent) than Jeddah (10 per cent). Interestingly, Jeddah had more well experienced participants (25 per cent had over six years of experience) than Makkah (23 per cent had over six years). A total of 48 per cent of manager participants had more than six years of experience. Given the Saudisation profile of 61 per cent, and the non-nationals' profile of 23 per cent with over six years of experience in the Saudi hospitality industry, there is a case to be made that Saudis (13 per cent of the participants) are career professionals in the industry. In total, the participants reported that the average length of time in the industry was about five years. This does not reflect the average age of the participants (30 to 39 years). Therefore, it may be assumed that hospitality, being a growth industry, is attracting workers from other industries or sectors.

Table 5.9: Management Experience by Location

Management experience	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
< 2 years	15	15	16	16	31	31
2–5 years	14	14	17	17	31	31
6–10 years	15	15	11	11	26	26
> 10 years	0	0	5	5	5	5
No response	6	6	1	1	7	7
Total	50	50	50	50	100	100

Again, Table 5.8 follows from the demographic observations built up from the results of the previous tables. In this case, the results are skewed by seven per cent non-responses. As may be expected, participants reported less management experience (31 per cent had less than two years) than industry experience (22 per cent had less than two years). However, the category of over two years of management experience is less clear-cut, with Jeddah participants reporting similar experience as managers (14 per cent with two to five years) to time spent in the industry (15 per cent with two to five years). Makkah respondents reported experience as managers (17 per cent with two to five years) in excess of time spent in the industry (15 per cent with two to five years). This anomaly could have been affected by the non-response category, or the managers could have transferred from another industry, depending on their professions (e.g. accountant, human resources or administration). Overall, nearly two-thirds of respondents (62 per cent) reported less than six years of experience as managers, and this arguably does not meet the expectations of their age profile of 30 to 39 years, taken with their high educational status (61 per cent with university degrees). Makkah respondents reported less experience on average (33 per cent with under six years) than Jeddah (29 per cent with under six years), which could have been affected by the non-response.

Table 5.10: Size of Firm by Location

Size of firm (no. employees)	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
< 10	3	3	2	2	5	5
10–49	5	5	13	13	18	18
50–100	22	22	21	21	43	43
> 100	18	18	13	13	31	31
No response	2	2	1	1	3	3
Total	50	50	50	50	100	100

Table 5.9 moves from demographics to the hospitality industry. Section 4.3.3 reported that the sampling technique was structured to ensure that industry members of the hospitality sector and a range of small, medium and large firms were included. Thus, the surveys were received from the participants as follows.

From Jeddah

Hotel industry:

< 10 employees: two

10–49 employees: one

50–100 employees: 12

> 100 employees: 10

Restaurants:

10–49 employees: three

50–100 employees: nine

> 100 employees: seven

Other industry members:

< 10 employees: one

10–49 employees: two

50–100 employees: one

> 100 employees: two

From Makkah

Hotels:

10–49 employees: seven

50–100 employees: 13

> 100 employees: five

Restaurants:

< 10 employees: one

10–49 employees: one

50–100 employees: eight

Other industry members:

< 10 employees: one

10–49 employees: seven

50–100 employees: five

> 100 employees: two

Reflecting the sampling more than the industry, 43 participants (43 per cent) worked in firms with 50 to 100 employees; 31 participants (31 per cent) worked in firms with over 100 employees; 18 participants (26.5 per cent) worked in firms with 10 to 49 employees; and five participants (4.1 per cent) worked in firms with fewer than 10 employees. This sample tends to reflect the industry, as the Saudi Commission of Tourism and Antiquities (2012) reported 574 licensed hotels and furnished apartments in Makkah alone. The Commission expects that there will be need to accommodate 88 million visitors by 2020, and many developers have announced large projects in Makkah. As hotels are a 24-hour industry, requiring shifts of managers, this will entail industry growth well above 100 employees per employer, and it is expected that this will change the sample profile for future researchers.

Table 5.11: Industry Profile by Location

Industry type	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Restaurant	18	18	10	10	28	28
Hotel	25	25	22	22	47	47
Other tourism	6	6	15	15	21	21
No response	1	1	3	3	4	4
Total	50	50	50	50	100	100

Again, Table 5.10 illustrates the sampling technique more than the industry. The majority of participants (47 per cent) were employed in hotels; over one-quarter in restaurants; and the remainder in other tourism firms, such as leisure, transport, travel or leisure-based (day trips). The 'other' firms would be expected to be smaller than the hotels or restaurants and would provide entry into the industry for entrepreneurs and start-ups.

Table 5.12: Management Position by Location

Position	Jeddah		Makkah		Total	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Executive	1	1	5	5	6	6
Middle management	24	24	12	12	36	36
Supervisor	24	24	33	33	57	57
No response	1	1	0	0	1	1
Total	50	50	50	50	100	100

Table 5.11 shows the positions occupied by the respondents, which reflects the sample. In Table 5.10, Makkah respondents reported a high number (15 per cent) in 'other tourism'. Thus, the high supervisor response (33 per cent of respondents) was surprising, as it may be expected that smaller firms would evince higher levels of management among the participants. However, a relatively high number of executives (five per cent of respondents) may reflect more smaller firms among the respondents, where the owner may have participated in the survey. Jeddah's higher numbers of hotel and restaurant respondents (43 per cent in Table 5.10) and higher numbers of firms reporting over 50 employees (40 per cent in Table 5.9) were reflected in the supervisor to middle management ranks (24 per cent of each) against Makkah's high supervisor respondents (33 per cent). However, these

observations reflect the sample selection with some element of randomness, rather than reflecting the industry.

In summary, the respondents' demographic profile was male (96 per cent); Saudi (61 per cent); in their thirties (55 per cent), although over one-third were younger (20 to 29 years); and nearly two-thirds (61 per cent) held university degrees, although, in the hospitality industry, experience and customer relations outweigh qualifications (Moyle 2008). Although the results of the nationality and educational demographics (61 per cent Saudi and 61 per cent university degree) were coincidental, there is a possibility that the hospitality industry, requiring a broad discipline reach, is also useful as a career path for Saudis, as many of their qualifications are in the humanities. There is a further use of degrees based on Islam in the antiquities area, as the rising number of *hajj* and *umrah* pilgrims will be interested in further knowledge on these areas through museums and historical locations and parks. Saudisation reached 26 per cent in the tourism industry in 2012 (Saudi Commission for Tourism and Antiquities 2012).

Nitaqat's increased compliance, which at the time of the survey was beginning to influence firms' behaviours, may influence the 18 per cent of respondents who had lived in the country for a long period (six to 10 years). Non-nationals were reported as 39 per cent of the respondents. In this case, it appears that Makkah hospitality firms were using experienced non-national labour to the limit of their work permits, and this could lead to higher Saudisation in the Makkah hospitality industry in the next few years as these work permits expire. Following on from this, 13 per cent of the respondents, as Saudis, were career professionals in the industry.

Further interesting results were found in the short average length of time for respondents in the industry (five years), which did not align with their average ages—in their thirties. This suggests that the growth in the hospitality industry could be attracting workers from other industries. Again, nearly two-thirds of respondents reported up to five years of management experience and, given their age and high educational status (61 per cent with university degrees), this may reflect previous work elsewhere, and that they need hotel and restaurant

experience before promotion. These results and observations on the Saudi participants and their prospects may be further enhanced with the observation that hotels are a 24-hour industry, and that there are high expectations for growth in religious tourism as the world Muslim population approaches two billion in 2020 (Pew 2011).

5.1.3 Survey Results

The second research question was to survey hospitality industry managers on their views of the industry and its practices. The first section concerned the participants' general impressions of the industry, followed by their views regarding Saudi managers compared to non-national managers, then their opinion of Saudisation. Following are the statistical tests of participants' characteristics and the survey sections. Table 5.12 presents an overview of the results.

Table 5.13: Participants' Views on the Saudi Hospitality Industry by Location

Statement	Jeddah		Makkah		All responses	
	Mean	Result	Mean	Result	Mean	Result
The hospitality industry is a good career choice	4.22	Agree	3.82	Agree	4.02	Agree
Larger firms in the industry tend to treat their staff better than do smaller firms	3.86	Agree	3.72	Agree	3.79	Agree
The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	4.10	Agree	3.78	Agree	3.94	Agree
I would encourage young people to consider working in the hospitality industry	4.14	Agree	4.10	Agree	4.12	Agree
Most larger firms in the industry are owned by Saudis	3.80	Agree	3.43	No opinion	3.61	Agree
There is a good range of management training available within the industry	3.18	No opinion	3.32	No opinion	3.25	No opinion
Managers in the Saudi hospitality industry are held in high esteem	3.84	Agree	3.88	Agree	3.86	Agree
In general, the hospitality industry pays its managers well	3.84	Agree	3.66	Agree	3.75	Agree
Working conditions are harsh in most firms in the hospitality industry	3.62	Agree	3.66	Agree	3.64	Agree
The hospitality industry is growing strongly	4.06	Agree	3.84	Agree	3.95	Agree
There are not many senior management opportunities in Saudi hotels and restaurants	3.28	No opinion	3.41	No opinion	3.34	No opinion
I would prefer working for a smaller Saudi firm than for a large international corporation	3.08	No opinion	2.64	No opinion	2.86	No opinion
I would consider leaving the hospitality industry and seeking work elsewhere	2.94	No opinion	3.06	No opinion	3.00	No opinion
Overall mean	3.69	Agree	3.58	Agree	3.63	Agree

As shown in Table 5.12, Jeddah respondents held generally more positive views than their Makkah counterparts, with higher means on seven proactive items. Further, Makkah respondents were more in agreement with negative items (lack of training, harsh working conditions, fewer career opportunities and leaving the industry), although these were not rated and scored only 'no opinion' responses. In line with this result, the highest mean (4.22) related to approving a career choice in the hospitality industry by Jeddah respondents, followed by the items on encouraging young people to enter the industry (4.16) and choice offered to visitors within the industry (4.10). Makkah respondents'

highest mean was also 4.10 for encouraging young people to pursue careers in the industry, and that hospitality managers were held in high esteem. Conversely, yet with a 'no opinion' result, Makkah respondents reported their views that most larger firms in the industry are held by Saudis, which may reflect that they were not aware of the structure in the joint ventures that frequent the industry. This was the only statistical difference between Jeddah (agreed) and Makkah participants.

In the combined responses, the top positive responses both concerned career choice, while these were followed by participant agreement with industry growth and the esteem in which hospitality managers were held. All respondents had statistically 'no opinion' on senior management opportunities for promotion; the type of training in the industry; the size of the firms for which they preferred to work; and, interestingly, whether they would consider leaving the industry, although they collectively acknowledged the growth potential. This may reflect difficulties they perceive in firms' career structures, although such opportunities would be expected to increase with strong growth. The overall means show that both groups of participants were generally positive regarding the statements, and there was no overtly negative mean result.

In this section, the findings were that the participants were positive about the growth prospects for the hospitality industry in Saudi Arabia, and believed it was a good career choice for youth, perhaps in the larger firms. They believed the industry is diverse and offers choice to customers. They also believed that hospitality managers have status in their communities and are paid well, although working conditions are harsh. Table 5.13 moves on to examine participants' views of national and non-national managers' characteristics.

Table 5.14: Comparison of National and Non-national Managers by Location

Statement	Jeddah		Makkah		All responses	
	Mean	Result	Mean	Result	Mean	Result
Management skills in the hospitality industry are generally not high	3.38	No opinion	3.38	No opinion	3.38	No opinion
Saudi managers have better employee skills than do non-Saudi managers	3.69	Agree	3.60	Agree	3.65	Agree
All managers need training to get the best from their employees	4.16	Agree	4.26	Agree	4.21	Agree
Experience in the hospitality industry makes better managers	4.06	Agree	4.06	Agree	4.06	Agree
There are more international managers than Saudi managers in my firm	3.52	Agree	3.44	No opinion	3.48	No opinion
International managers in my firm soon learn Saudi values	3.50	No opinion	3.42	No opinion	3.46	No opinion
I prefer working with international managers than Saudi managers	3.38	No opinion	2.76	No opinion	3.07	No opinion
Saudi senior managers can be arrogant and aloof	3.08	No opinion	2.88	No opinion	2.98	No opinion
All hospitality managers should have some tertiary qualification	3.84	Agree	3.50	No opinion	3.67	Agree
International managers hire more Saudi staff than do Saudi managers	2.72	No opinion	3.04	No opinion	2.88	No opinion
Saudi managers are more innovative and effective than are international managers	3.40	No opinion	3.70	Agree	3.55	Agree
My firm provides a good working environment	3.63	Agree	3.44	No opinion	3.54	Agree
I can easily access training to improve my career prospects with this or other firms	3.55	Agree	3.72	Agree	3.64	Agree
I feel that I can innovate and build business for my firm	3.88	Agree	4.20	Agree	4.04	Agree
Overall mean	3.56	Agree	3.53	Agree	3.54	Agree

The responses from respondents from the two locations differed to that which was evident in Table 5.12, as shown in Table 5.13. The Makkah respondents were more positive (4.26) than the Jeddah managers (4.16), agreeing that all managers need training to get the best from their employees, and Makkah managers were more innovative (4.20) than Jeddah respondents (3.88). Both locations' respondents agreed (4.06) that experience assists managers.

While five statements elicited a neutral response from both participant groups, they differed on four statements, with Jeddah respondents more likely to agree. The three statements that elicited an agreement from the Jeddah group were that there were more international managers in the firm, all hospitality managers should have a tertiary qualification, and theirs was a good working environment. Makkah respondents, in contrast, agreed that Saudi managers were more effective than non-Saudi managers.

Both groups agreed that Saudi managers have better employee skills than non-national managers (3.65) and that it is easy to access training to improve career prospects (3.64). Interestingly, the several neutral responses from both groups concerned generally judgemental statements, which the participants avoided, despite anonymity. These were that management skills in the industry were low, non-national managers quickly adopt Saudi values, they had a preference for working with international managers, and Saudi managers could be aloof. The single observation-type neutral statement concerned whether national or non-national managers hired more Saudis. The overall means again indicated that both groups of participants were generally positive regarding the statements, as there was no overtly negative mean result.

In this group, the results were that the participants agreed that training and experience assist managers, and that Saudi managers are more effective than non-nationals. Training was seen as readily available, although this was not the case in the previous section. The participants also felt that they could be innovative and build business for their firm. The next table, Table 5.14, considers Saudisation.

Table 5.15: Saudisation Factors by Location

Statement	Jeddah		Makkah		All responses	
	Mean	Result	Mean	Result	Mean	Result
International managers work to transfer their skills to new Saudi managers	2.92	No opinion	3.02	No opinion	2.97	No opinion
Programmes to help Saudis build careers in the hospitality industry are successful	3.48	No opinion	3.74	Agree	3.61	Agree
In my firm, any Saudis who are hired as trainee managers leave as soon as they can	3.12	No opinion	3.16	No opinion	3.14	No opinion
Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	3.73	Agree	3.78	Agree	3.76	Agree
There are too many regulations about Saudisation and it is hard to work with them	3.53	Agree	3.28	No opinion	3.41	No opinion
Saudi hospitality managers should have regular training to keep up with the industry	4.00	Agree	3.92	Agree	3.96	Agree
Overall mean	3.47	No opinion	3.48	No opinion	3.47	No opinion

Table 5.14 on Saudisation did not produce the same level of agreement as the other sections of the questionnaire. Jeddah participants were forthcoming about management training (4.00) and this was closely followed by the Makkah group (3.92). Both locations agreed that trainee Saudi managers are readily integrated into the firm, and there was overall agreement that Saudisation training was successful (3.61). However, there were neutral responses to length of stay in the job, and transfer of skills by non-national managers. Transfer of skills and experience with training is the basis of Saudisation and Nitaqat. The general responses through the overall means for both locations were neutral. Therefore, the result of this section is that training allows integration of Saudis into the hospitality industry. Table 5.15 comprises the statistical tests for the responses for the first part of the survey—the demographic section.

Table 5.16: Statistical Tests for Participants' Demographics and Their Views on the Industry

Variable	Test statistic	df	p-value	Decision	Result
Gender	0.785	98	0.434	Accept Ho	Not significant
Nationality	3.403	2/96	0.037	Reject Ho	Significant
Age group	1.089	3/96	0.358	Accept Ho	Not significant
Qualification	3.858	3/96	0.012	Reject Ho	Significant
Residency	0.470	3/35	0.705	Accept Ho	Not significant
Industry experience	1.644	3/96	0.184	Accept Ho	Not significant
Management experience in KSA*	0.937	3/89	0.426	Accept Ho	Not significant
Size of firm	1.083	3/93	0.360	Accept Ho	Not significant
Type of firm	4.330	2/93	0.016		
Position in firm	1.568	2/96	0.214	Accept Ho	Not significant

*KSA: Kingdom of Saudi Arabia

Table 5.15 presents the tests determining significant differences in the participants' views of the hospitality industry in Saudi Arabia when grouped according to their characteristics. Among the demographic characteristics, two show significant differences in the participants' views. The computed f-statistic of nationality was 3.403 with two and 96, resulting in a p-value of 0.037. The computed p-value of 0.037 was less than the threshold value of 0.05, thus the null hypothesis was rejected, leading to the conclusion that there is significant difference in the views of the hospitality industry in Saudi Arabia in terms of the respondents' nationality. This means that the perceptions of Saudi respondents and other nationalities differ. Educational qualifications were also significant. The computed f-ratio statistic for qualifications was 3.858 with a degree of freedom of three and 96. The computed p-value was 0.012, thus rejecting the null hypothesis. Therefore, there was a significant difference. The remaining variables were not significant. The results of this test are that non-nationals and Saudis view the hospitality industry differently. Furthermore, education varies participants' views of the industry.

Table 5.17: Statistical Tests for Participants' Demographics and Their Views on Managers

Variable	Test statistic	df	p-value	Decision	Result
Gender	0.518	98	0.606	Accept Ho	Not significant
Nationality	6.516	2/96	0.002	Reject Ho	Significant
Age group	1.908	3/96	0.133	Accept Ho	Not significant
Qualification	0.630	3/96	0.598	Accept Ho	Not significant
Residency	1.033	3/35	0.390	Accept Ho	Not significant
Industry experience	3.000	3/96	0.034	Reject Ho	Significant
Management experience in KSA*	4.014	3/89	0.010	Reject Ho	Significant
Size of firm	0.058	3/93	0.982	Accept Ho	Not significant
Type of firm	3.543	2/93	0.033	Reject Ho	Significant
Position in firm	3.065	2/96	0.051	Accept Ho	Not significant

*KSA: Kingdom of Saudi Arabia

Table 5.16 shows the results of the statistical tests comparing participants' characteristics and their views on national and non-national managers. Four of the participants' variables had significant differences when comparing Saudi and non-Saudi managers. For nationality, the computed f-ratio statistic was 6.516 with a degree of freedom of two and 96 and a computed p-value of 0.002. The computed p-value of 0.002 was less than the threshold value of 0.05, thus rejecting the null hypothesis. Rejecting the null hypothesis means there was no significant difference in the mean scores of the respondents in terms of their nationality when comparing Saudi and non-Saudi managers.

