Increasing Women's Labour Market Participation in Saudi Arabia: The Role of Government Employment Policy and Multinational Corporations

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In the name of Allah,
Most gracious, Most Merciful

Abstract

The Kingdom of Saudi Arabia has one of the world's lowest women's labour force participation rates, a multi-faceted problem on which the government spends a significant proportions of its budget. New to higher education, women nevertheless dominate undergraduate studies in the Saudi Arabia and undertake international scholarships. The Saudi government is also actively supporting Saudis, women particularly, entry into the private sector through employer penalties and incentives, the Nitaqat policy. Despite these efforts,35 per cent of women in the labour force remain unemployed and the majority have university degrees. Evidence suggests that there are considerable barriers to Nitaqat initiatives in the form of legal restrictions on women's employment, cultural norms, economic influence and relevant skills. Therefore, this study aims to identify, explore and analyse the political, economic, legal, social and cultural factors that impact on Saudi women's low labour force participation rate, particularly in the multinational sector.

To study the problem, a mixed methods research design was adopted, using qualitative analysis and case studies from multinational sector. It was assumed that multinational corporations in the Saudi Arabia offer work equally to Saudi women and men under their global antidiscrimination policies. Therefore, the views of stakeholders; official government and unemployed women on one hand, and two case studies from senior managers and women employees could identify factors that impede women in their job-seeking. To this end, a qualitative study was conducted comprising 47 interviewees: three representatives from the Ministry of Labour, four from HRDF, and three from JCCI; four senior manager representatives and 20 women employees from manufacturing firm and an insurance firm. Further, 13 unemployed and generally tertiary qualified women were interviewed regarding impediments to their job-seeking.

The findings are that whilst all participants welcome the government's labour participation policies for women, the considerable cultural, social and regulatory barriers of a conservative society, together with misalignment of education outcomes with employers' needs are strong impediments to Nitaqat success.

Cultural conditions including the requirement for a gender segregated workplace, patriarchal society, the lack of adult status under the guardianship system and family

responsibilities significantly impact women's workforce entry. Social controls differ somewhat throughout the country, with greater discrimination in conservative provinces. Due to legal restrictions on women, the structural contradictions between the *Labour Law* 2011 and government policies of Nitaqat regulations, unclear and unwritten determinations regarding women's work, the private sector's preference for hiring men, were acknowledged as key factors that limit women's employment opportunities. Once women are employed, they face discrimination practices in workplace based on gender, marital status, age, *wasta* (nepotism) and favouritism. Therefore, employers prefer to hire men over women, offer jobs of lower status, unequal and/or lower salaries, limit the types of jobs available, provide an unclear career path compared to male colleagues and exclude women from managerial positions. However, discrimination against women by legislation, labour regulations and culture are endemic in Saudi society, are largely unrecognised and are often accepted by women themselves. Hence, while change is taking place through Nitaqat it is incremental and uneven.

Student Declaration

I, Abeer Alfarran, declare that the PhD thesis entitled *Increasing Women's Labour Market Participation in Saudi Arabia: The Role of Government employment Policy and Multinational Corporations* is no more than 100,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature

Date 12.02.2016

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Chapter One: Background and introduction

1.1 Introduction

The Kingdom of Saudi Arabia has a unique political, economic and social environment with women's role and position in the labour market being particularly distinctive. Saudi women's labour force participation rate is one of the lowest in the world – a characteristic that in recent years the Saudi government has sought to change. This study investigates the impact of government policy on women's employment in the broader social and economic context and considers the factors that contribute to the low labour force participation of Saudi women. While social commentary often focuses on particular facets of Saudi Arabian law, such as women's inability to drive cars on public roads, there is some evidence that other discriminatory legal and social norms have actually been removed by King Abdullah. It could be argued that over the ten years of King Abdullah's reign, women are emerging from holding the status of minors to take on the responsibilities and benefits of adults, both in terms of citizenship and in the right to work.

However, given the influence of the strongly conservative religious and patriarchal society, it appears that local employers have been slow to adopt government policy changes and have been reluctant to employ Saudi women in favour of cheap and experienced foreign workers. This reluctance has been reinforced by the additional costs of employing women due to the cultural and legal requirement to ensure full gender separation of the workplace and the duplication of work. In this context, foreign owned multinational corporations (MNCs) are of particular interest as they often have organisational policies that specifically ban workplace discrimination, including gender discrimination. The practices of MNCs in Saudi Arabian subsidiaries provide an opportunity to investigate obstacles encountered in the implementation of gender equity policies in the Saudi context.

This study aims to identify, explore and analyse government policies, economic factors and the legal and cultural constraints that result in low labour participation rates for Saudi women, particularly in multinational organisations. In so doing, the study seeks to identify the dominant issues that hinder efforts to increase Saudi women's labour force participation in these corporations.

This introductory chapter sets the context for the study, its research questions and the rationale for the research. This is followed by the theoretical framework, and the methodology. The chapter concludes with a brief introduction to the thesis.

1.2 Background to the study

Over the last few decades, Saudi Arabia has experienced rapid economic growth and in 2013 ranked as the 20th largest economy in terms of Gross Domestic Product (GDP) (World Factbook 2013). Despite this growth, Saudi Central Department of Statistics and Information (CDSI) (2014) places female unemployment higher, at 35.7 per cent in 2012. At just 18 per cent, Saudi women's labour force participation was one of the lowest in the world in 2012, ahead of only Afghanistan and Iran (World Bank 2014a). In 2012, 370,000 Saudi women were employed in the public sector, predominantly education, administration and health, while 216,000 were employed in the private sector (*Economist* 10 January 2014). The Saudi government is attempting to increase women's overall participation rate, particularly in private sector.

The focus of Saudi Arabia's successive five-year economic development plans have been on the development of industrial, commercial and social infrastructure. This focus evolved over time to the 9th plan (2010-2014) which aims to change citizens' life style through education and economic participation (Royal Embassy of Saudi Arabia 2014). As the traditional society generally has high male labour participation rates, the debate on social change in the country is focussed on women (Abu-Nasr 2013; Al-Munajjed 2010; *Economist* 10 January 2014). Yet Islamic principles inform multiple social controls such as the requirement for the separation of men and women, and patriarchal family structures remain largely intact. As such, evidence suggests that women do not seek to work in mixed workplaces or be seen in conversation with unrelated men in areas such as tourism or retail industries (Fox et al. 2006; Mazro'ei & Shaw 2014). Evidence suggests that generally, Saudis prefer to work in the government sector, with its highly beneficial and fully segregated working conditions, less stringent productivity requirements, and jobs that are guaranteed for life (Al-Asmari 2008; Al-Shammari 2009; Ramady 2013; Al-Asfour & Khan 2014). This is partly because gender segregated workplaces in the private sector provide limited opportunities. Arab women also rarely direct men or occupy decision-making positions (Hamdan 2005; Cavusgil et al. 2008). This is despite greater numbers of young women

holding tertiary qualifications than young men, as a result of women having full access to the education system since 2005 (cf. Royal Embassy of Saudi Arabia 2014).

A key impetus for change in the composition of the labour market has been the increasing Saudi Arabian reliance on expatriate labour in both the public and private sectors. By 2000, the policy of 'Saudisation' was implemented with the aim of replacing expatriate labour with skilled Saudis (Al-Dosary & Rahman 2009). The policy was administered in the private sector by a series of work permits and a quota system, stipulating a minimum proportion of Saudi employees. This proportion was required to increase every year. Due to Saudi distaste for labouring and service jobs, the first industries targeted for Saudisation with some success were finance and insurance, and some tourism and hospitality companies (Al-Munajjed & Sabbagh 2011). Saudisation was encouraged, but not mandated, with firms asked to employ nationals in 30 per cent of their vacant positions. However, a lack of qualified Saudis resulted in an average of only 10 per cent of Saudis employed in the private sector, generally in the larger corporations (Sadi & Henderson 2005). According to Scott-Jackson (2008), corporate recruiters and employment managers were able to recruit and train employees on *wasta* (nepotism to gain advantage through social ties) rather than competency-based criteria due to social and gender biases. *Wasta* is a particularly common practice in Saudi Arabia, where customs oblige individuals who occupy positions of influence, to assist others within the same social and family networks. These practices inevitably create issues with leadership and productivity, and retention of Saudi workers in private sector jobs is therefore of concern. The Human Resource Development Fund (HRDF) reported that one in five Saudis left their employment in 2008 (Ramady 2010).

Given these failures, in 2011 the Saudi government announced a new employment program, Nitaqat (Arabic for ranges),introducing employment quotas for Saudi employees and harsher penalties for non-compliance in an expanding number of industries. To address the complexities inherent in mandating Saudi employment, 205 categories of quotas were implemented (Sfakianakis 2011). In its labour market report on the Kingdom, the *Economist* (10 January 2014) estimated the 2012 Saudi labour force at 9.5 million, with just over one million public sector jobs (93 per cent nationals) and some 8.5 million in the private sector (13 per cent nationals). Therefore, the plan was to increase the national labour force from 48 per cent in 2010 to about 54 per cent in 2014 (Ministry of Economy and Planning 2010b). However, in 2013 the national component of the labour force was officially reported as 20.2 per cent in 2010 and 22.4 per cent in 2012 (*Economist* 10 January 2014). Moreover, in

January 2013 the Minister of Labour announced that Nitaqat was 'feminising' more job categories in the private sector to allow women to gain paid work (*Arab News* 8 January 2013).

While a number of Royal decrees support a woman's right to work, many structural impediments remain for working women that include restrictions on commuting, the requirement for gender segregation, family responsibilities and socio-religious constraints. A recent survey by Mercer, a recruitment firm, reported that one-third of Saudi women plan to quit their jobs within three years, and 17 per cent of young workers want to leave their employer within the year. It has been argued that this exodus is predominantly due to low wages (Thomas 2014). The Shoura Council stated that in 2014 Nitaqat failed its targets, as unemployment remained at 12.5 per cent (*Arab News* 29 January 2014). This was despite the expulsion of up to two million undocumented foreign workers and expenditure of 12.5 billion Saudi Arabian Riyals (SAR) by HRDF on Nitaqat program (*Arab News* 29 January 2014; Kerr et al. 2013).

Such evidence suggests that government attempts to open up opportunities to youth and women through Saudisation and then through Nitaqat, has had limited success as the structural impediments of society, religion and family responsibilities remain in place for women. For example, in May 2014, the Ministry of Labour decreed that women employees serving in women-only shops must wear Islamic garments, including a full-face veil (Fakkar 2014). Hence it is possible that Saudi women work only if conditions are comfortable for them such as in the public sector, given the social restrictions that appear to be firmly in place (Al-Shammari 2009; Ramady 2013).

1.3 Aim and key research questions

While government policies are increasingly robust in addressing Saudi women's unemployment and encouraging their participation in the private sector, the quotas and directives have yet to have an effect on the social and cultural factors that create barriers to women's employment opportunities in the labour market. Hence, the key aim of this study is to identify, explore and analyse government policies, economic factors and the legal and cultural constraints that result in low labour participation rates for women, particularly in multinational organisations. This study addresses a gap in the literature in relation to the low participation rates for women in the labour market in Saudi Arabia- a topic that has been

largely unexplored and captures the views of Saudi Arabian women. Moreover, given the multi-faceted nature of the problems that this study seeks to explore, multiple theories are applied. First, institutional and segmentation theories provide a broader political, economic and social lens on the issue of women's unemployment. Second, culturalist theory, with a focus on Hofstede's cultural dimensions, is applied to understand the transfer of employment practices of multinational corporations in Saudi subsidiaries in women's employment. Third, theories drawn from the international human resource management literature regarding global mindset, country of origin and relationships between home and host country context in the transfer of employment policies are applied to explore MNC's antidiscrimination employment policies and practices in Saudi subsidiaries.

These theories are used to explore the primary question this research seeks to investigate which relates to whether or not Saudi government employment policy has been able to bring about a change in women's labour market participation. Specifically, the thesis explores whether Nitaqat has led to an increase in women's employment and how women have perceived and experienced new employment opportunities offered through the employment program. Given the important role of MNCs in Saudi, there is also a focus on MNC employment practices in response to Nitaqat. Flowing from this overarching aim, there are four specific questions that the research seeks to explore. These include:

- Has the new Saudi government employment policy of Nitaqat increased Saudi women's participation in the labour market, with a particular focus on women's employment in privately owned MNCs?
- To what extent are Saudi women's limited labour market participation an outcome of institutional factors or an expression of women's own choices and preferences?
- To what extent, and in what ways, might privately owned MNCs apply gender and diversity policies in the Saudi context?
  What are the perceptions of Saudi women in relation to employment's opportunities and experiences, particularly in the context of a changing government policy environment?

1.4 Gap in knowledge and contribution to the literature

The aim of this study is designed to address a gap in knowledge relating to women's workforce participation in a uniquely restricted social environment, and its effects on the accumulation and application of human capital. There is a body of evidence regarding unemployment issues and Saudisation policy in the private sector (Al-Dosary & Rahman 2009; Al-Shammari 2009; Looney 2004; Madhi & Barrientos 2003; Mellahi & Wood 2001; Sadi & Al-Buraey 2009; Sadi & Al-Ghazali 2012) and increasing evidence on the impact of Nitaqat (Abdul Ghafour 2013; Ali Khan 2014; d'Cunha 2013). However, while employment practices regarding Saudi women in the private sector have received some attention in the literature (Friedland 2014; Fulton 2011; Korany 2010), there is no identified research exploring gender issues in relation to Saudi women and employment practices in subsidiaries of multinational firms.

Hence, the contribution to knowledge of this study is derived from exploring the organisational contradictions in maintaining corporate objectives within a regulatory environment that practices forms of discrimination yet at the same time demands employment for Saudi women. Thus, the study offers insights into the Saudi government's policy, legal regulations, economic conditions, social restraints and gender roles on the one hand; and the adaptation of employment practices by MNC subsidiaries on the other. The theoretical contribution and the contribution to knowledge of this study is in seeking to employ theories relating to multinational organisations, gender discrimination, and culture to the subject of women's employment in an emerging economy and a heavily restricted cultural and social environment.

By capturing the voices of Saudi women the study is able to explore women's perspectives on their employment opportunities. The Saudi environment differs from other Islamic countries due to the Makkah and Al-Madinah mosques. This reinforces the religious significance of the King's Islamic function above that of secular lifestyle and commercial concerns. In Saudi society, Islamic women's primary responsibility is therefore to their families and this could make them reluctant to venture into the men's domain of commerce and job seeking to become more independent. By capturing Saudi women's views and experiences it will be possible to explore whether their limited labour market participation rate is one of choice or of institutional and cultural constraints. Moreover, this study will

contribute to the debate on the position of women at a point of time where the significant changes brought about by Nitaqat are permeating society.

1.5 Theoretical framework

The study draws broadly from across a number of theoretical perspectives in order to explain the labour market position of women within the complex institutional, organisational and cultural context that shapes women's labour market position.

1.5.1 Organisational theories

Institutional theory is central to the study given the focus on the role of institutional factors in shaping women's labour market outcomes. Institutional theory is concerned with social structure and the means by which its processes, that is, rules, norms, and routines, become established as guidelines for social behaviour (Scott 1987). Institutional theory is used widely in the study of corporations with the understanding that the role and function of a corporation is part of the broader social fabric in which it operates. As Selznick (1957/1984, p.5) comments, 'an institution is a natural product of social needs and pressures, a responsive and adaptive organism'. On the one hand, institutional theory helps us understand the position and role of women in a society and the legal, educational and social underpinnings. On the other hand, it helps us understand the complexities of transferring employment policies and practices across borders from different institutional environments and how these impact on human resource practices of multinational companies (Ferner 1997; Bjorkman et al. 2007).

For international firms, the culture and institutions of the home country has an effect on organisational structures, management decisions, and employment policies and procedures (Harzing & Sorge 2003; Ma & Allen 2009; Ferner et al. 2012). At the same time the host country context has a huge impact as employment practices are affected by local regulations, corporate practices, and the local workforce culture. Understanding cultural values and norms is the key for corporations to operate successfully across borders, as cultural barriers create difficulties for their subsidiaries in adhering to best practice (Vance & Paik 2010). Hofstede et al. (2010) argued that employment practices reflected the differences in national values across society, and that multinationals operating in host countries face diverse pressures in that regard.

1.5.2 Cross-cultural theories

Culturalist theory, according to Eckstein (1988), is used to investigate issues of ideology, nationality, ethnicity, social class, and gender, Hofstede et al. (2010) argue that human resource practices reflect the differences in national values and beliefs across society, and understanding cultural values and norms is key for the success of multinational companies (Vance & Paik 2010).Given the importance of the cultural context of Saudi Arabia, the insights from culturalist theories, in particular the work of Hofstead, are particularly valuable to describe and analyse the role of women in the labour market and the barriers that impede women greater labour market participation.

1.5.3 Human capital theory

Human capital theory (HCT) posits that at the micro level, education and training increases the productivity or ability of employees by transferring useful knowledge and skills, thus increasing employees' future income. Furthermore, at the macro level human capital theory makes links between an economy's unemployment rate and the skill levels of its workforce, and suggests that a labour market demands specific attributes from the workforce, including individual capability, and performance which leads to increased productivity (Smith 1776; Schultz 1961; Becker 1964/1993). HCT is a valuable lens through which to view this study, as Al-Shammari (2009) points to a gap between job requirements and the work-readiness of Saudi workers seeking jobs, especially among women who receive less technical and vocational training.

1.5.4 Gender and discrimination theories

Discrimination in employment is behaviour that excludes or restricts members of one group (often defined by identity, gender or race) from opportunities that are available to other groups (Becker 1971; Heckman 1998). Neoclassical economists explain gender-based discrimination in two constructs: taste for discrimination and the statistical discrimination model. Becker (1957/1971) defined the taste model as society's customs or conventions, where employers, employees or customers hold or show distaste for members of certain groups regarding their ethnicity, race or sex. The statistical model refers to the discrimination by sex or racial inequality based on stereotypes and lack of information (Schwab 1986). This model assumes that discrimination in labour markets may exist due to limited information about workers' ability; therefore, employment decisions may be based on stereotypes that fit the employers' mindset, such as gender or race (Phelps 1972). Further, economists argue that

child bearing, family responsibilities, childcare duties and lack of skills are labour supply barriers that could affect women's labour market attachment, and organisational practices (Strachan et al. 2007).

Segmentation theory states that employers divide their workforce into primary and secondary segments according to the importance of skills and the need to maintain continuity in the workforce (Doeringer & Piore 1971). Reich et al. (1973) argue that primary jobs which were limited to males, required stable workers, high skills, promotional opportunities and access to high incomes, while secondary positions were available to youth and to women and these groups did not have the same access to job stability or skills development. These gender-based theories are useful in this study to cast a light on the reasons behind the negligible presence of Saudi women in the multinational sector, and the consequences of legal, social and cultural imposts on women's economic independence.

1.6 Methodology

This study applies qualitative methods to identify and analyse the relationship between low labour force participation of Saudi women and employment practices of multinational corporations. As Creswell (2013) stated, qualitative methods are appropriate for exploring and understanding the nature of social phenomena. In this case, the advantages are in accessing in-depth comprehensive information regarding the gender issue in the Saudi labour market, and using study participants' observations to inform the research questions (Veal 2005). For this study interviews were selected in the form of expert interviews to collect the required information to establish its parameters (Creswell 2013).

Secondary and primary data were gathered in this study. Secondary data included government policies, local and global organisations' reports and statistics, and commercial publications advising their members on Saudisation and Nitaqat. Primary data were collected through two stages. The first stage comprised individual semi-structured face-to-face interviews with two groups of key stakeholders – government officials and unemployed women. The second stage included two case studies of multinational organisations. In the first stage of the data collection the government officials comprised the Ministry of Labour, the Human Resource Development Fund and the Jeddah Chamber of Industry and Commerce (10 interviewees in all, including three women). The unemployed women included 13 women job-seekers. In the second stage two multinational corporations who employed Saudi women

were sourced and these were both foreign owned companies in joint ventures with Saudi firms. One, a manufacturer, had headquarters in the United States and the other, an insurance firm, came from the United Kingdom. The firms provided senior managers (4 interviewees, including one woman) and women employees (20 in all) for interviews.

In this study, data was collected by face to face interview and telephone. A semi-structured interview format was used to collect individual in-depth information (Kumar 2008). This research used a saturation approach for unemployed and employed women; data collection by this means continues until no new information is forthcoming (Patton 2002). A saturation approach focuses on the richness of the data rather than the amount of data (Glaser & Strauss 1967). In relation to unemployed women, participants were sourced through 'snowball' sampling; that is, purposive sampling asking participants for further contacts. Validity and reliability were established, and the results were subjected to content analysis, triangulation, and then case studies. Case studies for each of the firms were used for two reasons. First, they were used to verify the interview findings (Johnson & Christensen 2013). The case studies also served to provide rich contextual data showing how a 'typical' multinational company might understand Nitaqat, how it is implemented in practice and what the barriers that might be experienced (Flyvbjerg 2006).

Content analysis was employed to reduce and summarise the data for interpretation (Creswell 2013). This was strengthened by the use of grounded theory to code and conceptualise the results to answer the research questions. Corbin and Strauss (1990) explained that coding identifies key points while the concept stage groups similar content. Finally, broad groups of similar concepts are compared and contrasted to generate answers to the research questions.

1.7 Outline of thesis

This thesis is presented as nine chapters. This, the introductory chapter, explained the rational and purpose of the thesis, the aims and research addressed by the research. The chapter also presented the gap in knowledge to be addressed, the contribution to the literature and the significance of the thesis. The chapter also introduced the theoretical frameworks and methodology. The outline of the thesis concludes the first chapter.

Chapter two explains the environment of the Kingdom of Saudi Arabia: its physical conditions, history, and social and demographic characteristics. This is followed by the

economic structures and a summary of the private sector, with the country's open economy that invites foreign capital inflows, until recently as joint ventures with local firms. Labour law regulations in relation to women's work are also presented. The narrative then moves to the unique functions of the Saudi labour market, labour force structure and Saudi development plans. The chapter also explores Saudi unemployment issues by gender and age, and the government employment programs, namely Saudisation and Nitaqat, introduced to overcome Saudi Arabia's high unemployment rates. Labour market segmentation and laws and regulations governing women's participation are also discussed and the legal restrictions on women's employment, labour market regulations, women's lack of work-readiness and, social and cultural restraints are explained.

The third chapter is the literature review, which identifies the agency/structural factors that explain how and why Saudi women face discrimination in the labour market. Therefore, theories such as human capital, choice and institutional theories are explained and applied to the Saudi context. In such a conservative society, culturalist theory and Hofstede's dimensions were used to understand the impact of Saudi Arabian culture on female employment. Moreover, an explanation of the presence of subsidiaries of MNCs in Saudi Arabia, and the effect of the host country's unique regulations and social mores on the firm's employment policies, particularly anti-discrimination practices, are included. International employment models are presented and these are followed by a discussion of the influences of country of origin practices and host country effects on the behaviour of firms regarding women's employment.

Chapter four describes the review of qualitative research concepts such as paradigms, research environments, and data collection and analysis methods. A triangulation method was selected, whereby content analysis was supported by a grounded approach, through analysis of data from the key stakeholders, followed by case studies of two firms from two different industries, including document analysis and interviews with senior managers and women employees. One of these industries, insurance, was earlier targeted under Saudisation, and the other, manufacturing, has only recently been opened to women in response to the Ministry of Labour regulation through Nitaqat.

The results of data analysis of the government officials are presented in chapter five. The participants described Saudisation, its lack of impact, and the introduction of the new Nitaqat program. They explained the unique Saudi employment environment for women and the issues of conflict between regulations and social mores, and their views on the impact of

Nitaqat on the practices of multinational companies. Chapter six provides an analysis of the responses from unemployed women. Again, the legal and social issues regarding attracting, recruiting, and retaining women were discussed from their unique perspectives. The unemployed women offered views on unemployment, Nitaqat, and the regulatory and physical and family constraints in employment as well as their own experience and motivation.

Chapters seven and eight focus on the two case studies, a manufacturing firm and an insurance company, which were designed to investigate employment practices regarding gender and compare and contrast the findings with each other and also with the views of the stakeholders.

Chapter nine is the discussion chapter where the findings are placed in the context of the research questions and the outcomes of the study are aligned with previous empirical literature and evidence and the theoretical framework. The chapter also presents a summary of the thesis and lines of enquiry for future research.

The following chapter discusses the context for the study. It explains the physical, social, historical and economic environments in which this research is set.

Chapter Two: Saudi context

2.1 Introduction

The purpose of this chapter is to provide an understanding of the factors that impede Saudi women's entry into the workforce, as well as the issues related to recruitment and retention. Providing an over view of the profile of the Kingdom of Saudi Arabia is essential to understanding the context for the remainder of this thesis. First, the chapter offers insight into the history, political system, economy and characteristics of the social profile of the country. This is followed by an explanation of the Saudi labour market structure, the labour force characteristics and the factors that shaped its current form. The unemployment issue is explained along with an analysis, comparison and evaluation of the outcomes of the successive iterations of Saudisation and the 2011 Nitaqat system, which was introduced as a solution to unemployment issues, particularly those of women. The chapter then focuses on the status of Saudi women's employment in the labour market, the laws governing women's labour market participation, and the barriers that hinder women's employment.

2.2 Overview of the Saudi Arabian profile

This section provides a broad overview on the location of Saudi Arabia, its history, political system, population, society and the economic context.

2.2.1 Geography and historical overview

Located on the Arabian Peninsula, the Kingdom of Saudi Arabia is bordered by Jordan, Iraq and Kuwait in the north; by the Red Sea to the west; by the Arabian Gulf, Qatar, the United Arab Emirates and Oman to the east; and by Yemen in the south. It occupies nearly 80 per cent of the Arabian Peninsula (Ministry of Economy and Planning 2011a). In the west, Saudi Arabia has deposits of limestone, gypsum and sand and its oil wealth lies to the east, at the edge of the Arabian Gulf. With some 17 per cent of the world's oil reserves, Saudi Arabia is the largest exporter of petroleum (Ministry of Economy and Planning 2011b; World Factbook 2013). Of interest to this study is that Saudi Arabia is a member of the United Nations, the Gulf Cooperation Council, the Organisation of Petroleum Exporting Countries, G20, the World Trade Organisation, and the World Bank and International Monetary Fund (Australian Department of Foreign Affairs and Trade 2014; United States Department of State 2014).

The official language is Arabic and English is spoken in business and some social environments. Islam is the state religion of Saudi Arabia and Islam is a requirement of citizenship (Tayeb 2005; United Kingdom Foreign and Commonwealth Office 2011). Since the Arab Peninsula was the birthplace of Islam, Saudi Arabia is the home of the Two Holy Mosques in Makkah and Al-Madinah, in the west of the peninsula (Royal Embassy of Saudi Arabia 2014).

On 23 September 1932, Abdulaziz Bin Abdulrahman Al-Saud, the absolute ruler of the Kingdom of Saudi Arabia, established the modern Saudi state (Al-Rasheed 2010). Soon after the Saudi states were established, large reserves of oil were discovered and commercial production began after the Second World War (Al-Rasheed 2010). The rapidly increasing oil revenues permitted the development of an industrial and social infrastructure and the ability to set up social services, such as accommodation, transport, education and health care (Al-Rasheed 2010).

2.2.2 Political system

As noted in the previous section, Saudi Arabia is an absolute monarchy and the King of Saudi Arabia is the Custodian of the Two Holy Mosques and head of state (Royal Embassy of Saudi Arabia 2014). The Holy Qur'an is the constitution and legislation is derived from Shari'a, the Sacred Law (Royal Embassy of Saudi Arabia 2014). The Council of Ministers was established in 1953, with the king as prime minister, responsible for nominating ministers (Royal Embassy of Saudi Arabia 2014). There are currently 29 ministers, the king and two deputy prime ministers who effectively govern the country, raising legislative bills for the Shoura (Consultative) Council, and implementing the subsequent royal decrees (Royal Embassy of Saudi Arabia 2014).

The Shoura Council was established in 1993, and in 2010 it comprised the king, and 150 male members and 12 non-voting women as advisors, all appointed by the king every four years (Al-Rasheed 2010). Al-Fasi (2014) reported that in 2013 thirty women were appointed as full members of the national Shoura Council, comprising 20 per cent of the members. Al-Fasi (2014) notes that despite the women members' opposition in Shoura Council such matters related to gender issues, including abolition of driving restrictions, the guardianship system and equity in social insurance, the gender restrictions remain. With the biggest step forward in expanding women's rights in most conservative society, in 2011, King Abdullah decreed that women would be given the right to vote and stand in municipal

elections in 2015 (Alsharif 2011). Municipal elections are held across the country to appoint advisers to the mayors and town councils (Alsharif 2011).

2.2.3 Population and Society

Due to a high birth rate and an influx of foreign workers, Saudi Arabia's population has increased significantly since 1950. According to the Ninth Development Plan of the Saudi Ministry of Economy and Planning (2010-2014), the Saudi population was 7 million in 1974, and increased to16.9 million in 1992. By 2004, the population had tripled to 22.67 million and by 2010 it had reached 27 million. Population growth slowed in 2013 and it was estimated at some 30 million, with 20 million of these being Saudi citizens. It is noteworthy that the Saudi Central Department of Statistics and Information bases the population on projections from 2010, while the World Factbook (2013) has a lower estimate at 27 million, with 27 per cent under the age of 15 years. According to CDSI (2009), 55 per cent of the Saudi population is male, and females represent 45 per cent of the total population. Saudi nationals comprise some 73 per cent of the total population, with 36.4 per cent females and 36.7 per cent males, and the remaining 27 per cent are foreigners, which represent over one quarter of the population as shown in Table 2.1.

Table 2.1

National and non-national population, by gender, 2009

Saudis	%	Non-Saudis	%	Total
Male	36.7	Male	18.5	55.2
Female	36.4	Female	8.4	44.8
Total	73.1	Total	26.9	100

Source: CDSI 2009

Similar to other societies in Arab countries, Saudi society is collectivist with a tribal identity, blood linkage, kinship and regionalism (Hofstede et al. 2010; Obeidat et al. 2012). The population is made up of approximately 90 per cent indigenous and other Arabs and 10 per cent Afro-Asian (World Factbook 2013). All citizens are Muslim (Royal Embassy of Saudi Arabia 2014).

2.2.4 Economic profile

Because of its oil-based revenue stream, the Saudi economic environment differs from that of many emerging and developed economies. Saudi Arabia is ranked as the largest economy among Arab countries and it has the world's second largest proven oil reserves (De Bel-Air 2014). Along with generating large investments in the infrastructure, this also resulted in a progressive privatisation (Ali 2009a).

On the discovery of oil in 1938 and the development of an industrial infrastructure after the Second World War, Saudi social and economic development began in earnest after the successful oil embargo by members of the Organisation of Arab Petroleum Exporting Countries (OAPEC) in 1973, known as the oil crisis (Royal Embassy of Saudi Arabia 2014). Oil prices were thus the defining element of the subsequent five-year economic development plans, which accommodated capital reserves, thus smoothing the effects of oil price shocks (Royal Embassy of Saudi Arabia 2014). In 2012, the Kingdom had the world's largest crude oil reserves and was the largest crude oil producer, behind Russia. Saudi petroleum exports were 90 per cent of total export earnings in 2011 (Alshahrani & Alsadiq 2014). According to the International Monetary Fund (IMF) (2014), Saudi Arabia stabilized the global oil market and this contributes to the global economy.

Overall, Saudi economic development is strongly characterized by the GDP generated by the oil and gas sector, which reached 49.7 per cent in 2012 (Saudi Arabian Monetary Agency (SAMA) 2013), while the non-oil economy grew by 8 per cent and the real GDP growth reached 5.5 per cent in 2011 (Gulf Petrochemicals and Chemicals Association 2011). Industry accounts for some 62.5 per cent of gross domestic product (GDP), petroleum and services account for 45 and 35.5 per cent of GDP, respectively (World Factbook 2013). In the services sector, the major subsectors are finance, insurance, real estate and business services. The agriculture sector is the smallest sector with a low GDP contribution of 2 per cent (World Factbook 2013). (Figure 2.1).
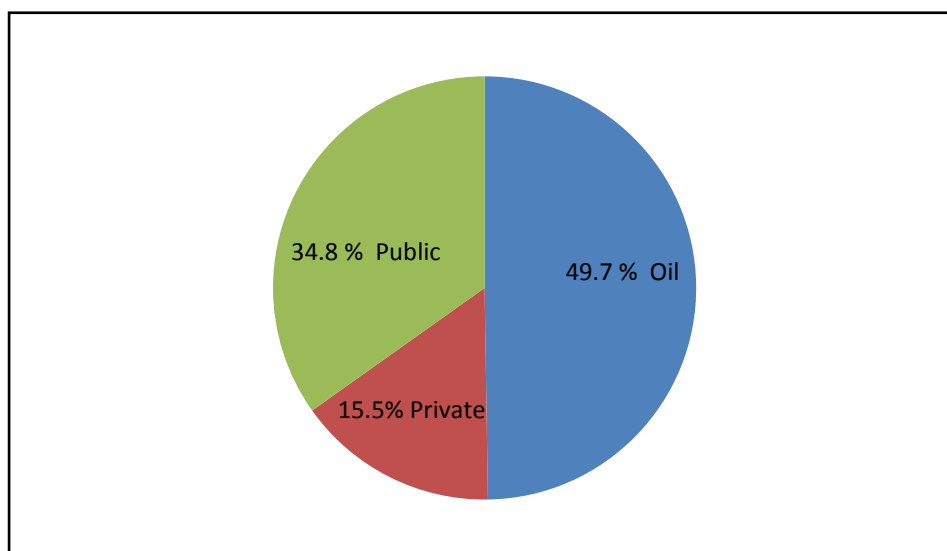
Figure 2.1 Contribution of economic sectors to GDP, 2012

Source: SAMA2013

The private sector drives the Saudi government's agenda to diversify the economy, stimulate growth and contribute effectively to the GDP. As targeted by the 2010–2014 economic development plan, a growth rate of the non-oil private sector from 5.8 per cent in 2010 to 6.6 per cent in 2014 is expected (Ministry of Economy and Planning 2010b; Qatar National Bank 2011).

Saudi Arabia became a member of the World Trade Organisation (WTO) in 2005, when it acceded to flexible regulations and lowered barriers to foreign entry (Salem et al. 2009). It is claimed that the business environment offered by the Saudi government is among the world's best, with a stable economy, flexible regulations, access to funding, public-private partnerships, and a privatisation process for the remaining public organisations (Ali 2009a; Euromonitor International 2010; Qatar National Bank 2011). Indeed, in 2009, Saudi Arabian General Investment Authority (SAGIA) (2009) reported that despite the global economic crisis in 2007, Saudi Arabia is one of the world's top 10 most competitive economies. The World Bank (2013) ranked Saudi Arabia 22nd of 185 countries for ease of doing business and friendly environment. In addition, Euromonitor International (2010) and SAGIA (2009) reported that Saudi Arabia's economic expansion continued to attract significant inflows of capital foreign direct investment, one of the top 20 recipients. SAGIA (2009) announced that the inflow of foreign direct investments rose significantly from US $0.8 billion in 2003 to US $38.2 billion in 2008, and attracted 44 per cent of the total foreign direct investment to Arab countries. In 2013, the World Bank (2014b) reported that foreign direct investment net inflows to Saudi Arabia were US $9.3b.

2.3 Saudi Labour Market

Over the few past decades, Saudi Arabia has transitioned from an economy based on nomadic trade, such as hosting pilgrims, to an economy based on oil revenues. In 1970 Saudi Arabia initiated the First Development Plan, a series of five-year plans, which aim to diversify the economy away from being exclusively based on oil, into other sectors (The Royal Embassy of Saudi Arabia 2014). However, rapid economic growth and developing living standards have occurred only through foreign labour input into the labour market (Kapiszewski 2006; Al-Shammari 2009; Ramady 2010).

In 2012, Saudi Arabia ranked in the top five migrant destination countries worldwide (De Bel-Air 2014). In 2013 the Saudi labour market was made up of a significant number of foreign workers, which represented 32 per cent of the Saudi population (SAMA 2013; De Bel-Air 2014), and resulted in a high rate of unemployment among Saudis. However, with the goal of increasing the labour force of nationals by limiting the influx of expatriates, the Saudi government has launched two employment programs, the previous called Saudisation and the current Nitaqat (Al-Dosary & Rahman 2009; Sadi & Al-Buraey 2009; Ministry of Labour 2011).

In order to understand how women are positioned in relation to Saudi employment issues, this section provides an overview of the labour force, the Saudi Development Plans and Saudi unemployment by gender and age. Specifically, the Saudi government employment programs, Saudisation and Nitaqat, are discussed.

2.3.1 The labour force and the Saudi Development Plans

By the end of the First Saudi Development Plan (1970–1974), Saudi workers represented 80.4 per cent of the total labour workforce and the remaining 19.6 per cent of the labour force were expatriates (Al-Shammari 2009). Al-Shammari noted that as the size of the labour force rose, by the end of the Second Development Plan (1979), the Saudi workforce had decreased to 57 per cent of the total labour force, and the rate of non-Saudi workers had increased to 43 per cent. This trend continued and at the end of the Third Development Plan in 1984, 34 per cent of the total labour force was Saudi; this figure stabilised at one-third in 1989 (Al-Shammari 2009). Al-Asmari (2008) noted that until the late 1980s, the objective of the new education system was to provide Saudi graduates with public service employment. However, the Ministry stated that from the Sixth Development Plan (1995–2000), including

the current Ninth Development Plan, Saudisation was introduced to increase the Saudi workforce and reduce the number of foreigners in the labour market (Al-Asmari 2008).

The size of the labour market increased as the economy expanded, with 1.04 million new jobs created during the Seventh Development Plan (2000–2004) and the job growth rate increasing at 3.4 per cent, with nationals commanding 55 per cent of those jobs (Ministry of Economy and Planning 2000). During this plan, the total labour workforce increased from 7.23 million in 2000 to approximately 8.27 million in 2003. During the Eighth Development Plan (2005–2009), the average annual growth rate of the Saudi workforce was 5.13 per cent (Ministry of Economy and Planning 2005). The government achieved its goal to raise the total Saudi participation rate at the beginning of the plan from 36.9 per cent to 39.2 per cent by the end of the plan in 2009. To reduce the gender gap in employment, this plan focused on increasing women's participation rate from 10.3 per cent at the beginning of the plan to about 14.2 per cent by the end of the plan period. However, as recent statistics indicate, these gains were not sustained. The Ninth Development Plan (2010–2014) aims to increase the national labour force participation rate from 36.7 per cent in 2009 to 39.3 per cent in 2014 (Ministry of Economy and Planning 2010a). In this plan, the Saudi government set the largest proportion of its budget, 51.6 per cent, to develop the education and technical sector with the intent of limiting the influx of expatriates and thereby reducing the Saudi unemployment rate. By achieving those desired objectives, the government can require private corporations to employ a large proportion of locals through their employment programs (United Nations Development Programme 2011). (Table 2.2)

Table 2.2

A summary of relevant aspects of Saudi Development Plans (1970-2014)

Year	Development Plan	Key Facts
1970–1974	1st Development Plan	Saudi workers were 80.4 per cent Expatriates workers were 19.6 per cent
1975-1979	2nd Development Plan	Saudi workforce had decreased to 57 per cent Expatriates workers had increased to 43 per cent.
1980-1984	3rd Development Plan	Saudi workforce had decreased to 34 per cent
1985-1989	4th Development Plan	The Saudi education system's objective was to provide Saudi graduates with public service employment
1990-1994	5th Development Plan	There was no great emphasis on human resource development.
1995–1999	6th Development Plan	Saudisation was introduced
2000-2004	7th Development Plan	The total labour workforce increased from 7.23 million in 2000 to 8.27 million in 2003
2005–2009	8th Development Plan	The total Saudi participation rate at the beginning of the plan rose from 36.9 per cent to 39.2 per cent by the end of the plan in 2009. Also, women's participation rate rose from 10.3 per cent at the beginning of the plan to about 14.2 per cent by the end of the plan period.
2010–2014	9th Development Plan	Saudi government set 51.6 per cent of its budgets to develop the education and technical sector to increase the Saudi labour force participation rate from 36.7 per cent in 2009 to 39.3 per cent in 2014

2.3.2 Saudi labour force structure

The Ministry of Economy and Planning (2010b) reported that over the decades the expatriate workforce increased in proportion to the national workforce. CDSI (2013a) stated that the Saudi participation rate (15–65 years of age) was 54.4 per cent for the total population. Saudi men accounted for 37.4 per cent (4.2m) of the total labour force, while Saudi women accounted for only 9.2 per cent (1m) of the total labour force. The foreign component of the labour market comprised 53.4 per cent (6.1m men and women). Since there

were over one million Saudis in the public sector in 2012, some 90 per cent of the private sector workforce was made up of foreign workers (CDSI 2013a; SAMA 2013). (Table 2.3)

Table 2.3

Saudi labour force structure 2012–2013

Labour force 2013	Labour force by gender 2013	Labour force nationality 2013	Saudi labour force by sector 2012
11.3m	Men 9.6m	Saudis 4.2m (37.4% employed) (6% unemployed)	Public 0.64m Private 3.56m
		Non-Saudis 5.4m (<1% unemployed)	
	Women 1.7m	Saudis 1m (9% employed) (32.1% unemployed)	
		Non-Saudis 0.7m (<1% unemployed)	Public 0.4m Private 0.6m

Sources: Extrapolated from SAMA 2013; CDSI 2014

The Saudi Arabian Monetary Agency (2014) reports that Saudi men work in a range of industries, including construction and building, the wholesale and retail trade, and in community enterprises. However, the majority of Saudi women who work in the public sector are concentrated in the education and health sectors (Al-Shammari 2009; Ramady 2013). In the private sector, women are concentrated in urban areas and employed in the private business and banking sectors (Al-Munajjed 2010).

Due to class-based sensitivities around the status of particular jobs, Saudis widely reject employment in low-skilled tasks and lacking of technical skills (Ramady 2010), non-Saudis work predominantly in construction, the oil fields and trade as well as in manufacturing and agriculture (De Bel-Air 2014). The majority of foreign workers in the Saudi labour market are from Arab countries, the Indian subcontinent, Southeast Asia and Africa, with only 100,000 workers from Western countries (Bowen 2007; Kapiszewski 2006; Adelman 2013). The hierarchy of foreign workers is dependent on their country of origin. For example, Arab and Western workers generally occupy most of the specialist and technical

positions, particularly in the healthcare, education, finance, trading and petrochemical sectors (Bowen 2007; Etheredge 2011; Zuhur 2011). The remainder work mostly in lower level positions such as agriculture, cleaning and domestic service (Cordesman & Corobaid 2005). A recent academic study of a Danish manufacturing subsidiary in Saudi Arabia found that European employees, the highest in the occupational hierarchy, were managers, the Egyptians occupied supervisor positions, Filipino employees filled technical roles, and Indians, who were the lowest in the hierarchy, worked in production (Lytras & Ordóñez 2009).

2.3.3 Unemployment by gender and age

Because of the different data sources used by the various authorities, reliable unemployment statistics are difficult to identify in Saudi Arabia. As Aluwaisheg (2013) describes, there is a dilemma about whether to accept the unemployment figures issued by the Saudi Central Department of Statistics and Information or choose the United Nations methodology. Aluwaisheg nominated a United Nations indicator - the rate of employment (labour force participation rate[1]) - described as the ratio of the employed to the total number of working-age population. This was compared to the statistical agency's identification of unemployed whom actively seeking work in the previous month, in December 2012.

According to CDSI (2013a), the Saudi unemployment rate rose from 10.5 per cent in 2009 to exceed 12 per cent in the second half of 2012. The IMF (2013, p.5) reported that 'unemployment rate among men, it is measured at 12 percent and it is much higher for youth (30 per cent) and women (35 per cent)'. In fact, the main cause of the rising Saudi unemployment rate between 2009 and 2012 was a gender phenomenon, when women's rate of unemployment increased from 28 per cent to 36 per cent (Aluwaisheg 2013). During that period the female employment rate rose from 8.5 per cent to just 10 per cent (Aluwaisheg 2013). Similarly, in 2012,the director for women at the Ministry of Labour said that of the 5.9 million Saudi women of working age, only 12 per cent were active in the labour market with a 28 per cent unemployment rate (Al-Khattaf 2013). Although little data is available on the age of the women in the workforce, Figure 2.2 shows the population pyramid for Saudi Arabia, skewed by a 6 million, non-national, predominantly male labour force (World Factbook 2013). The age brackets for women, generally Saudi, decline in numbers from age

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[1]It is unclear whether Aluwaisheg's analysis included unemployed Saudis as well as employed citizens in the employment rate, such as occurs with the labour force participation rate.