The analysis also found significant differences between participants' views depending on their experience in the hospitality industry. The computed f-ratio was 3.000 with degree of freedom of three and 96, yielded to p-value of 0.034. The computed p-value of 0.034 was less than the threshold value of 0.05, thus rejecting the null hypothesis. This led to the conclusion that there were significant differences between Saudi and non-Saudi managers. Regarding management experience in Saudi Arabia, the computed f-statistic was 4.014 with a degree of freedom of three and 89, yielding a p-value of 0.010, which was lower than the threshold value of 0.05. Lastly, the computed f-statistic for the type of firm was 3.543 with a degree of freedom of two and 93, yielding a p-value of 0.033, rejecting the null hypothesis. The results of statistical testing found that the participant characteristics that influenced responses to management statements were nationality, industry and management experience, and type of firm.

Table 5.18: Statistical Tests for Participants' Demographics and Their Views on Saudisation

Variable	Test statistic	df	p-value	Decision	Result
Gender	0.419	97	0.676	Accept Ho	Not significant
Nationality	13.460	2/95	0.000	Reject Ho	Significant
Age group	0.980	3/95	0.406	Accept Ho	Not significant
Qualification	0.442	3/95	0.724	Accept Ho	Not significant
Residency	0.626	3/34	0.603	Accept Ho	Not significant
Industry experience	0.774	3/95	0.512	Accept Ho	Not significant
Management experience in KSA*	0.904	3/88	0.443	Accept Ho	Not significant
Size of firm	1.153	3/92	0.332	Accept Ho	Not significant
Type of firm	5.980	2/92	0.004	Reject Ho	Significant
Position in firm	1.916	2/95	0.153	Accept Ho	Not significant

*KSA: Kingdom of Saudi Arabia

The statistical results between participants' characteristics and their views on Saudisation are presented in Table 5.17. Among the characteristics, two variables produced significant differences in perceptions of Saudisation, and eight had no significant differences. The computed f-ratio statistic for the nationality of the respondents was 13.460 with a degree of freedom of two and 95, yielding a p-value of 0.000; these were asymptotically close to zero, thus rejecting the null hypothesis. Rejecting the null hypothesis means there was significant difference in the perceptions of Saudisation when grouped according to their nationality. Regarding the type of firm, the computed f-ratio statistic was 5.980 with a degree of freedom of two and 92. The computed p-value was 0.004, which was less than the threshold value of 0.05, thus rejecting the null hypothesis. Rejecting the null hypothesis means that there was significant difference in the perceptions of the respondents with respect to the type of firm in which they currently worked. Again, participants' views on Saudisation were influenced by nationality and type of firm.

5.1.4 Section Summary

To answer research sub-question two, the findings for this study were that respondents were positive in their perceptions of growth in the Saudi hospitality industry, and considered it a good career choice for youth—more so in the larger firms. They saw the industry as diverse

and offering choices to religious, commercial and leisure users. There was agreement that industry managers are paid well and have status in their communities, although working conditions were considered harsh. Participants' views of Saudis and non-national managers were that training and experience assists managers, and that Saudi managers are more effective than non-national managers. Training was viewed as readily available, and the participants reported that they could innovate and build business for their firms. In the Saudisation section of the survey, the respondents reported that training allows integration of Saudis into the hospitality industry.

The results of this statistical testing for the first section found that non-nationals and Saudis view the hospitality industry differently and that education influences these views. For the second section on effective management, the variables that affected responses were nationality, industry and management experience, and type of firm. Lastly, for the Saudisation section, the influences on responses were again found to be nationality and type of firm.

5.2 Qualitative Analysis

The qualitative research results were directed towards answering research sub-questions one and three:

1. To identify the main factors impeding the recruitment and retention of Saudi hospitality graduates by using the literature and surveying relevant authorities in Makkah and Jeddah; and
3. To identify Saudisation policies and practices relevant to the sector and establish their efficacy.

The interview questions to support the research questions were to be delivered personally; however, as noted in Section 4.4, the questions and answers eventually had to be written. They are summarised under:

- Importance of the hospitality industry as a source of employment;
- Possible crowding out of smaller firms;

- Hotel and food sectors growing strongly and efficiently;
- Hotel sector being well resourced;
- Professionalism of management;
- Management issues;
- Saudisation and Nitaqat targets;
- Past success at Saudisation targets;
- Saudisation and Nitaqat incentives and controls;
- Employers' proactivity in Saudisation;
- Graduate career prospects; and
- Issues Saudis expect in industry employment.

These points are discussed in turn in the following sections. The final results in the interview were collected and analysed according to the merits of the information regarding the Saudi Arabian government's Saudisation system.

5.2.1 Source of Employment

All respondents agreed that the hospitality sector was of considerable interest as a source of jobs and, importantly, careers. Participant L2 from the Ministry of Labour was concerned about industry training, mentioning that transfer of knowledge was a condition of service quality. Participant T2, from the Commission for Tourism and Antiquities, went further, stating that the majority of future jobs for Saudi youth are expected to come from this sector. This view was also emphasised by participant T3.

As discussed in Section 2.3.2, Saudi Arabia has a highly seasonal tourism experience, based on the *hajj*. However, it is seeking to extend the *hajj* season so that pilgrims stay for 10 to 15 days for the personal pilgrimage, *umrah*, by issuing progressively more visas as transport and accommodation capacity expands. With a population of 28 million, the country also has holidaymakers, short-term visitors and business travellers, as well as pilgrims, who take advantage of their time in the country by undertaking tourist activities. Alpen Capital (2012) reported on the GCC tourism industry, which incorporates hospitality,

and stated an expected growth of 8.1 per cent per annum from $US19.2 billion in 2011 to $US28.3 billion by 2016. STR Global (2012) predicted that GCC hotel occupancy rates will range from around 70 per cent through 2012 to 2016. The firms mentioned the number of upmarket hotel rooms being built as massive developments, noting that the average room rate at constant prices would rise from $US212 in 2012 to $US247 in 2016. Saudi Arabia will continue to dominate the tourism industry for the GCC in terms of size and revenues at six to seven per cent growth.

The Saudi Commissioner of Tourism and Antiquities is planning to take advantage of this increase in tourism, particularly in remote historical sites and areas of natural beauty, such as the central mountains and the beaches and offshore reefs of the Red Sea. Remoteness is of particular interest, as development along the new roads and railways broadens services for land travellers, and such developments are a good source of regional jobs. As noted in Section 2.3.2, the Commission advocated a new tourism development corporation that could be funded through public–private ventures to develop attractive sites along the coast. It stated that new legislation to support such initiatives will soon be implemented (Al Hamid 2012).

The hospitality industry, which is dominated by hotels, is a private sector. As discussed in Section 3.4, Saudi Arabia's employment policy is to use quality education to meet employers' expectations and move jobseekers' interests from the public sector towards the private sector. This shift is dependent on a reduction in the disparity in salaries and working conditions between the private and public sectors (Ramady 2010). Ramady stated that the job market infrastructure is not yet sufficiently robust, and that it requires the minimum wages and conditions, superannuation and unemployment insurance that are available in the public sector.

Further, there are inadequate statistical data on employment, with reported labour participation rates in 2009 for men being 39.2 per cent and for women being 14.2 per cent (Al-Shammari 2009). McDowell from Reuters (2012) estimated that 90 per cent of working Saudis were in the public sector and 90 per cent of private sector jobs were taken by foreign

workers (including in the construction industry). In 2012, the Saudi Labour Minister said that the Kingdom needs to create three million jobs for Saudi nationals by 2015, and six million jobs by 2030, partly through the Saudisation of jobs now filled by expatriates (McDowell 2012).

Saudisation of the tourism industry reached 26 per cent in 2012 (Saudi Commission of Tourism and Antiquities); however, Saudis prefer non-service management jobs. Al-Dosary and Rahman (2009) stated that to achieve Saudisation targets, the hospitality industry has hired Saudis without specifying the job, and therefore these workers gained little experience as the government supported their wages (then) for up to one year. The emphasis of employment policies should be on skill development through vocational and technical training to support a range of hospitality work, such as chefs, front desk staff, waiters, cleaners and customer service. This raises mixed responses due to perceptions of the status of work in hospitality. Awang et al. (2011) studied the perceptions of school students and apprentices on technical education and vocational training. Interestingly, they found that apprentices in the system appreciated the benefits of such training and advocated a higher profile for vocational credentials, nurturing a skilled workforce with a strong work ethic and good social values. Awang et al. (2011) highlighted the lifestyle, travel and gourmet television programmes that show young people working in glamorous jobs, and how these promote the opportunity to develop experience that can be transferred between employers, thus presenting the opportunity to travel.

Therefore, the finding for the study is that the opportunity for a vast range of job categories exists in the industry and that professionals can be accommodated in the new developments, such as the 858-room Makkah Clock Fairmont Tower. This concurs with the findings in the literature (Baldwin-Edwards 2011; Ramady 2010; World Bank 2012). Tourism growth continued during the recent economic downturn and forecasters agreed that this growth should average four to seven per cent in the medium-term future (e.g. Commission of Tourism and Antiquities 2012).

5.2.2 Crowding Out Smaller Firms

This question was based on the importance of small to medium sized firms in an economy, where the majority of jobs are usually found. Smaller firms are usually more flexible than larger firms, and can adapt to change more quickly (Sadi & Henderson 2011). Where there are large concentrations of service-seeking clients, such as during the *hajj*, there is a different model necessary, as only large facilities can accommodate and manage the vast numbers of people. The Saudi Commission of Tourism and Antiquities (2012) expects that the Kingdom will receive 88 million visitors by 2020, with religious tourism accounting for around 16 million travellers by 2014. However, as noted in Section 5.2.2, regional areas can accommodate small to medium firms as branches of existing hospitality and travel firms, franchises or entrepreneurs.

In this study, respondents in the Ministry of Labour and the Commission agreed that smaller firms can coexist with larger firms, and that crowding out should not occur. Participant L1 (Ministry of Labour) stated:

> No, I don't think so [that crowding out of small firms will occur], but the financial strength of the large companies will be reflected in the services provided, and consequently there will be further development of large companies.

Participant L2 agreed:

> Livelihood is decided by Allah … and I don't think that the large companies [try and crowd out the smaller]; on the contrary, there [appears to be] a trend by large institutions to support and assist small and medium institutions to help them grow.

The Commission representative T3 was definite:

> No [crowding out of small firms] because the industry is identified by classes [stars], which define services, so that the large companies provide luxury services with more stars, and the smaller companies with less stars provide more basic accommodation and services.

This point was also made by participant T2.

Small to medium sized firms are of increasing importance for Saudi Arabia, where they are regarded as a significant component of the economy and an important creator of jobs (Sadi & Iftikhar 2011). The authors studied factors that are critical to success for the tourism industries, noting that customer service was the single most important factor. They also

noted that small to medium firms frequently do not adopt a long-term perspective and neglect research and analysis, relying on owners or managers to deal with immediate problems and pressures. There is a risk of veering from one crisis to another, which ultimately leads to failure. A high proportion of small firms fail. This point was raised by participant T1, who stated that survivors in the industry, large or small, are those that offer superior customer service.

The finding for this point was that the participants disagreed that the massive hotel developments taking place around the Kingdom unduly harm the small to medium sector. They stated that varied visitor accommodation, ranging from serviced apartments to hotels, was necessary for customer choice and that the star classifications signified the level of accommodation required. Customer service was the factor that supported a successful firm, not size.

5.2.3 Industry Growth Prospects

Hospitality is a leading sector for Saudisation, and religious tourism accounts for 47 per cent of inbound tourism (see Section 2.3.2), which is expected to reach 16.2 million in 2012. Further, domestic tourism provides 40 per cent of all domestic travel, as Saudis visit the Makkah and Jeddah region for their summer holidays. In 2009, 43 million national and international visitors spent 355 million nights in Saudi hotel accommodation, and this is forecasted to maintain six to seven per cent growth (*Arab News* 10 April 2012).

While other countries have icons of Islam, such as the Taj Mahal in India and the Ottoman palaces in Turkey, Saudi Arabia's unique position in Islam places it at the forefront of religious and cultural tourism. However, tourism can bring unwanted elements that contradict Islamic teachings, such as tourism behaviour, inappropriate clothing, drugs and gambling (Al-Saleh & Hannam 2010; Timothy & Iverson 2006). Fortunately, as Saudi Arabia typically sources its tourists from Muslim countries, it largely avoids these pitfalls. The Pew Forum on Religious and Public Life (2011) has estimated that the world's

Muslims will reach 1.9 billion by 2020; thus, there is little concern that the Kingdom will experience a significant downturn in tourism in the foreseeable future.

While participant L1 doubted the capacity of the Saudi hospitality industry to innovate, grow strongly or offer good choice to customers, this respondent was the sole dissident. The remainder of participants were enthusiastic about the future prospects of the industry. Participant T3 stated:

> Yes, it is a developing field and the need for its development and growth is increasing, commensurate with the need to provide good opportunities [for employment] and good services [to customers].

Participant T2 agreed, and mentioned the breadth of influence of tourism on the economy. Respondent L2 also mentioned this point, noting the current strong development and predicting continued development in the future. L2 also noted the increasing quality standards that greater investment should bring.

The following question to the interview participants concerned the ability of the industry to access sufficient resources for this expected growth. Participant L2 (from the Labour Ministry) noted that this question was more relevant to the representatives from the Commission of Tourism and Antiquities. However, L1 stated: 'I think the systems of refinancing in this sector require reconsideration'. Participant T1 (from the Tourism Commission) agreed with this view:

> There are many parties who provide support to new and smaller firms. These are government entities, and the support depends on the extent of the added value to the local economy and the seriousness of the project's owner.

Participant T3 concurred:

> I can't confirm this due to lack of sufficient information, but there are some government banks, such as the industrial development bank, [that] provide loans for the establishment and renovation of hotels.

Participant 2 said that there was very limited financing for smaller industry members.

The study results for industry growth, improving quality and customer service were that the study participants, with one exception, were in broad agreement of the positive effects of investment into the hospitality sector. They believed these effects would include improved

customer service and wider employment opportunities for all Saudis. This included professionals, skilled labour and both urban and rural populations. However, there was limited public financing for the sector, given the large commitment to tourism infrastructure through transport and the mosques. It appears that the industry is evolving through the need to adequately accommodate the vast numbers of *hajj* and *umrah* pilgrims.

5.2.4 Management Competency in Hospitality

As Saudisation in the hospitality industry is at approximately 26 per cent, the majority of employees are non-national. Saudis prefer management positions; however, with the 24-hour service required in hotels and the extended hours in restaurants, it could be argued that there are also fewer Saudis than non-nationals in management, although there is no statistical evidence of this.

As noted in Section 3.1.3, cross-cultural training is important for when Saudi Arabia hosts millions of Muslims each year from around the globe, as well as commercial and leisure travellers. For the hospitality industry, customers are not all well travelled and may not have adapted to a global standard of polite behaviour (Burton 2009). Managers also have to respond to issues that arise while Saudis adjust to their new work environments and obligations. Non-nationals may be more disciplined in their duties (Tayeh & Mustafa 2011). Martín-Alcázar et al. (2008) stated that globalisation produces new factors regarding HRM, such as expatriation and repatriation processes, transnational teams, diversity management and cross-cultural competencies development. Harris (2004) stated that diversity management includes elements such as varying social distances, language and forms of verbal and non-verbal communication, such as gestures. Further factors that must be considered include food preferences, meal times, eating habits, promptness in response and lifestyle expectations. Training is the key to management competency (Ali 2008).

Participants were generally unimpressed by the quality of management in the hospitality industry. Participant L3 summarised this view:

> I think labour in the hospitality sector is in need of skills development and behaviour [change] when dealing with tourists.

Respondent L2 elaborated:

> To some extent in some hotels [there is professional management], but not in others, especially the hotels with limited income. This may change in the future when uncompetitive firms may be forced to quit the field.

The Commission representatives were more lenient, stating that service standards and managers were improving in the international hotels, although Saudis require more training. Participant T2 stated: 'It is a question to some extent subject to selection of their employees, and in my view, most are doing well … [However,] there no capable Saudis with substantial experience'.

The finding for this study was that the participants' opinions of the professionalism of hospitality managers were mixed, generally along organisational lines. Ministry staff were not impressed, citing small to medium sized businesses, while the Commission representatives viewed international managers as of an acceptable standard, although all participants expected improvement. The conclusion was that the increasing presence of the global hotels and restaurants required Saudis to have improved management training through Nitaqat. Whether international firms find that Saudis have sufficient cross-cultural skills, customer service and staff skills to build careers in these firms depends on the quality of the Saudi education system (Almunajjed 2010; Ramady 2010).

5.2.5 Views on Saudisation

The next three questions involved the interviewees' opinions of Saudisation and its usefulness in employing Saudis in the industry, and their thoughts on Nitaqat and its chance for success (at an early stage).

As discussed in Section 2.4.4, and to summarise the position, in the 1990s, the Saudi government began initiatives to reduce the number of school leavers and graduates from new tertiary institutions entering the public sector (Al-Dosary & Rahman 2009; IMF 2012). Public sector growth was restricted and the private sector was encouraged to recruit Saudis in an early attempt to diversify the economy away from the oil industry. Private employers

with over 20 workers were expected to reduce their non-national employees by five per cent annually, with economic (taxes) and administrative (delays in processing documentation) penalties for those who did not non-cooperate, in order to restrict their access to foreign labour. Those who complied found that they lost their best employees to other firms who were also trying to meet quotas (Looney 2012). As the Ministry of Labour administers employment and the Human Resource Development Fund implements training, these organisations were crucial to Saudisation's success. However, there was little public sector will for enforcing visa conditions and Saudi quotas, and the highly regulated sector of finance was the only area with a high proportion of Saudisation (Hassan 2004). By 2008, with 30 per cent Saudisation required across the economy, there were widespread exemptions and reductions (Al-Johani 2008). The Saudisation policy did not achieve the government's goals, with increases in non-national labour to 90 per cent of the private sector in 2009 and the Saudi participation rate decreasing to 10 per cent (SAMA 2010).

Saudisation was replaced with Nitaqat, which has removed some exemptions and concentrates on employer compliance and Saudi skill development (Randeree 2012). Nitaqat also aims to accelerate women's employment, train employment seekers, introduce a minimum wage and protect the rights of employees (Jabarti 2011). The short-term target is to obtain an accurate census of Saudi jobseekers in 2013 in order to target training and reduce the unemployment rate. The next target, in 2014, is to begin reducing expatriate employees in the private sector to 20 per cent, towards full employment. Nitaqat has attracted argument from those who claim that firms will become non-competitive and subsequently fail (Randeree 2012). As an early inducement to youth to enter the workforce, the Human Resources Development Fund introduced an unemployment payment for one year, and 600,000 people signed up. However, urban youths refused to update their details, and there were reports of people rejecting jobs that offered SR8,000 per month. Nevertheless, 380,000 young Saudis were employed within one year (2011 to 2012), which was five times the rate that occurred under Saudisation (*Arab News* 13 August 2012).