35 years onwards, narrowing the possibility for employment after the age of 40 years (Figure 2.2).
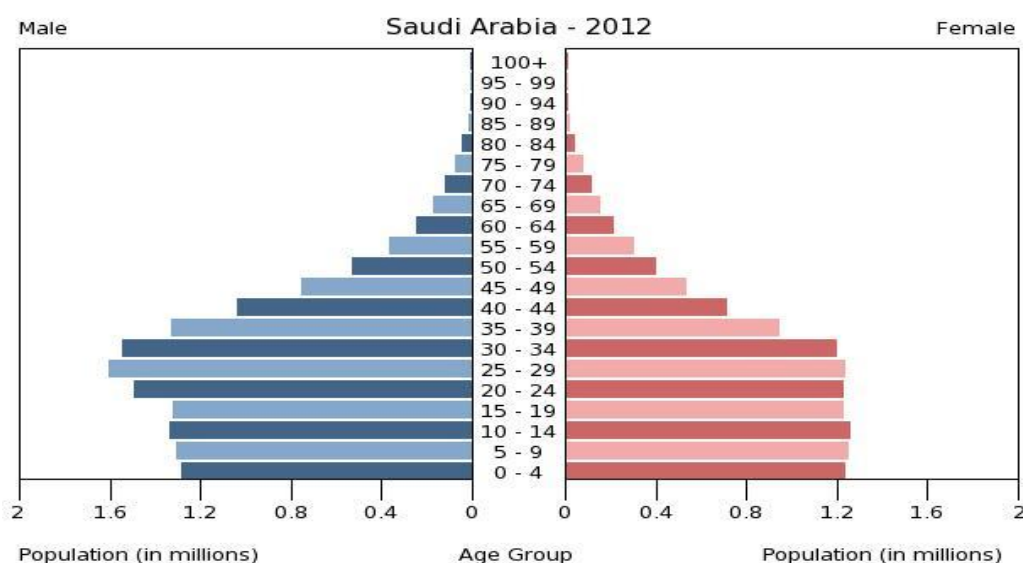
Figure 2.2 Population pyramid for Saudi Arabia by gender

Source: World Factbook 2013

According to the first round of a labour force survey published by CDSI (2013b), 363,619 (34.8 per cent) of the total of 1.04m Saudi women (aged 15 years and over) were unemployed. However half of Saudi women (about 344,000), were in the public sector (Naffee 2014). Therefore, one of every ten working-age women were employed, and one in every 20 was in the private sector. By the end of 2012, according to the *Economist* (10 January 2014), women comprised 19 per cent of Saudi private sector employees, and 36.5 per cent of Saudis working in the public sector, in comparison to the situation in 2010, when there was 7.7 per cent and 33 per cent, respectively.

According to an analysis by the Qatar National Bank (2011), the Saudi private sector accounted for 80 per cent, about 673,601 jobs, of the total jobs offered in 2009. This analysis found that expatriates took 90 per cent of those jobs and domestic workers occupied only 10 per cent. The Qatar National Bank (2011) estimated that in 2010 the Ministry of Labour created 131,000 jobs for Saudi nationals. However, the youth population demanded an average of 250,000 jobs annually. Because of the failure of the public and private sectors to provide these jobs, especially in the economic conditions that prevailed, unemployment for nationals remained high. The Qatar National Bank noted that the Saudi government aimed to reduce unemployment to 5.5 per cent by the end of 2014, and SAMA (2013) reported unemployment at 5.5 per cent in 2012.

2.4 Saudi employment programs

Over the years, the Saudi government has launched several employment programs to improve the recruitment rate of Saudis within the private sector as a way of reducing the Saudi unemployment rate (Al-Dosary & Rahman 2009; Sadi & Al-Buraey 2009). The Ministry of Labour and Human Resource Development Fund, together with the Training Corporation and the Saudi Chambers of Commerce and Industry, are responsible for the nationalisation strategy. One response was to place quotas on Saudi workers in each firm, while the second response was to train job seekers in private sector jobs (Al-Shammari 2009).

2.4.1 Saudisation

Saudisation dates back to the Sixth Five-year Development Plan and has the objective to reduce the number of expatriate employees and the Saudi unemployment rate (1995–2000) (Sadi & Al-Buraey 2009). Al-Shammari (2009) and Madhi and Barrientos (2003) define Saudisation as the replacement of expatriate employees with qualified and experienced nationals. Saudisation required private sector employers that employed more than 20 workers to reduce their foreign workforce by at least 5 per cent every year.

The Sixth Development Plan (1995-2000) aimed to diversify the oil industry, which employed few general workers, and drive economic growth. Only the oil industry can produce an estimated 34,000 jobs, assimilating some of the 659,000 Saudi seeking jobs into the workforce and replacing 319,000 foreigners. In 1995, the government announced that private corporations with over 20 workers should reduce the number of foreigners by 5 per cent annually and economic and administrative penalties were imposed on those firms that did not comply (Ministry of Economy and Planning 1995). The Seventh Development Plan (2000–2005) declared that by the end of 2004, Saudi workers would occupy at least 25 per cent of the jobs in the private sector: through hiring 150,000 employees and replacing five per cent of the expatriates. In addition, the government also stated that it was aiming to create 817,300 new jobs for national employees during this plan (Ministry of Economy and Planning 2000). The Eighth Development Plan (2005–2010) maintained this pressure, by replacing expatriates to reduce the unemployment rate; it increased the national workers from 36.9 per cent in 2004 to 39.2 per cent in 2009. This plan also attempted to increase the female participation rate from 10.3 per cent to 14.2 per cent (Ministry of Economy and Planning 2005). According to Ramady (2010), the Saudi government sought to achieve several goals through Saudisation: increase the Saudi labour force participation in the private sector, and

lower unemployment while reducing over-reliance on foreign skills and the wages of non-Saudi workers repatriated to other countries. However, it should be noted that the five-year plans tend to be aspirational and their outcomes are rarely published (Qatar National Bank 2011).

Restrictions on expatriates came into effect for the public sector and the plan was to replace private sector non-nationals with Saudis at a rate of at least 5 per cent per annum. In the Ninth Development Plan (2009–2014), a long-term strategy for the Saudi economy, the Ministry of Economy and Planning estimated that the total national workforce would grow from 8.55 million to about 15 million employees from 2004 to 2024, an average annual rate of 2.8 per cent. That estimate raised the number of local employees from 3.5 to 11.8 million workers, an average annual rate of 6.2 per cent, by reducing the number of expatriate workers from around 4.7 to 3.3 million workers, with an average annual decrease of 2 per cent. The Ministry of Economy and Planning assumed an increase in the Saudi workforce participation during this period, from about 36.9 per cent to 56.3 per cent, with the male participation rate increasing from 63.8 per cent to 80 per cent and from 10.3 per cent to 30 per cent for females. Estimates depended on the potential demand by the various economic sectors as well. To achieve the aim of full employment by 2024 would require providing more job opportunities for the national employees, especially in the services sector, which is estimated to be 37.9 per cent of the total labour force by 2024, while the industry sector is expected to employ 44.3 per cent of the available labour (Table 2.4).

Table 2.4

Labour force and employment 2004–2024

Indicator	2004	2009	2014	2019	2024	Average Annual Growth Rate (%)
Total Labour Force*	7743.2	8587.5	9687.9	11445.7	13810.2	3.0
Saudi Labour Force*	3860.8	4329.0	5328.6	6486.2	7895.2	3.6
Total Employment*	7180.6	8173.1	9396.3	11221.1	13660.7	3.3
Expatriate Employment*	3882.4	4258.5	4359.3	4959.5	5914.9	2.1
National Employment*	3298.2	3914.6	5037.0	6261.6	7745.8	4.4
Number Of Unemployed*	562.6	414.4	291.6	224.6	149.5	−6.4
Unemployment Rate (%)	14.6	9.6	5.5	3.5	1.9	
Saudization Rate (%)	46.3	47.9	53.6	55.8	56.7	

Source: The Ministry of Economy and Planning 2010b

The Saudisation program did not achieve the government's goals. In 2009 the program created only 35,445 additional jobs for Saudis, while the rate of non-nationals in the private labour grew from 87 per cent in 2008 to 90 per cent in 2009 and the participation rate of Saudis decreased from 13 per cent to 10 per cent in the same period (SAMA 2013). Saudisation, which was encouraged but not mandated, required that targeted industries in the private sector employ nationals in up to 30 per cent of their positions as they became vacant. However, a lack of qualified Saudis resulted in an average of 10 per cent Saudis employed in these jobs (Fayad et al. 2012).

Because of regulations and preferences, corporations prefer to hire expatriates in vacant jobs that Saudis reject, cleaners and outdoor workers for example (Ramady 2010). Other factors that affected Saudisation include career development and remuneration (Al-Sammari 2009). In addition, since Saudis avoid some job classifications, such as the above noted cleaners and outdoor workers, a reduction in the reliance on overseas labour that the government seeks is unlikely (Ramady 2010). Fayad et al. (2012) noted that in 2009, the overall unemployment rate for Saudis was 10 per cent, but the unemployment rate of Saudi youth (aged 15–29 years) reached 27 per cent. A more direct approach was required to shift the burden of employment on to the private sector.

2.4.2 Nitaqat

Given that Saudisation was not effective, the Saudi government announced a new employment program in June 2011 called Nitaqat (or 'ranges' in English). Nitaqat introduced employment quotas for Saudi employees in an increasing range of industries, combined with harsher penalties for non-compliance and a systematic strategy for skills development for Saudis (Ministry of Labour 2011). The Ministry of Labour explained that the new quota system would evaluate the national and foreigner employee hiring ratios of private organisations, depending upon the number of Saudi jobseekers within that industry sector. The Ministry of Labour noted that this program increased the categories of the Saudi labour market sectors from 11 to 41, and applied varying percentages to nationalise the jobs rather than a fixed ratio of 30 per cent, a percentage that depended on the total number of employees in the corporation.

The Ministry of Labour (2011) divided these targeted organisations into four categories, ranging from non-cooperative to cooperative, and then provided colour-coded classifications of red, yellow, green and blue (Ministry of Labour 2011; *Saudi Gazette* 22

November 2011a). Organisations falling in the red category, the most uncooperative, would not be allowed to obtain new visas or renew their foreign employees' work visas if they had not improved their status by increasing their rate of Saudi staff by the end of November 2011. Non-complying firms classified yellow would not be able to extend their existing expatriate employees' visas beyond six years if they did not improve their status by April 2012. Excellent firms, who achieved Nitaqat's targets for nationals, were classified as green and could offer jobs to expatriate staff employed by corporations in the red and yellow categories and transfer their visas. Firms employing a majority of Saudis in the highest achieving zone, blue or VIP, would be allowed to hire expatriates with minimal administration. Sfakianakis (2011) reported that Nitaqat established 205 job categories for quotas based on the firm's size and industry. At the end of 2011, the Ministry of Labour was penalising firms that did not comply with the Nitaqat quotas (*Saudi Gazette* 22 November 2011b).

Nitaqat also has short, medium and long-term targets. These include accelerating women's employment, training employment seekers, introducing a minimum wage, and the protection of the rights of employees (Sfakianakis 2011; Kawach 2011). The authors stated that the short-term target of 2013 was to obtain an accurate census of Saudi job seekers, and then to reduce the unemployment rate. In the medium-term, the plan was to reduce expatriate employees in the private sector from the current 30 per cent to 20 per cent by 2014. In the meantime, the long-term strategy was extended to 20 years, to employ 160,000 Saudi job seekers in the private sector and thereby improve Saudi's global competitiveness. It was accepted that, of the 300,000 firms to be classified, an estimated 20 per cent could fall into the red zone and be liable for severe penalties.

The Nitaqat quotas have been contentious, with economic and human resource representatives claiming that Nitaqat increased the quantity of workers rather than improving their skills and thus potentially lowering productivity, which could influence profits and competitiveness in the Saudi economy (*Saudi Gazette* 22 November 2011b). Other analysts saw Nitaqat as a radical nationalisation measure of the government. Furthermore, 80 per cent of medium and small Saudi companies cannot afford the salaries of Saudi employees, while others pointed out that the HRDF pays half of the Saudi employees' salaries during the first two years for recruitment and training (*Saudi Gazette* 22 November 2011b). The Labour Minister announced that Nitaqat is supported by an extensive education and skills program aimed to train nationals in different disciplines to provide sufficient employees to meet the private sector's needs (*Arab News* 28 November 2011).

An issue with employers is that workers do not remain in their jobs, but seek better wages and conditions elsewhere. Through incentives to remain in their jobs, Nitaqat encourages Saudi employees to complete a specified period working for their employers after they finish training (*Saudi Gazette* 22 November 2011a). While 829,000 expatriate employees were being recruited by the private sector in 2009, in that same year 147,000 Saudi workers left their jobs because of low wages (Al-Kuwailit 2010).

While there were 450,000 jobless Saudis in 2010, unemployment particularly effected women with the unemployment of female and high school graduates estimated at 26.6 per cent and 40 per cent respectively (Kawach 2011). This was despite the launch of several plans to create appropriate workplaces for women that suit the nature of the Saudi environment, such as working in shops selling women's necessities, factories and working at home.

According to the Ministry of Labour, Nitaqat doubled the number of employed Saudis from 723,894 to over 1.46 million[2] by 2014 (*Arab News* 30 April 2014). Salaries rose, with over 1.3 million receiving more than SR36,000 pa (US $13,500), and a social insurance system was implemented (unemployment benefits). The Ministry representative noted the remaining obstacles were:

- insufficient skilled Saudi workers, education system not meeting job specifications

- regulatory and practical (commuting, work and family) issues for job-seekers

- professional remuneration gap (such as subsidised housing and airfares)

- employers claiming 'ghost' Saudi workers

- employers transferring expatriates' work permits amongst allied firms (*Arab News* 30 April 2014)

To address regulatory issues for expatriates, the Ministry raised new work permit fees and charges to SR2,400 (US $900), allowed free movement of expatriate workers inside the country, reduced the 48-hour week to 40 hours and moved the weekend from Thursday and

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[2] Note that these figures differ from those of other agencies (Table 2.1). Each agency uses a different base figure.

Friday to Friday and Saturday. Employers also received significant assistance with their training and administration costs for Saudi recruits (*Arab News* 30 April 2014).

2.5 Saudi women's employment conditions and prospects

Despite the implementation of Nitaqat, the unemployment rate of Saudi women is increasing and was 36 per cent in 2012 (Aluwaisheg 2013). In fact, women's participation remains low in all Saudi economic sectors (Al-Asmari 2008). Since this study concerns the high unemployment rate of Saudi women, women's employment status in the Saudi labour market, workplace conditions and women's preferred sectors for employment are discussed. The labour market laws governing women's participation are also reviewed.

2.5.1 Saudi women's participation in the labour market

Saudi Arabia has one of the lowest participation rates of women in the labour force of all the Arab countries (Korany 2010). Saudi women comprise 9.2 per cent of the total Saudi workforce and since women represent almost half of the Saudi population, this indicates that Saudi Arabia is not utilizing its potential human resources to enhance economic efficiency (CDSI 2013a; Al-Munajjed 2010). With an increasing unemployment rate, the failure of the government to create enough jobs for its male workforce illustrates that little focus on the integration of women into the labour force (Al-Dosary et al. 2005). The International Labour Organisation (ILO) (2009) estimated that the female unemployment rate was three times that of the male rate in 2008, and reached five times by 2009. CDSI (2014) also noted that women's unemployment was nearly one-third (32 per cent) of the labour force participation rate, although this was affected by Nitaqat.

2.5.1.1 Saudi women in the segmented labour market

The Saudi labour market is segmented along several dimensions. According to Al-Asmari (2008), this segmentation occurs between the public and private sector, between Saudis and foreigners, and between the skilled and the unskilled workforce (Al-Asmari 2008). In 2012, Hertog studied the Saudi labour market and found a threefold segmentation: Saudi men, Saudi women and expatriate workers, which is reflected in the skewed distribution in the public and private sectors. (Figure 2.3)
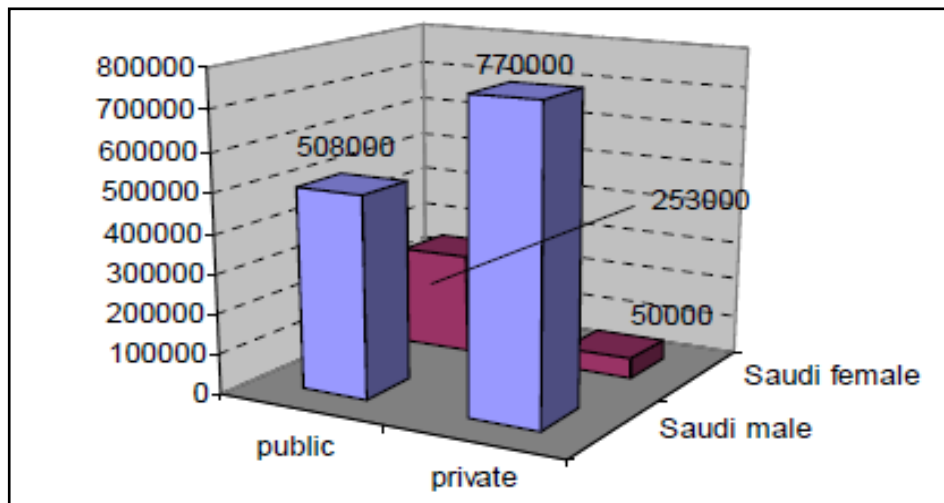
Figure 2.3 The female and male dimensions of the Saudi labour market segmentation

Source: Hertog (2012), based on data from the Ministry of Civil Service and the Ministry of Labour

Generally, Saudi women prefer to work in the government sector which provides culturally acceptable segregated workplace conditions, better wages, less standard working hours and productivity requirements, and guaranteed job for life (Al-Asmari 2008; Al-Shammari 2009; Ramady 2013; Al-Asfour & Khan 2014). In particular, Saudi women prefer working in the public sector as teachers and health professionals, where they can maintain gender separation and have jobs for life with generous conditions and fewer social barriers (Al-Shammari 2009; Hertog 2012; Ramady 2013). However, given the social restrictions that appear to be firmly in place, Saudi women work only if the conditions are beneficial for them, such as those that exist in the public sector (Al-Shammari 2009; Ramady 2013). Although such activity facilitates corporate expansion, the dynamics of the Saudi private sector creates uncertainty in jobs. Al-Shammari (2009) confirmed that Saudi workers shun the private sector due to concerns regarding remuneration, job security and the lack of a career path. In addition to Saudi labour market segmentation, wages are also substantially segmented, as public sector wages are higher than in the private sector (Al-Asmari 2008). However, Saudi women have considerably lower wage expectations than men in all economic sectors (Hertog 2012). In the private sector, Saudi women are paid 50 per cent less than Saudi men due to the different work done by women and the sector's discrimination (Haddad 2013). Moreover, differences in qualifications and skills raise another facet of Saudi labour market segmentation. While on average Saudi women's education level is higher than that of Saudi men (Hertog 2012), they lack vocational skills and experience (Al-Shammari 2009). Women's skills at graduation results in limited job opportunities (Hamdan 2008;

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Muhammad 2013; Ramady 2013). These dimensions of segmentation will be discussed in the section on the barriers to women's employment (2.5.2) to provide an understanding of how and why it occurs and how it influences women's employment in the labour market.

In summary, Saudi women avoid working in the private sector because of inferior working conditions, lack of staff policies and motivation, and low income and benefits (Al-Dosary et al. 2005). Consequently, Saudi women elect to work in the public sector, in particular in education, for the many reasons described earlier (Al-Shammari 2009; Hamdan 2008; Ramady 2010).

2.5.1.2 Labour laws and regulations

Saudi Labour Laws are the main framework governing the employer-employee relationship. The Labour Law was proclaimed in 1969 and, despite many amendments implemented predominantly in 2005–2006; it remains the basis for employment contracts. The Labour Law 2006 contains 211 articles arranged in 13 chapters (SAGIA 2006; Royal Embassy of Saudi Arabia 2014). Since women's employment and retention remain the focus of this study, the related Labour Laws are shown in Table 2.5.

Table 2.5

Employment of Women in Saudi Labour Law 2006

Legislation	Article No.	Definition
Right to work and equal opportunities	3	'Work is the right of every citizen and all citizens are equal in the right to work'.
Gender segregation	4	When implementing the provisions of Article (3) of this law, 'all employers and workers shall adhere to the provisions of Shari'a'.
Job limitations	149	Taking into consideration the provisions of Article (4) of this Law, 'women shall work in all fields suitable to their nature. It is prohibited to employ women in hazardous jobs or industries'.
Health insurance	146	'Employers should provide health insurance for workers and their families, and significant social infrastructure (schools, libraries, parks) if this is not otherwise available'.
Transport	148	'An employer shall provide means for transporting his workers from their place of residence or from a certain gathering point to the place of work and bring them back daily, if the places of work are not served by regular means of transportation at times compatible with the working hours'.
Maternity leave	151	'Maternity leave is ten weeks at full wages after three years' employment, although this comes at the expense of paid annual leave. After one year's employment, the employer pays medical costs through pregnancy and delivery. A mother can only be fired for pregnancy-related issues on medical leave if she is absent for 180 days'.
Childcare	159	Women are entitled to childcare provided by their employer in organisation, given that there are 50 women employees and 10 children under the age of six years.

Source: Saudi Labour Law, first edition, 2006

While Saudi Labour Law has elaborate legislations written in a separate chapter regarding the employment of women (Ministry of Labour 2014), other matters are not explicitly legislated and rely on the media to publish written and unwritten determinations. Therefore, women are subject to discrimination in employment practices through income, promotion, career opportunities, training, age, marital status, *wasta* (social connection) influences and benefits such as family leave and health insurance.

2.5.2 Barriers to the employment of women

The Global Gender Gap Index (GGGI) compares countries in relation to differences between males and females for economic participation and opportunity, educational attainment, health and survival rates, and political empowerment. According to the Index, Saudi Arabia was ranked as 127th of 136 countries in 2013, up from 129th in 2010 (World Economic Forum 2013). While political, legal, economic and social constraints affect participation rates and the workforce structure for women in the Saudi labour market (Allam 2012; Al-Munajjed 2010), women have a small but rising presence in the labour market (SAMA 2013).

2.5.2.1 Government policies

The political restrictions of the Saudi government erect barriers to women's entry and participation in economic activities, particularly in the private sector. Al-Munajjed (2010) stated that in order to increase the profile of its women, the Saudi government has signed international conventions and employed national strategies. Internationally, Saudi Arabia signed three international agreements to ensure gender equality in the workforce. These are: the Remuneration Convention that aims for equal pay for work of equal value; the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) that prohibits discrimination in both employment and occupation; and the International Labour Organisation's Discrimination Convention that calls for the nation to adopt a national labour policy that is free from any discrimination.

Internally, since 2005 the Eighth and Ninth Development Plans and the 25-year employment strategy adopted by Saudi Arabia in mid-2009 aimed to increase the Saudi employment rate and reduce the employment rate for foreigners by focusing on more opportunities for women who were seeking jobs (ILO 2009; SAMA 2013). In 2007, by Royal decree, one-third of the public sector jobs were reserved for women, with plans to create additional jobs for them (Al-Munajjed 2010). Moreover, while the Saudi government is

increasing the massive budget and spending on women's education, scholarships and employment, legislative restrictions and a conservative society clearly restrict women's access in the workplace (Sullivan 2012). Al-Munajjed (2010) argued that although the Saudi government has attempted to remove discriminatory policies, these changes have not been sufficiently effective.

2.5.2.2 Government legislation

While the Ministry of Labour encourages women's participation in paid work, other contradictory restrictions are imposed. These include legal restrictions on travel, mobility, guardianship and on workplace conditions, which result in a limited number of acceptable job opportunities (Al-Munajjed 2010; Hamdan 2008; Muhammad 2013; Ramady 2013). As Scott-Jackson et al. (2010) identify, there needs to be a review of socio-economic legislation to remove impediments to Saudi women reaching their potential in the professions and securing an income stream.