Participant L2 (Labour Ministry) articulated the position of Saudisation in the hospitality industry, without providing quotas. The participant nominated Saudisation as the goal of

gaining competency for Saudis to take back the labour force and thus the country's value, which is pouring out through expatriate remittances. L2 noted the continuing development of new economies and expected that the supply of cheap labour could not continue indefinitely. When asked whether Saudisation was successful in the past, L2 replied: 'To some extent, but not at the level required, as some employers do not have the insight to employ Saudis … that are continuing to build this country; however, the difficulties were great'. L2 continued:

> Yes, in some hotels there are training courses; also, training is required from the companies who have large number of non-Saudis. In addition, there's support from the Human Resources Development Fund for two to three years. [There are quotas for Saudis and foreigners] that must be achieved in a given category [job] given the number of those jobs. Some of the jobs in a given category may be fully Saudi, such as receptionists … certain managers, cashiers, security and other positions.

Participant L3 was more forthcoming on quotas, stating that Saudisation requires the 'replacement of positions in the sector [referring to foreign labour limits] not exceeding 80 per cent, and training of Saudis'. However, L3 stated that quotas had not yet been achieved, and noted the support of the Human Resources Development Fund through free training and recruitment in all industries, including the hospitality sector. The Commission representatives agreed with the Ministry regarding quotas, and T1 declared, 'Still, there is ambition'.

Following the brevity of T1's remarks, T3 presented the government's case more thoroughly:

> As if you are enquiring how a person eats or drinks. In my opinion, the most important objective in the field of hotels and hospitality is to employ great numbers of Saudi youths graduating from secondary schools and universities in a sector considered the largest in job opportunities that are [currently] filled by non-Saudis who are living in the Kingdom. The achievement of this objective is a process of pumping oxygen or medicine–health into the body of the Saudi community who is suffering from social, economic and security problems mostly caused by the lack of jobs for its youth [male and female].

In regard to training, the State is now represented in the Commission for Tourism and Antiquities, the Technical and Vocational Training Corporation and the Human Resources

Development Fund. These are the organisations that provide the basic training necessary for Saudis entering the hotel industry. Some hotels then also provide their employees with development courses to upgrade their abilities.

Support for the employee: For a period up to two years, the Human Resources Development Fund supports the wages and training of the employee. Following this, there are private hotels in the premium class (five stars) who have organisation charts (career structures), and a career for each employee. Other hotels are subject to the mood of the human resource manager, the hotel manager or the owner of the hotel in regard to support for employees.

Control of foreign employees: Recently, government organisations (such as the Commission for Tourism and Antiquities and the Ministry of Labour) have collaborated to require a certain rate of foreign employees at any firm, based on the total number of employees.

The finding for this research is that there is clearly a new impetus to gain far wider employment opportunities for young Saudis, though not necessarily at jobs reflecting their preferred status or wages. Of interest, there is consultation and perhaps collaboration between the public sector, whose structure and responsibilities have barely changed over the decades (Ramady 2010). There is little will to engage with the private sector, although acknowledging employers' problems and collaboration within the public sector will hopefully lead to dialogue with larger firms. For example, they could consider the content of their training and how useful this would be to the Technical and Vocational Training Corporation. In Australia, for example, industry boards have long advised the curricula of the Technical and Further Education system, providing updated input for every job every three years to maintain the quality of graduates from the system, which parallels Saudi Arabia's system (Al-Ali 2008). The government's decision to introduce Nitaqat to jobseekers in 2013 is of interest, given the excessive voluntary disengagement (71 per cent) of Saudis aged 15 to 24 years from the workforce (AlMunajjed & Sabbagh 2011; *Gulf News* 23 December 2012).

Training is undoubtedly the key to Saudisation, and this is allied with the promotion of the sector. Awang et al. (2011) advocated a higher profile for technical and vocational education and training credentials, the 'social good' of a strong work ethic, the attractions of luxury surroundings, and the attractions of working in occupations that offer a chance to travel.

5.2.6 Issues for Employers

Section 3.4 presented a discussion on the issues that employers experience when hiring Saudis, despite the considerable and coordinated government support, as detailed by participant T3. The discussion noted that if information is collected on nationals' employment, it is dated and based on several different estimates, including the World Factbook, Qatar National Bank, Alpen Capital and Samba Financial Services, among others. It was argued that substantial informal employment within families may account for Saudi women's participation rate of 17 per cent in 2010 and unemployment rate of 16 per cent in 2009 (Baldwin-Edwards 2011; World Bank 2012). Thus, there is little data on youth unemployment, youth participation rates, or assessment of employability from the various educational establishments, planned to publish in 2013. There is little data on immigrant populations. The economic needs of different industry sectors should be investigated to establish the situation for curricula reform, as well as projecting future needs for Saudi labour. Idrees (2011) established that an oligopoly exists among five-star hotels in the religious tourism and hospitality industry in Al Madinah. The firms protect their industry from newcomers, share customer and employee information, and standardise room offers and prices.

Section 2.4.2 discussed Saudis' attitudes to work, characterised by a lack of technical skills and work ethic and preference for the public service (Al-Asmari 2008; Al-Dosary & Rahman 2005; Almunajjed 2010; Al-Shammari 2009). Arguably, this attitude is the single most important aspect of unemployment, as it is the individual who must establish his or her position in society. Given the expectation that Saudis establish their family lives at an early age, it is of consequence that they are unable or unwilling to access a job to gain the

status they desire. This observation is supported by Ali and Al-Owaihan (2008), who investigated an Islamic form of the work ethic. They claimed that the Islamic work ethic has economic consequences and moral and social dimensions that appear to provide Saudis with a sense of worthiness and strengthen organisational commitment and continuity: 'Work is viewed not as an end in itself, but as a means to foster personal growth and social relations' (Ali & Al-Owaihan 2008, p. 5). While this view may not support the globally recognised ethic of productivity, it may be of use in hospitality management techniques.

In this study, the final questions concerned the managers' positions in regard to employing Saudis, from the viewpoint of the government representatives. In response to the question of whether employers in the hospitality industry actively seek Saudis as managers or staff, participants reacted positively, quoting Saudisation to justify their affirmative position. Interestingly, participant T2 quoted a 32 per cent Saudisation target at the time (in early 2012). Participants T3 and L2 also suggested that Saudi management was an effective marketing technique, as customers would expect to have a national in charge. Participant L2 said that Saudis are of value in customer service because they know more about the country.

In terms of promoting the hospitality industry to young graduates, participant L2 was enthusiastic, stating that it was important as a growth industry, and that experience in hotel or restaurant management could lead an individual into entrepreneurship, establishing new premises and building up a business. Respondent L1 was more cautious, explaining that the labour regulations and employment laws for Saudis are not yet sufficiently robust to protect employees. They require further 'incentives'. These incentives could possibly relate to unemployment insurance; ongoing employment; superannuation; leave allowances, such as parental and long service leave; union representation; and, importantly, an effective disputes system. Participant T1 said that the hospitality industry was clearly an acceptable industry for Saudi graduates and should be considered for any career, while T2 mentioned the benefits of experience and the chance to travel while working. T3 summarised the positive view:

> Yes, because it is a developing field and the work is interesting and non-routine due to the diversity of customers and their daily differences, in addition to the

> happiness which the employee feels from providing good service to others although paid for doing so.

On issues that participants may wish to comment about, T3 was cautious:

> Youth have the desire to work, but there is a problem with the lack of a clear organisational structure and [career structures] for hotels, as the young jobseeker wants to see himself after five or 10 years [on a career path with growth potential], not on the same salary and [incremental] increase.

Participant T1 mentioned a lack of professional qualifications in the hospitality industry. This again perhaps implies a need to seek greater collaboration between the public agencies, this time in higher education. Respondent L1 agreed, stating that more courses and qualifications should be provided by the tertiary sector, and that there is a greater need for employers to seek out Saudis who are willing to work. Again, T3 explained the respondents' views:

> In general [non-national management] do not use Saudis because they prefer to work with those of their nationality, as the majority of [managers] are non-Saudis. Therefore, the matter needs interference from the State to set rules and regulations that support young Saudi men and women to work in these firms and throughout the private sector.

Participant L2 closed the interview with the observation that international travel by Saudis for education, work and leisure opened them to new experiences. The hospitality industry was an excellent place for these leaders to work, to assist in the employment of other Saudis, and perhaps later to start a business. Participant T2 agreed with T3 that there was a perceived threat in Saudisation to existing non-nationals, who will possibly lose their jobs (given that they are tied to one employer); thus, they will be cautious to assist Saudis in similar jobs.

5.2.7 Section Summary

The finding of this research was that there are many issues regarding Saudisation of the hospitality industry, including:

- Lack of consultation among the public agencies, although this was growing;

- Lack of depth to the employment laws, especially in a coherent structure that governs all who work in the country; and
- Lack of an education system that supports the industry or any consultation with members of the industry.

From the employers' perspective, there was no 'organisational chart'—that is, there was no framework that related to long-term employment. This was due to the transient nature of non-national employment and the difficult employment contracts. Training in the firm was also unknown and could exist in some places, but not others. In addition, non-national team members with whom Saudis were expected to work were fearful for their jobs, as they were tied to one employer. Thus, the conclusion was that there are structural flaws in the employment conditions in Saudi Arabia that will continue to impede the government's attempts to implement Saudisation or Nitaqat.

5.3 Triangulation

Triangulation, according to Flick (2011), is a means to validate one form of data collection and analysis by critically evaluating it in comparison with another form. In this case, the statistical and inferential statistics derived from the hospitality industry in Makkah and Jeddah were used as a means to validate the responses from three Tourism Commission representatives and three Ministry of Labour representatives.

The demographic analysis of the industry respondents were that 39 per cent were non-nationals and 18 per cent of study respondents (just under half of the non-nationals) had lived in the country for more than six years. Thirteen per cent of the respondents who were Saudis were career professionals in the industry.

It was posited that the reasonably mature age of industry respondents did not reflect the average of five years in the industry, and that the intensive development in tourism infrastructure may be drawing nationals and non-nationals into the industry. A high level of university degrees and management experience supported this position. The government participants agreed that hospitality offers a comprehensive range of task-based,

management and professional categories in the industry, and tourism industry growth for Saudi Arabia is expected to continue to grow at four to seven per cent. Further, this finding is supported by the literature and informed opinion (Baldwin-Edwards 2011; Ramady 2010; World Bank 2012). There was sufficient scope for a range of firms in the hospitality industry, as the government participants stated that accommodation ranging from serviced apartments to hotels was necessary for customer choice, and that the star classifications for quality offered this choice. The government respondents emphasised customer service as part of the quality standard, rather than the focus being on the size of the building or firm. This concurs with Moyle (2008).

For the industry participants, the primary benefits of the hospitality industry concerned career choice, industry growth and esteem for managers. However, they had no opinion on promotional prospects. It was posited that this may reflect difficulties with the firms' career structures. This position was confirmed by the government representatives, who noted a lack of 'organisational chart' or career structure to provide a pathway for Saudis around the various sections of the firm and into the management structure. This was due to the employment model of the nation, with its principles of exclusion. There was no means for non-nationals to become citizens; therefore, career structures in Saudi Arabia were not a concern. Employees from global firms were promoted elsewhere (Ramady 2010).

A very high proportion of all study participants were positive about the hospitality industry, stating that the industry is diverse and offers a good career choice. There is no direct reference for this finding; however, it conforms to the findings of Ganesh and Madhavi (2013). Al-Saleh and Hannam (2010) and Alpen Capital (2012). Industry participants said that hospitality managers are paid well; however, working conditions were considered onerous.

Saudisation did not produce the same level of agreement among respondents. Saudisation in 2012 was described as being at 26 per cent (Saudi Commission for Tourism and Antiquities 2012). In terms of its operational aspects, industry participants agreed that trainee Saudi managers are readily integrated into the firm; however, there were neutral

responses to length of stay in the job and transfer of skills by non-national managers. Transfer of skills and experience with training is the basis of Saudisation and Nitaqat (Arab News, 201, several references).

From the government representatives' viewpoints, employment policy was based on education and training. This was supported by the results of this study, with a large number of industry respondents having university degrees, although these may have been self-selected for the survey. For non-managerial staff, skill development to support a range of hospitality jobs was proving to be successful in preparing Saudis for the industry, although the government participants noted there were insufficient courses available directed towards tourism. They noted that growth would enable improved quality and customer service and wider employment opportunities for all Saudis, including urban and rural populations. The government representatives noted restricted funding for hospitality industry members, as the current growth was in large developments that were funded differently. Nevertheless, start-up funding was readily available through the Human Resource Development Fund (Alpen Capital, 2012).

The primary factor to emerge from the research concerned the bureaucracy. As an absolute monarchy, all matters are decided centrally, and there has been little change since the administrative structure evolved 30 or 40 years ago. In that time, the ministries have remained intact and isolated, and it appears that their well-worn decision-making paths have only recently strayed to seek more information (Ramady 2010). The new impetus is to gain wider employment for young Saudis, though not necessarily in jobs reflecting their preferred status or wages. The government representatives mentioned the long-standing consultation and collaboration between the Ministry of Labour and the Human Resource Development Fund. However, there is now also representation from the Commission for Tourism and Antiquities in Saudisation and Nitaqat; thus, there is a chance that they will approach the Ministries of Higher Education for industry-based degrees and the Technical and Vocational Training Corporation for the array of hospitality certifications necessary, particularly for food handling and customer service.

This study noted that there is little will in the public sector entities to engage with the private sector, and that Saudisation/Nitaqat may lead to dialogue with larger firms on curricula content and standards. Further, this research supported Awang et al. (2011), who advocated a higher profile for technical and vocational education and training credentials, the 'social good' of a strong work ethic, and promotion of a good working environment and careers that enable the chance to travel.

5.4 Chapter Summary

This chapter presented and discussed the results of the data analysis in three parts. These data were comprised of surveys of 100 hospitality managers in Makkah and Jeddah, and interview questions submitted to government representatives in Riyadh, who were able to comment. This chapter presented an analysis and discussion of the quantitative research and qualitative research, and a triangulation of the results—that is, the comparisons and differences found among the results. It was found that the two groups were in broad agreement about the larger issues; however, there were differences in the detail, as each group concentrated on either strategic or operational matters. The next chapter concludes this study.

Chapter 6: Conclusions and Recommendations

This study was concerned with the hospitality industry in Saudi Arabia and its potential, as elsewhere in the world, to provide careers for young Saudis emerging from the education system. The opportunities for jobs are predicted to grow steadily, according to the Saudi Commission of Tourism and Antiquities (2012), with tourism's overall contribution to GDP at 7.2 per cent in 2011, with 670,000 staff employed and 26 per cent Saudisation. Of particular interest is religious tourism, with the world's Muslim population at approximately 1.6 billion at present, and the *hajj* being one of the pillars of Islam. Even though the area of the two holy cities and Jeddah is just a fraction of the country, the country's hospitality industry is grounded in a particular form of religious tourism.

Unfortunately, the Kingdom is also grounded in its dependence on foreign expertise and labour. Without the generations of professionals who elsewhere lead infrastructure, construction and human capital development, Saudi Arabia has been forced to adopt and adapt international designs and concepts to achieve its remarkable growth. Due to its Arab and Islamic culture, Saudis find the global workplace unsettling, particularly as they literally walk from their familiar culture through their workplace door into an unfamiliar corporate culture. Thus, there is an employer–employee disparity over remuneration, working conditions and future careers. The majority of the private sector workplaces do not employ a majority of Saudi workers, and this was the subject of this study.

This, the last chapter, is structured as follows. Presented first is a summary of the study, followed by an exploration of the benefits and limitations of the research. To conclude, a SWOT (strengths, weaknesses, opportunities and threats) analysis is presented for the Saudisation of the hospitality industry, followed by recommendations for decision makers and the industry. A consideration of further areas of interest for research completes the study.

6.1 Summary of the Study

The purpose of this study was to investigate Saudisation and Nitaqat in relation to the hospitality and tourism industries in Saudi Arabia. The primary research used triangulation through quantitative and qualitative data collection and analysis to identify barriers to Saudisation. The research questions that supported this aim were:

1. To identify the main factors impeding the recruitment and retention of Saudi hospitality graduates by using the literature and surveying relevant authorities in Makkah and Jeddah;
2. To survey the perceptions and experiences of managers and employees regarding factors that could improve Saudisation in the hospitality sector; and
3. To identify Saudisation policies and practices relevant to the sector and establish their efficacy.

The introductory chapter thus presented the factual and theoretical basis of the thesis and explained the gap in the literature, which focused on Saudi workplaces and management styles.

Chapter 2 discussed the characteristics of the Kingdom that are the foundation for increasing tourism into the foreseeable future—the *hajj*. The opportunity for pilgrims to remain after the *hajj* and explore the history and religious significance of the country were also described. While entry to the country is controlled by *hajj* and *umrah* visas, the number of visas is adjusted according to the capacity of the country to absorb the millions of pilgrims who arrive annually. Increasing visa numbers is one mechanism the Saudi government can use to diversify national income from oil revenues because this supports the growing industry of tourism. The government is thus spending billions of riyals on tourism infrastructure and is encouraging the private sector to invest in accommodation, restaurants and tourism services, both on the large scale that is necessary around Jeddah and the two holy cities and in the small to medium sized enterprises required in regional locations and urban niche markets.

Tourism and hospitality offer substantial employment opportunities across hundreds of job categories. They also offer a career structure for professionals, if this is adequately defined and exploited by prospective employees. Career structures are a challenge in a largely expatriate industry, as was the focus of a section of Chapter 2. The history of Saudisation and its compliance arm, Nitaqat, were discussed, together with an explanation of employer preferences for non-nationals who are perceived as more flexible, experienced and competent. While hundreds of thousands of Saudis are now employed, there is the potential for lower productivity of firms through duplication of tasks, excessive government support levels and less experienced decision making.

A literature review in Chapter 3 concerned tourism and hospitality insights, and Arab workplaces and management. Saudi Arabia lacks reliable statistics on which to build policies and programmes; this is one of the things Nitaqat aims to rectify. Saudi managers are characterised as distant and autocratic, which is not conducive to the consensus building that is a tenet of an Islamic society. In the workplaces of the hospitality industry, a further issue is customer relations, with young Arab employees required to engage with Muslims who hold very different customs and values. These differences in social behaviour require hospitality staff to be sensitive to their customers' needs and requests. A work ethic and work-readiness are objectives of the government's decade-long policy to introduce a focus on work-readiness, rather than literary and religious subjects, especially for women.

Chapter 4 presented the research design and explained the selection of the mixed methods approach. The quantitative aspect of data collection concerned managers in the tourism and hospitality industries, and the qualitative data collection was sourced from policymakers within the Ministry of Labour and the Commission of Tourism and Antiquities; the latter manages youth employment for the tourism industry.

The quantitative phase study participants were selected from a range of firms in two distinct environments—the commercial and leisure city of Jeddah and the religious tourism city of Makkah—to compare and contrast their responses on matters concerning the research questions. Chapter 4 explained the research process, the questionnaire and the interview

questions. While the questionnaire distribution and data collection were relatively straightforward, there were issues concerning interviews because it was advised that only written responses were available. However, suitable data were collected for analysis.

Chapter 5 presented the findings for the study and discussed the significance of the data. This comprised an analysis and discussion of both the quantitative and qualitative research instruments, seeking comparisons and differences among the results in terms of the previous research. While the two groups of participants were in broad agreement about the larger issues, there were differences because each group concentrated on either strategic or operational matters.

6.2 Study Benefits and Limitations

The benefits from this study concern one of the first studies of Nitaqat, and its early influence on the hospitality industry. The structural issues of an inadequate education system and attitude to work are currently being addressed, and the attempts by the authorities to enforce compliance on employers appear to be having initial success. This study found that the Kingdom is investing the same intensity of purpose in its social program that it did in its infrastructure program, and the evidence from employing foreign expertise has undoubtedly paid off handsomely, as the lifestyles of 20 million Saudis evidence. This research traced this original policy and aligned it with Saudisation. A further benefit from this research is the comparison between the views of the centralised Riyadh decision makers and Saudi and non-Saudi managers in Makkah and Jeddah. Further, the private sector participants were largely Saudi and were positive about their chosen careers, and this attitude supports the Nitaqat programme and the government's substantial investment from 2011 to 2014.

The limitations for this study are those of time and resources. The study could perhaps have included more firms from other cities and locations; however, the responses appear to show relative unanimity in the major factors. This study could also have included another group of participants, such as jobseekers, to explore their views of the hospitality industry as a

career, and this is a suggestion for further research. In addition, the interviews of the policy makers could have had more detail added to their responses; however, while some were forthcoming and gave full responses, others were less so. Interviewees would be expected to respond in a similar fashion.

6.3 Conclusions of SWOT Analysis

Using a SWOT analysis enabled a more in-depth discussion for this section. The conclusions reflected this study's findings on the state of the hospitality industry in Makkah and Jeddah, and the success of government policy in engaging young Saudis with the industry. Each subsection is presented in terms of structural (policy), government response and industry response.

6.3.1 Strengths

The conclusion of this study was that Saudisation is of significant strength because it is placing people in jobs in the hospitality industry, which is a primary goal of the government for youth employment. This could build impetus for wider employment for many young Saudis, though not necessarily in jobs reflecting their preferred status or wages. Further, employment policy is based on education and training, and this study showed that a large number of industry respondents with university degrees and trainee managers are readily integrating into the working environment. For non-managerial staff, skills development is proving successful. The decision of policy makers to introduce Nitaqat for jobseekers can only enhance Saudisation. However, AlMunajjed and Sabbagh (2011) stated that the great disparity between Saudi youth workforce disengagement and the global average reflects the position of women in the Kingdom—with the focus for women being on childbearing and rearing, rather than employment—although Saudi levels of female employment are now comparable to world averages.

The hospitality industry is a good source of employment because it is diverse and offers good career choices. Managers are paid well and those managers interviewed believed that

their careers brought them status in their communities. Once in the industry, managers tend to remain there—in this study, more than one-third had six to 10 years of experience. Interestingly, given the pace of building and opening of large hotels, nearly half the respondents worked in small to medium sized firms (with 50 to 100 employees), which signifies that opportunities remain for entrepreneurs to enter the industry.

6.3.2 Weaknesses

A major weakness in the government's approach to the Saudisation of the hospitality industry is the lack of consultation of policy makers with hospitality industry leaders to design qualifications and certifications to meet the needs of the industry. This is significant as the current qualifications and certifications were found to be inadequate. A conclusion of this study is that a high-level public–private consultative committee based in Jeddah, the commercial capital, could determine industry priorities and assist policy makers. The committee could also oversee an industry campaign to encourage students to adopt a range of professions and jobs in tourism.

Career structures are a weakness in the system that may be regarded as a threat, given the high proportion of large firms. However, in small to medium firms, a career-minded person would be expected to work for a range of different employers, building experience and commanding increased remuneration with acquired knowledge and experience. In this study, there was no 'industry response'—that is, no significant result—to the questions regarding promotional prospects for recruits in their firms. For the larger firms, the government participants confirmed a lack of 'organisational chart' or career structures in the industry that could be used by nationals to gain experience within a corporation. The conclusion is that career structures are a weakness in the system, as employers are responsible for hiring, training and firing employees. The quantity and type of employer training in the hospitality industry is unknown. In this study, there was high concern expressed by managers of the necessity for training.

While Saudisation and Nitaqat have been successful in achieving 26 per cent national employment in a growth industry, the quality of Saudis' work and duration of their employment remains to be proven. This is a weakness of the policy. Part of resilience in the employee is comprised of acceptance into the workplace (which was confirmed), then in gaining experience in the hospitality industry. In this study, there were no results to the questions regarding the length of stay in a job, and the transfer of skills by non-national managers, and this is of concern. As one of the aims of Saudisation is that nationals in a work environment learn by experience from non-nationals, a major weakness in the Saudisation model is that non-national managers have the potential to restrict transfer of knowledge, as they can be fearful of losing their jobs and thus the right to stay in the country. Their contract is with a single employer and cannot be transferred to another without their employer's permission. Based on this, this study concludes that it would be preferable for each Saudi to have a Saudi mentor in the organisation, or at least a person of integrity outside the line of control.

A further weakness for employers is source of funding—an issue with all Saudi small to medium sized businesses. This is due to the lack of private sector financial institutions and the inability of small business owners to conduct business with traditional banks, partly because of not meeting the banks' lending requirements, and partly for religious reasons in paying interest for debt financing (Alsahlawi & Alashikh Mubark 2011). Thus, if there were opportunities for entrepreneurs (noting the number of respondents from this category), financing may be a difficulty. However, as new employers, they would be eligible for Saudisation benefits.

6.3.3 Opportunities

The respondents noted communication links between the Ministry of Labour and the Human Resource Development Fund, and now representation from the Commission for Tourism and Antiquities, which is responsible for Saudisation and Nitaqat in the tourism industry. There is opportunity for these policy and operational organisations to extend their links into the Ministry of Higher Education and the Technical Vocational Training

Corporation for food handling, customer service, administration and internet-based services.

This study found that one in eight respondents were Saudis who considered hospitality to be their career. Of interest, one in seven of the non-nationals had significant Saudi experience, and this was likely to continue, given the hotel developments under way. Thus, there is a significant opportunity for these national and non-national managers to act as catalysts in their communities to encourage Saudis into the industry. Awang et al. (2011) advocated a higher profile for vocational education credentials. There is also the opportunity, given the high number of qualifications, for national and non-national managers to be recruited to undertake educator training and join vocational colleges and universities. Educators with private sector experience in their fields would be of high value in training and education.

Following on from the defined high need for industry training, this study found that managers were likely to be attracted from other industries into tourism and hospitality. This is an opportunity for directors and other board members, marketers, accountants and auditors, human resource managers and trainers, as some examples, to bring their professional experience into the industry's growth, which is currently occurring at four to seven per cent (Baldwin-Edwards 2011; World Bank 2012).

The small business sector, with approximately half to two-thirds of registered Saudi private sector employment, was described by Hartog (2010) as listless, with the enterprises abandoned by their owners when conditions changed. These firms are arguably not attractive to risk-averse Saudi employees. However, industry changes include the arrival of national and international franchises and joint ventures in hotels and restaurants. These could provide good sources of opportunity for Saudi entrepreneurs with experience in the industry, as they are served by corporate levels of marketing, accounting and quality management.

There are opportunities for accommodation providers to establish and expand enterprises from serviced apartments to large hotels in Makkah and Jeddah. As well as size, the star rating for quality offers choice for customers and opportunities for owners, joint ventures and other firms to upgrade. The government respondents emphasised customer service as part of the quality standard, rather than the focus being on the size of the building or firm. This concurs with Moyle (2008). This also applied to the service industries, such as restaurants, tourism-related shops and cleaning firms, and to the rise of online providers, such as government information sites, travel agents and travel booking firms.

A conclusion of this study is that with training for owners, managers and employees alike, there is ample opportunity for income for both urban and regional nationals. These opportunities come from differentiation, quality and customer service. While some established firms could not or would not access commercial funding, start-up funding is available from the Human Resource Development Fund.

An interesting opportunity in tourism is for Saudi women. Recently, AMEinfo (2012) observed that the Ministry of Labour reported that approximately 113,000 Saudi women expressed an interest in working in the hospitality sector, where just 0.3 per cent of private sector Saudi women currently occupy jobs. This absence of women was reflected in this study, with just four women responding to the survey, who were apparently non-nationals. Saudisation and Nitaqat have long targeted certain vocational occupations, such as administrative assistants, cooks and waiters, and this appears an excellent time to find work for women in the industry. *Arab News* (May 2012) reported that 100 young Jeddah women (and 250 men) signed training contracts for employment in the hospitality and tourism sector as cooks, waitresses and cashiers, and that this employment was supported by the Social Charity Fund. This was the first time Saudi women were licensed to work in the tourism sector to run events for women, substituting foreign employees.

6.3.4 Threats

The conclusions of this study are that, from the policy makers' viewpoint, lack of consultation with the industry at a committee level is a threat to the Saudisation of the hospitality industry. There is disconnect between the goals of business competitiveness and profit on the part of the private sector employers and the single aim of getting numbers of Saudis employed in the hospitality industry on the part of the collective governmental agencies. Furthermore, there is a trend towards collaboration to achieve Saudisation targets by various agencies; however, this has not yet extended to consultation between the various ministries who could assist the industry with certification of facilities and quality assurance for services. In addition, there is the matter of courses and qualifications for Saudi youth, as described above.

Although changes are being discussed among decision makers, the dual labour laws for nationals and non-nationals are ultimately self-defeating. While cheap, imported labour is attractive for the business profit motive, the emergence of Asian economies will attract non-nationals back to their home countries as tourism becomes a reality and their Saudi experience is required in the new hotels and restaurants. Saudis will ultimately have to rely primarily on their own 'talent'. In 2010, Al-Munajjed reported highly qualified Saudi women finding jobs in other GCC countries when they were unable to access meaningful employment in their own. Procuring expensive international qualifications for young Saudis only to have them shift their talents out of the country is not the aim of the education system. A coherent labour law structure is necessary for all who work in the country in order to build the leadership, professionalism and workforce that can respond to the needs of the growing economy.

Allied to the lack of coherent labour laws are the artificial employment structures of the dominant private sector industries, including hospitality. While public corporations such as Aramco, SABIC and the National Commercial Bank provide integrated structures that allow people to move into various parts of the organisation, gaining experience and promotion, the private industry relies more on non-nationals and a 'compartmentalised'

approach to recruitment. Jobs are more likely to be replaced with external qualified and experienced employees, rather than filled via promotion from within the organisation (Madhi & Barrientos 2003; Ramady 2010).

Nitaqat enforcement in itself may be a threat to Saudisation. In this study, the employers' response at the beginning of the Nitaqat campaign was that 'there are too many regulations about Saudisation and it is hard to work with them'. As noted, the government's aim of increasing the country's human capital is not compatible with the profit and efficiency motives of private enterprise, yet both are usually necessary for an economy to prosper. Thus, the end goal for all stakeholders is a strong economy; however, this does not necessarily meet the intermediate goals of the government or the employers (Al-Dosary & Rahman 2009; IMF 2012).

As evidence from late 2012 shows, the Saudi unemployment problem is worsening, with 800,000 unemployed women tertiary graduates and a 10.5 per cent unemployment rate in the country that has a no-job no-residency policy for non-Saudis (Ahram 2012). While the offer of unemployment benefits to placate youth after the Arab Spring certainly drew more people to the labour force, it may have had the adverse effect of raising the participation rate to include those not committed to seeking employment. This threat of rising unemployment produced a new twist to Nitaqat—that Saudi youth would have their own categorisation of red, yellow, green and platinum, signifying their willingness to work and commit to a job. Whether this pressure on youth to perform, as well as the imminent changes to the permitted ordinary numbers of work hours, will have the required effects remains to be seen (*Gulf News* 2012).

Management is also a perceived threat to Saudisation. A conclusion of this study is that the majority of line managers are non-nationals fulfilling contracts and uncommitted to anything beyond this, such as Saudi sovereignty. It is considered that they adhere to the rules of Nitaqat without taking into account its aim of a robust economy. Therefore, the majority of firms operating in Saudi Arabia are not seeking to build national productivity. Without a committed Saudi middle-class professional management, Saudi Arabia shows no

real signs of improving its low productivity, or of building a private sector that is capable of self-reliance and moving away from the public purse.

6.4 Recommendations

Based on the conclusions of the study and with respect to the Saudi agencies that appear to have launched several well-timed responses to the increasing unemployment, the following matters may be considered.

It would be advisable to establish a formal public–private consultative committee chaired by the Supreme Commission for Tourism and consisting of representatives from:

- The Ministry of Labour;
- The Human Resources Development Fund; and
- Subsidiary funding organisations such as Industry Development, the Technical and Vocational Training Corporation, the Ministry of Education (schools), the Ministry of Higher Education (universities), peak employers (Chambers of Commerce) and professional associations.

The consultative committee's mandate could include consideration of Nitaqat policies that could have an adverse effect on productivity. They could also advise regarding university and vocational curricula that affect productivity, and address gaps between gender laws and the government's declaration of women's right to work.

There are options for this consultative committee's administrative support. Specialist regional offices in the provinces of Makkah and Al Madinah could maintain local data bases from periodic data received from the Central Department of Statistics, the chambers of commerce on business sentiment, and the relevant development funds on business activity. This information, supplied through the consultative committee to the stakeholders, would assist Saudisation in the long term.

As an option to regional administrative offices, the Ministry of Commerce could establish a Regional Tourism Network for the Makkah-Jeddah-Al Madinah accommodation industry

to establish existing tourism and hospitality supply from the cities: numbers and standards of beds in hotels, apartments and boarding houses. This network could obtain information from the Ministry of the *Hajj* on pilgrim numbers and city capacities at high season and low season. To support an extended stay in the country by visitors, a survey could then establish pilgrims' movements before and after the *hajj*, and their use of the supporting tourism infrastructure of restaurants, resorts, children's activities, sports, and leisure and cultural attractions. This would identify gaps in services during the high and low seasons and the Ministry of Foreign Affairs could adjust business and other secular visas accordingly. This would improve Saudisation by establishing continuous, rather than seasonal, work opportunities, especially for women.

During its structural changes towards providing work-ready school leavers, the Ministry of Education could commence streaming students in their final years towards generic skills in the hospitality industry, as this is a priority of the government. Students could attend secondary school for their education and then take additional classes in the vocational training sector, transferring after finishing secondary school to finalise their hospitality certification in a year or two. This would relieve the specialisation that teachers may not be able to provide, and assist vocational trainers because they will not have to provide a general education (in English, numeracy and social development) and can instead concentrate on skills development.

Saudisation by fiat—that is, punishment to employers—must be temporary. This is because, in the long term, it could result in employers concentrating more on its avoidance than on the Nitaqat aim of providing employment for young Saudi men and women. While it appears that, to combat the rising unemployment, all avenues should be explored, it should be considered that the above recommendations are likely to be more effective than forcing private employers out of business.

6.5 Future Research

There are ample grounds for proactive research on Saudisation. The gender divide appears to be a large barrier to the country's productivity. There are two avenues of research that could be pursued here. Following the report of highly qualified Saudi women moving to other GCC countries to access meaningful employment, there is an opportunity to undertake a large-scale longitudinal study of women's progress through Saudi universities and overseas study, during a period of five to 10 years, in order to ascertain their employment experiences and career success.

For those Saudi women who do not wish to pursue higher education, vocational occupations, such as administrative assistants, cooks and waiters, were targeted under Saudisation as suitable for women's employment. Such skills are readily transferable for families moving around the country, with women following their husband's work. The benefits and issues of following these vocations as a longitudinal study would be of substantial assistance for Saudisation in the hospitality industry.

This study has established that there is a connection between offering unemployment benefits and the labour market participation rate. There is an opportunity for research to study the actions of graduates and school leavers in entering the labour market to establish the net costs and benefits of the participation rate.

The transfer of information from non-nationals to nationals under Saudisation has obvious issues related to the disincentives to non-nationals through eviction if unable to gain the recommendation of the initial employer to secure a job with another employer. Of interest to research is the range of outcomes if, after assessing the capacity of a non-national's training skills, the non-national's contract under the Ministry of Labour's supervision was transferred as a vocational trainer or a mentor in private industry.

6.6 Conclusion

This concludes this thesis, which is commended to the reader. It is the devout wish of the researcher that the matters included in the study are of assistance to the authorities and of interest to the reader.

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Appendices

Appendix 1: Survey of Saudisation in the Hospitality Industry

Saudisation in the Hospitality Industry: Management Views

The aim of this survey is to identify management's views on Saudisation for the hospitality industry. Your experiences and opinions of hiring Saudis—particularly young, educated men and women—will be used to develop new approaches to address high youth unemployment. The intention is to help create valuable employees and managers as future leaders for your industry.

Filling out the survey is estimated to take no more than 15 minutes. As an academic study, you can be assured of complete privacy. There will be no personal identification of any person who agrees to contribute to this study, and all information will be held in a university safe for five years. There is no commercial organisation associated with this academic study.

Please help young people make a career for themselves in your industry by completing this survey. Please return this using the return paid envelope to: [ADDRESS DELETED].

Your assistance is appreciated.

Khalid Aldosari
DBA candidate
Victoria University, Melbourne
Khalid.aldosari@live.vu.edu.au

Some General Information About You

As part of academic studies, the demographics and industry experiences of research participants are requested to place their views in the proper context. The details asked here are only for this purpose and will not be published or otherwise used.

Please place a tick in the appropriate place.

1.Gender	6. Experience in the field of hospitality
Male ☐ Female ☐	Less than 2 years ☐
2. Nationality	2–5 years ☐
Saudi ☐	6–10 years ☐
Other Arab ☐	More than 10 years ☐
European, North American, similar ☐	7. Management experience in Saudi
Other Asian ☐	Less than 2 years ☐
3. Age group	2–5 years ☐
18–19 years ☐	6–10 years ☐
20–29 years ☐	More than 10 years ☐
30–39 years ☐	8. Size of firm you work for
50 years + ☐	Less than 10 employees ☐
4. Educational qualification	10–49 employees ☐
Diploma or under ☐	50–100 employees ☐
Undergraduate degree ☐	Over 100 employees ☐
Graduate degree ☐	9. Type of firm you work for
Other ☐	Food ☐
5. If not Saudi, how long have	Hotel ☐
you been here?	Other ☐
Less than 2 years ☐	10. Position in the firm owner
2–5 years ☐	Senior ☐
6–10 years ☐	Manager ☐
More than 10 years ☐	Supervisor ☐

Your Views

The following scale is used to identify your experiences and opinions on different topics regarding Saudisation. Please circle whichever number is appropriate on the questions under the scale.