According to Article 4 of the Saudi Labour Law, all employment is based on Islamic Shari'a laws, and gender-segregated workplaces are required (Royal Embassy of Saudi Arabia 2014). While gender separation is not explicitly legislated, the Ministry of Labour has elaborate written and unwritten determinations regarding the configuration of entrances and exits, and other places where a mixed gender encounter may occur, as well as for washrooms and lunchrooms (Human Rights Watch 2013b). Gender segregation is enforced in workplaces and restrictions are imposed on women's movement (Human Rights Watch 2011; Mansour & Achoui 2012). For example, in early 2013, a new rule was issued by the Minister of Labour requiring that employers have to build segregation walls that are 6 feet or higher in mixed workplace in order to separate men and women (Jiffry 2013). The requirements for segregation in the Saudi labour market have led to women's limited access to employment as well as their concentration in the public sector and in certain jobs, such as teaching and other female-based professions. Jiffry (2014) reported that a recruitment firm representative noted that women were generally slow to consider jobs outside their favoured education roles, where over 80 per cent of women were employed, to the private sector's tourism, construction and retail. For example, in July 2012 the Minister of Labour issued four new decrees that applied to women's workplaces in clothing stores, amusement parks, food preparation and as cashiers. These decrees require strict gender separation; women must have their own work area and rest rooms and they may not interact with unrelated men. If the

enterprise also employs men, a minimum of three women must be hired. However, there are exemptions available from the decrees.

The government paradoxically states that women have the right to work, but only in designated industries, and they have additional barriers on travel to access that workplace (Ali 2009a; Al-Khouli 2008; Al-Munajjed 2010; Scott-Jackson et al. 2010). Since Saudi women are not legally allowed to drive a car (Yaphe 2013), they need to either have a male relative drive them, hire a private driver or stay at home (Wagemakers et al. 2012). This situation makes it difficult for them to commute to work and retain their jobs (Al-Munajjed 2010). In 2013, the IMF reported that flexible access to transport is required to increase women's participation rate in the Gulf Cooperation Council (GCC[3]) Countries labour market, particularly in Saudi Arabia.

According to Article 149 of the Saudi Labour Law, the Ministry of Labour is the authority to determine jobs 'suitable' for Saudi women. These determinations of suitable jobs are generally notified informally in the media and they tend to be statements, rather than specific regulations, such as retail or service occupations, apparel stores and hairdressers. There is also a list of occupations banned to women including mining, construction, and work in tanneries or electricity production, or in car repair facilities (Wilcke 2012). To address unemployment, the private sector job category barriers were relaxed under a Nitaqat decree in July 2011, most notably with lingerie stores and factories, where foreign workers were replaced with Saudi women. In these shops, there are signs banning men from entering unless accompanied by a female relative (Sullivan 2012). Moreover, the Ministry of Labour assumed jurisdiction from other government agencies over all matters involving women's employment. Nonetheless, early in 2012 the Commission for the Promotion of Virtue and Prevention of Vice would not allow a supermarket manager in Makkah city to employ female cashiers, as they were not working in a segregated workplace and might be serving male customers (see Article 4 from the Table 2.5). In May 2012, the Saudi Board of Grievances rejected the decree requiring lingerie stores to hire Saudi women as salespersons, as they were serving both men and women customers. However, although the first woman to train as a Saudi lawyer was licensed in April 2013 (Human Rights Watch 2013a), she is only allowed to represent clients and offer legal advice, but not actually appear in court (Sullivan 2012).

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[3] GCC consists six countries; Saudi Arabia, Kuwait, Qatar, Bahrain, United Arab Emirates and Oman

Written guardianship approval, from a father, husband, brother or even a son, is a legal requirement for Saudi women to study, travel, marry, work and receive other basic government services (Al-Munajjed 2010; Sullivan 2012). In other word, Saudi women cannot act independently as they are legally controlled by male guardian. Human Rights Watch (2008) considers the Saudi guardianship system as slowing progress in women's lives and thus continuing to maintain male control over them. Recently, Human Rights Watch reported that 'employing women in only lingerie shops and factories does not require employers to get the permission of the Labour Ministry or any other party' (Wilcke 2012, p.1).

2.5.2.3 Economic constraints

Saudi's educational system is also gender-segregated, with some differences in course choices. To avoid mixing or competing with men, until 2002 women were educated for 'women's roles' in home duties, teaching and other gender-segregated professions (Hamdan 2005). SAMA (2013) reported that the rate of females graduating from university was higher than that of males in the period 2012–2013, and the majority of university graduate degrees were in education, human sciences, and Islamic and Arabic studies. The number of applicants for jobs in these fields greatly outnumber the jobs available (Al-Munajjed 2010). As a result, there is a poor match between women's skills and available job opportunities (Hamdan 2008; Muhammad 2013; Ramady 2013). Because of the mismatch between labour market requirements and educational output, over 70 per cent of unemployed women are university graduates (IMF 2014). Euromonitor International (2010) identified unsuitable educational qualifications for Saudi women and segregated workplaces as the reasons for women's unemployment.

Saudi women also lack access to decision-making and management positions, and they remain at a lesser status than men (Al-Munajjed 2010). Al-Munajjed added that there is no legal standing guaranteeing women's right to supervise men and there are substantial barriers to promotion in a mixed-gender workplace. In this matter, Hofstede et al. (2010) stated that Arab women are not accepted in jobs that are traditionally occupied by men. Employers prefer to recruit men, and women are offered jobs that men reject (Boserup et al. 2007). Employers perceive that child-bearing and family responsibilities and low mobility interfere with women's work performance (Moore & Gloeckner 2007; Boserup et al. 2007). However, Korany (2010),asserted that Saudi Arabia has the highest percentage of women as legislators, senior officials and in management positions among the Arab States due to the

segregated division of the education sector, since all positions are duplicated and women have opportunities in the female division.

2.5.2.4 Social and cultural barriers

According to Article 3 of the Saudi Labour Laws, it is explicitly legislated that all citizens have an equal right to work, yet employers hire men in response to traditional preferences (Ali 2009a; Al-Munajjed 2010). In Saudi Arabia, traditional culture and social norms significantly affect the participation rate of national women and limit the jobs available to them. For example, in 2009, the Deputy Labour Minister announced that while males have an opportunity to be employed in the private sector, females face difficulties due to social restrictions (Abdul Ghafour 2009). Hofstede et al. (2010) maintained that it is not so much the workplace that rejects women's labour; rather the issue rests with the traditional gender roles within a society. Al-Dosary et al. (2005) confirmed that unemployment among Saudi women is high because of family responsibilities, and social and cultural restrictions. The Minister of Labour announced that to increase women's employment rate, Nitaqat aims to create distance-jobs that allow Saudi women to work from home and manage children and household responsibilities (Sullivan 2012). In 2013, the IMF reported that in GCC, in particular in Saudi Arabia, improving access to childcare services and offering flexible work-arrangements might increase women's participation in the labour market.

Gender-segregation in the labour market, education and society are products of Saudi socio-culture, which results in limited jobs and opportunities (Ali 2009b; Baki 2004). Boserup et al. (2007) believed that a large proportion of Arab women work in the education because they prefer its flexible working hours, gender segregation and social acceptability. Furthermore, Saudi women cannot make decisions in relation to matters such as accepting or rejecting a job, to work in mixed or segregated workplace or to travel by herself. Rather, a male guardian has legal and cultural authority to make the final decision on such matters (*The Guardian* 21 April 2008; Al-Munajjed 2010; Sullivan 2012). There is a growing debate on women in society as a Saudi social problem; since the conservative public believes that the role of women in society is at home, as wife and mother. If Saudi women are to increase their labour market participation, there is a need for a cultural shift regarding women working, particularly in the private sector and its mixed gender workplaces (Ali 2009a; Al-Munajjed 2010). (Table 2.6)

Table 2.6

Saudi legislations and cultural norms relating to women's employment

Government legislations	Labour Law	Proclamation	Cultural expectations
Gender segregation	Article 4 of the Saudi Labour Law	All these regulations are mostly unwritten or not explicitly and announced in media. The judgments are applied according to the strict interpretation of Shari'a law and conservative customs	All these regulations are strongly upheld by Saudi cultural values and a strict moral code
Suitable job	Article 149 of the Saudi Labour Law		
Drive a car	_____		
Travel	_____		
Guardianship approval	_____		

2.6 Chapter summary

This chapter reviewed the literature and provided background information about Saudi Arabia's demographics, history, political system, socio-cultural context, economic and business environment, the labour market workforce and related issues. The chapter discussed the objectives of the Saudi development plans. It is clear that the main aim for each plan was, and is, the development of the economy, diversifying from oil, privatisation and addressing unemployment issue. This was followed by a description of the Saudi labour market and unemployment. The definitions and aims of the Saudisation and Nitaqat programs were described and the results reviewed. To provide an understanding of the factors that result in low labour participation and subsequent unemployment for women, the chapter then explained the structure and skill levels of the Saudi labour market.

The key interest of this chapter is to identify the contradiction between the government's aim to increase Saudi women's participation in the labour market through the implementation of new laws and employment programs, and the clash the program has with Saudi traditional cultural expectations on the other. It is these contradictions that give context to questions asked by this research and provide a focus for the analysis of data. This study is interested in how MNCs respond to this dilemma as well as how Saudi women respond. In particular, the research is concerned with identifying the extent to which Saudi women view

employment programs as a potential opportunity; or as a threat to embedded cultural values and practices.

The next chapter explores the theoretical perspective to understanding and identifying the issue of women's unemployment in the Saudi labour market

Chapter Three: Key Concepts and literature

3.1 Introduction

This chapter presents the theoretical foundation of the thesis and reviews the literature that helps to understand the factors hindering women from participating in the Saudi labour market in general and in foreign owned multinational corporations in particular.

The discussion is organised into three main sections: gender issues, cultural barriers and the employment of Saudi Arabian women in multinational corporations. The first section discusses theories relevant to the discrimination that Saudi women face in employment. This includes the debate on agency versus structure, which is fundamental to the essence of this thesis. Relevant theories, such as human capital, choice theory, institutional, neo-classical and segmentation theory, also provide a broader political, economic and social lens on the phenomena under investigation. The second section explores culturalist theory, with a focus on Hofstede's cultural dimensions, as Saudi Arabia was one of the countries examined in his famous study. The third section provides an overview of the major debates in the international human resource management literature regarding the transfer of cross border employment policies and practices, and the potential impact on Saudi women.

3.2 How and why Saudi women face discrimination in the labour market

The aim of this study is to identify the political, legal, economic and social factors that result in the low level of participation of women in the Saudi labour market and the multinational sector in particular. Exploring the extent to which unequal labour market participation is an outcome of agency versus structure (individual/society) is essential to understanding Saudi women's status in the labour market. This requires exploring the role of both socialization and autonomous acts in relation to how they shape women's employment participation (Giddens 1984; Archer 1995). Giddens (1984) argues that the exploration of both is important in order to avoid the limitations of interpreting social phenomena as being either determined by social structure or as simply an outcome of individual preference or choice. This is particularly important in the Saudi context where commonly the focus is on the very clear and restrictive conditions placed on Saudi women's labour market participation. While the study explores the broader social, cultural and economic conditions impacting on women, it is also focussed on women's employment preferences and choices.

3.2.1 Agency versus structure

There is continuous debate in the social sciences over the primacy of agency and structure/institutions in shaping human behaviour. This is particularly relevant within the literature on gender equity in employment in exploring the extent to which women's labour market position is an outcome of women's 'natural' preferences or the extent to which it is due to the presence of social and institutional barriers. Agency is understood as the individual's capacity to act independently and to make his or her own free choices and action (Barker 2005). In turn, structure refers to systems (such as social class, religion, gender, ethnicity and customs) that determine or provide the rules by which agency can be exercised.

An institution is identified as the social structure or mechanism that governs the beliefs and behaviour of individuals, groups, organisations and societies of a given community (Bush 1987; Lawrence 2008). The term 'institution' is applied to any behaviour pattern important to a particular society, political organisation or public service (Bush 1987). Lawrence (2008) argues that the intimate relationship between power and institutions helps to explain how institutions operate in society and their relationship to organisations. Powerful institutions can have a direct influence on both agency and organisations (DiMaggio 1988), and replicate the institutional contexts within which they operate (Lawrence & Suddaby 2006). The values that underpin institutions include family structure, societal hierarchies, the dominant religion and the overall culture. Furthermore, cultural institutions and practices, economic processes, and political structures are both interactive and at the same time relatively autonomous (Moghadam 2003).

The debate on agency/structure brings into focus the extent to which Saudi women's unequal participation in the labour market is due to either institutional factors or the outcome of women's choice. While both institutions and individual behaviours are understood as enmeshed, both are explored as part of the broader dynamics that shape women's employment.

3.3 Dominant theories of gender inequality

Two dominant and opposing perspectives are widely applied to explain gender inequality in employment (Probert 2005). The first is based on human capital theory and emphasises women's agency and gendered differences in training, development and personal change as a means to explain gender inequalities. The second perspective can be broadly

identified as institutional theory, which determines the source of inequality as structural inequalities and unfair rules and processes that work in the interest of men.

3.3.1 Human capital and choice theories

Human capital can be defined as the stock of skills, knowledge and qualifications that enable individuals to contribute to the process of production, productivity outcomes and economic development and can be linked to the wealth of a nation (Smith 1776; Schultz 1961; Becker 1993). However, human capital is the outcome of investment that can be costly and needs to focus on long-term benefits. There are many examples of successful economic growth in developed countries that are related to strategic investment in human capital (Becker 1993; Barro 1991; Todaro 1985).

Through the lens of human capital theory, gender differences in labour market outcomes can be explained by access to education, training, work experience and skill development (Becker 1985; Dobson 1997; Ward 2001). This is on the assumption that human behaviour is an outcome of rational decision-making as individuals or groups make rational choices to invest in their human capital after weighing up the relative costs and benefits of that investment (Becker & Murphy 1988). This assumes that education and training increase the productivity or ability of employees by transferring useful knowledge and skills, thus increasing their future income (Becker 1993). Furthermore, there is also a connection between a society's unemployment rate and the skill levels of the workforce, as the labour market demands specific attributes from workers (Becker 1993).

The assumption that all differences in employment, wages and training are linked to individual education level and skills has been challenged (Becker 1985, 1993; Dobson 1997; Ward 2001). Human capital theory has been accused of neglecting political and cultural influences on behaviour (Block 1990). For example, while Lincove (2008) found a strong correlation between investment in female education and an increase in the female participation rate, Blaug (1987) argues that equal investment in education alone has failed to generate gender equity in employment. This is particularly pertinent in the Saudi context where the Saudi government has made very large investments in women's education, yet the educational options and behaviour of Saudi women are strictly controlled by government regulations and deeply embedded cultural practices (Hertog 2012). There is a great deal of evidence that the unemployment rate of Saudi women is high because of a lack of important vocational skills and limited access to gaining these skills and other relevant educational

disciplines due to social and cultural barriers (Al-Munajjed 2009; Hamdan 2005; Al-Shammari 2009; Muhammad 2013; Ramady 2013).

Human capital theories are closely related to preference theories which have been influential in informing work and family policies by Western governments (Pyke 2013). For example, Hakim (1998) argues that women's behaviour in the labour market is determined by women's 'natural' preference to choose particular types of labour market engagement (Hakim 1998/2000). The claim is that there are three distinct patterns of women's choices of labour market participation (Hakim 2000, p.189). Home-centred women give priority to family life over labour market participation and work-centred women choose to participate in the labour market, while the majority of women choose an adaptive' pattern combining work and family responsibilities without giving priority to one or the other.

Preference theory has received considerable criticism largely because it ignores the role of structural constraints and institutional factors related to women's participation in the labour market (Kangas & Rostgaard 2007; Man Yee 2007). Furthermore, preference theory assumes that women share common motivations and interests – a claim that cannot be sustained given the wide diversity of interests between women in different societies, and the role played by social institutions. The weakness of preference theory is particularly clear in the Saudi context where women's autonomy is limited. For example, the Saudi guardianship system limits the autonomy of Saudi women to decide whether to participate in the labour market or even to accept a particular job offer (Manea 2008; Al-Munajjed 2010; Sullivan 2012).

The Saudi context is one where women's agency is limited by strict cultural norms and legislation. Saudi women's attitudes and preferences are limited in the labour market due to politics, economics and social institutions (Al-Munajjed 2010; Abdul Ghafour 2009; Hamdan 2008; Muhammad 2013; Al-Dosary et al. 2005). While Saudi women have limited opportunities in accessing employment, the role of institutions and cultural structures in limiting women's employment is also extremely clear. However, while preference theory, in itself, is not germane to explaining the issue of Saudi women's unemployment, the theory does bring into focus the need to explore the role of women's preferences within the broader social and economic context. Saudi women have some capacity to make choices and it is important not to assume that Saudi women are entirely dominated by the broader social system. Rather, women's expressed preferences and choices need to be considered.

While it is important to consider both the role of human capital and individual preferences, both perspectives have limited relevance to the Saudi context, as they are not sufficient by themselves to explain the factors that hinder Saudi women's participation in the labour market. Therefore, institutional and segmentation theories need to be considered.

3.3.2 Institutional theory

Institutional theory concerns social structures and the ways in which rules, norms and routines become established as guidelines for social behaviour (March & Olsen 1989; Scott 1986). Selznick (1957/1984, p.5) stated that an 'institution is more nearly a natural product of social needs and pressures, a responsive and adaptive organism'. Scholars, such as Hall and Taylor (1996) and Lukes (1974), argue that cultural factors reinforce institutional determinants of power. Institutional and regulatory structures are an integral part of national economic strategies and these govern labour market regulations (Hall & Soskice 2001; Casey 2004). Institutional theories also inform theories of gender relations, for example Burrell (1984) and Acker (1990) argue that there is a connection between male dominance and the masculinity of a society and institutional and organisational structures, rules and norms. Mintz and Krymkowski (2010) argue that due to male-stereotyped perceptions of skill and stability, men may access both the labour market and subsequent job training more frequently than women.

In a male dominated country such as Saudi Arabia, examples of this can be seen in the general system of female education, which is tailored to suit 'women's nature and traditional role in society' as a mother and wife (Moghadam 2003; Al-Dosary et al. 2005; Manea 2008; Al-Munajjed 2009). In the employment arena, Saudi Labour law emphasises that 'women shall work in all fields suitable to their nature'(Article 149), which in turn requires adherence to Shari'a or religious law (Article 4). Suitable work for women is deemed to be in the caring professions such as teaching and nursing (Moghadam 2003; Ramady 2010). This demarcation of roles is compounded by the requirement for gender-segregated workplaces. Moreover, regardless of a woman's age, guardianship approval is essential for her access to education and work in both the public and private sectors. In cases when a woman's guardian decides, for whatever reason, that he no longer wants her to work, employers can fire her or force her to resign (Human Rights Watch 2008; Manea 2008). In effect, Saudi women are not equal under the law and have limited ability to make decisions for themselves (Human Rights Watch 2008; Manea 2008). In addition, sex segregation in education undermines women's

rights to access equal education, especially when female universities and professors are frequently relegated to unequal facilities with unequal academic opportunities. Evidence shows that sex segregation in the labour market has led to the simultaneous marginalization of women, their exclusion from managerial positions and/or their access to jobs (Manea 2008). Given that these restrictions on women are embedded in institutional rules and practices, institutional theory is highly useful in the Saudi context to explain the political, economic and social factors that have led to women being hindered from access to employment in the labour market.

However, institutional theory has its limitations. For example, Peters (2000) argues that institutional theory cannot measure the phenomena of institutions, as it only explains how they exist but not how they vary. Furthermore, institutional theory neglects the capacity of people and focuses on the influence of institutions on actors (Clegg et al. 2006). In the Saudi context, institutional theory explains how the Saudi political, social and cultural structures influence women's employment status; however, it cannot measure the strength of each individual factor. Moreover, the influences of Saudi institutions on women's employment are varied. Other factors, such as women's preferences, may also have an influence on their choices.

As discussed above, a dominant assumption in the women and work literature is that women's outcomes are unequal because of the unequal treatment of systems and organisations (Probert 2005). This idea is closely related to labour market segmentation theory that applies a structural analysis to the division of the labour market into primary and secondary segments according to the importance of skills and the need to maintain continuity in the workforce (Doeringer & Piore 1971). Reich et al. (1973) observed that the primary jobs, which were limited to males at the time of their study, required stable workers, high skills, promotional opportunities and access to high incomes. In contrast, secondary positions were available to youth and women and these groups did not have the same access to job stability or skill development.

The perspective of segmentation theory contrasts with that of other theories, such as human capital and neo-classical theories, which are based on the idea that labour and jobs are divided into labour market segments (Bauder 2001). While neo-classical theory assumes the labour market is a single competitive entity, segmentation theory views the labour market as a variety of non-competing segments (Leontaridi 1998). Institutional barriers include such factors as unequal access to education and the distribution of human capital (Leontaridi

1998). The return on human capital in segmented labour markets differs between the primary and secondary groups (Leontaridi 1998). Kirton & Green (2000) agree that labour markets and organisations are segmented. Different groups of labour market participants are compartmentalised and isolated, and each group receives different rewards and opportunities for otherwise comparable attributes. Doeringer and Piore (1971) maintain that unemployment and inequality are a result of labour market segmentation. Furthermore, the economic infrastructure is dependent on a gendered and inequitable division of labour (Acker 2006). Noting the economic marginalisation of racial minorities, the working class and women, Bauder (2001) highlights the role of geography as another dimension of segmentation with spatially defined job markets, such as those found with women and expatriates in Saudi Arabia.

While labour market divisions are claimed to be 'neutral' and structured on the basis of rationality and efficiency, the result is that institutions and social structures provide an advantage to men. Women are disadvantaged in that they do not fit the mould of the 'ideal worker', which is inherently a male concept. Specifically, women are not free to pursue an uninterrupted career path and work long hours free from the need to assume the primary care for families (Bailyn 2003; Leahy 2007). This is particularly the case in the Saudi labour market.

Organisational processes are also gendered. According to Scott (1986) and Acker (1999), gendering occurs in five different interacting social processes. The first set of processes constructs divisions along the lines of gender including such things as labour market divisions, the family, the state, allowed behaviours, power and locations in physical space. Becker (1985) stated that because of the gender division in organisations, men occupy both the most powerful and senior positions. Moreover, Cockburn (1983/1985) claimed that due to the gendered division in the labour market, technology is left in the control of men, which emphasises skilled work as a man's job and unskilled work as a woman's job. The second process is the construction of symbols and images, such as language, ideology, popular and high culture, dress and the media, which explain, express and reinforce, or sometimes oppose, those divisions. Kanter (1975) and Lipman-Blumen (1980) noted that forceful masculinity is the image of both the lead and the successful manager. According to Cockburn's studies (1983/1985), the image of masculinity is associated with technical and skilled jobs. In the third process, gendered social and organisational structure involves the interactions that include any form of dominance and submission, including those between

men and women, women and women and men and men. Hochschild (1983) argued that the phenomena of gender differences occurs in both society and organisations, where men play the actor's role and women represent the emotional support. Fourth, the first three processes help to produce gendered components of individual identity, which create and maintain an image of the other three gendered aspects. In an organisation, for example, this involves the choice of appropriate work, dress, language use and the presentation of the self as a gendered member of an organisation (Reskin & Roos 1987). The final set of processes in which gender implicated is in the fundamental, ongoing processes of creating and conceptualising social structures and organisational logic. Therefore, women fill most low-level positions and responsibilities in organisations (Acker 1990).