1	2	3	4	5
Strongly disagree	Disagree	No opinion	Agree	Strongly agree

Overview of the Hospitality Industry in Saudi Arabia					
11 The hospitality industry is a good career choice	1	2	3	4	5
12 Larger firms in the industry tend to treat their staff better than do smaller firms	1	2	3	4	5
13 The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	1	2	3	4	5
14 I would encourage young people to consider working in the hospitality industry	1	2	3	4	5
15 Most larger firms in the industry are owned by Saudis	1	2	3	4	5
16 There is a good range of management training available within the industry	1	2	3	4	5
17 Managers in the Saudi hospitality industry are held in high esteem	1	2	3	4	5
18 In general, the hospitality industry pays its managers well	1	2	3	4	5
19 Working conditions are harsh in most firms in the hospitality industry	1	2	3	4	5
20 The hospitality industry is growing strongly	1	2	3	4	5
21 There are not many senior management opportunities in Saudi hotels and restaurants	1	2	3	4	5

22 I would prefer working for a smaller Saudi firm than a large international corporation	1	2	3	4	5
23 I would consider leaving the hospitality industry and seeking work elsewhere	1	2	3	4	5
Comparing Saudi Managers and Non-Saudi Managers					
24 Management skills in the hospitality industry are generally not high	1	2	3	4	5
25 Saudi managers have better employee skills than non-Saudi managers	1	2	3	4	5
26 All managers need training to get the best from their employees	1	2	3	4	5
27 Experience in the hospitality industry makes better managers	1	2	3	4	5
28 There are more international managers than Saudi managers in my firm	1	2	3	4	5
29 International managers in my firm soon learn Saudi values	1	2	3	4	5
30 I prefer working with international managers than Saudi managers	1	2	3	4	5
31 Saudi senior managers can be arrogant and aloof	1	2	3	4	5
32 All hospitality managers should have some tertiary qualification	1	2	3	4	5
33 International managers hire more Saudi staff than do Saudi managers	1	2	3	4	5
34 Saudi managers are more innovative and effective than are international managers	1	2	3	4	5
35 My firm provides a good working environment	1	2	3	4	5
36 I can easily access training to improve my career prospects with this or other firms	1	2	3	4	5

37 I feel that I can innovate and build business for my firm	1	2	3	4	5
Saudisation					
38 International managers work to transfer their skills to new Saudi managers	1	2	3	4	5
39 Programmes to help Saudis build careers in the hospitality industry are successful	1	2	3	4	5
40 In my firm, any Saudis who are hired as trainee managers leave as soon as they can	1	2	3	4	5
41 Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	1	2	3	4	5
42 There are too many regulations about Saudisation and it is hard to work with them	1	2	3	4	5
43 Saudi hospitality managers should have regular training to keep up with the industry	1	2	3	4	5

Do you wish to comment about the questions, or add some other comment? Please do so below, and attach another page if you wish.

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Thank you for your cooperation.

Appendix 2: Survey of Saudisation in the Hospitality Industry (in Arabic)

السعودة في المجال الفندقي

أراء إدارية

يهدف هذا الاستبيان إلى التعرف على أراء الجهات الإدارية في سعودة المجال الفندقي. سيتم الاستفادة من خبراتكم في التعامل مع العمالة السعودية ،والشباب المتعلم من الرجال والنساء خاصة، لتطوير أساليب جديدة لمخاطبة الشباب العاطل عن العمل. والغرض من هذا المساعدة هو خلق موظفين جيدين ومديرين هم قادة المستقبل في المجال الفندقي.

من المقدر أن يستغرق الاستبيان 15 دقيقة لا أكثر. ونظرًا للطبيعة الأكاديمية للاستبيان يمكنك أن تتأكد من الحفاظ على خصوصيتك الكاملة. لن يتم التعريف بأي شخص يوافق على المشاركة بهذه الدراسة وسوف تحفظ جميع المعلومات داخل الجامعة لمدة خمسة سنوات. ولا يوجد أي منظمة ربحية مشاركة في تلك الدراسة الأكاديمية.

برجاء مشاركتنا لمساعدة الشباب في بناء مستقبل عملي لأنفسهم في مجالكم وذلك باستكمال الاستبيان.

مساعدتكم ذات قيمة لدينا

خالد الدوسري

مرشح لدرجة دكتوراة ادارة الاعمال

جامعة فكتوريا، ملبورن.

Khaled.aldosari@live.vu.edu.au

استبيان حول السعودة في قطاع الضيافة

بعض المعلومات العامة عنك:

من أجل وضع تقديرات المشاركين في الدراسة في السياق الصحيح يتطلب ذلك بعض المعلومات الخاصة بالخبرات في مجال الدراسة والخصائص السكانية كجزء من الدراسات الأكاديمية. يتم استخدام هذه المعلومات لغرض الدراسة فقط ولن يتم نشرها أو استخدامها لأي غرض آخر.

1. النوع
- ☐ ذكر
- ☐ أنثى

2. الجنسية
- ☐ سعودي
- ☐ عربي
- ☐ أوربا، أمريكا الشمالية،
- ☐ أسيا

3. الفئة العمرية
- ☐ 18-19 عام
- ☐ 20-29 عام
- ☐ 30-39 عام
- ☐ 50 + عام

4. المؤهل العلمي
- ☐ دبلوم أو أقل
- ☐ دراسة جامعية
- ☐ خريج جامعي
- ☐ أخرى

5. كم المدة التي قضيتها في المملكة (لغير

6. الخبرة في مجال الضيافة
- ☐ أقل من عامين
- ☐ 2-5 سنوات
- ☐ 6-10 سنوات
- ☐ أكثر من 10 سنوات

7. خبرة الإدارة في المملكة
- ☐ أقل من عامين
- ☐ 2-5 سنوات
- ☐ 6-10 سنوات
- ☐ أكثر من 10 سنوات

8. حجم المؤسسة التي تعمل بها
- ☐ أقل من 10 موظفين
- ☐ 10-49 موظف
- ☐ 50-100 موظف
- ☐ أكثر من 100 موظف

9. نوع الشركة التي تعمل بها
- ☐ مواد غذائية
- ☐ فندق
- ☐ أخرى

السعوديين)؟

- أقل من عامين
- 2-5 سنوات
- 6-10 سنوات
- أكثر من 10 سنوات

10. الوظيفة التي تعمل بها

- رئيس
- مدير
- مشرف

آرائك

يستخدم الاستبيان التالي للتعرف على خبراتك وآرائك في بعض الأمور المتعلقة بالسعودة. نرجو وضع دائرة حول الرقم الذي يناسب الإجابة على السؤال.

5	4	3	2	1
موافق بشدة	موافق	ممتنع	أعترض	أعترض بشدة

نظرة عامة على قطاع الضيافة في المملكة العربية السعودية

5	4	3	2	1	11. قطاع الضيافة اختيار مهني جيد
5	4	3	2	1	12. تميل الشركات الكبرى إلى معاملة الموظفين أفضل من الشركات الأصغر.
5	4	3	2	1	13. قطاع الضيافة متنوع ويقدم مجموعة كبيرة من الاختيارات للسعوديين والزائرين.
5	4	3	2	1	14. أشجع الشباب على العمل في قطاع الضيافة.
5	4	3	2	1	15. أغلب شركات قطاع الضيافة الكبرى يملكها سعوديين
5	4	3	2	1	16. هناك معدل جيد من التدريب الإداري متاح في هذا المجال
5	4	3	2	1	17. يتمتع المديرين في قطاع الضيافة بتقدير بالغ
5	4	3	2	1	18. يتقاضي المديرين في قطاع الضيافة مبالغ جيدة
5	4	3	2	1	19. ظروف العمل شاقة في أغلب شركات قطاع الضيافة
5	4	3	2	1	20. تنمو صناعة الضيافة بشكل سريع
5	4	3	2	1	21. هناك المثير من الفرص الإدارية المميزة في الفنادق والمطاعم السعودية.
5	4	3	2	1	22. أفضل العمل لدى الشركات السعودية الصغيرة عن العمل لدى المؤسسات الدولية الكبرى.
5	4	3	2	1	23. أفضل ترك العمل في قطاع الضيافة والبحث عن عمل في مكان آخر.

5	4	3	2	1
موافق بشدة	موافق	ممتنع	أعترض	أعترض بشدة

مقارنة المديرين السعوديين بالمديرين غير السعوديين

24. مهارات الإدارة في قطاع الضيافة عموما ليست عالية	1	2	3	4	5
25. المديرون السعوديون لديهم مهارات وظيفية أفضل من غير السعوديين.	1	2	3	4	5
26. يحتاج جميع المديرين إلى التدريب للحصول على أفضل ما لدى الموظفين.	1	2	3	4	5
27. الخبرة في قطاع الضيافة تجعل المديرين أفضل.	1	2	3	4	5
28. في الشركة التي أعمل بها يوجد مديرين غير سعوديين أكثر من السعوديين	1	2	3	4	5
29. يتعلم المديرين غير السعوديين في شركتي القيم السعودية سريعا.	1	2	3	4	5
30. أفضل العمل مع المديرين الدوليين أكثر من المديرين السعوديين	1	2	3	4	5
31. المديرين السعوديين يكونون متغطرسين ومتكبرين	1	2	3	4	5
32. يجب أن يكون لدى جميع المديرين العاملين في قطاع الضيافة مؤهلات جامعية.	1	2	3	4	5
33. المديرين الأجانب يميلون إلى توظيف طاقم عمل سعودي أكثر من المديرين السعوديين.	1	2	3	4	5
34. المديرين السعوديين أكثر إبداعا وفاعلية من المديرين الأجانب.	1	2	3	4	5
35. تهيئ الشركة التي أعمل بها مناخ جيد للعمل	1	2	3	4	5
36. أستطيع بسهولة الحصول على التدريب المناسب لتنمية الجوانب المهنية من خلال هذه الشركة أو غيرها.	1	2	3	4	5
37. أشعر أنني استطيع الابتكار وتنمية الجانب التجاري لشركتي	1	2	3	4	5

1	2	3	4	5
أعترض بشدة	**أعترض**	**ممتنع**	**موافق**	**موافق بشدة**

السعودة

38. المديرين الأجانب يعملون على نقل مهاراتهم إلى المديرين السعوديين الجدد.	1	2	3	4	5
39. تعتبر البرامج التي تساعد المديرين السعوديين في بناء خبراتهم ناجحة	1	2	3	4	5
40. في الشركة التي أعمل بها جميع المديرين الذين يعملون كمديرين متدربين يغادرن الشركة في أقرب وقت يستطيعون.	1	2	3	4	5
41. المديرين السعوديين المتدربين الذي لديهم مؤهلات في الضيافة يندمجون بسرعة في فرق العمل.	1	2	3	4	5
42. هناك الكثير من التنظيمات الخاصة بالسعودة ومن الصعب التماشي معها.	1	2	3	4	5
43. المديرين السعوديين في قطاع الضيافة يجب أن يكون لديهم تدريب منتظم للتماشي مع هذه الصناعة.	1	2	3	4	5

هل لديك أي تعليق على الأسئلة أو تريد إضافة بعض التعليقات؟ إذا كان لديك أي تعليق نرجو كتابته أدناه أو إرفاق صفحة منفصلة إذا تطلب الأمر.

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شاكرين لكم تعاونكم معنا.

Appendix 3: Questions for Government Representatives

1. Is the hospitality industry—that is, hotels and accommodation, and food and beverage outlets—an important source of employment in Saudi Arabia?
2. Do you think the larger firms tend to crowd out the smaller firms in the industry?
3. Do you think that the hotel and food sectors are progressive and innovative? For instance, are they growing strongly and offering choice and good services?
4. Could you comment on whether the hotel sector is well resourced—that is, whether it has access to capital for building new premises and refurbishment of out-of-date establishments?
5. Could you comment on the management in the industry? For example, its professionalism, or whether it is competent to adequately manage a substantial increase in tourists?
6. Are there issues regarding hospitality management's professionalism on which you could comment?
7. What are the targets for Saudisation in the hospitality industry?
8. Have these targets been met in the past?
9. What incentives are on offer to employers (training, employee support, controls on foreign employees)? Could you comment on each aspect, please?
10. Do you think that employers in the hospitality industry actively seek Saudi staff as managers or staff? Do you think they could do better in attracting nationals to their sectors?
11. Would you recommend young graduates seek a career in the hospitality industry? Could you comment on this, please?
12. Are there issues regarding Saudis' willingness to seek employment in the hospitality industry on which you would like to comment?
13. Are there any other matters regarding hospitality managers and their attitude towards Saudisation on which you would like to comment?

Appendix 4: Questions for Government Representatives (in Arabic)

أسئلة خاصة بموظفي الدولة

1. هل يعد المجال الفندقي، بما فيه الفنادق والشقق الفندقية، والأطعمة والمشروبات مصدر جيد لتوفير فرص عمل بالمملكة العربية السعودية؟
2. هل تعتقد أن الشركات الكبيرة تعمد إلى إزاحة الشركات الصغيرة عن هذه الصناعة؟
3. هل تعتقد أن مجال الفندقة والطعام مجال متطور وإبداعي؟ على سبيل المثال، هل معدل نمو هذه الصناعة جيد ويوفر فرص جيدة وخدمات جيدة؟
4. هل يمكنك أن تبين إن كانت مصادر التمويل للمجال الفندقي جيدة أم لا، أي هل هناك مصادر تمويل للمنشآت الجديدة وإصلاح المباني المتقادمة؟
5. هل يمكنك أن تعلق على نظم الإدارة بالمجال الفندقي، على سبيل المثال، مدى حرفية القائمين عليها، وإن كانوا أكفاء بدرجة تؤهلهم لإدارة المجال بما يلائم الزيادة في التدفق السياحي؟
6. هل تلك الأمور بخصوص نظم إدارة مجال الفندقي هي ما تستطيع أن تعلق عليه؟
7. ما هي أهداف سعودة المجال الفندقي من وجهة نظركم؟
8. هل سبق وحققت تلك الأهداف ؟
9. ما هي الحوافز التي تقدم للموظفين (التدريب-دعم الموظفين-التحكم بالعمالة الأجنبية)؟ هل يمكنك التعليق على كل بند على حده؟
10. هل يمكنك أن تذكر أي شركات بالمجال الفندقي تسعى إلى تشغيل عمالة سعودية؟ هل تعتقد أن تلك الشركات ستستفيد أكثر من تشغيل السكان المحليين بقطاعاتها؟
11. هل تشير على الشباب حديث التخرج بالبحث عن فرصة عمل في المجال الفندقي؟ هل يمكنك إضافة تعليق؟
12. هل تود أن تعلق على رغبة السعوديين في البحث عن وظائف بالمجال الفندقي؟
13. هل تود التعليق على أي أمور أخرى بخصوص المديرين بالمجال الفندقي ونظرتهم للسعودة؟

Appendix 5: Consent Form for Participants Involved in Research

Information for Participants:

We would like to invite you to be a part of a study into 'Saudisation in the Hospitality Industry: Management Issues and Opportunities'.

This research seeks to identify perceptions of hospitality managers, Saudi and expatriates, regarding Saudi graduate employees and jobseekers. This research will be further informed by access to the Saudi bureaucracy, the Department of Employment for jobs and the Human Resources Development Fund for training funds, for their views on the fragmentation of Saudisation projects across the country.

The intention is to provide recommendations for educational institutions and training providers in both the public and private sectors to address perceived issues regarding hospitality graduates' competence in the Saudi workplace.

Certification by Subject

I, Mr/Ms ---------- Manager/Employee of ---------- (Name of Organisation)

Certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study 'Saudisation in the Hospitality Industry: Management Issues and Opportunities' that is being conducted at Victoria University by A/Prof James Doughney from The Centre for Strategic Economic Studies, and Dr Dana Nicolau from The Centre for Strategic Economic Studies.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by Khalid Aldosari and that I freely consent to participation in an interview of approximately 30–50 minutes. I understand that the interview will be recorded.

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way. I can also decline to answer any particular question and I am not required to disclose any confidential or commercially-sensitive information.

I consent / do not consent to having the interview record.

Signed:

Date:

Any queries about your participation in this project may be directed to Khalid Aldosari: telephone # +966 556622122; postal address: PO Box 9218 Jeddah 21413; email: Khalid.aldosari@live.vu.edu.au

If you have any queries or complaints about the way you have been treated, you may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001; telephone: (+61 3) 9919 4148.

Appendix 6: Consent Form (in Arabic)

نموذج موافقة المشاركين في البحث

نود أن ندعوكم للمشاركة كجزء من دراسة "السعودة في المجال الفندقي، والأمور الإدارية والفرص".
يهدف البحث إلى تعريف اتجاه المديرين والسعوديين والمغتربين تجاه عمل السعوديين حديثي التخرج والباحثين عن العمل بهذا المجال. وسيتوغل البحث ليبحث داخل النظام البيروقراطي بالمملكة العربية السعودية و إدارة القوى العاملة وزيادة الاعتمادات المالية لإدارة الموارد البشرية لتوفير فرص تدريبية للحصول على أرائهم حول تفتيت المشاريع السعودية عبر المملكة.
والهدف هو توفير التوصيات للمؤسسات التعليمية والتدريبية في كل من القطاع الحكومي والخاص للتعامل مع الأمور المتعلقة بكفاءة الخريجين السعوديين للعمل بالمجال الفندقي في السوق السعودي.

التوثيق بالموضوع

أنا السيد/السيدة ..... مدير/ أو موظف بـ..... (اسم المنظمة)
أشهد بأن عمري 18 عامًا على الأقل وأنني أوافق طواعية على المشاركة في تلك السباحة: "السعودة في المجال الفندقي: أمور إدارية وفرص العمل" والمشرف على البحث بجامعة فيكتوريا الأستاذ الدكتور/ جيمس دوجني بمركز الدراسات الاقتصادية الإستراتيجية، والدكتورة/ دانا بيكولا بمركز الدراسات الاقتصادية الإستراتيجية بجامعة فيكتوريا.
وأشهد بأن الهدف من الدراسة، بما فيها المخاطر والاحتياطات اللازمة للإجراءات المبينة فيما يلي للقيام بها في هذا البحث وأن السيد خالد الدوسري قد أوضح لي جميع الأمور وأنني أوافق على المشاركة بالمقابلة في مدة من 30-50 دقيقة. وأنني أعي جيدًا أن المقابلة مسجلة صوتيًا.
وأشهد أنني قد حظيت بالفرصة للإجابة عن جميع أسئلتي وأنني أعي أنه يحق لي أن أنسحب من تلك الدراسة دون أدنى غبن, كما يحق لي أن أمتنع عن إجابة أي سؤال وأنه غير مطلوب مني الإفصاح عن أي معلومات تجارية سرية.
أوافق/ لا أوافق على تسجيل المقابلة.
التوقيع:
التاريخ:
يمكن التقدم بأي تساؤل فيما يخص المشروع إلى خالد الدوسري، هاتف: 00966544418571 ، ص.ب. 9218 جده 21413Khaled.aldosari@live.vu.edu.au. البريد الإلكتروني:
في حال وجود أي استفسار أو شكوى حول الطريقة المتبعة، يمكن التوجه بها إلى منسق الأخلاقيات السلامة بجامعة فيكتوريا، لجنة أخلاقيات الموارد البشرية: جامعة فيكتوريا، ص.ب. 14428، ميلبورن، فيك. 8001. هاتف: +6199194148.

Appendix 7: Information for Participants Involved in Research—HR Manager

You are invited to participate

You are invited to participate in a research project entitled 'Developing Workplace Competencies for Saudi Arabia's Youth'.

This project is being conducted by student researcher Khalid Aldosari as part of a Doctorate of Business Administration study at Victoria University under the supervision of A/Prof James Dougheny from The Centre for Strategic Economic Studies at Victoria University.

Through interviews, I aim to enquire about the government's position and their views on Saudisation in the hospitality industry, including issues and opportunities for jobs in the sector.

Project explanation

This research seeks to identify perceptions of hospitality managers, Saudi and expatriates, regarding Saudi graduate employees and jobseekers. This research will be further informed by access to the Saudi bureaucracy, the Department of Employment for jobs and the Human Resources Development Fund for training funds, for their views on the fragmentation of Saudisation projects across the country.

The intention is to provide recommendations for educational institutions and training providers in both the public and private sectors to address perceived issues regarding hospitality graduates' competence in the Saudi workplace.

What will I be asked to do?

You will be asked to participant in a 30–50 minute semi-structured interview, to take place in your organisation. If you give permission, the interview will be audio recorded. During the interview, you will be asked questions about your views on Saudisation for the hospitality industry and your experiences and opinion of hiring Saudis—particularly young, educated men and women.

What will I gain from participating?

There will be no direct benefit to you from participating in this research. However, this research will provide data that could support future planning and improvement in training. Your participation in this research is voluntary. As a participant, you have the right:

- To withdraw your participation at any time, without prejudice;
- To have any unprocessed data provided by you withdrawn and destroyed;
- To have any question answered at any time; and
- To request that audio recording be terminated at any stage during the interview.

How will the information I give be used?

All information obtained from the interview will be used for research purposes, in meeting the requirements for a Doctorate of Business Administration degree. The findings of this study might be published in academic journals.

What are the potential risks of participating in this project?

No personal identifying information will be collected. Thus, the privacy of you and your organisation will be kept confidential. All information obtained from the interviews will be used for research purposes, and will be stored in the locked cabinet in my supervisor's office for five years, as prescribed by Victoria University regulations. Any electronic data will be password protected. Only my supervisors and I will have access to this data. Any

information that you provide can be disclosed only if (1) it is to protect you or others from harm; (2) a court order is produced; or (3) you provide the researchers with written permission.

How will this project be conducted?

The plan for this research is to adopt Creswell's (2009) mixed methods approach, although the parameters of the study will be defined by the qualitative data collection and analysis. Creswell noted that qualitative research is used to gather data through interviews and observation, applying open-ended questions to collect and record the emerging data, then applying text analysis.

A quantitative approach, in contrast, requires a survey-based instrument for predetermined questions to collect performance, attitudinal and observational data, and apply statistical analysis.

Who is conducting the study?

Any queries about your participation in this project may be directed to Khalid Aldosari: telephone: # +966 556622122; postal address: PO Box 9218 Jeddah 21413; email: Khalid.aldosari@live.vu.edu.au

If you have any queries or complaints about the way you have been treated, you may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001; telephone: (03) 9919 4148.

Appendix 8: Information for Participants (in Arabic)

معلومات للمشاركين المختص بهم البحث- مسؤولي السعودة بالوزارة

أنت مدعو للمشاركة معنا

أنت مدعو للمشاركة في بحث بعنوان: "السعودة في قطاع الضيافة قضاياء ادارية وفرص"
، والتي يدرس لها (DBA)يدير مشروع البحث الطالب خالد الدوسري كجزء من رسالة الدكتوراه في إدارة الأعمال بجامعة فيكتوريا بإشراف الأستاذ الدكتور/ جيمس دوجاني بمركز الدراسات الاقتصادية الإستراتيجية بجامعة فيكتوريا.
من خلال تلك اللقاءات، أهدف إلى الاستفسار عن موقف الدولة وأرائها عن السعودة في المجال الفندقي بما فيها أمور وفرص العمل المتاحة بهذا القطاع

وصف للمشروع

يهدف البحث إلى تعريف على وجهات نظر المديرين بالمجال الفندقي، السعوديين والمغتربين تجاه عمل السعوديين حديثي التخرج والباحثين عن العمل بهذا المجال. وسيتوغل البحث ليبحث داخل النظام البيروقراطي بالمملكة العربية وللحصول على أرائهم حول فعالية مشاريع السعودية. إدارة الموارد البشرية ومخصصاتها المالية للتدريب والتطوير السعودية عبر المملكة.
والهدف هو توفير التوصيات للمؤسسات التعليمية والتدريبية في كل من القطاع الحكومي والخاص للتعامل مع الأمور المتعلقة بكفاءة الخريجين السعوديين للعمل بالمجال الفندقي في السوق السعودي.

ما هو المطلوب منى؟

المطلوب هو عمل مقابلات شخصية مدتها من 30-50 دقيقة بمقر وزارتكم. إذا تم منحي الإذن، سيتم تسجيل المقابلة تسجيل صوتي. وخلال المقابلة سأطرح عليكم بعض الأسئلة حول آرائكم فيما يخص سعودة المجال الفندقي وخبراتكم ورأيكم في تشغيل الشباب السعودي المتعلم من الرجال والنساء.

ما هي الفائدة من المشاركة؟

لا يوجد فائدة مباشرة من المشاركة بهذا البحث, إلا أنها ستوفر بيانات تساعد على التخطيط المستقبلي لتخطيط وتطوير أساليب التدريب. المشاركة تطوعية. وكمشارك، يحق لك ما يلي:

- سحب مشاركتك في أي وقت دون أدنى غبن.
- يجوز أن تسحب أي بيانات لم يتم دراستها وتدميرها.
- الإجابة عن أي تساؤل في أي وقت
- المطالبة بالغاء التسجيل الصوتي للمحادثة في أي مرحلة من مراحل المقابلة.

Appendix 9: Overall Output Data

Frequencies

Gender

Statistics

Gender

Jeddah	N	Valid	50
		Missing	0
	Mode		1
Makkah	N	Valid	50
		Missing	0
	Mode		1

National

Statistics

National

Jeddah	N	Valid	49
		Missing	1
	Mode		1
Makkah	N	Valid	50
		Missing	0
	Mode		1

Age

Statistics

Age

Jeddah	N	Valid	50
		Missing	0
	Mode		3
Makkah	N	Valid	50
		Missing	0
	Mode		3

Age

Educational Qualification

Statistics

Educational Qualification

Jeddah	N	Valid	50
		Missing	0
	Mode		3
Makkah	N	Valid	50
		Missing	0
	Mode		3

Years in Saudi Arabia

Statistics

Years in Saudi Arabia

Jeddah	N	Valid	18
		Missing	32
	Mode		2(a)
Makkah	N	Valid	21
		Missing	29
	Mode		3

a Multiple modes exist. The smallest value is shown

Years of Experience in Hospitality Industry

Statistics

Years of Experience in Hospitality Industry

Jeddah	N	Valid	50
		Missing	0
	Mode		3
Makkah	N	Valid	50
		Missing	0
	Mode		3

Years of Management Experience in Saudi Arabia

Statistics

Years of Management Experience in Saudi Arabia

Jeddah	N	Valid	44
		Missing	6
	Mode		1(a)
Makkah	N	Valid	49
		Missing	1

	Mode		2

a Multiple modes exist. The smallest value is shown

Size of the firm

Statistics

Size of the Firm

Jeddah	N	Valid	48
		Missing	2
	Mode		3
Makkah	N	Valid	49
		Missing	1
	Mode		3

Type of Firm

Statistics

Type of Firm

Jeddah	N	Valid	49
		Missing	1
	Mode		2
Makkah	N	Valid	47
		Missing	3
	Mode		2

Position in the Firm

Statistics

Position in the Firm

Jeddah	N	Valid	49
		Missing	1
	Mode		2(a)
Makkah	N	Valid	50
		Missing	0
	Mode		3

a Multiple modes exist. The smallest value is shown

Descriptives

Descriptive Statistics

Regional Area		N	Minimum	Maximum	Mean	Std. Deviation
Jeddah	The hospitality industry is a good career choice	50	3	5	4.22	0.616
	Larger firms in the industry tend to treat their staff better than do smaller firms	50	2	5	3.86	0.881
	The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	50	2	5	4.10	0.953
	I would encourage young people to consider working in the hospitality industry	50	2	5	4.14	0.729
	Most larger firms in the industry are owned by Saudis	50	2	5	3.80	0.833
	There is a good range of management training available within the industry	50	1	5	3.18	1.101
	Managers in the Saudi hospitality industry are held in high esteem	50	2	5	3.84	0.738
	In general, the hospitality industry pays its managers well	50	1	5	3.84	0.976
	Working conditions are harsh in most firms in the hospitality industry	50	1	5	3.62	1.159
	The hospitality industry is growing strongly	50	2	5	4.06	0.712
	There are not many senior management opportunities in Saudi hotels and restaurants	50	1	5	3.28	1.031
	I would prefer working for a smaller Saudi firm than a large international corporation	49	1	5	3.08	1.239
	I would consider leaving the hospitality industry and seeking work elsewhere	49	1	5	2.94	1.329
	Views	50	3.08	4.38	3.6928	0.32516

	Valid N (listwise)	49				
Makkah	The hospitality industry is a good career choice	50	1	5	3.82	0.983
	Larger firms in the industry tend to treat their staff better than do smaller firms	50	1	5	3.72	1.089
	The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	50	1	5	3.78	0.954
	I would encourage young people to consider working in the hospitality industry	50	1	5	4.10	0.931
	Most larger firms in the industry are owned by Saudis	49	1	5	3.43	1.061
	There is a good range of management training available within the industry	50	1	5	3.32	1.220
	Managers in the Saudi hospitality industry are held in high esteem	49	1	5	3.88	1.092
	In general, the hospitality industry pays its managers well	50	1	5	3.66	1.136
	Working conditions are harsh in most firms in the hospitality industry	50	1	5	3.66	1.189
	The hospitality industry is growing strongly	50	1	5	3.84	1.184
	There are not many senior management opportunities in Saudi hotels and restaurants	49	1	5	3.41	1.368
	I would prefer working for a smaller Saudi firm than a large international corporation	47	1	5	2.64	1.466
	I would consider leaving the hospitality industry and seeking work elsewhere	47	1	5	3.06	1.187
	Views	50	2.62	4.38	3.5752	0.52487
	Valid N (listwise)	44				

Descriptives

Descriptive Statistics

Regional Area		N	Minimum	Maximum	Mean	Std. Deviation
Jeddah	Management skills in the hospitality industry are generally not high	50	1	5	3.38	1.159
	Saudi managers have better employee skills than do non-Saudi managers	49	1	5	3.69	0.983
	All managers need training to get the best from their employees	50	3	5	4.16	0.548
	Experience in the hospitality industry makes better managers	50	2	5	4.06	0.793
	There are more international managers than Saudi managers in my firm	50	2	5	3.52	1.015
	International managers in my firm soon learn Saudi values	50	1	5	3.50	0.995
	I prefer working with international managers than Saudi managers	50	1	5	3.38	1.227
	Saudi senior managers can be arrogant and aloof	50	1	5	3.08	1.007
	All hospitality managers should have some tertiary qualification	50	2	5	3.84	0.976
	International managers hire more Saudi staff than do Saudi managers	50	1	5	2.72	1.400
	Saudi managers are more innovative and effective than are international managers	50	1	5	3.40	0.904
	My firm provides a good working environment	49	1	5	3.63	1.112
	I can easily access training to improve my career prospects with this or other firms	49	2	5	3.55	1.100
	I feel that I can innovate and build business for my firm	48	1	5	3.88	1.214
	Compare	50	3.00	4.21	3.5560	0.33053

	Valid N (listwise)	47				
Makkah	Management skills in the hospitality industry are generally not high	50	1	5	3.38	0.987
	Saudi managers have better employee skills than do non-Saudi managers	50	1	5	3.60	1.245
	All managers need training to get the best from their employees	50	1	5	4.26	0.853
	Experience in the hospitality industry makes better managers	50	2	5	4.06	0.890
	There are more international managers than Saudi managers in my firm	50	1	5	3.44	1.312
	International managers in my firm soon learn Saudi values	50	1	5	3.42	1.513
	I prefer working with international managers than Saudi managers	50	1	5	2.76	1.492
	Saudi senior managers can be arrogant and aloof	50	1	5	2.88	1.380
	All hospitality managers should have some tertiary qualification	50	1	5	3.50	1.313
	International managers hire more Saudi staff than do Saudi managers	50	1	5	3.04	1.370
	Saudi managers are more innovative and effective than are international managers	50	1	5	3.70	1.182
	My firm provides a good working environment	50	1	5	3.44	1.264
	I can easily access training to improve my career prospects with this or other firms	50	1	5	3.72	1.161
	I feel that I can innovate and build business for my firm	49	1	5	4.20	0.935
	Compare	50	2.43	4.21	3.5270	0.45588
	Valid N (listwise)	49				

Descriptives

Descriptive Statistics

Regional Area		N	Minimum	Maximum	Mean	Std. Deviation
Jeddah	International managers work to transfer their skills to new Saudi managers	49	1	5	2.92	1.152
	Programmes to help Saudis build careers in the hospitality industry are successful	48	1	5	3.48	0.945
	In my firm, any Saudis who are hired as trainee managers leave as soon as they can	49	2	5	3.12	1.033
	Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	49	1	5	3.73	0.953
	There are too many regulations about Saudisation and it is hard to work with them	49	1	5	3.53	1.082
	Saudi hospitality managers should have regular training to keep up with the industry	49	1	5	4.00	0.935
	Saudi	49	2.17	4.50	3.4657	0.44468
	Valid N (listwise)	48				
Makkah	International managers work to transfer their skills to new Saudi managers	50	1	5	3.02	1.407
	Programmes to help Saudis build careers in the hospitality industry are successful	50	1	5	3.74	1.175
	In my firm, any Saudis who are hired as trainee managers leave as soon as they can	50	1	5	3.16	1.095
	Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	50	1	5	3.78	0.932

There are too many regulations about Saudisation and it is hard to work with them	50	1	5	3.28	1.371
Saudi hospitality managers should have regular training to keep up with the industry	50	2	5	3.92	0.986
Saudi	50	2.17	4.67	3.4832	0.61701
Valid N (listwise)	50				

T-Test

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Views	Male	96	3.6410	0.43994	0.04490
	Female	4	3.4650	0.41605	0.20803
Compare	Male	96	3.5373	0.40214	0.04104
	Female	4	3.6425	0.22559	0.11280
Saudi	Male	95	3.4699	0.54160	0.05557
	Female	4	3.5850	0.41988	0.20994

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
		Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower
Views	Equal variances assumed	0.071	0.790	0.785	98	0.434	0.17604	0.22414	-0.26876	0.62085
	Equal variances not assumed			0.827	3.286	0.464	0.17604	0.21282	-0.46910	0.82118
Compare	Equal variances assumed	1.647	0.202	-0.518	98	0.606	-0.10521	0.20305	-0.50815	0.29774
	Equal variances not assumed			-0.877	3.845	0.432	-0.10521	0.12003	-0.44384	0.23342
Saudi	Equal variances assumed	0.649	0.422	-0.419	97	0.676	-0.11511	0.27473	-0.66038	0.43016
	Equal variances not assumed			-0.530	3.435	0.628	-0.11511	0.21717	-0.75931	0.52910

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Saudi	61	3.5593	0.47539	0.06087	3.4376	3.6811	2.62	4.38
	Other Arab	29	3.8107	0.35756	0.06640	3.6747	3.9467	2.85	4.38
	Other	9	3.6244	0.22517	0.07506	3.4514	3.7975	3.38	4.15
	Total	99	3.6389	0.43786	0.04401	3.5516	3.7262	2.62	4.38
Compare	Saudi	61	3.4531	0.36548	0.04679	3.3595	3.5467	2.43	4.21

	Other Arab	29	3.7541	0.40185	0.07462	3.6013	3.9070	2.43	4.21
	Other	9	3.4522	0.38104	0.12701	3.1593	3.7451	2.86	3.93
	Total	99	3.5412	0.39843	0.04004	3.4617	3.6207	2.43	4.21
Saudi	Saudi	61	3.2861	0.50477	0.06463	3.1568	3.4153	2.17	4.50
	Other Arab	29	3.8452	0.44035	0.08177	3.6777	4.0127	3.00	4.67
	Other	8	3.5650	0.41741	0.14758	3.2160	3.9140	3.00	4.17
	Total	98	3.4743	0.53873	0.05442	3.3663	3.5823	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	1.244	2	0.622	3.403	0.037
	Within Groups	17.545	96	0.183		
	Total	18.789	98			
Compare	Between Groups	1.859	2	0.930	6.516	0.002
	Within Groups	13.698	96	0.143		
	Total	15.557	98			
Saudi	Between Groups	6.216	2	3.108	13.460	0.000
	Within Groups	21.937	95	0.231		
	Total	28.153	97			

Post Hoc Tests

Multiple Comparisons

Scheffe

Dependent Variable	(I) National	(J) National	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
			Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound
Views	Saudi	Other Arab	-0.25135(*)	0.09643	0.038	-0.4911	-0.0116
		Other	-0.06510	0.15265	0.913	-0.4447	0.3145
	Other Arab	Saudi	0.25135(*)	0.09643	0.038	0.0116	0.4911
		Other	0.18625	0.16312	0.523	-0.2193	0.5918
	Other	Saudi	0.06510	0.15265	0.913	-0.3145	0.4447
		Other Arab	-0.18625	0.16312	0.523	-0.5918	0.2193
Compare	Saudi	Other Arab	-0.30102(*)	0.08520	0.003	-0.5129	-0.0892
		Other	0.00089	0.13488	1.000	-0.3345	0.3363
	Other Arab	Saudi	0.30102(*)	0.08520	0.003	0.0892	0.5129
		Other	0.30192	0.14413	0.117	-0.0565	0.6603
	Other	Saudi	-0.00089	0.13488	1.000	-0.3363	0.3345
		Other Arab	-0.30192	0.14413	0.117	-0.6603	0.0565
Saudi	Saudi	Other Arab	-0.55911(*)	0.10839	0.000	-0.8287	-0.2896
		Other	-0.27893	0.18069	0.308	-0.7283	0.1704
	Other Arab	Saudi	0.55911(*)	0.10839	0.000	0.2896	0.8287
		Other	0.28017	0.19190	0.349	-0.1971	0.7574
	Other	Saudi	0.27893	0.18069	0.308	-0.1704	0.7283
		Other Arab	-0.28017	0.19190	0.349	-0.7574	0.1971

* The mean difference is significant at the .05 level.