As previously mentioned, the Saudi labour market is highly segmented (Mellahi & Wood 2001). Organisations have negatively stereotyped workers, job positions, skills and income (Mellahi 2007). Hertog (2012) emphasised that women lack employment because of the segmentation in the Saudi labour market. In fact, Saudi women's low participation in the labour market occurs due to the systemic segmentation of the country's institutions, labour market structure, education system and social culture. Therefore, Saudi organisational structures operate to serve the dominant interests in society. Segmentation theory can be used to explain the high rate of women's unemployment, as they are limited to certain jobs, experience lower wages, lack opportunities for promotion and training, and have poor retention in employment in the private sector.

3.4 Understanding the impact of Saudi Arabian culture on female employment

Saudi Arabia has the lowest participation rate of women in the labour market not only in the Middle East but also in the entire world (World Bank 2014a; Korany 2010). Abdul Ghafour (2009) argues that Saudi women face enormous challenges in gaining employment in the private sector and Al-Munajjed (2010) calls for a cultural shift regarding women's private sector employment. The current situation facing women is frequently regarded as the direct result of Saudi Arabian culture, and unemployment among Saudi women is primarily due to the impact of family, social and cultural restrictions (Al-Dosary et al. 2005; Boserup et al. 2007; Ali 2009a; Al-Munajjed 2010; Ramady 2013). However, other evidence points to the role of employer preferences to appoint men rather than women (Ali 2009a; Al-Munajjed 2010).

Therefore, an understanding of the Saudi national culture is essential to the exploration and understanding of the cultural factors that result in women's unemployment in the labour market in general and in foreign owned multinationals in particular. Hofstede's cultural dimensions model provides a theoretical framework for describing the Saudi cultural context, which is discussed from a gender perspective in the following section.

3.4.1 Culturalist theory

Keesing (1974) defines culture as the heritage people learn, including the behaviour patterns, values and beliefs in a particular society and it can be useful in explaining the interactions between the social and the natural world. Culturalist theory is frequently used to investigate the manner by which a phenomenon is related to issues of ideology, nationality, ethnicity, social class and gender (Eckstein 1988). According to Hofstede (1984, p.25), national culture is defined as 'the collective programming of the mind, which distinguishes the members of one human group from another'. Therefore, culture can be seen as a combination of complex social relations and cultural bias (Thompson et al. 1990).

3.4.2 Hofstede's cultural dimensions

While many researchers have proposed different cross-cultural frameworks, Hofstede's cultural dimensions model is useful as a descriptive device to provide a general overview and understanding of members' expectations, acceptance, behaviours, norms and beliefs toward groups from the same or other countries (Hofstede et al. 2010). Hofstede's study of Saudi Arabia highlights its masculine collectivist characteristics. This brings into focus the need to consider both gender and culture in relation to how women's labour market participation is shaped.

Hofstede's study was conducted by a number of scholars across 76 countries that have different population characteristics (Hofstede 2001). The study classified systematic differences in national culture on four dimensions: power distance, individualism versus collectivism, masculinity versus femininity, and uncertainty avoidance. Two further dimensions were added in a later study, including long-term orientation versus short-term orientation (pragmatism) and indulgence versus restraint dimensions (Hofstede et al. 2010).

3.4.3 The culture dimensions of Saudi Arabia according to Hofstede's model

Since Saudi Arabia was one of the countries included in Hofstede's study (Hofstede et al. 2010), his model can be used as a descriptive device to highlight the characteristics of Saudi culture. Each dimension of Hofstede's model can be applied to the Saudi context to

identify and analyse the effects of culture on the issue of women's employment in the labour market.

Hofstede rated the national scores - from 1 for the lowest to 120 for the highest - for each country in his sample. According to the data published on Hofstede's official website (2014), the Saudi Arabian culture is high in power distance, low in individualism and high in avoidance uncertainty (Figure 3.1). Hofstede posited that these scores are similar to those of other Middle Eastern countries.
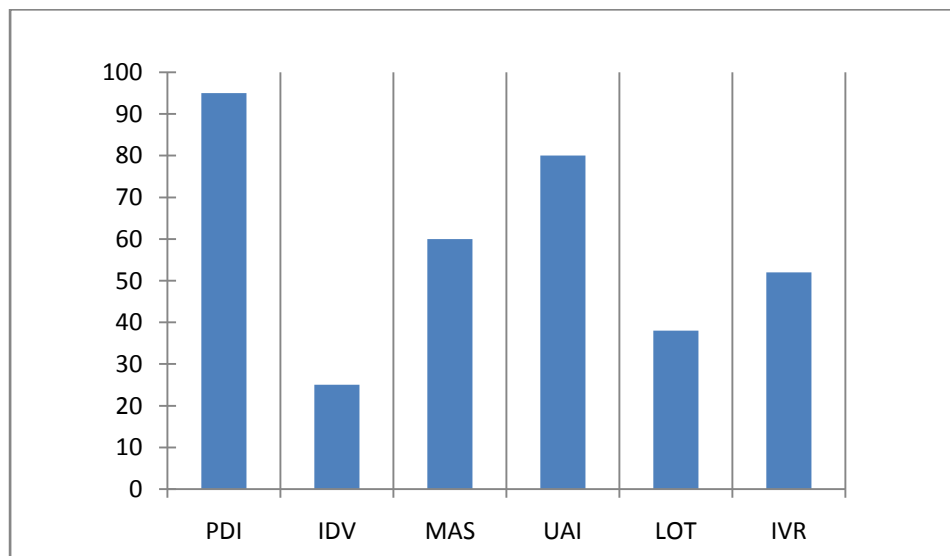
Figure 3.1 Saudi Arabia on Hofstede's cultural dimensions

Source: Hofstede Centre, 2014

On the power distance dimension, Saudi Arabia scores extremely high (score of 95). Hofstede refers to the dimension of power distance as the degree of inequality that is expected and accepted among the less powerful members of organisations and societies with and without power. In the workplace, the hierarchical structure in Saudi organisations reflects inherent inequalities, centralization in decision-making and formal communication (Ali & Swiercz 1985). Budhwar and Mellahi (2006) claim that managers in Middle Eastern countries show a low level on delegation of authority and interaction with employees. Due to gender issues, Saudi women rarely direct men or occupy decision-making positions (Hamdan 2005). Therefore, in a society with a high power distance, such as Saudi Arabia, women are likely to face inequalities in employment (Ali 2009a; Ramady 2010).

Saudi Arabia scores a low 25 on the individualism dimension. This is reflected by close long-term loyalty and commitment to the member's family, extended family and relationships which are perceived in moral terms. Loyalty and commitment are also

considered in organisational environments, for example in hiring and promotion decisions (Hofstede Centre 2014). Scott-Jackson's findings (2008) suggest that relationships and religious adherence are manifest at the workplace in collectivist Gulf Arab societies. Furthermore evidence suggests that managers with an individualistic orientation tend to recruit and promote based on competency, while managers who adopt a collective orientation depend on their social networks and perceived loyalty, hence an accurate perspective of management reflects the cultural and societal norms of a country (Adler 2002; Budhwar & Mellahi 2006; Myloni et al. 2004). In the Middle East, *wasta* is a form of nepotism used to gain advantage through social ties, whether or not it is contrary to the law (Mellahi 2007). For example, in Saudi Arabia, *wasta* can significantly influence employment policies since family and tribal emirs grant favours, including jobs and promotions (Ramady 2013). *Wasta* is common in the recruitment process of many private Saudi corporations due to lack of regulatory enforcement (Ali 2009a; Mellahi 2007; Tlaiss & Kauser 2011).

Saudi Arabia is also considered a masculine society (score of 60). According to Hofstede's definition, gender roles are distinct in masculine societies and influence women's employment. In male-dominated Saudi culture, the traditional role of women is to stay at home and take care of the children (Ramady 2013). Moreover, women lack access to managerial positions and cannot supervise men (Offenhauer & Buchalter 2005; Ramady 2013). Regardless of a Saudi woman's age or education level, male guardianship over a woman is required throughout her life (Manea 2008; Al-Munajjed 2010). In addition, tradition frequently influences employment practices and consequently employers prefer to hire men rather than women (Ali 2009a; Ramady 2010).

On the dimension of uncertainty avoidance, Saudi Arabia has a preference for avoiding uncertainty (score of 80). Saudi society has strong codes of belief and behaviour that does not tolerate changes in laws, regulations or rules. In Saudi culture, members tend to be more emotional, innovation may be resisted and security is an important element in individual motivation. As a high uncertainty avoiding society, previous Saudisation and the recent Nitaqat program appear to have had limited success, due to social and cultural impediments. Evidence suggests that Saudi women prefer to work in the government sector, particularly in education with its fully segregated working conditions, in order to comply with Islamic principles and Saudi cultural norms (Al-Asfour & Khan 2014) and that Saudi women are reluctant to consider jobs outside education (Jiffry 2014).

On the dimension of long-term orientation, Saudi Arabia is considered a highly normative society, with a low score of 36. In short-term oriented societies, people are normative in their thinking and they respect traditions (Hofstede et al. 2010). In Saudi society, there is an emphasis on social order and a strong respect for traditional beliefs and norms which is enshrined in Saudi Law (Royal Embassy of Saudi Arabia 2014). Traditionally, Saudi women's role is as wife and mother (Al-Munajjed 2010).

On the last culture dimension of indulgence, Saudi Arabia's intermediate score of 52 does not point to a clear preference. In an indulgent society, people possess a positive attitude and place a higher degree of importance on leisure time, enjoying life and having fun (Hofstede et al. 2010). Saudi Arabia tends to be a restrained society with strict beliefs and norms that regulate and control people's individual desires. Rules and conventions derived from Saudi interpretation of Islamic law place clear and rigid limitations on women's freedoms such as the prohibition on driving and the guardianship system, which significantly influences their professional lives and limits their mobility (Yaphe 2013; Al-Munajjed 2010; Hamdan 2008; Ramady 2013).

While culturalist theory has much to offer in terms of insight into what societies value, as well as how they are structured and organised (Harris 1968; Eckstein 1988; Keesing 1974; Hofstede 2001; Hofstede et al. 2010), it also has limitations. The major limitation of this theory relates to assumptions about cultural stability. Hofstede's model assumed that cultural values are carried forward from one generation to the next through the stability of the family, educational structures, and political and legislative systems; therefore, national culture should not change substantially (Hofstede 2001). Others suggest that cultural theory cannot explain how and why societies develop and change (Alexander & Seidman 1990; McSweeney 2002; Ailon 2008). In particular, they can ignore the wider political and economic drivers of change and underestimate the underlying institutional frameworks and wider political and economic dimensions (Vo & Stanton 2011). Despite these criticisms, culturalist theory is still a useful lens through which to classify current behaviour and practice within a highly conservative society and, given the continued strength of these practices, to explain why only incremental change has been achieved in relation to Saudi women's unemployment. The value of Hofstede's dimensions is that it provides a descriptive tool by which to illuminate the macro-cultural context that remains dominant in Saudi society.

3.5 Discrimination in the workplace

So far the discussion has focused on women's position in society and the institutional and cultural context that influences their participation in the workforce. We know that globally, women can be subjected to discrimination by the political environment, economic constraints and cultural factors in the labour market (Cavalcanti & Tavares 2011). We know that in the Middle East the life feminism is extremely constrained by prevailing social and political structures (Al-Ali 2002). We also know that in Saudi Arabia, discrimination against women is clearly evident in the country's political, economic, labour and social institutions (Wagemakers et al. 2012). Indeed according to Kelly and Breslin (2010), Saudi Arabia ranks ahead of all of the other Arab countries in terms of inequality and discrimination against women.

The next stage of this thesis is to start to focus on organisations and how they manage discrimination and equal opportunity for women. Discrimination is regarded as unfair treatment of members of a particular group defined by such things as identity, gender or race and this treatment excludes or restricts members of one group from opportunities that are available to other groups (Heckman 1998; U.S. Equal Employment Opportunities Commission 2014). Discrimination can be either direct or indirect in form. Direct discrimination is regarded as taking place when policies, regulations and laws explicitly disadvantage a group based on characteristics such as sex, age and marital status (Bagilhole 1993; Bacchi 1996). An example would be legislation or rules that exclude women from a certain type of job because of her gender, and/or paying women lower wages than men in the same position (Berger 1971). Indirect discrimination occurs when the seemingly neutral practices of employers have negative effects on particular groups such as requiring characteristics such as height, strength or dexterity (Berger 1971; Rodgers & Rubery 2003). Stereotyping is a common form of direct discrimination and is a cause of indirect discrimination that typically stems from the traditional role of gender in a society (Nakdimen 1984; Gregory 2003). There is ample evidence that Saudi labour legislation, culture and social norms allow for both direct and indirect discrimination based on gender. What we do not know is how this plays out in foreign owned companies that operate in Saudi Arabia and that often have their headquarters in countries with extensive equal opportunity legislation.

The next section discusses the employment policies and practices of MNCs in the Saudi labour market. These corporations have anti-discrimination policies based on gender in

employment. Thus, barriers in Saudi women's employment should be minimised for such corporations. The question is whether foreign owned MNCs transfer their home country equal employment policies and practices to the host country environment or adapt their employment policies in response to the local environment.

3.6 Cross-border human resource management in Saudi Arabian host country

One of the key issues emerging from the evidence on women's labour force participation in the Saudi Arabian labour force is their absence from the private sector, particularly in foreign owned MNCs. The discussion up to now has focused on the debates around agency and structure in relation to both gender and culture and their interrelationship. If this debate is shifted to MNCs, the questions take on a new dimension. Do foreign owned enterprises import their international policies and practices in relation to gender equity into the Saudi Arabian context? Alternatively, do they shape them to fit the local conservative institutional framework? Do Saudi women choose not to work in foreign owned MNCs because of their culturally inappropriate practices or are there other factors that are hitherto unexplored because Saudi female voices have not been heard?.

This section first identifies some key debates in the international human resource management literature. These include international strategy and the global mindset of multinational companies. Relevant theories such as the varieties of capitalism and the country of origin are described and applied to the Saudi context. This is followed by a discussion of the influence of the home country of MNCs and best practice versus best fit human resource management policies. The section then focuses on the transfer of employment practices across borders and the Saudi Arabian host country effect in particular on gender equity policies and practices.

3.6.1 International employment strategies and the global mindset

Globalisation has led to an extensive body of literature that has addressed the international employment strategies of global firms. One underlying feature is the firm's global orientation or underlying approach to its international activities. Perlmutter (1969) categorised the global orientation of firms into three types: ethnocentric, polycentric or geocentric. Firms following the ethnocentric orientation tend to be highly centralised and transfer their employment practices from home to host. They often do this by appointing parent country nationals from their corporate headquarters to executive positions in their

subsidiaries thus keeping control of the actions of the subsidiaries in following centralised corporate management practices. Firms who use a polycentric or localised approach are more decentralised and are more likely to appoint host country nationals to executive positions. In this case, subsidiary management tends to adopt local practices, and host country nationals form the majority of subsidiary employees. A geocentric, or global, employment policy suggests the appointment of a superior candidate from any country. In this approach, the recruitment and selection of employees depends on qualifications and proven competency, not on nationality. In 1979, Heenan and Perlmutter added a fourth approach, a regional-centric employment model which is derived from both geocentric and polycentric approaches and reflects the strategy of geographic influence and corporate structure. In this approach, competent employees are moved around branches of a regional centre, for example, a corporation's regional headquarters based in Dubai for the Gulf countries.

Each of these staffing policies has advantages and disadvantages (Reiche & Harzing 2011; Haile 2002; Treven 2001). The advantages of the ethnocentric staffing approach are that executives understand corporate goals, objectives, policies and procedures and can therefore manage the subsidiary operations within the corporate culture and values. With the host country nationals' approach, executives are familiar with the host country's culture, financial system, market and legislation. Since it provides employment to locals and offers training, promotional and career advancement opportunities, the localisation approach helps the economy of the host country. In this approach, host country nationals have the advantage of knowledge of the local environment and are less expensive to hire. The third option, the geocentric approach, is superior as it selects the skills set and adequate knowledge of both the local market and the home office environment. The advantage of the last model, the regional-centric approach, is that executives are more familiar with host country conditions.

The disadvantages of the parent country nationals' approach are that executives may lack language skills, an appropriate understanding of the legislation and culture of the host country and they are expensive to hire. With the second, the polycentric approach, executives may have communication difficulties with corporate headquarters, lack understanding of the corporate culture and assumed values, underestimate issues with the subsidiary's operations and encounter difficulty recruiting qualified employees. The disadvantage of the geocentric approach is that the host country government expects that nationals rather than expatriate swill be hired. In the regional-centric approach, the career path of executives is limited to regional headquarters. Reiche and Harzing (2011) stated that the parent country nationals'

approach normally applied to key positions in subsidiaries, while the other approaches are used to hire employees in minor management positions. Reiche and Harzing (2011) further explain that host country nationals often occupy central to lower decision-maker positions. Nonetheless, other forces also define and influence the employment relations within an organisation. These include the impact of trade unions and employee representation influences within the host country.

Taylor et al. (1996) took Permutter's model a step further by linking it to a strategic international human resource management model, and identified the three orientations as exportative (ethnocentric), adaptive (polycentric) and integrative (geocentric).Similarly, an export orientation leads to centralised employment policies and practices transferred to the subsidiary (Perlmutter1969). In an adaptive or localised model, each subsidiary develops its own HRM policies that reflect the host country's environment. Therefore, there is low internal consistency and integration with the parent organisation. Similar to a polycentric approach, the human resource management strategy in subsidiaries is managed by host nationals who have limited centralised direction. According to Taylor et al. (1996), an integrative international HRM orientation combines corporate policy with subsidiary practices as a 'best practice' blend of guidance rather than control building on Bartlett and Ghosal's (1989) transnational strategy. Again, each approach has problems. An explorative approach can be inflexible and lead to imposing culturally inappropriate practices on subsidiaries. An adaptive approach can lead to low employment standards, complexity in policies and systems, and lack of standardisation. An integrative or best practice approach is part of a much wider debate about whether or not multinational practices are converging or diverging, and also the reasons why a firm might have a particular orientation.

3.6.2 Convergence, divergence, best practice or best fit?

One of the key debates in the human resource management literature over the past twenty years is the distinction between universal 'best practice' HRM strategies and contingency-based 'best fit' HRM strategies (Becker & Gerhardt 1996; Brewster et al. 2008; Boxall & Purcell 2011, p.69). Best practice strategies can include a range of practices such as recruiting and selecting the right people, offering extensive training, performance based reward, involvement in decision-making and employment security (Pfeffer 1998; Boxall & Purcell 2011, p.85). Such strategies are considered universal in their superior impact and firms strive to copy each other and replicate these practices across the globe. Best fit, on the

other hand, emerges from the work of the Harvard School (Beer et al 1984; Baird & Meshoulam 1988), which saw HR strategy as context based and depending on a range of situational factors. These factors include legal frameworks, influence of key stakeholders and other cultural and environmental factors that lead to managers basing decisions on the contingency of the situation. The debate between best practice and best fit has been particularly important in the international human resource literature. It is often framed around the question of whether global companies are converging in their practices and becoming similar in how they manage their employees or whether they are diverging due to a range of factors, in particular due to host country influences, and hence they are becoming isomorphic or locally adaptive (Brewster et al. 2008).

The convergence view posits that as companies move from a nationally based economic system to one that is globally integrated, a global management structure emerges underpinned by a best practice model as international organisations adopt proven competitive policies. Hence, as with an ethnocentric model, a subsidiary's employment practices are an extension of corporate practice, mirroring the policy of the corporation, the practices of the parent country and with limited flexibility in the subsidiary (Sera 1992; Brewster et al. 2008; Ferner 1997).

A divergence view suggests that a corporation's employment practices must be adapted to fit a range of legal, cultural and social expectations in new locations (Ansari et al. 2010; Harzing & Pinnington 2011). To meet these requirements, Ansari et al. (2010) argue that corporate HR policy should reflect country or regional differences in political, cultural and technical fit.

One view underpinning the convergence model is that best practices largely refer to US influenced employment practices reflecting the corporate hegemony of US companies in the late twentieth century and that such practices have been universally exported and accepted (Boxall & Purcell 2011; Gooderham & Nordhaug 2003; Ferner et al 2013). Brewster et al. (2008) drew on survey evidence to explore the HRM strategies of MNCs as to whether they were applying policies of similarity/ethnocentrism, local isomorphism/adaptability or duality – or a mixture of both. They argued that in fact the debates on convergence and divergence are limited as managers in MNCs are subjected to dualistic pressures and are influenced by a range of institutionally embedded opportunities and constraints that mould their practices. Harzing and Pinnington (2011) acknowledge this complexity by stating that concepts such as best practice or best fit are insufficient to offer

corporations appropriate policy responses to manage the environment or dynamics of society, competition and markets. Indeed institutional theory suggests that organisations operating internationally adopt and blend many practices (Kostova & Roth 2002) and both institutional and cultural theory much to offer in understanding how MNCs behave overseas and why.

3.6.3 What influences the employment strategy of MNCs?

Operating across national borders is a critical challenge for any corporation (Brewster et al. 2008). While the debate on convergence/divergence and best fit/best practice continues, another level of debate - is why do companies chose a particular strategy? Taylor et al. (1996) describe a 'global mindset' and suggest that this mindset is part of a multinational company's DNA. While many practices are rooted or have their origin in the market driven US institutional context, Ferner and Almond (2012) argue that their application is more subtle and that there are a range of factors that influence the adoption of particular HRM practices. However, what are the underlying factors that influence this mindset?.

3.6.3.1 Home country effect: Varieties of Capitalism and Country of Origin

As already stated one view of the best practice approach to HRM is that it emerges from the US institutional context. One key framework that has been applied to MNC strategy is the Varieties of Capitalism (VoC) perspective. VoC helps understand institutional differences and similarities in economic performance and policy and is based on three perspectives: modernization, neo-corporatism and social relations of production (Hall & Soskice 2001). Hall and Soskice (2001, p.4) argue that the fundamental difference between developed economies is in their 'conception of how behaviour is affected by the institutions of the political economy'. Based on this conception, the behaviour of economic actors and political and economic outcomes are determined by strategic interactions conditioned by certain institutions that distinguish one political economy from that of another (Hall & Soskice 2001, p.5). Hall and Soskice (2001) see VoC economies as two ends of a continuum: liberal market economies (LME), where firms compete in the marketplace, and coordinated market economies (CME), where there is structural integration. Hall and Soskice (2001, p.8) argue that liberal economy firms 'coordinate their main activities through hierarchies and competitive market arrangements and where the equilibrium outcomes of firm behaviour are usually given by demand and supply conditions'. In contrast, coordinated economy firms 'depend more heavily on non-market relationships to coordinate their endeavours and with

other actors and to construct their core competencies'. Countries such as the US and the UK are often described as LMEs while countries such as Sweden, Denmark and Germany are described as CMEs. Five spheres are explored in each type of economy: industrial relations, vocational training and education, corporate governance, inter-firm relations, and relationships with employees (Hall and Soskice 2001, pp.6–7). Hall and Soskice (2001) noted that while the similarity between economies is in their institutional coherence, the fundamental difference is in the characteristics of the institutional complementarities. The definition of institutional complementarity is the situation where 'the efficiency of one institution increases the returns from the other' (Hall & Soskice 2001, p.17).