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	18–19 years old	2	3.1550	0.10607	0.07500	2.2020	4.1080	3.08	3.23
	20–29 years old	35	3.5903	0.49586	0.08382	3.4200	3.7606	2.62	4.38
	30–39 years old	55	3.6713	0.40751	0.05495	3.5611	3.7814	2.62	4.38
	50 years above	8	3.6888	0.38923	0.13761	3.3633	4.0142	2.85	4.23
	Total	100	3.6340	0.43838	0.04384	3.5470	3.7210	2.62	4.38
Compare	18–19 years old	2	3.3200	0.15556	0.11000	1.9223	4.7177	3.21	3.43
	20–29 years old	35	3.5757	0.35464	0.05995	3.4539	3.6975	3.00	4.21
	30–39 years old	55	3.4885	0.42112	0.05678	3.3747	3.6024	2.43	4.21
	50 years above	8	3.8113	0.33918	0.11992	3.5277	4.0948	3.29	4.21
	Total	100	3.5415	0.39642	0.03964	3.4628	3.6202	2.43	4.21
Saudi	18–19 years old	2	3.5800	1.06066	0.75000	-5.9497	13.1097	2.83	4.33
	20–29 years old	35	3.4180	0.56904	0.09619	3.2225	3.6135	2.17	4.50
	30–39 years old	54	3.4633	0.47499	0.06464	3.3337	3.5930	2.17	4.67
	50 years above	8	3.7713	0.67780	0.23964	3.2046	4.3379	2.67	4.67
	Total	99	3.4745	0.53598	0.05387	3.3676	3.5814	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	0.626	3	0.209	1.089	0.358
	Within Groups	18.399	96	0.192		
	Total	19.025	99			
Compare	Between Groups	0.875	3	0.292	1.908	0.133
	Within Groups	14.682	96	0.153		
	Total	15.558	99			
Saudi	Between Groups	0.845	3	0.282	0.980	0.406
	Within Groups	27.308	95	0.287		
	Total	28.153	98			

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Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Diploma or under	18	3.3350	0.49580	0.11686	3.0884	3.5816	2.62	4.36
	Undergraduate degree	11	3.6682	0.33108	0.09983	3.4458	3.8906	3.08	4.27
	Graduate degree	61	3.6916	0.40318	0.05162	3.5884	3.7949	2.69	4.38
	Other	10	3.7830	0.46555	0.14722	3.4500	4.1160	2.62	4.27
	Total	100	3.6340	0.43838	0.04384	3.5470	3.7210	2.62	4.38
Compare	Diploma or under	18	3.4372	0.31760	0.07486	3.2793	3.5952	3.07	4.14
	Undergraduate degree	11	3.5782	0.33009	0.09952	3.3564	3.7999	3.14	4.21
	Graduate degree	61	3.5739	0.42080	0.05388	3.4662	3.6817	2.43	4.21
	Other	10	3.4910	0.45079	0.14255	3.1685	3.8135	2.86	4.21
	Total	100	3.5415	0.39642	0.03964	3.4628	3.6202	2.43	4.21
Saudi	Diploma or under	18	3.3511	0.63663	0.15005	3.0345	3.6677	2.33	4.50
	Undergraduate degree	11	3.4527	0.54046	0.16296	3.0896	3.8158	2.17	4.17
	Graduate degree	60	3.5168	0.50900	0.06571	3.3853	3.6483	2.17	4.67
	Other	10	3.4670	0.54459	0.17221	3.0774	3.8566	2.83	4.67
	Total	99	3.4745	0.53598	0.05387	3.3676	3.5814	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	2.047	3	0.682	3.858	0.012
	Within Groups	16.979	96	0.177		
	Total	19.025	99			
Compare	Between Groups	0.300	3	0.100	0.630	0.598
	Within Groups	15.258	96	0.159		
	Total	15.558	99			
Saudi	Between Groups	0.387	3	0.129	0.442	0.724
	Within Groups	27.766	95	0.292		
	Total	28.153	98			

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Less than 2 years	2	3.8700	0.69296	0.49000	-2.3560	10.0960	3.38	4.36
	2–5 years	14	3.6986	0.27991	0.07481	3.5370	3.8602	3.31	4.23
	6–10 years	18	3.8244	0.36292	0.08554	3.6440	4.0049	2.85	4.38
	More than 10 years	5	3.7080	0.28385	0.12694	3.3556	4.0604	3.38	4.15
	Total	39	3.7667	0.33339	0.05339	3.6586	3.8747	2.85	4.38
Compare	Less than 2 years	2	4.0700	0.09899	0.07000	3.1806	4.9594	4.00	4.14
	2–5 years	14	3.6221	0.37610	0.10052	3.4050	3.8393	2.86	4.14
	6–10 years	18	3.7311	0.45724	0.10777	3.5037	3.9585	2.43	4.21
	More than 10 years	5	3.5280	0.31380	0.14034	3.1384	3.9176	3.00	3.79
	Total	39	3.6833	0.40749	0.06525	3.5512	3.8154	2.43	4.21
Saudi	Less than 2 years	2	3.9150	0.12021	0.08500	2.8350	4.9950	3.83	4.00
	2–5 years	14	3.7264	0.47313	0.12645	3.4532	3.9996	3.00	4.67
	6–10 years	18	3.8717	0.44438	0.10474	3.6507	4.0927	3.00	4.67
	More than 10 years	4	3.5850	0.41988	0.20994	2.9169	4.2531	3.00	4.00
	Total	38	3.7903	0.44071	0.07149	3.6454	3.9351	3.00	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	0.164	3	0.055	0.470	0.705
	Within Groups	4.060	35	0.116		
	Total	4.224	38			
Compare	Between Groups	0.513	3	0.171	1.033	0.390
	Within Groups	5.797	35	0.166		
	Total	6.310	38			
Saudi	Between Groups	0.376	3	0.125	0.626	0.603
	Within Groups	6.811	34	0.200		
	Total	7.186	37			

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Less than 2 years	22	3.4886	0.42188	0.08995	3.3016	3.6757	2.69	4.23
	2–5 years	30	3.6347	0.48623	0.08877	3.4531	3.8162	2.62	4.38
	6–10 years	36	3.7422	0.41897	0.06983	3.6005	3.8840	2.62	4.38
	More than 10 years	12	3.5742	0.35142	0.10145	3.3509	3.7975	2.85	4.15
	Total	100	3.6340	0.43838	0.04384	3.5470	3.7210	2.62	4.38
Compare	Less than 2 years	22	3.3795	0.41519	0.08852	3.1955	3.5636	2.43	4.00
	2–5 years	30	3.6623	0.38136	0.06963	3.5199	3.8047	3.00	4.21
	6–10 years	36	3.5872	0.37986	0.06331	3.4587	3.7157	2.43	4.14
	More than 10 years	12	3.3992	0.34857	0.10062	3.1777	3.6206	2.79	4.00
	Total	100	3.5415	0.39642	0.03964	3.4628	3.6202	2.43	4.21
Saudi	Less than 2 years	22	3.3259	0.57349	0.12227	3.0716	3.5802	2.17	4.33
	2–5 years	30	3.5433	0.61767	0.11277	3.3127	3.7740	2.33	4.67
	6–10 years	35	3.5097	0.39467	0.06671	3.3741	3.6453	2.83	4.33
	More than 10 years	12	3.4725	0.61905	0.17870	3.0792	3.8658	2.67	4.50
	Total	99	3.4745	0.53598	0.05387	3.3676	3.5814	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	0.929	3	0.310	1.644	0.184
	Within Groups	18.096	96	0.188		
	Total	19.025	99			
Compare	Between Groups	1.333	3	0.444	3.000	0.034
	Within Groups	14.224	96	0.148		
	Total	15.558	99			
Saudi	Between Groups	0.671	3	0.224	0.774	0.512
	Within Groups	27.482	95	0.289		
	Total	28.153	98			

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Less than 2 years	31	3.5229	0.47798	0.08585	3.3476	3.6982	2.62	4.36
	2–5 years	31	3.7000	0.37310	0.06701	3.5631	3.8369	2.69	4.31
	6–10 years	26	3.6238	0.42397	0.08315	3.4526	3.7951	2.83	4.38
	More than 10 years	5	3.5240	0.54798	0.24506	2.8436	4.2044	2.62	4.00
	Total	93	3.6102	0.43306	0.04491	3.5210	3.6994	2.62	4.38
Compare	Less than 2 years	31	3.5026	0.34924	0.06272	3.3745	3.6307	2.43	4.14
	2–5 years	31	3.6755	0.40078	0.07198	3.5285	3.8225	3.00	4.21
	6–10 years	26	3.4992	0.32238	0.06322	3.3690	3.6294	2.64	4.07
	More than 10 years	5	3.1160	0.32028	0.14323	2.7183	3.5137	2.79	3.57
	Total	93	3.5385	0.37649	0.03904	3.4610	3.6160	2.43	4.21
Saudi	Less than 2 years	31	3.4732	0.55705	0.10005	3.2689	3.6776	2.17	4.67
	2–5 years	31	3.5377	0.56239	0.10101	3.3315	3.7440	2.17	4.67
	6–10 years	25	3.4068	0.53402	0.10680	3.1864	3.6272	2.33	4.50
	More than 10 years	5	3.1320	0.29937	0.13388	2.7603	3.5037	2.83	3.50
	Total	92	3.4584	0.54270	0.05658	3.3460	3.5708	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	0.528	3	0.176	0.937	0.426
	Within Groups	16.725	89	0.188		
	Total	17.253	92			
Compare	Between Groups	1.554	3	0.518	4.014	0.010
	Within Groups	11.486	89	0.129		
	Total	13.041	92			
Saudi	Between Groups	0.801	3	0.267	0.904	0.443
	Within Groups	26.000	88	0.295		
	Total	26.801	91			

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Less than 10 employees	5	3.3400	0.52697	0.23567	2.6857	3.9943	2.69	3.77
	10–49 employees	18	3.7272	0.33937	0.07999	3.5585	3.8960	2.85	4.38
	50–100 employees	43	3.6260	0.47761	0.07284	3.4791	3.7730	2.62	4.36
	Over 100 employees	31	3.6726	0.41877	0.07521	3.5190	3.8262	2.62	4.38
	Total	97	3.6449	0.43942	0.04462	3.5564	3.7335	2.62	4.38
Compare	Less than 10 employees	5	3.6020	0.20705	0.09260	3.3449	3.8591	3.43	3.86
	10–49 employees	18	3.5189	0.42407	0.09995	3.3080	3.7298	2.86	4.21
	50–100 employees	43	3.5442	0.42589	0.06495	3.4131	3.6753	2.43	4.21
	Over 100 employees	31	3.5477	0.38995	0.07004	3.4047	3.6908	2.64	4.21
	Total	97	3.5436	0.40100	0.04072	3.4628	3.6244	2.43	4.21
Saudi	Less than 10 employees	5	3.5340	0.59391	0.26560	2.7966	4.2714	2.67	4.17
	10–49 employees	18	3.6772	0.40514	0.09549	3.4758	3.8787	3.17	4.50
	50–100 employees	43	3.4721	0.54370	0.08291	3.3048	3.6394	2.17	4.67
	Over 100 employees	30	3.3830	0.58387	0.10660	3.1650	3.6010	2.33	4.67
	Total	96	3.4859	0.53802	0.05491	3.3769	3.5950	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	0.626	3	0.209	1.083	0.360
	Within Groups	17.911	93	0.193		
	Total	18.536	96			
Compare	Between Groups	0.029	3	0.010	0.058	0.982
	Within Groups	15.408	93	0.166		
	Total	15.437	96			
Saudi	Between Groups	0.996	3	0.332	1.153	0.332
	Within Groups	26.503	92	0.288		
	Total	27.500	95			

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Food	28	3.7596	0.43554	0.08231	3.5908	3.9285	2.69	4.38
	Hotel	47	3.6638	0.40867	0.05961	3.5438	3.7838	2.62	4.38
	Other	21	3.4033	0.46857	0.10225	3.1900	3.6166	2.62	4.23
	Total	96	3.6348	0.44481	0.04540	3.5447	3.7249	2.62	4.38
Compare	Food	28	3.7075	0.33154	0.06265	3.5789	3.8361	3.00	4.21
	Hotel	47	3.5364	0.37128	0.05416	3.4274	3.6454	2.43	4.21
	Other	21	3.4314	0.42254	0.09221	3.2391	3.6238	2.64	4.21
	Total	96	3.5633	0.38198	0.03899	3.4859	3.6407	2.43	4.21
Saudi	Food	27	3.7711	0.42598	0.08198	3.6026	3.9396	3.00	4.67
	Hotel	47	3.3474	0.53390	0.07788	3.1907	3.5042	2.17	4.50
	Other	21	3.4443	0.55974	0.12214	3.1895	3.6991	2.33	4.67
	Total	95	3.4893	0.53821	0.05522	3.3796	3.5989	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	1.601	2	0.801	4.330	0.016
	Within Groups	17.195	93	0.185		
	Total	18.796	95			
Compare	Between Groups	0.981	2	0.491	3.543	0.033
	Within Groups	12.880	93	0.138		
	Total	13.861	95			
Saudi	Between Groups	3.133	2	1.566	5.980	0.004
	Within Groups	24.096	92	0.262		
	Total	27.229	94			

Oneway

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Views	Senior	6	3.6117	0.57384	0.23427	3.0095	4.2139	2.62	4.27
	Manager	36	3.7389	0.30954	0.05159	3.6342	3.8436	2.85	4.31
	Supervisor	57	3.5746	0.48845	0.06470	3.4450	3.7042	2.62	4.38
	Total	99	3.6366	0.43985	0.04421	3.5488	3.7243	2.62	4.38
Compare	Senior	6	3.3683	0.33145	0.13531	3.0205	3.7162	2.86	3.71
	Manager	36	3.6686	0.36700	0.06117	3.5444	3.7928	2.79	4.21
	Supervisor	57	3.4889	0.40272	0.05334	3.3821	3.5958	2.43	4.21
	Total	99	3.5470	0.39463	0.03966	3.4683	3.6257	2.43	4.21
Saudi	Senior	6	3.2783	0.20094	0.08203	3.0675	3.4892	3.00	3.50
	Manager	36	3.6106	0.48994	0.08166	3.4448	3.7763	2.67	4.67
	Supervisor	56	3.4166	0.57588	0.07695	3.2624	3.5708	2.17	4.67
	Total	98	3.4794	0.53656	0.05420	3.3718	3.5870	2.17	4.67

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Views	Between Groups	0.600	2	0.300	1.568	0.214
	Within Groups	18.360	96	0.191		
	Total	18.960	98			
Compare	Between Groups	0.916	2	0.458	3.065	0.051
	Within Groups	14.346	96	0.149		
	Total	15.262	98			
Saudi	Between Groups	1.083	2	0.541	1.916	0.153
	Within Groups	26.843	95	0.283		
	Total	27.926	97			

Appendix 10: Frequencies Data

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	36	36.0
	Excluded(a)	64	64.0
	Total	100	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.445	0.340	10

Item Statistics

	Mean	Std. Deviation	N
Gender	1.06	0.232	36
National	2.36	0.833	36
Age	2.86	0.593	36
Educational Qualification	2.92	0.649	36
Years in Saudi Arabia	2.64	0.762	36
Years of Experience in Hospitality Industry	2.67	0.793	36
Years of Management Experience in Saudi Arabia	2.03	0.774	36
Size of the Firm	2.94	0.860	36
Type of Firm	1.64	0.723	36
Position in the Firm	2.50	0.561	36

Inter-Item Correlation Matrix

	Gender	National	Age	Educational Qualification	Years in Saudi Arabia	Years of Experience in Hospitality Industry	Years of Management Experience in Saudi Arabia	Size of the Firm	Type of Firm	Position in the Firm
Gender	1.000	-0.254	0.058	0.032	-0.045	-0.052	-0.009	-0.270	0.123	0.000
National	-0.254	1.000	-0.011	0.057	0.526	0.317	0.294	0.148	-0.014	-0.275
Age	0.058	-0.011	1.000	0.043	0.265	0.324	0.382	0.040	0.346	-0.301
Educational Qualification	0.032	0.057	0.043	1.000	0.053	-0.444	0.232	0.043	0.238	-0.275
Years in Saudi Arabia	-0.045	0.526	0.265	0.053	1.000	0.552	0.211	0.012	0.275	-0.234
Years of Experience in Hospitality Industry	-0.052	0.317	0.324	-0.444	0.552	1.000	0.155	0.014	-0.066	0.064
Years of Management Experience in Saudi Arabia	-0.009	0.294	0.382	0.232	0.211	0.155	1.000	0.131	0.376	-0.296
Size of the Firm	-0.270	0.148	0.040	0.043	0.012	0.014	0.131	1.000	-0.125	-0.119
Type of Firm	0.123	-0.014	0.346	0.238	0.275	-0.066	0.376	-0.125	1.000	-0.317
Position in the Firm	0.000	-0.275	-0.301	-0.275	-0.234	0.064	-0.296	-0.119	-0.317	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	2.361	1.056	2.944	1.889	2.789	0.381	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Gender	22.56	8.311	-0.133	0.140	0.468
National	21.25	6.136	0.329	0.482	0.353
Age	20.75	6.764	0.347	0.385	0.367
Educational Qualification	20.69	7.761	0.001	0.400	0.475
Years in Saudi Arabia	20.97	5.628	0.548	0.598	0.260
Years of Experience in Hospitality Industry	20.94	6.454	0.274	0.637	0.379
Years of Management Experience in Saudi Arabia	21.58	5.850	0.464	0.376	0.297
Size of the Firm	20.67	7.314	0.029	0.131	0.484
Type of Firm	21.97	6.885	0.205	0.392	0.409
Position in the Firm	21.11	9.302	-0.418	0.299	0.570

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
23.61	8.187	2.861	10

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	93	93.0
	Excluded(a)	7	7.0
	Total	100	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.583	0.618	13

Item Statistics

	Mean	Std. Deviation	N
The hospitality industry is a good career choice	3.99	0.853	93
Larger firms in the industry tend to treat their staff better than do smaller firms	3.80	0.962	93
The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	3.96	0.932	93
I would encourage young people to consider working in the hospitality industry	4.10	0.848	93
Most larger firms in the industry are owned by Saudis	3.60	0.991	93
There is a good range of management training available within the industry	3.20	1.109	93
Managers in the Saudi hospitality industry are held in high esteem	3.82	0.920	93
In general, the hospitality industry pays its managers well	3.73	1.034	93
Working conditions are harsh in most firms in the hospitality industry	3.65	1.158	93
The hospitality industry is growing strongly	3.94	0.942	93
There are not many senior management opportunities in Saudi hotels and restaurants	3.34	1.166	93

I would prefer working for a smaller Saudi firm than a large international corporation	2.84	1.338	93
I would consider leaving the hospitality industry and seeking work elsewhere	3.04	1.242	93