The VoC debate underpins the debate on the country of origin. While VoC theory focuses on national economic differences, country of origin theory pays attention to the home country influences on HRM policies and practices in subsidiaries (Noorderhaven & Harzing 2003). Evidence indicates that the institutions and culture of the parent or home country of an organisation has an effect on the organisational structure, management decisions, and the transfer of policies and procedures (Ferner 1997; Harzing & Sorge 2003; Harzing & Pinnington 2011). Ferner (1997) argues that the features of the corporate culture of the parent country are rooted in the identity of the corporation and shape employment practices in its subsidiaries.

Much of the literature on the home country or country of origin effect focuses on the US as a dominant liberal market economy known for its ethnocentric approach and its rational control over subsidiaries (Ferner et al. 2013). Japan is another country known for its ethnocentric approach but one that is known for relying on more personal forms of control through the appointment of home country nationals (Purcell et al. 1999). While important, the home country effect has limitations in understanding the transfer of the international employment policies of MNCs. Studies on the capacity of a MNC to transfer its employment practices have demonstrated that organisational capacity differs according to context and the institutional systems and culture structures of the host country environment (Purcell et al 1999; Noorderhaven & Harzing 2003; Farley et al. 2004; Vo 2006; Ma & Allen 2009; Ferner 1997; Myloni et al. 2004; Harzing & Pinnington 2011).

3.6.3.2 Host country effect: institutional and cultural context

Each country, and in some cases each part of a country, has a unique historical, cultural and institutional environment that impact on the successful adoption of human

resource management practices within organisations. HR practices are influenced by government regulations, corporate practices and the local workforce culture (Beechler & Yang 1994; Tayeb 2005; Taylor et al. 1996; Harris et al. 2006). HR practices reflect the differences in national values across society and firms operating in host countries face diverse pressure (Hofstede et al. 2010). Labour market regulations and bureaucratic controls of the host country put limits on a subsidiary's employment practices. Furthermore, employment models, policies and strategies can differ in their applicability to various workplaces, as organisations find issues in translating corporate employment objectives between countries, especially to emerging economies. This is particularly the case if that country has a highly regulated workplace system and strong trade unions (Ma & Allen 2009; Myloni et al. 2004; Ferner & Tempel 2006).

While international organisations may prefer to recruit expatriates in subsidiaries, this practice could be impeded by local regulations that specify quotas, work visa requirements and fines (Dowling & Welch 2005). Dowling et al. (2008) noted that in some host countries, government regulations either mandate or strongly advise all employers to recruit a quota of national employees, which influences the employer's ability to hire exclusively on competence and performance criteria.

Culture is also considered a significant factor that may influence corporate employment practices in a host country. Conflict with employees' attitudes and values is a major risk (Beechler & Yang 1994). Since cultural barriers create difficulties for their subsidiaries in transferring practices, understanding cultural values and norms is the key for corporations operating successfully across borders (Vance & Paik 2010).

3.6.3.3 Other Influences

A range of other influences impact on why a MNC carries out a particular approach to its overseas operations. One is the mode of entry into a country. For example, establishing a Greenfield site might lead to an ethnocentric strategy whereas establishing a Joint Venture might involve a more localised or adaptive strategy (Taylor et al. 1996). A Greenfield site would require recruiting a whole complement of new staff possibly managed by home country nationals (Dowling et al. 2013). A Joint Venture might already have an existing staff of experienced host country nationals. In turn, the mode of entry might be linked to the firm's market strategy. For example, if a company wishes to enter into a new market to provide goods or services into that market a Joint Venture and an adaptive localised strategy that can

build on local knowledge make sense. On the other hand, if the strategy is a global strategy and the country will be making goods for the global economy using low cost labour then an ethnocentric strategy might be more likely (Taylor et al. 1996).

Similarly, the nature of the industry or the workforce can also influence MNC strategy. Industries such as insurance or financial services providing goods and services to the local market could be better suited to a more locally responsive set of corporate policies (Purcell et al. 1999). One area that is under-researched in the international HRM literature is the role of gender relations in the host country workforce.

3.6.4 International HRM, diversity and women's employment

There is extensive literature recognising the importance of managing diversity in the cross-cultural context and an increased emphasis on managing cross-cultural practices, where practices appropriate to one country might be problematic in others (Dowling et al. 2008; Hofstede et al. 2010; Tayeb 2005). Furthermore, an MNC staff can be sourced from parent-country nationals, host-country nationals and even third-country nationals making the cultural mix even more diverse and challenging (Morgan 1986).

One key issue in managing diversity is the legal framework of the host country and the possibility of conflicting expectations. In many Western jurisdictions, equal opportunity legislation seeks to establish equality of opportunity for all citizens. Discrimination based on gender, race, age or religion is unlawful and sanctions apply for non-compliance (Australian Human Rights Commission 2012). Furthermore, equal opportunity for women is often seen as a human rights issue and a range of policies have been developed over the years to overcome the structural and procedural barriers to women's success in the workplace and labour market (Meyerson & Kolb 2000). For companies originating in such jurisdictions the idea of merit based employment is a key component of best practice. While the notion of 'best practice' differs between jurisdictions and industries, in theory, transparent and equitable employment practices facilitate the promotion of equity across the corporation (Gooderham & Nordhaug 2003). However, in practice this is it not always the case. For instance, recruitment with the aim of employing minorities in European parent organisations may be considered unlawful, while the practice may be accepted as 'positive discrimination' in the United States and the UK (Harzing & Pinnington 2011).

Also, despite legislation outlawing discrimination against women, evidence suggests that globally women face unequal treatment in recruitment and selection, unfair workplace

conditions, lack of access to training, disrupted career paths, inferior remuneration and a range of other discriminatory practices (Connolly & Gregory 2009; Strachan & French 2008; Grimshaw & Rubery 2007). Indeed the literature shows that cultural values significantly influence corporate practices such as recruitment, promotion, and remuneration policies (Fine 1998; Johnson & Droege 2004; Ma & Allen 2009; Posthuma et al. 2005). Local cultural values in developing countries are fundamental in international corporations' implementation of their policies and practices and can help or hinder equal opportunity or merit based practices (Vance & Paik 2010). For example, recruitment can be based on nepotism rather than competency (Al-Husan et al. 2009). International organisations can overcome some of these cultural constraints through increased focus on employee training and development, knowledge management practices, employee empowerment strategies, innovative work culture and organisational policies, and creating a culture that contributes to organisational effectiveness (Jain et al. 2012). However, Al-Husan et al. (2009) argue that the management style of many organisations in developing countries is often bureaucratic, authoritarian and lacking in leadership skills, hence a constant challenge in creating an equal opportunity workplace for women. Also Boserup et. al (2007, p.97) found that the gender gap is increasing in relation to the position level and income within same sector and explained that among full-time employees 'women are paid lower wages, because work done by women was called trained and not skilled'. In 2005, a survey conducted in 18 Arab countries found that Saudi Arabia women had 16 per cent of all income (Al-Shamsi & Aly 2008). This is largely due to women's limited career advancement opportunities. Actually, Arab women remain employed in low level jobs with few opportunities for promotion and training and are paid lower salaries than their male colleagues (Tlaiss & Kauser 2011; Jamali et al. 2010). Furthermore, as Shen et al. (2009) argue the diversity management strategies of MNCs in host jurisdictions often focus on compliance with local regulation rather than best practice initiatives.

3.6.5 Women in the Middle East

There is an emerging body of literature related to the field of human resource management and gender issues in the Middle East (Hutchings et al. 2010; Jamali et al. 2010; Budhwar & Mellahi 2006; Metcalfe 2007; Neal et al. 2005). The literature notes the lack of gender-related equality policy in the HRM strategies of companies in Middle Eastern countries. For example, Hutchings et al. (2010) argue that the common cultural perception regarding the 'nature of women' negatively limits their job opportunities in the labour

market. In comparing women from the Middle East with those of other developing countries, Moghadam (2003) found that the social positions of women in the Middle East vary by social class, ethnicity and urban/rural location. However, Moghadam (2003) emphasises the role played by the country's cultural policies and practices, the stage of its economic development and social structure in shaping women's legal status and social position.

One theme running through this literature is the influence of religion and in particular Islam. However, while Muslims comprise approximately 95 per cent of the Middle East population (Budhwar & Mellahi 2006), and the majority share the same religion and culture, comparisons between women from the Gulf Countries such as Saudi Arabia and other Arab women are inappropriate, for several reasons. For example, some Arabian countries such as Lebanon have been influenced by European, Christian, and Arab non-fundamentalist Muslim values (Neal et al. 2005). The level of wealth per adult in GCC countries is also high and stood at 110 per cent against 77 per cent for the world (Credit Suisse 2014). Therefore, there is much in common between women from Saudi and other Gulf countries as they share the same level of wealth, religion, social structure, cultural norms and beliefs. Despite this wealth, in Gulf States the unemployment rate among women is five times higher than for men, and the unemployment rate among Saudi women remains higher than that of women in other GCC countries.

Evidence suggests that the institutional context is a primary factor in the inequality and unemployment of women in GCC countries. For example, Al-Waqfi and Forstenlechner (2010) argue that Emeriti women face difficulties in accessing the labour market due to their institutional context, and these include the political system, legal regulations, labour market environment, cultural norms and Emirati employees' skill and competency levels. Similarly, Metcalfe (2007) stated that in Bahrain, the institutional context shapes gender job opportunities and HRM polices. Al-Hamadi et al. (2007) found that Islam's perspective and cultural structure, particularly with respect to tribe and family centrality, shaped managers' behaviour and significantly affected HRM policies in Oman. Al-Hamadi et al. (2007) added that the common perception in Omani culture is that women are unsuitable for managerial positions as they are unable to handle difficult and multi-tasks due to women's nature. Marmenout and Lirio (2014) claim that despite the fact that women in GCC counties are highly educated, they are absent from the labour market and have poor retention due to traditional gender roles and expectation in society. Afiouni et al. (2014) suggested that localisation programs in GCC countries, such as Nitaqat in Saudi Arabia, need to give more

attention to women's values, career aspirations and development, and leadership development.

3.6.6 The Saudi Arabian context

It can be argued that the institutional factors in Saudi Arabia are stronger than in other GCC countries with respect to a higher incidence of ignoring women's aspirations and that this results in a greater rate of women's unemployment. However, there is very little literature relating to gender inequalities in employment for women in Saudi Arabia, as it is considered a highly sensitive issue in such a conservative society (Mobaraki & Söderfeldt 2010). Very little is known about the experience of Saudi women in the labour market and in private sector workplaces. While there is a great deal of evidence about the barriers that women face in the labour market, little is known about the day to day discrimination that they face in recruitment and selection for jobs and access to training, career development and remuneration after they are employed.

We know that employment practices in Saudi Arabia are influenced by *wasta*, whereby families and tribal emirs grant favours, including jobs (Ramady 2013). However, it has been suggested that the introduction of foreign jobs reduces the influence of *wasta* and recruitment practices in the GCC countries advocate recruitment by competition and competency (Smith et al. 2012; Tlaiss & Kauser 2011; Westerduin 2010). It could be that foreign owned MNCs are having an impact on this situation as they introduce recruitment and selection processes based on merit and competency.

However, we also know that in Saudi Arabia traditional norms influence the selection process and firms prefer to hire men (Ali 2009a; Ramady 2010.) We know that the Saudi labour market lacks an organized infrastructural support for working women at both the government and the institutional levels (Al-Munajjed 2010). For example, there are no family-friendly policies, such as flexible working hours, part-time jobs, parental leave, child-care facilities or transport, to support or retain women in the workforce (Al-Munajjed 2010). We also know that because of the male-dominated sector in Saudi Arabia, women lack access to higher-level decision-making positions. Moreover, they cannot give orders to men (Al-Munajjed 2010; Offenhauer & Buchalter 2005; Ramady 2013).

Hence, discrimination against Saudi women in employment is a product of traditions and customs that confine Saudi women as wife and/or mother (Moghadam 2003; Al-Dosary et al. 2005; Manea 2008; Al-Munajjed 2009). According to Berger (1971), three factors result

in discrimination against women in employment. First, traditional beliefs encourage employers to maintain women at lower wages and in low-paid jobs. Second, due to male dominated sectors and segmented labour, better-paying jobs are reserved for men. Third, women are restricted in employment through the legislation of the country as well as labour market regulations. There is evidence that all three exist in the Saudi Arabian context.

However, what we do not know is Saudi women's response and reaction to this situation. Since trade unions are not permitted, Saudi women do not have a mechanism to protect their rights or organise against discriminatory practices. Indeed, self-organisation is dangerous as dissent is unlawful. Saudi women's voices have not been heard. However, Saudi Arabia is an emerging economy and a country in transition. As Al-Munajjed (2010) argues, no country can afford to have half of its workforce locked out of employment. Indeed this is one of the drivers of Saudisation and Nitaqat – the need to have fewer foreigners and more Saudis in work, including women. This is one of the key drivers of change. As Thelen (2009) argues, institutional change can be rapid or incremental. In Saudi Arabia, early evidence suggests that it is incremental. However, as Saudi women access jobs in the private sector and are given new opportunities, it is possible that their expectations can rise. An important intention of this thesis is to find the voice of Saudi women and explore these possibilities.

3.7 Conclusion

As discussed, the primary focus of this research is on women's participation in the labour market and as such, theories of gender inequality provide the primary theoretical lens for the project. However, there are multiple objectives relating to the labour policies and MNCs effectiveness in Saudi labour market and context and as such, the research is broadly informed by several bodies of theory. The purpose of this chapter is to canvass these. First the chapter has explored perspectives useful for understanding women's labour market position. To do so, dominant perspectives on gender equity were identified and discussed. A key discussion was the need to consider both the macro institutional factors that shape women's employment opportunities as well as the role of human capital and women's agency in making employment decisions. While both structure and agency are seen as closely interconnected, it is important to consider the roles of both in creating the gendered character of the Saudi labour market.

The chapter then discussed culturalist theory and its importance in understanding Saudi labour market conditions given the importance of Islam and Shari'a law in shaping the institutional context. As a strongly masculinist culture, discrimination against women is embedded in Saudi employment practices and so theories of discrimination and gender equity were canvassed.

A key interest of the study is in how discrimination against women plays out through the employment policies and practices of MNCs which are commonly guided by parent company policies that emphasise the need for equal employment opportunities (EEO). As a means to explore this, the chapter canvassed international HRM theories and identified key debates regarding the approaches to HRM in the international context. A key debate relevant to this study is about the distinction between the application of universal 'best practice' in HR, the more pragmatic approach of 'best fit' strategies when operating across borders in a distinctive cultural context, or the 'convergence' model which attempts to adapt best practice within the legal and cultural context of the host country. These models were discussed as a means of locating the operations of Saudi MNCs and the impact of their approaches to women's employment opportunities. The chapter then explained the very distinctive legal and cultural characteristics of the Saudi Arabian institutional context which is arguably stronger that other comparable Gulf countries. This context has a distinct influence on MNC operations and a key interest of the study is to explore the interplay between the cultural conditions and MNC responses in terms of Saudi women's employment as guided by Saudi employment policy. In particular, institutional and labour market segmentation theories were applied. While Saudi women have agency, they are limited by institutional factors which shape both women's employment opportunities and as well as their employment preferences. Labour market segmentation theory is also applied to explain how the country's institutions, labour market structure, education system and social culture resulted in women's low employment rates.

The following chapter discusses the research design, approach and the methodology applied to gather data to inform a response to the key questions raised by this study.

Chapter Four Methodology

4.1 Introduction

The aim of the study is to identify, explore and analyse government policies, economic factors and the legal and cultural constraints that result in low labour participation rates for Saudi women, particularly in multinational organisations. Therefore, the purpose of this chapter is to outline the research methodology that will be used to collect and analyse the data required to achieve this aim.

This chapter explains the research paradigm, design and methodology employed to explore the research questions. Next, the chapter describes the data collection technique, which leads into a discussion of appropriate data collection instruments, tools, phases and the participants' criteria for each group. It then develops the conceptual model of the research, and describes the procedures and analysis of data collection.

4.2 Research paradigm

A research paradigm is the philosophical basis for a study. Taylor et al. (2007, p.5) defined the research paradigm as 'a broad view or perspective of something'. Researchers describe the four major philosophical assumptions as ontology (the study of reality), epistemology (theory of knowledge), axiology (value judgements) and methodology (the design of the research) (Creswell 2013; Lincoln & Guba 1985). Creswell (2013) argues that each research paradigm will influence the epistemology differently, and thus the methodology of the research. For example, a scientific or positivist paradigm focuses on objective description and explanation of social phenomena, and data is collected and analysed mathematically in isolation from its broader environmental or social context (Lincoln et al. 2011). The application of this paradigm is most common in quantitative, empirical and deductive research and it involves hypothesis generation and testing (Veal 2005).

In contrast, a constructivist or interpretive paradigm has a broader focus, so that instead of the researcher assuming the role of a detached observer, social phenomena is actively observed and interpreted with a focus on the experience and explanations of the participants being studied (Cohen et al. 2013; Veal 2005). Therefore, the choice of methods such as in depth interviews and participant observations are common in the interpretive

paradigm. According to Veal (2005), this paradigm is widely used in qualitative, phenomenological, interpretive and inductive research. Such an approach describes knowledge, not as truth to be transmitted or discovered, but as developing explanations of understanding derived from the research problem (Fosnot 2005). Since the constructivism paradigm requires a focus on human thought and experience, qualitative methods are employed in order to gather and analyse data.

This thesis is an exploratory study concerning social phenomena in a particularly sensitive cultural context. Hence, the study utilises an interpretive and constructivist paradigm. In order to explore the influence of macro factors that result in women's low employment participation rates particularly in the Saudi multinational sector, it is essential to capture the lived experience of employed and unemployed women as well as the views of employers and government officials.

4.3 Research design

The research design is the mapping of the techniques and processes that will be used in the collection, analysis and interpretation of the study data (de Vaus 2001; Zikmund 2003). The design follows from the research aims, and is shaped by the underlying philosophical approach to the research (Creswell 2013). As Bryman (2012) maintains, the research design must relate to the purpose of the research and provide a set of research procedures. In this case, the main purpose is to identify and analyse the political, legal and socioeconomic factors that contribute to the low labour force participation rate of Saudi women, and the recruitment and employment conditions of multinational subsidiaries in relation to the employed Saudi women. The research design is a two stage qualitative study. The first stage involves the conduct of in depth interviews with key stakeholders from official government and unemployed women. The second stage comprises case studies of two multinational companies operating in Saudi Arabia. This approach was chosen given that it assists in exploring the factors driving and resisting women's employment in the Saudi multinational sector. The research methods are explained in the following discussion.

4.3.1 Research methodology and approach

As previously outlined, both qualitative and quantitative methods are commonly used in social research. A qualitative approach is appropriate in exploring and explaining the social context of a research problem. Creswell (2013) stated that a qualitative method is appropriate

for exploring and understanding the nature of social phenomena and for explaining and understanding *'why'* a social phenomenon exists (Hesse-Biber & Leavy 2011). This type of method involves a small number of study participants and subjective information (Veal 2005). Individual interviews and focus groups are common methods of data collection for qualitative research (Flick 2009). While both methods are useful for gathering information on participants' attitudes, beliefs and experiences regarding a particular issue (Denscombe 2003; Hennessy & Heary 2005), each method uses a different technique. Individual interviews collect data by face-to-face between interviewer and participant and focus groups through group discussion (Veal 2005). Open-ended questions are a commonly used in qualitative research in order to direct the discourse while simultaneously allowing the free flow of information and remaining within the bounds of the research questions (Kvale 2007). However, according to Veal (2005), there are a number of advantages and disadvantages in qualitative methods. The common advantages of qualitative research are: it can be used for in-depth and detailed investigations to obtain the details of individual experiences and perspectives on human and social issues; and it focuses on the participants' understanding and interpretation and qualitative research reports are presented in narrative format. At the same time, the limitations identified by Veal (2005) are that there is little opportunity to generalise findings to a broader population, and it is time consuming.

Nonetheless, although the quantitative approach is used widely in exploring and investigating social phenomena, it also involves statistical, mathematical, numerical data and/or computational techniques (Veal 2005; Creswell 2009; Given 2008). The quantitative method is useful for understanding the 'what' of a social phenomenon (Hesse-Biber & Leavy 2011). The goal of quantitative research is to generate and employ mathematical models, theories or hypotheses to be tested (Veal 2005; Given 2008). Glesne and Peshkin (1992, p.7) noted that the quantitative form assumes that 'social facts have an objective reality' and 'variables can…be identified and relationships measured'. Quantitative research asks broad questions and collects data from a large number of participants (Veal 2005; Creswell 2009). The authors added that the quantitative researcher looks for themes and describes the information in a themed format. Questionnaires and surveys are common methods of collecting numerical data in quantitative research (Veal 2005). The quantitative method has a number of both strengths and weaknesses (Veal 2005; Ochieng 2009). On the one hand, the quantitative approach can be used to collect a large amount of information from a large population in a short time; the data can be quickly and easily quantified. On the other hand,

the limitations of the quantitative method include the potential for misunderstanding of the information, the response rate may be low, it may lack validity and it may provide only a limited amount of data without a subsequent explanation.

Despite the limitations of qualitative methods, this study adopts a qualitative approach to explore the barriers of Saudi women's employment in the multinational for both practical and epistemological reasons. At a practical level, there are considerable cultural and institutional barriers to implementing large scale quantitative methods such as surveys that are likely to yield valid and reliable data. This is particularly the case for a Saudi woman where it is unlikely that a usable response rate to quantitative methods could be achieved. Epistemologically, however, the aim of this study was explore how Nitaqat has been interpreted, implemented and perceived in the broader cultural context. This requires identifying not only the practices that are implemented, but how and why they are implemented as well as perceived. For this reason, qualitative methods were necessary to identify and explore how employment practices are constructed within context and how they are perceived by both women and organisational managements. Individual semi-structured interviews can explore different viewpoints regarding this issue; first from key stakeholders from government officials and unemployed women, second from senior managers and employed women in two case studies from the multinational sector. This study draws on semi-structured interviews for the in-depth exploration of the experiences, views, beliefs and expectations of the individual participants (Kvale 2007).

4.3.2 The Value of case studies

The use of case studies is an approach commonly employed across the human and social sciences (Glaser & Strauss 1967; Merriam 1998). The term 'case study' refers to an investigation and analysis of single or multiple case studies, intended to capture the complexity of the purpose of the study (Stake 1995). A case study is 'an empirical inquiry about a contemporary phenomenon (e.g., "a case") set within its real-life context – especially when the boundaries between phenomenon and context are not clearly evident' (Yin 2012, p. 4). Similarly, Flyvbjerg (2006) noted that the case study method might be used to understand the degree to which certain phenomena are present in a particular group or how they vary across cases. A case study approach can include both qualitative and quantitative data; it may involve one or more individuals or organisations and it relies on multiple sources of evidence (Yin 2012; Veal 2005). Case studies are particularly relevant to research questions focused on

explanation, or exploring the 'how' and 'why' of particular issues, changes, or patterns that occur and are counterintuitive to questions focused on descriptions involving 'who' or 'what' (Yin 2003). Stake (1995) called the strategy of using multiple sources of information in a case study 'triangulation'. In business research, Veal (2005) argue that case studies are useful for studying the entire structure as well as just a part of an organisation.

Despite these strengths, case studies are commonly criticised on two major grounds. These are that the case study method lacks generalizability (Veal 2005) and that it is poor in defining the process of data analysis (Yin 2003). The response to these criticisms is that it possible to generalize on the basis of a single case which may be used as a supplement or alternative to other methods as a source of scientific development via generalization (Flyvbjerg 2006). Second, both Merriam (2009) and Flyvbjerg (2006) emphasise that while it may not be possible to summarise the findings of a case study into general propositions and theories, a case study can generate richly interpretive narrative, which is highly useful in understanding and explaining the phenomena under investigation.

This study adopted a multiple case study method which can assist in the identification of the barriers that cause women's low participation in the Saudi labour market. Stage 2 focused on two case studies of multinational corporations, and drew on data from key documentation and in depth interviews with management representatives and employed women. Comparisons of the two case studies provided rich and in-depth information from different perception and resources.

4.4 Data collection

This section describes the secondary data, the data collection phases and method, the research participants and the procedures employed in the protocols involved in collecting the data.

4.4.1 Secondary data

Both primary and secondary data were used to address the research questions. Secondary data consisted of government policies and regulations, government and official organisation's reports and statistics, and media reports of government proclamations, frequently the only means of informing the public of policy changes. The employment policies of the corporations were accessed from their websites. To protect the firms'

anonymity, these citations were not added to the reference list, but are available in the stored data.

4.4.2 Interview method

As a commonly used data collection technique, semi-structured interviews are useful for in-depth explorations of the experiences, views, beliefs and motivations of individual participants (Flick 2009). Interviews can be conducted in either written form, such as hard copy or email, or verbally by telephone or a physical meeting (King & Horrocks 2010). To gather the required sensitive data about Saudi women and society, individual and direct contact interviews were selected as most appropriate both to observe the participants and to understand their position regarding the question. According to Yin (2012), semi-structured interviews can be in three forms. Exploratory interviews are designed to answer 'What?' questions and assist in the formation of research questions and hypotheses. Explanatory interviews are used to answer 'How?' and 'Why?' questions to determine whether there are causal relationships between the research variables. The descriptive interview form provides a rich description of the issue being studied. This form of interview is commonly used to answer 'What?' questions in the form of 'How many?' or 'How much?'(Yin 2003).

In this study, semi-structured interviews were used to collect the data that served its exploratory nature and to develop the conceptual model for the research. Therefore, individual face-to-face interviews were conducted as the most efficient and effective method. This is due the deep conservatism of Saudi society and issues relating to gender are highly sensitive. As such, one-to-one interviews provided the privacy necessary for participants to share their views. Standardised, open-ended questions also provide the flexibility to elicit new data that emerged during discussion (Kvale 2007). Furthermore, the interviewer can assist with any misunderstanding of the questions or context, especially important in the conservative Islamic society, with its strong cultural norms that govern direct questions, or that probe an individual's thoughts and experiences. For this reason, other qualitative data collection measures, such as focus groups, were not considered, because of the sensitivity of the issues being discussed (Denscombe 2003) and the strong social barriers to women's expression of opinions or feelings (Al-Ahmadi 2011).

4.4.3 Interview instruments

The aim of this study is to explore and understand the political, legal, economic and cultural factors that hinder women's employment in the Saudi labour market, and in

particular the multinational sector. Therefore, to identify the barriers facing Saudi women in the effort to gain employment, the interview schedule for this research comprised a series of questions directed to key stakeholders and case study participants. Alvesson and Sandberg (2011) explained that researchers are increasingly challenging existing theoretical assumptions by using gaps in the literature to explore concepts to arrive at research questions. The theorists contend that another method of building survey questions is required, and they propose problematisation, an acknowledgement of a unique social context, the views and experiences of those who are affected by the research problem, and the literature domain in which the researcher seeks to challenge existing assumptions.

In this study, there were few survey instruments available on Saudis' interpretation of the government's employment policies, and there were none on the effects of Nitaqat, or Saudisation on the women's labour market (employed and unemployed women). Therefore, open-ended interview questions were developed to allow the respondents to provide rich information and details that were crucial to developing an understanding of the phenomena about which little is yet known, such as the factors that women encounter in gaining employment in the Saudi labour market. Four different interview forms were developed and derived from the issues arising in the literature review and linked to the research questions. Each form aims to elicit specific information from key stakeholders and case studies participants in relation to their responsibilities toward Nitaqat and women's employment or their experience in the labour market. These questions are detailed in the appendices: government officials (Appendix 1), unemployed women (Appendix 2), senior manager Case study 1 and 2 (Appendix 3) and women employees case study 1 and 2 (Appendix 4).

4.4.4 Research participants

A research sample reflects the population from which the sample was selected (Veal 2005). A probability sample, which is a representative sample, statistically selects a random sample from a population in which every element of the population is known and each has an equal chance of being selected (Levy & Lemeshow 2008). A purposive sample is frequently used in quantitative research where random participants are selected from a classification of a population who are in a position to answer the research questions (Levy & Lemeshow 2008). Given the practical difficulties of conducting a random sample, the technique used in this study was purposive. The purpose was to identify and interview available participants who were also in a position to answer the research questions and were aware and knowledgeable

about the issues faced in Saudi women entering the job market (Flick 2009). Therefore, the research data was gathered from different stakeholders and economic sectors requiring interactions to achieve in-depth and realistic information. These participants were uniquely situated to answer the research questions and provide detailed information (Levy & Lemeshow 2008). Consequently, study participants reflected the characteristics of the population from which they were selected in order to enhance the validity and credibility of the results.

Since this study concerns factors that prevent Saudi women from participating in the labour market, the sample comprised key stakeholders and case study groups who were of Saudi nationality and best placed to describe factors concerning this problem: government official representatives and administrators (Nitaqat administrators), unemployed women, corporate senior managers and employed women. All participants were knowledgeable regarding the issues of women's employment. Data was collected in two phases. The first set of data was gathered from two groups of key stakeholders: government officials and unemployed Saudi women. In the second stage, data was gathered from two case study companies in two different sectors, manufacturing and insurance. Data included key company documentation and in depth interviews with Saudi senior managers and Saudi women employees in these companies.

Initially, the plan was to conduct the interviews in two cities of Saudi Arabia: in the capital city of Riyadh and in Jeddah, which is the second largest and the economic capital. Since the Ministry of Labour is located there, Riyadh was chosen as the location for conducting the interviews with labour representatives. The decision was made to conduct the rest of the interviews in the city of Jeddah, as I reside there. However, due to Saudi legislative and cultural restrictions on women commuting and travelling, all of the interviews were conducted in Jeddah. With the cooperation of and support from the Ministry of Labour, the labour representatives were interviewed during a special meeting for Ministry of Labour employees. In fact, Jeddah was an extremely accessible city to conduct the interviews, as it is the most liberal city in Saudi. For example, I have not faced any challenges in interviewing men regarding meeting places or times. In addition, as a resident of Jeddah, it was possible to use personal connections and a network of contacts to better facilitate the completion of this research. As a Saudi woman, all of the above factors combined to allow me to move relatively freely in most male dominated work environments, and be successful in arranging interviews.

4.4.4.1 First phase: key stakeholders; government officials and unemployed women

During the first phase, interviews were conducted with government officials and unemployed women participants. In-depth information regarding government employment programs, previous Saudisation and the current Nitaqat, and women's unemployment experience were provided at this stage, which subsequently assisted the research in the next data collection phase.

Government officials: To establish the regulatory environment for Saudisation/Nitaqat, particularly for women, ten representatives were sourced from the Ministry of Labour, the Human Resource Development Fund (HRDF) and the Jeddah Chamber of Commerce and Industry (JCCI). The selection criterion for the Ministry of Labour representatives was direct involvement with the government employment initiatives programs, Nitaqat. Other government agencies that shared responsibility for resourcing both employers and jobseekers under Nitaqat were similarly approached.

To source the participants from the Ministry of Labour, an email explaining the aims and ethical conditions of the research, along with a request for the facilities needed for the task of interviewing the labour representatives, was sent to the Minister of Labour. The Minister of Labour promptly responded, nominating a labour representative to suggest the labour representative participants and arrange the appointments. I then conducted a field visit to the HRDF and JCCI to source participants. At each organisation's reception, a verbal explanation on the purpose of the research was provided, and a request was made that the appropriate staff members be identified. The receptionist in each organisation provided me with information regarding potential interviewees. The receptionists set up some of the appointments and I set up the others through direct phone calls with the interviewees. Before each interview, I sent an email or handed each interviewee an explanatory statement on the research, including a permission statement for their approval.

The Ministry representatives informed the research on issues contributing to the low labour market participation rate of women. The fund representative was responsible for monitoring Saudisation for recruitment, funding training and assisting jobseekers. The Jeddah Chamber of Commerce and Industry, like other chambers throughout the Kingdom, communicates the government's requirements to its members, and gathers data on their employees and any available jobs that could be suitable for Saudi jobseekers.

Unemployed women: A number of unemployed Saudi women were approached to discuss their experiences of unemployment and their views on the operation and success of various employment policies. Unemployed women were sourced through a 'snowball' sampling method, by asking participants for further contacts. Thus, a personal network was used for the first interview and then unemployed women were sourced through that network for other interviews. Upon volunteering, the research documentation was forwarded by hand or email. Data collection continued until 'saturation' was reached or at the point that no new information is forthcoming (Patton 2002). Interviews were conducted with thirteen unemployed Saudi professional women who were seeking jobs in labour market. To ensure a diversity of perspectives, participants in this group were from different provinces, with the majority from the Makkah region (ten participants were from Jeddah and one from Makkah) and there was one unemployed woman from each of the eastern and southern regions. The goal of interviewing women from different regions was to explore whether private sector employment experiences were different between provinces.

4.4.4.2 Second phase: two case studies in multinational corporations

The case studies were conducted with multinational firms given that they are guided by EEO policies developed in the country of the parent company. As such, their capacity to implement EEO in Saudi is revealing of the barriers to women's employment and the extent to which improving women's employment opportunities is actually possible in the Saudi context. The multinational corporations were chosen from different sectors to identify any sector specific differences in relation to the employment of women. Both corporations also met the requirement of employing ten Saudi women or more. Therefore, two multinational corporations were selected: one manufacturing and one health insurance company were selected in order to maximise the diversity of views and gather rich data for analysis. The intention was to compare gender equity policies, and to further investigate some of the claims made by the key stakeholders about the employment practices of companies in the multinational sector.

Case study 1: The industry's corporation represented product operations (manufacturing, headquarters in the United States). The manufacturing corporation was identified through attendance at a career fair held in Jeddah. The human resource manager was contacted by phone for initial permission to conduct the interviews. With a supportive response, the manager appointed a female employee, who works as a recruitment specialist,

to nominate the participants, set up all interview appointments and arrange the meeting room. The participants from this corporation included two senior managers, both male, and ten women employees. Interestingly, this corporation employs more than 1500 workers, yet only 10 to 15 were women, all Saudis and all based at the Jeddah office.

Case study 2: The second case study MNC was engaged in health insurance with headquarters in the United Kingdom and was identified through an internet search. It is noteworthy that the insurer joint venture in Jeddah won a Saudi award for the best working environment for women in Saudi Arabia. As there was no contact information in the insurance corporation's website, a visit was made to its location and the security guard provided me with an email of a female employee, who works as an assistant benefits controller, for further contact. The assistant benefits controller connected me with the manager of each department for further interviews. The insurance participants included two senior managers, one male and one female, and ten women employees. This corporation employs approximately 900 workers, fifty per cent of all employees were Saudis, 30 per cent of whom were Saudi women.

The participant sample from both corporations included two groups; Saudi senior managers and Saudi women employees. As all positions in human resource departments responsible for monitoring government employment programs are exclusive to Saudis in accordance with Ministry of Labour's regulations, senior managers were Saudis rather than expatriate managers. Senior manager representatives were given the research documentation, approval was given and two Saudi senior managers from each corporation volunteered for interviews. Senior management representatives circulated a letter of invitation and an interview agreement to the workforce to arrange the second group of employed women. Interviews were conducted with ten Saudi women employees from each corporation. Participants were selected by their supervisors and were from different departments, position levels and work experience. Employed women were in a good position to provide information on their corporate policies and practices regarding recruiting and retaining women, their experience in private firms and the barriers that women may face in accessing the Saudi labour market, and the multinational sector in particular.

4.4.5 Data collection procedures

All face-to-face interviews were conducted in Jeddah from June to September 2012. The primary data collection focused on the two key stakeholders, government officials and

unemployed women, and two case studies, senior managers and women employees. In all, 47 separate interviews were conducted, each lasting approximately 60 to 90 minutes for three of the groups, and approximately 45 minutes for the unemployed women. The majority of the interviews were face-to-face. Due to Saudi restrictions on women's travel, commuting and presence in public places, seven interviews were conducted by telephone (Bryman 2012) and three participants were located in other cities. Since all participants were Saudis, all interviews were in Arabic, as it is the official language in Saudi Arabia. The interviews were semi-structured, but additional questions were also asked to elicit rich data and further inform the study (Smith et al. 2009). For ethical reasons, the participants were asked whether I could record the interview and then additional notes were taken of important points that arose during the interviews (Bryman 2012). The interviewees were asked whether transcripts could be made of the face-to-face interviews, to which they agreed, and notes were made of all interviews.

Several factors enhanced the data collection. Firstly, as a Saudi and native Arabic speaker, I could understand the interviewees' direct and indirect answers as well as those occasions where interviewees chose to evade making a direct response to a question. As a woman, it was also possible to contact and interview unemployed and employed women and conduct the interviews with a solid background and in-depth understanding of the issue of women's unemployment. Face-to-face interviews provided the opportunity to gain valuable information and new insights into the social and commercial matters that influence women working in the corporate sector. Since this study focuses on the issue of Saudi women's unemployment, I also received significant attention and support from the Minister and the representatives of labour.

Nonetheless, there were some practical limitations during the interviews. Topics concerning 'women' are extremely sensitive in a conservative culture such as Saudi Arabia and this is particularly true of the issue of unemployment. To avoid criticising Saudi legislation and culture, some participants were hesitant in expressing their views, especially regarding any criticism of the status quo or negative experiences that they may have had in employment. Such hesitation also came from both private and government managers. Moreover, I did not find sufficient information in the JCCI website for enquires or contacts to source the corporations. Therefore, I undertook a field visit to JCCI seeking a list with the names and contact information for the multinational corporations. Unfortunately, there is no specific list or information about multinational corporations. Furthermore, although the

manufacturing corporation was tremendously cooperative, with continuous follow-up by the human resource manager to help me, my experience was not the same with the insurance corporation, which was clearly a more bureaucratic organisation. For example, I faced difficulty in communicating and connecting with the department managers and one of the managers rejected my request to conduct employee interviews. The reason given for her refusal to participate was that the women employees were busy and did not have time to volunteer.

Another consideration in conducting this research was that women are prohibited by legislation in Saudi Arabia from driving a car, and like all Saudi women, I faced difficulty in commuting to collect the data and conducting the interviews. Moreover, I had to have a male relative or hire a private driver to do the data collection.

Although time limitations and resources did not allow for further interviews, towards the end of interviews, the extra data gathered appeared to be repetitive and only marginally added to the information. Further, the data collected through these participants was comprehensive and probing questions added to the richness of the data (Levy & Lemeshow 2008). At the end of each interview, the participants were thanked and assured of the confidentiality of their data. After each interview, the notes taken during the interview were reviewed and the recorded interviews were transcribed.

4.4.6 Ethical considerations

Ethics approval for this study was granted by Victoria University Ethics Committee in April 2012 (HRETH 12/99). To respect the respondents' right to privacy, personal questions were avoided during the interviews, and the anonymity of the respondents was safeguarded. On obtaining approval from the government organisations and the firms to interview their representatives and employees and permission to interview the unemployed women, participants were initially emailed or contacted by telephone to provide a clear explanation of the purpose of this study and to assure confidentiality. These matters were repeated in documentation at the beginning of each interview. In addition, each participant was asked if the interview could be recorded and notes taken. The interviewees were free to ask for the tape-recorder to be turned off or to stop the interview at any time (Full details in Appendices section).

4.5 Data analysis

This section discusses the research approach to analysing qualitative data to identify the women's unemployment issues in the Saudi labour market, particularly in the multinational sector.

4.5.1 Research model development

To develop the conceptual model for this study, a logical progression of stages from the preliminary investigation to the literature review analysis was undertaken.

The first stage was to gather fundamental knowledge relating to women's unemployment issues in the Saudi labour market through a critical and comprehensive review of the relevant literature. The outcome of this stage revealed a lack of academic and professional literature regarding the issue of women's unemployment in the Saudi labour market in general and more specifically in the multinational sector. This first stage is described in the second and third chapters. A comprehensive review of the literature was also conducted to identify Saudi women's barriers to employment in the multinational sector. The review revealed that issues relating to Saudi women's unemployment have not been addressed, in either the previous Saudisation or the current Nitaqat. A significant gap in the knowledge was identified, which led to the development of a conceptual model to address the deficiencies. Finally, an analytical model developed from the literature in the three sections was introduced to help identify and understand both the driving and the resisting factors affecting the employment of women in the Saudi labour market, particularly in the multinational sector.

A research framework is required to understand the factors that resulted in the low participation rates of Saudi women in the multinational sector. Liehr and Smith (1999, p.13) explained the research framework as a structure that provides 'guidance for the researcher as study questions are fine-tuned, methods for measuring variables are selected and analyses are planned'. A research framework is based on the identification of the key factors, concepts, variables or theories and the presumed relationship among them (Miles & Huberman 1994). There are two types of framework: conceptual and theoretical. According to Imenda (2014), a conceptual framework can describe and explain the relationships between the concepts based on hypothesis-testing or deductive reasoning, while a theoretical framework, which is based on existing theories, offers a broad explanation of the relationships between existing

concepts. Through an academic and professional review of the literature, this study identified the key concepts of Saudi women's employment issues, and used existing theories, such as institutional, cultural, human capital and discrimination theories, to develop a conceptual framework.

In the Saudi labour market, political, legal, economic and cultural factors on the one hand, and management policies and practices on the other might result in the unemployment of women. However, the unemployment issue of Saudi women has not been empirically investigated. There is little clarification as to exactly which factors constitute women's unemployment and which factors impede or drive it. Moreover, there is a clear gap in knowledge in terms of identifying which factors influence women's employment in the Saudi labour market, particularly in the multinational sector. Therefore, both the academic and professional literature was reviewed to identify the factors that result in unemployment among women.

To provide an analytical framework, the factors that contribute to women's unemployment and the factors that drive or resist women's employment were identified and framed within a conceptual model. The initial factors influencing Saudi women's access to employment are illustrated in Figure 4.1. However, there were no distinctive factors that can be derived from the literature in relation to women's participation in the Saudi labour market. Therefore, the purpose of data collection was to identify the macro factors that could be incorporated in a conceptual model.

Figure 4.1 A model of Saudi women's employment

Incremental change in institutions
- Implement all Royal decrees regarding women's work in private sector
- Reserve an annual quota of jobs for women in all government organisations

Nitaqat policy
- Penalties for non-compliant corporations
- Open new job opportunities
- Guardianship permission partly removed

Economy diversity strategy

Extensive investment in women education

Saudi women's qualification

Structural Driver factors

Agency driver factors

Saudi women's employment

Government legislation
- Inability to drive
- Inability to travel
- Guardianship system

Corporate unequal employment practice;
- Prefer to hire men
- Limited type of jobs
- Low wages
- Lack of career path and promotions
- Excluded from management position
- Long working hours

Structural resister factors

Agency resister factors

Cultural norms and social expectations
- Patriarchal society
- Family responsibilities
- Gender role in society
- Male relative permission
- Mixed gender workplace
- Long working hours

Segmented labour market
- Male-dominated sector
- Limited women to nonstrategic jobs

Cost of employment
- Commuting to work

Unequal employment practices
- Limited types of jobs
- Limited career path and promotion
- Excluded from decision-making positions
- Low wages

Women's education system
- Limited disciplines
- Lack of skills

Labour laws and regulations
- Unwritten labour determinations
- Unclear laws and regulations
- Segregated workplace
- Guardianship system
- Limited type of jobs

Education outcomes
- Mismatch discipline
- Lack of skills
- Lack of work experience

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4.5.2 Analysing the data

In qualitative research, the processes of analysing the responses is to assess, organise, code and categorise the responses into themes to inform and illustrate the qualitative data interpretation (Silverman 2011; Creswell 2013). Coding and categorising the data assists the researcher to identify the views, impressions and opinions of participants about the issue under investigation (Bryman 2012) and to identify the major themes to emerge in the research (Krippendorf 2013). This section describes the processes of data analysis in sequence.

4.5.2.1 Data analysis approach

Inductive and deductive reasoning are two strategies for analysing the research data that is used to establish hypotheses or themes to arrive at a reasonable conclusion (Suter 2012). A deductive (top-down approach) or an inductive (bottom-up approach) may be considered as a strategy to answer the research questions (Williamson et al. 1982) and emergent themes (Veal 2005). According to Daft (1985) and Bryman (2012), deductive reasoning moves from a general statement to reach a logical conclusion (theory, method, data, findings), while inductive reasoning starts with observation and develops a general theory from the data (method, data, findings, theory). Therefore, understanding may be deduced from the data through a quantitative approach or extracted from the data in a qualitative method for data collection and analysis through an inductive approach (Bryman 2012).

Since this research is qualitative and based on the interpretivism/constructivism paradigm, it follows that open-ended inductive (bottom-up) reasoning can be used to gather social data to explore and identify women's employment barriers in the Saudi labour market. This study began by applying relevant theories (top-down) to the issue of Saudi women's unemployment and narrowed that down into more specific factors that it could examine, then narrowed down even further after collecting the research data to address the main themes that emerged. These processes allowed the researcher to examine the data collected to inform responses to the key research questions.

4.5.2.2 Labelling data

A label replaced the names and/or identifying information to protect the identity of the participants (Veal 2005). The demographics of the participants are described in the following four tables of group participants.

Table 4.1 shows the codes used for the government officials participants such as their responsibilities, organisation, sector, location and their gender.