Inter-Item Correlation Matrix

	The hospitality industry is a good career choice	Larger firms in the industry tend to treat their staff better than do smaller firms	The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	people to consider working in the hospitality industry	Most larger firms in the industry are owned by Saudis	There is a good range of management training available within the industry	Managers in the Saudi hospitality industry are held in high esteem	In general, the hospitality industry pays its managers well	Working conditions are harsh in most firms in the hospitality industry	The hospitality industry is growing strongly	There are not many senior management opportunities in Saudi hotels and restaurants	I would prefer working for a smaller Saudi firm than a large international corporation	the hospitality industry and seeking work elsewhere
The hospitality industry is a good career choice	1.000	-0.016	0.246	0.377	0.278	0.232	0.288	0.231	0.128	0.188	0.124	0.065	-0.277
Larger firms in the industry tend to treat their staff better than smaller firms	-0.016	1.000	0.124	-0.069	0.073	0.029	-0.055	0.043	0.022	0.141	0.073	-0.203	0.062
The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	0.246	0.124	1.000	0.308	0.417	0.514	0.194	0.293	-0.276	0.183	0.364	0.117	0.002
I would encourage young people to consider working in the hospitality industry	0.377	-0.069	0.308	1.000	0.098	0.418	0.511	0.166	-0.142	0.267	0.329	0.177	-0.128
Most larger firms in the industry are owned by Saudis	0.278	0.073	0.417	0.098	1.000	0.540	0.206	0.446	-0.191	0.147	0.270	0.107	-0.189
There is a good range of management training available within the industry	0.232	0.029	0.514	0.418	0.540	1.000	0.207	0.305	-0.299	0.231	0.483	0.206	-0.046
Managers in the Saudi hospitality industry are held in high esteem	0.288	-0.055	0.194	0.511	0.206	0.207	1.000	0.394	-0.051	0.024	0.130	0.055	-0.240

In general, the hospitality industry pays its managers well	0.231	0.043	0.293	0.166	0.446	0.305	0.394	1.000	-0.153	-0.163	0.042	-0.063	-0.287
Working conditions are harsh in most firms in the hospitality industry	0.128	0.022	-0.276	-0.142	-0.191	-0.299	-0.051	-0.153	1.000	-0.021	-0.311	-0.150	0.260
The hospitality industry is growing strongly	0.188	0.141	0.183	0.267	0.147	0.231	0.024	-0.163	-0.021	1.000	0.060	0.087	0.040
There are not many senior management opportunities in Saudi hotels and restaurants	0.124	0.073	0.364	0.329	0.270	0.483	0.130	0.042	-0.311	0.060	1.000	0.482	-0.010
I would prefer working for a smaller Saudi firm than a large international corporation	0.065	-0.203	0.117	0.177	0.107	0.206	0.055	-0.063	-0.150	0.087	0.482	1.000	0.161
I would consider leaving the hospitality industry and seeking work elsewhere	-0.277	0.062	0.002	-0.128	-0.189	-0.046	-0.240	-0.287	0.260	0.040	-0.010	0.161	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.615	2.839	4.097	1.258	1.443	0.154	13

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The hospitality industry is a good career choice	43.01	27.163	0.342	0.345	0.547
Larger firms in the industry tend to treat their staff better than do smaller firms	43.20	29.643	0.035	0.150	0.599
The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	43.04	25.433	0.493	0.385	0.516
I would encourage young people to consider working in the hospitality industry	42.90	26.327	0.447	0.508	0.529
Most larger firms in the industry are owned by Saudis	43.40	25.655	0.428	0.473	0.525
There is a good range of management training available within the industry	43.80	23.599	0.567	0.545	0.488
Managers in the Saudi hospitality industry are held in high esteem	43.18	27.260	0.294	0.387	0.553
In general, the hospitality industry pays its managers well	43.27	27.655	0.203	0.418	0.570
Working conditions are harsh in most firms in the hospitality industry	43.35	32.449	-0.216	0.313	0.656
The hospitality industry is growing strongly	43.06	27.865	0.219	0.250	0.567
There are not many senior management opportunities in Saudi hotels and restaurants	43.66	24.706	0.420	0.480	0.520
I would prefer working for a smaller Saudi firm than a large international corporation	44.16	26.180	0.217	0.344	0.570

I would consider leaving the hospitality industry and seeking work elsewhere	43.96	30.629	-0.090	0.313	0.637

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
47.00	30.935	5.562	13

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	96	96.0
	Excluded(a)	4	4.0
	Total	100	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.453	0.421	14

Item Statistics

	Mean	Std. Deviation	N
Management skills in the hospitality industry are generally not high	3.33	1.053	96
Saudi managers have better employee skills than do non-Saudi managers	3.69	1.098	96
All managers need training to get the best from their employees	4.19	0.715	96
Experience in the hospitality industry makes better managers	4.03	0.839	96

There are more international managers than Saudi managers in my firm	3.51	1.179	96
International managers in my firm soon learn Saudi values	3.48	1.298	96
I prefer working with international managers than Saudi managers	3.02	1.399	96
Saudi senior managers can be arrogant and aloof	2.95	1.208	96
All hospitality managers should have some tertiary qualification	3.65	1.170	96
International managers hire more Saudi staff than do Saudi managers	2.94	1.375	96
Saudi managers are more innovative and effective than are international managers	3.59	1.042	96
My firm provides a good working environment	3.55	1.195	96
I can easily access training to improve my career prospects with this or other firms	3.66	1.132	96
I feel that I can innovate and build business for my firm	4.03	1.090	96

Inter-Item Correlation Matrix

	Management skills in the hospitality industry are generally not high	Saudi managers have better employee skills than do non-Saudi managers	All managers need training to get the best from their employees	Experience in the hospitality industry makes better managers	There are more international managers than Saudi managers in my firm	International managers in my firm soon learn Saudi values	I prefer working with international managers than Saudi managers	Saudi senior managers can be arrogant and aloof	All hospitality managers should have some tertiary qualification	International managers hire more Saudi staff than do Saudi managers	Saudi managers are more innovative and effective than are international managers	My firm provides a good working environment	I can easily access training to improve my career prospects with this or other firms	I feel that I can innovate and build business for my firm
Management skills in the hospitality industry are generally not high	1.000	0.273	-0.070	-0.226	0.065	-0.126	0.102	0.287	-0.151	0.254	-0.144	-0.106	-0.071	-0.394
Saudi managers have better employee skills than do non-Saudi managers	0.273	1.000	0.169	0.045	0.238	0.099	0.141	0.011	-0.177	0.112	0.274	-0.028	-0.053	-0.229
All managers need training to get the best from their employees	-0.070	0.169	1.000	0.393	0.085	0.231	0.101	0.145	0.193	-0.127	0.202	-0.147	-0.180	-0.183
Experience in the hospitality industry makes better managers	-0.226	0.045	0.393	1.000	0.069	0.034	-0.054	-0.102	0.065	-0.153	0.340	-0.101	-0.288	-0.116
There are more international managers than Saudi managers in my firm	0.065	0.238	0.085	0.069	1.000	0.327	0.217	0.211	0.140	0.104	0.085	0.022	-0.017	-0.070
International managers in my firm soon learn Saudi values	-0.126	0.099	0.231	0.034	0.327	1.000	0.238	0.036	0.307	-0.077	-0.127	0.201	0.178	0.242
I prefer working with international managers than Saudi managers	0.102	0.141	0.101	-0.054	0.217	0.238	1.000	0.474	0.191	0.121	-0.261	-0.064	0.058	-0.125
Saudi senior managers can be arrogant and aloof	0.287	0.011	0.145	-0.102	0.211	0.036	0.474	1.000	0.039	0.093	-0.310	-0.031	0.041	-0.238

All hospitality managers should have some tertiary qualification	-0.151	-0.177	0.193	0.065	0.140	0.307	0.191	0.039	1.000	0.150	-0.007	0.209	0.082	0.166
International managers hire more Saudi staff than do Saudi managers	0.254	0.112	-0.127	-0.153	0.104	-0.077	0.121	0.093	0.150	1.000	0.202	0.111	0.182	-0.041
Saudi managers are more innovative and effective than are international managers	-0.144	0.274	0.202	0.340	0.085	-0.127	-0.261	-0.310	-0.007	0.202	1.000	0.030	-0.102	-0.054
My firm provides a good working environment	-0.106	-0.028	-0.147	-0.101	0.022	0.201	-0.064	-0.031	0.209	0.111	0.030	1.000	0.297	0.294
I can easily access training to improve my career prospects with this or other firms	-0.071	-0.053	-0.180	-0.288	-0.017	0.178	0.058	0.041	0.082	0.182	-0.102	0.297	1.000	0.265
I feel that I can innovate and build business for my firm	-0.394	-0.229	-0.183	-0.116	-0.070	0.242	-0.125	-0.238	0.166	-0.041	-0.054	0.294	0.265	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.544	2.938	4.188	1.250	1.426	0.152	14

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Management skills in the hospitality industry are generally not high	46.28	30.731	-0.027	0.374	0.479
Saudi managers have better employee skills than do non-Saudi managers	45.93	28.216	0.180	0.327	0.428
All managers need training to get the best from their employees	45.43	29.805	0.154	0.364	0.438
Experience in the hospitality industry makes better managers	45.58	31.382	-0.060	0.319	0.477
There are more international managers than Saudi managers in my firm	46.10	25.989	0.345	0.241	0.380
International managers in my firm soon learn Saudi values	46.14	25.276	0.350	0.383	0.373
I prefer working with international managers than Saudi managers	46.59	25.654	0.276	0.365	0.395
Saudi senior managers can be arrogant and aloof	46.67	27.909	0.169	0.402	0.431
All hospitality managers should have some tertiary qualification	45.97	26.788	0.278	0.275	0.400
International managers hire more Saudi staff than do Saudi managers	46.68	26.453	0.225	0.277	0.413
Saudi managers are more innovative and effective than are international managers	46.02	30.631	-0.017	0.428	0.476
My firm provides a good working environment	46.06	27.912	0.173	0.214	0.430
I can easily access training to improve my career prospects with this or other firms	45.96	28.609	0.135	0.230	0.440

I feel that I can innovate and build business for my firm	45.58	31.193	-0.070	0.349	0.490

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
49.61	31.524	5.615	14

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	98.0
	Excluded(a)	2	2.0
	Total	100	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.359	0.326	6

Item Statistics

	Mean	Std. Deviation	N
International managers work to transfer their skills to new Saudi managers	2.97	1.288	98
Programmes to help Saudis build careers in the hospitality industry are successful	3.61	1.071	98
In my firm, any Saudis who are hired as trainee managers leave as soon as they can	3.13	1.061	98

Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	3.76	0.942	98
There are too many regulations about Saudisation and it is hard to work with them	3.40	1.241	98
Saudi hospitality managers should have regular training to keep up with the industry	3.96	0.962	98

Inter-Item Correlation Matrix

	International managers work to transfer their skills to new Saudi managers	Programmes to help Saudis build careers in the hospitality industry are successful	In my firm, any Saudis who are hired as trainee managers leave as soon as they can	Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	There are too many regulations about Saudisation and it is hard to work with them	Saudi hospitality managers should have regular training to keep up with the industry
International managers work to transfer their skills to new Saudi managers	1.000	0.395	0.327	0.045	0.104	0.057
Programmes to help Saudis build careers in the hospitality industry are successful	0.395	1.000	0.191	0.283	-0.177	-0.266
In my firm, any Saudis who are hired as trainee managers leave as soon as they can	0.327	0.191	1.000	0.084	0.085	-0.035
Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	0.045	0.283	0.084	1.000	-0.101	-0.284
There are too many regulations about Saudisation and it is hard to work with them	0.104	-0.177	0.085	-0.101	1.000	0.411
Saudi hospitality managers should have regular training to keep up with the industry	0.057	-0.266	-0.035	-0.284	0.411	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.471	2.969	3.959	0.990	1.333	0.142	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
International managers work to transfer their skills to new Saudi managers	17.86	6.165	0.402	0.259	0.109
Programmes to help Saudis build careers in the hospitality industry are successful	17.21	8.170	0.176	0.291	0.311
In my firm, any Saudis who are hired as trainee managers leave as soon as they can	17.69	7.617	0.281	0.122	0.239
Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	17.07	9.407	0.017	0.131	0.400
There are too many regulations about Saudisation and it is hard to work with them	17.43	8.021	0.118	0.197	0.354
Saudi hospitality managers should have regular training to keep up with the industry	16.87	9.477	-0.002	0.258	0.411

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
20.83	10.392	3.224	6

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	31	31.0
	Excluded(a)	69	69.0
	Total	100	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.545	0.543	43

Item Statistics

	Mean	Std. Deviation	N
Gender	1.06	0.250	31
National	2.35	0.839	31
Age	2.81	0.601	31
Educational Qualification	3.03	0.482	31
Years in Saudi Arabia	2.61	0.715	31
Years of Experience in Hospitality Industry	2.58	0.807	31
Years of Management Experience in Saudi Arabia	2.00	0.775	31
Size of the Firm	2.90	0.908	31
Type of Firm	1.74	0.729	31
Position in the Firm	2.48	0.570	31
The hospitality industry is a good career choice	4.06	0.929	31
Larger firms in the industry tend to treat their staff better than do smaller firms	3.87	0.885	31
The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	4.10	0.746	31

I would encourage young people to consider working in the hospitality industry	3.97	0.795	31
Most larger firms in the industry are owned by Saudis	3.87	0.763	31
There is a good range of management training available within the industry	3.55	0.925	31
Managers in the Saudi hospitality industry are held in high esteem	3.77	0.805	31
In general, the hospitality industry pays its managers well	3.87	0.991	31
Working conditions are harsh in most firms in the hospitality industry	3.42	0.923	31
The hospitality industry is growing strongly	4.23	0.845	31
There are not many senior management opportunities in Saudi hotels and restaurants	3.65	1.082	31
I would prefer working for a smaller Saudi firm than a large international corporation	3.06	1.482	31
I would consider leaving the hospitality industry and seeking work elsewhere	3.26	1.413	31
Management skills in the hospitality industry are generally not high	3.42	0.958	31
Saudi managers have better employee skills than do non-Saudi managers	3.71	0.824	31
All managers need training to get the best from their employees	4.19	0.749	31
Experience in the hospitality industry makes better managers	3.77	0.762	31
There are more international managers than Saudi managers in my firm	3.74	1.094	31

International managers in my firm soon learn Saudi values	4.16	0.860	31
I prefer working with international managers than Saudi managers	3.74	1.154	31
Saudi senior managers can be arrogant and aloof	3.10	1.106	31
All hospitality managers should have some tertiary qualification	4.00	0.966	31
International managers hire more Saudi staff than do Saudi managers	3.45	1.150	31
Saudi managers are more innovative and effective than are international managers	3.39	0.955	31
My firm provides a good working environment	3.71	1.006	31
I can easily access training to improve my career prospects with this or other firms	4.03	0.948	31
I feel that I can innovate and build business for my firm	4.00	1.155	31
International managers work to transfer their skills to new Saudi managers	3.81	0.980	31
Programmes to help Saudis build careers in the hospitality industry are successful	3.61	0.844	31
In my firm, any Saudis who are hired as trainee managers leave as soon as they can	3.52	1.151	31
Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	3.87	0.806	31
There are too many regulations about Saudisation and it is hard to work with them	3.77	0.805	31
Saudi hospitality managers should have regular training to keep up with the industry	4.29	0.588	31

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.431	1.065	4.290	3.226	4.030	0.509	43

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Gender	146.48	77.991	-0.272	.	0.553
National	145.19	79.228	-0.206	.	0.569
Age	144.74	74.331	0.209	.	0.534
Educational Qualification	144.52	76.058	0.067	.	0.544
Years in Saudi Arabia	144.94	73.462	0.235	.	0.531
Years of Experience in Hospitality Industry	144.97	75.232	0.069	.	0.544
Years of Management Experience in Saudi Arabia	145.55	77.256	-0.073	.	0.556
Size of the Firm	144.65	73.103	0.189	.	0.533
Type of Firm	145.81	76.495	-0.013	.	0.550
Position in the Firm	145.06	77.862	-0.132	.	0.556
The hospitality industry is a good career choice	143.48	72.791	0.202	.	0.531
Larger firms in the industry tend to treat their staff better than smaller firms	143.68	70.559	0.371	.	0.514
The hospitality industry is diverse and offers a good range of choices for Saudis and visitors	143.45	74.923	0.107	.	0.541
I would encourage young people to consider working in the hospitality industry	143.58	72.852	0.248	.	0.528
Most larger firms in the industry are owned by Saudis	143.68	76.292	-0.001	.	0.550
There is a good range of management training available within the industry	144.00	72.800	0.203	.	0.531
Managers in the Saudi hospitality industry are held in high esteem	143.77	76.247	-0.003	.	0.550

In general, the hospitality industry pays its managers well	143.68	77.492	-0.093	.	0.563
Working conditions are harsh in most firms in the hospitality industry	144.13	75.583	0.026	.	0.549
The hospitality industry is growing strongly	143.32	69.226	0.492	.	0.503
There are not many senior management opportunities in Saudi hotels and restaurants	143.90	67.757	0.445	.	0.499
I would prefer working for a smaller Saudi firm than a large international corporation	144.48	76.258	-0.062	.	0.571
I would consider leaving the hospitality industry and seeking work elsewhere	144.29	80.280	-0.214	.	0.592
Management skills in the hospitality industry are generally not high	144.13	77.916	-0.117	.	0.564
Saudi managers have better employee skills than do non-Saudi managers	143.84	74.140	0.143	.	0.537
All managers need training to get the best from their employees	143.35	73.437	0.223	.	0.531
Experience in the hospitality industry makes better managers	143.77	76.914	-0.048	.	0.554
There are more international managers than Saudi managers in my firm	143.81	72.028	0.195	.	0.531
International managers in my firm soon learn Saudi values	143.39	68.112	0.564	.	0.495
I prefer working with international managers than Saudi managers	143.81	75.361	0.008	.	0.554
Saudi senior managers can be arrogant and aloof	144.45	75.256	0.020	.	0.552
All hospitality managers should have some tertiary qualification	143.55	67.589	0.525	.	0.494
International managers hire more Saudi staff than do Saudi managers	144.10	77.357	-0.090	.	0.566

Saudi managers are more innovative and effective than are international managers	144.16	73.473	0.151	.	0.536
My firm provides a good working environment	143.84	68.873	0.417	.	0.505
I can easily access training to improve my career prospects with this or other firms	143.52	76.258	-0.018	.	0.554
I feel that I can innovate and build business for my firm	143.55	68.656	0.359	.	0.508
International managers work to transfer their skills to new Saudi managers	143.74	66.798	0.568	.	0.488
Programmes to help Saudis build careers in the hospitality industry are successful	143.94	68.729	0.530	.	0.500
In my firm, any Saudis who are hired as trainee managers leave as soon as they can	144.03	74.232	0.065	.	0.547
Trainee Saudi managers with hospitality qualifications are easily integrated into my firm's work teams	143.68	75.092	0.080	.	0.543
There are too many regulations about Saudisation and it is hard to work with them	143.77	75.647	0.040	.	0.547
Saudi hospitality managers should have regular training to keep up with the industry	143.26	77.065	-0.054	.	0.552

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
147.55	76.856	8.767	43