Table 4.1

Key stakeholder 1: government officials

Participant*	Responsibility	Organisation	Sector	Location	Gender
GP1	Representative of Minister for Development	Ministry of Labour	Government	Riyadh	Male
GP2	General Director of Customer Service	Ministry of Labour	Government	Riyadh	Male
GP3	General Director for Development	Ministry of Labour	Government	Jeddah	Male
SGP1	Regional branch manager	Human Resource Development Fund	Semi-government	Jeddah	Male
SGP2	Marketing manager	Human Resource Development Fund	Semi-government	Jeddah	Male
SGP3	Career guidance specialist	Human Resource Development Fund	Semi-government	Jeddah	Female
SGP4	Employment researcher	Human Resource Development Fund	Semi-government	Jeddah	Female
SGP5	Representative of executive director	Chamber of Commerce and Industry	Nitaqat respondent	Jeddah	Female
SGP6	Representative of executive manager	Chamber of Commerce and Industry	Nitaqat respondent	Jeddah	Male
SGP7	Representative of research and planning manager	Chamber of Commerce and Industry	Nitaqat respondent	Jeddah	Male

* GP (Government participants) SGP (Semi-government participants)

The first group comprised 10 public sector interviewees and table 4.1 shows the characteristics of the public sector representatives and their responsibilities. It included three women and seven men.

The following table 4.2 provides information about the unemployed women participants such as their qualifications, disciplines, age cohort, experience and years of unemployment.

Table 4.2

Key stakeholder 2: unemployed women

Participant*	Highest qualification	Discipline	Age (under/over 30 years)	Location
UEP1	Bachelor	Biology	Over	Jeddah
UEP2	Bachelor	Islamic studies	Under	Jeddah
UEP3	Secondary school	Not applicable	Under	Jeddah
UEP4	International Master's	Medical science	Under	Makkah
UEP5	International Master's	Business administration/ marketing	Under	Al-Dammam (Eastern region)
UEP6	Bachelor	Language (French)	Over	Najran (Southern region)
UEP7	International Master's	Marketing management	Over	Jeddah
UEP8	Bachelor	Public administration	Over	Jeddah
UEP9	Bachelor	Biology	Under	Jeddah
UEP10	Bachelor	Language (French)	Over	Jeddah
UEP11	Bachelor	Biology	Over	Jeddah
UEP12	Bachelor	Language (French)	Over	Jeddah
UEP13	Master's	Business administration	Under	Jeddah

* UEP Unemployed woman participants

Table 4.2 shows that ten of the 13 participants were located in Jeddah province of Makkah, while the remaining participants came from other centres. With the exception of one Jeddah-based participant, all had tertiary qualifications, and they were, on average, 30 years or over.

The next two tables describe the manufacturing case study participants. The first table 4.3 describes the senior manager participants - their responsibilities, organisation, location and their gender.

Table 4.3

Case study 1: senior managers

Participant*	Responsibility	Industry	Location	Gender
MMP1	Human resource business partner	Manufacturing	Jeddah	Male
MMP2	Regional talent acquisition manager	Manufacturing	Jeddah	Male

*MMP Manufacturing manager participant

The following table 4.4, provides information about the employed women involved from the manufacturing case study; job positions, qualifications, tenure and work experience.

Table 4.4

Case study 1: women employees

Participant code*	Classification	Qualification	Profession/position	Tenure	Prior work experience
MEP1	HR team leader	Bachelor Degree	Computer science (hired above entry salary)	5 years	None
MEP2	Communication team leader	International masters	Communication and marketing (hired as team leader)	4 years	None
MEP3	Business analyst	International masters	Supply chain (hired above entry salary)	< 1 year	6 years
MEP4	Recruitment specialist	International masters	HR, recruitment (hired above entry salary)	18 months	12 months
MEP5	HR assistant	Bachelor	Marketing (hired above entry salary)	5 years	None
MEP6	HR assistant	High school	High school (hired above entry salary)	< 1 year	18 months
MEP7	HR assistant	High school	High school (hired above entry salary)	17 months	9 years
MEP8	Senior accounting	Local masters	Regulation and complaints (hired as a manager)	< 1 year	4 years
MEP9	Accounting	Bachelor	Economics (hired above entry salary)	< 1 year	2 years
MEP10	Filing	Bachelor	Education (hired at base level)	< 1 year	30 months

* MEP manufacturing employed women

Table 4.4 shows all the women employee participants from manufacturing were mostly employed in human resources, including recruitment, and also in accounting and administration.

The next two tables describe the insurance case study participants. The first table 4.5 shows the senior manager participants' responsibilities, organisation, location and their gender.

Table 4.5

Case study 2: senior managers

Participant*	Responsibility	Industry	Location	Gender
IMP1	Recruitment manager	Insurance	Jeddah	Male
IMP2	Learning and development manager	Insurance	Jeddah	Female

*IMP Insurance manager participant

The following table 4.6details job positions, qualifications, tenure and work experience women employed in the insurance case study.

Table 4.6

Case study 2: women employees

Participant code*	Classification	Qualification	Profession/position	Tenure	Prior work experience
IEP1	Assistant benefits controller	Bachelor degree	Economics	>2 years	>1year
IEP2	In-boarding officer	Bachelor	Computer science	3 years	5 years
IEP3	Provider relationship team leader	High school	High school	4 years	>5 years
IEP4	Telesales team leader	Bachelor	English language	4 years	>1 year
IEP5	Telesales consultant	Diploma	Technology	>5 years	4 years
IEP6	Telesales consultant	Bachelor	Business administration	>5 years	3 years
IEP7	Telesales consultant	Bachelor	Business administration in English	>3 years	1 year
IEP8	Telesales consultant	Bachelor	Biochemist	4 years	>1 year
IEP9	Customer service	High school	High school	3 years	7 years
IEP10	Membership administration	High school	High school	>3 years	>1 year

*IEP insurance employed women

Table 4.6 shows all the women employee participants from insurance who were employed in human resources, finance, telesales, customer services, and membership.

4.5.2.3 Data transcription technique

Since all of the interview forms were initially developed in English and all of the study participants were native Arabic, a forward-backward translation process was used. The goal of the translation process was to produce an Arabic version of the interview forms that were equivalent in meaning to the original English versions.

The initial stage in a qualitative analysis involves reading the interviews and transcribing all of the documents and materials (Veal 2005). Kvale (1996) suggested an iterative process to generate the general overall themes from the interviews. Kvale's model was applied in transcribing the data for this study because of the flexibility it provided in the construction of coherent relationships between the qualitative data sets obtained in the course of the investigation. In reporting the qualitative data using Kvale's model, the interview transcripts were read several times to gain familiarity with the content before attempting to identify the key concepts and relationships. This technique advocates individual and/or a combination of different reporting and analytical techniques that range from descriptive to explanatory and from concrete to conceptual and abstract. This includes the notation of patterns or themes, clustering plausible elements as variables, accumulating elements to achieve integration, identifying agreements and disagreements, making contrasts and comparisons in the interviewees' responses, generalising elements as variables, noting relations between variables, building logical chains and subsequently making conceptual/theoretical coherence (Kvale1996).

In this study all of the participants' responses were reviewed to identify similar concepts, thoughts, opinions, words or expressions that could fit together to generate the main themes regarding barriers to women's employment in the Saudi labour market, and particularly in the multinational sector. Within each main theme, points of agreement and disagreement were explored.

4.5.2.4 Coding techniques

Coding is defined as 'a way of grouping the summaries into a smaller number of overarching themes or constructs' (Miles & Huberman 1994, pp.68–69). Miles and Huberman explained that coding techniques might help to reduce a large amount of data into a small number of segments or units. Data coding is an interpretive technique used to organize and identify the key issues of data where the concept stage groups have similar content (Corbin & Strauss 1990). While pattern matching is useful in connecting data to propositions (Campbell 1975), it is also undertaken to verify the concepts and relationships among the concepts identified in the conceptual framework (Yin 2003).

In this study, the content of the interview transcripts was grouped into themes, interpreted with reference to the main issues discussed in previous chapters and the conceptual framework. In this stage, emphasis is on evaluating the study findings against the established literature and to extract the real meaning from the interviews. To answer the

research questions, the analysis attempted further and deeper interpretations from the findings to explore and understand the issues related to Saudi women's unemployment as viewed by the government representatives, unemployed women themselves, managers and employed women from two multinational corporations. It also included connected dialogue between the participants' views to generate new meanings and modify those existing concepts to reinforce the study's conceptual framework.

4.5.2.5 Content analysis

Content analysis is commonly used in the social sciences to study recorded human communications, whether these are text from media, or audio-visual records (Babbie 2013; Bryman 2012). Krippendorf (2013) explained that content analysis is an empirically grounded method, exploratory and inferential in intent. Contemporary content analysis transcends the traditional representation of content, symbols and intent and now seeks to understand messages, channels, communications and systems. Krippendorf (2013) sets the steps of content analysis as follows: which data are analysed, how they are defined, the nature of the population from which they are drawn, and what is the context, limits and reason (target) for the inferences. The evidence collected from the interviews was summarised for further analysis and interpretation (Creswell 2013).

Content analysis generally applies the following steps: prepare the data, define the unit of analysis, develop categories and a coding scheme, code all of the responses and then draw conclusions from the coded data. Key themes were identified from direct quotations of the interviewees who were categorized into four groups: government, unemployed women, managers and employed women from the multinational sector. The first stage was to examine the interview responses looking for similar concepts, words and expressions that could fit together to generate a general theme. Within each theme, points of agreement and disagreement among the responses were identified. When reporting on the data, the views of each participant were identified by a label in order to maintain anonymity (Tables in section 4.5.2.2).

4.6 Validity and reliability in qualitative research

Validity and reliability are essential concepts for quality in both qualitative and quantitative research. According to Golafshani (2003), qualitative research is different from quantitative research in relation to the concepts of validity and reliability, as the data is

semantic rather than numerical. In qualitative research, the concept of trustworthiness is used to describe the reliability and validity of qualitative research more than rigour (Cameron 2011). Andrews and Halcomb (2009, p.xvii) define trustworthiness as 'the degree of confidence that the researcher has that their qualitative data and findings are credible, transferable and dependable'. Lincoln and Guba (1985) proposed credibility, transferability, dependability and confirmabilityas essential criteria for data trustworthiness, whether collected from direct observations, focus groups or interviews. These four criteria of data trustworthiness are discussed below.

Credibility refers to the degree that the findings reflect reality, which is enhanced by confirming the evaluation of the conclusions by research participants, the convergence of multiple sources of evidence, the control of unwanted influences and theoretical fit (Patton 2002). The transferability of data refers to evidence supporting the generalisation of findings to other contexts within different participants, groups and situations (Lincoln & Guba 1985; Corbin & Strauss 1990). The dependability of the results relates to ensuring that the data collected is stable and consistent over time, if the study were repeated (Lincoln & Guba 1985). Confirmability refers to neutrality (objectivity) and the control of researcher bias (Miles & Huberman 1994; Lincoln & Guba 1985).

To establish validity, Silverman (2011) advocates for consistency in approach, specifically by analysing each set of data from one perspective to gain a core answer from the study participants on each point. In addition, according to Silverman, the explanation of the core answers can be gleaned by comparing the different views or experiences from the participants, where they differed from that of the consensus. Creswell (2013) notes that different methods of analysis are used to validate the research findings: content analysis, triangulation and case studies. Attention to reliable data as well as validation methods, as described, fostered the data collection and analysis throughout the research.

This study aims to explore the barriers to women's employment in the multinational sector in Saudi Arabia. Responding to this question requires gathering different types of data in order to canvass the multiple and diverse realities of each of the relevant stakeholders in the implementation of labour market programs including by selected government representatives, unemployed women, managers and employed women from the multinational sector. Their input and interpretation regarding the issue of women's unemployment are essential to providing trustworthy, valid and practical results about the Saudi labour market. Perakyla (2010) contends that data validity in conversations can be derived from whether the

views and experiences expressed by the participants are modified in any way by the interviewing process itself. This may occur when the interviewee does not fully answer the question, hedges in answering the question, or 'talks around' the point. This is applicable in Saudi Arabia, where women are legally subservient to men and some are not in a position to make critical comment even when confidentiality is assured. Any incomplete or indirect data was omitted from the analyses if the point being made was not clear. A full record of the process both in this chapter as well as in the appendices enhances the reliability of the data collection. To maximise reliability and validity, triangulation is useful in validating both the qualitative results and the case studies (Patton 2002; Merriam 2009). A triangulation strategy was achieved in this study by grouping the participants and deriving core answers from each, which could then be compared to other groups. For an interpretive/constructivist paradigm perspective, triangulation can enhance validity, reliability and trustworthiness (Merriam 2009).

4.6.1 Triangulation

Triangulation techniques are used to increase the reliability of the data interpretation by using multiple methods of data collection (Glesne 2011). Guion et al. (2011) confirmed that a triangulation strategy could improve the validity and reliability of research findings. Triangulation is defined as 'a validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study' (Creswell & Miller, 2000, p.126). Merriam (2009) contends that from the perspective of an interpretive/constructivist paradigm, triangulation remains a primary strategy to ensure validity and reliability (2009, p.216). Relevant to this study, the open-ended perspective in constructivism aligns with the notion of data triangulation by allowing participants in the study to assist the researcher with the research questions and with data collection (Guion et al. 2011). Triangulation can be enhanced by using various sources and methods for information to confirm the emerging findings (Merriam 2009).

For the reliable and diverse construction of realities for this study, data triangulation was obtained by gathering information from various data sources and at different times (Merriam 2009). In methodological triangulation, the multiple uses of analytical methods, such as recording by audio methods, notation and multiple iterations of data analysis, contribute to process validation (Guion et al. 2011). Accordingly, various sources, such as government policies and regulations, government and official organisation's reports and

statistics, media reports and employment policies of the corporations were found online. Multiple methods, such as interviews and the case studies approach were utilised in this study to ensure valid, reliable and diverse data collection and analyses. The focus was on the influence of government employment programs, previous Saudisation and the current Nitaqat, which were linked to the women's unemployment issue in the Saudi multinational sector by government representatives, Saudi unemployed women, employers and employed women from multinational corporations.

4.8 Chapter summary

This chapter explains the research paradigm, data collection methods, the research conceptual model, data analysis approaches and establishes reliability of the data and validation of the research processes and thus findings for this study. In essence, the study employed a qualitative data collection and analysis approach and enhanced (and validated) by the use of case studies. Qualitative data collection was in the form of semi-structured, in-depth interviews of key stakeholders from government officials, unemployed Saudi women, and case studies from Saudi senior managers and professional women employed in the multinational corporations. In sourcing study participants, a purposive technique was used. Participants who were government officials, unemployed women, corporate senior managers and employed women of Saudi nationality were best placed to describe factors concerning women unemployment issue. A snowball sampling approach was used to find volunteers for interview through unemployed women's networks. Further, a series of techniques were used to ensure reliability and validity of the data analysis. This included comparing and contrasting data through content analysis and the techniques of grounded theory (bottom-up and top-down). The results and findings for which are explained in the following chapters.

Chapter Five: Key Stakeholders 1: The views of government officials

5.1 Introduction

This chapter discusses the findings from interviews with the Saudi government officials who have some responsibility for the implementation of employment policy such as the Ministry of Labour, Human Resource Development Fund and Jeddah Chamber of Commerce and Industry. These findings focus on the macro barriers women face in gaining employment, and the barriers that private employers encounter when hiring and retaining Saudi women in employment.

The chapter is structured as follows: firstly, the roles of these government officials are described, and secondly, their views on the introduction and implementation of government employment policy, in particularly Nitaqat, and its impact on women's employment are explored. Thirdly, the chapter analyses their perspectives on the barriers facing women in their quest for employment, in particular in multinational companies. Finally, the chapter discusses the key findings and draws conclusions.

5.2 Government officials

This group of 10 key stakeholders were from public sector organisations or agencies. They included three participants from the Ministry of Labour, which is responsible for the administration of employment policies such as Nitaqat and four participants from HRDF, which funds private sector initiatives and training programs through government finance. Another three participants were from JCCI, which disseminates information to Saudi firms and coordinates private sector data and responses. With the exception of the Ministry of Labour in Riyadh, all participants were located in Jeddah. Three of the interviewees were women.

5.3 Government employment policy: Saudisation and Nitaqat

The Kingdom's policy of Saudisation, which aimed to replace foreign workers with qualified and experienced Saudis, is central to the research question. Therefore, the participants were asked their views on first, the long-standing Saudisation policy, and on

Nitaqat, its replacement, and second, their perspectives on women's employment opportunities through Nitaqat.

5.3.1 The failure of Saudisation

All participants agreed that since the 1970s Saudisation has been implemented in the public sector to replace expatriates with Saudi employees at a time when plenty of government jobs were available. In 1995, due to increasing Saudi unemployment, it put a stronger focus on replacing expatriates in the private sector with Saudi employees, by placing a target percentage in each industry and work category.

According to the participants, the Ministry divided the private sector into 13 sectors, regardless of company size or the nature of the work, and progress was monitored through workplace inspections with follow-ups of any anomalies. A participant from the Chamber stated:

> Saudisation was imposed in annual percentage rate rises on employers, so they may start at 5 per cent and this would continue to increase yearly to say 30 per cent. Often there were insufficient skilled Saudis to meet the job specifications, so the annual increase was suspended in industries such as construction, sea transport and insurance (SGP6).

Established by the Manpower Council, the Saudisation program passed through several stages before it became part of the Ministry of Labour in 2004–2005. Separate labour offices in each city had a local delegation to implement the policy. While the interviewees differed to some extent in their perceptions of the intent of Saudisation, for example whether or not it was expected to reduce the rising national unemployment rate, or if the intent was to eventually replace all foreign workers with Saudis. In general, all participants agreed that the Saudisation policy had a lengthy history and that there had been sufficient opportunity to adjust its administration to achieve better outcomes.

However, all Group 1 stakeholders agreed that Saudisation had not achieved its overall aim of increasing the participation rate of Saudis and decreasing the number of expatriates in the labour market. Most participants shared the view that the Saudisation program was too general and did not consider the complex nature of the Saudi private sector. For example, participants from the HRDF argued that Saudisation did not consider the size of the company, its organisational structure, the number of employees or the type of activities in which the firm engaged. A participant from the Chamber stated that 'because Saudisation adopted an unrealistic localisation rate, it could not achieve its objectives'. Indeed another Chamber participant claimed that national unemployment rates had increased annually under

Saudisation. Moreover, the position of individual firms was not considered, in that an employer was arbitrarily allocated to an industry to which an increasing percentage of Saudi employment was determined, whether it was available or not.

Participants also claimed that while local labour offices were given a responsibility for imposing the regulations, this flexibility was negated because of a lack of compliance penalties and incentives to achieve the Saudisation percentage. Employers were thus more or less free to ignore Saudisation. Hence, the overriding issues identified were poor Saudi skill standards, the lack of penalties for non-compliance (or incentives for compliance) for private sector employers, and the blanket approach of the policy. Moreover, all participants agreed that the lack of data on Saudisation meant that the results could not be tracked and that the system lacked clarity and rigour.

Therefore, there was general agreement among the participants that Saudisation had failed, primarily through a lack of political will to monitor the effects of the policy, change the Saudisation program, record its outcomes or enforce its compliance. Other matters such as skills' standards and an unwillingness to work in the private sector were impeding employment. Furthermore, the true nature of such unemployment was hampered by statistics gathered only for those who had sought work in the preceding four weeks.

5.3.2 The introduction of Nitaqat

Nitaqat was introduced by the government in 2011. Most participants agreed that Nitaqat was designed to re-regulate the labour market and resolve unemployment. Only one participant (GP1) claimed that Nitaqat was an extension of Saudisation, designed to further develop the original policy and improve its outcomes.

The participants stated that the administration of the Nitaqat policy was divided between the Ministry of Labour's regional offices, the Development Fund and the Chambers of Commerce and Industry. They agreed that the aim of Nitaqat was to increase the participation of the Saudi labour force in the private sector and explained the Ministry's four categories of red, yellow, green and platinum to rate employers in their use of Saudi labour. For example, if a firm had few Saudis compared to its industry, it would be classified as red; if it has achieved a high rate of Saudisation, it would be in the green or excellent ranges. Moreover, if the firm was classified as trading in more than one industry, the Nitaqat system would deal with each activity independently, regardless of the firm's main industry or its subsidiaries. The majority of the participants agreed that Nitaqat used accurate data, it had

expanded the industry sectors from 13 to 45, and firms were now categorised as small, medium, large and very large.

All participants said that in calculating localisation, the Ministry determined the ratios based on the average of comparative corporations in each industry, and then placed firms into the Nitaqat ranges according to their performance. Corporations who wished to improve their rankings must exceed the minimum localisation rate. The average of the Saudisation rate was calculated for each range on a quarterly basis and the sector's ability to achieve it was noted. Employer incentives and penalties included controlling labour hire requests for foreign workers.

The majority of participants agreed that Nitaqat was an effective system based on transparent and accurate data all available online. They further claimed that Nitaqat was applied on an equitable basis and employers could take advantage of the Ministry's services and facilities. Non-compliant companies received penalties, including could not obtain or transfer visas and in some cases could not open new branches or facilities. Nitaqat policy also gave the Ministry the flexibility to change Saudisation percentages to respond to trading conditions and economic activity for each company. Moreover, compulsory registration of Saudi employees in Saudi General Organisation for Social Insurance was required in Nitaqat to track employees' retention and verification of actual employment.

There were interesting variations between interviewees in relation to Nitaqat's staged development. One of the Ministry participants stated that Nitaqat was in its first stage and aimed to change the composition of the labour market by focusing on increasing the number of Saudis in private sector employment. He claimed that the second stage 'will address quality issues, as well as the competencies and professionalism of Saudis. In the short-term, the aim is to have a national workforce instead of a foreign workforce. In the long-term, we will try for greater compatibility between the educational system and employers' needs (GP1)'. Another Ministry participant supported this staged development, claiming that in just over eight months Nitaqat had produced employment for approximately 250,000 Saudis and the Ministry had assisted the private sector in employing more Saudis by providing short training courses (GP2). In contrast, a participant from the Fund stated, 'In the first phase, it is awareness, configuration and implementation. The next stage will be evolutionary'.

This difference between staging/phasing was supported by a Ministry participant who said:

In its first stage, Nitaqat aims to educate those looking for work and educate employers, then to implement the program three months later. However, this program is still in the first stage and it is more than a year since it was launched (GP3).

A Chamber representative added that the next phase would address salary levels as well as the quality aspect. Interestingly, four participants from the Chamber and Fund criticised Nitaqat's lack of targets or clarity about how it would achieve its aims. Thus, while the majority (six participants) expressed a positive view of Nitaqat's aims and achievements the remainder, mostly Fund and Chamber participants, were unclear about the policy and said that it required clarification and greater explanation.

In summary, all participants agreed that Saudisation has been unsuccessful due to unrealistic localisation targets. In contrast, all Group 1 stakeholders agreed that the Nitaqat policy was more effective due to a staged implementation process, fair and transparent policy, and firms being able to readily identify their colour rating and what they must achieve. Again, since the sanctions included that the Ministry would withdraw its services from a non-compliant firm, explanations of the system by the Ministry representatives did not support transparency and fairness. The conditions under which the Ministry would employ these tactics were not conducive to supporting its claim of neutrality in administering Nitaqat.

The administration of Nitaqat was divided between the Ministry of Labour, the Human Resource Development Fund, and the Chambers of Commerce associated with each city. These organisations presumably use the same responsible officers to implement Nitaqat as to implement the Saudisation policy, thus leaving open the question of long-term effectiveness of Nitaqat, particularly as there appeared to be little in the way of dialogue between the public and private sectors. In addition, there was confusion about whether Nitaqat replaced or enhanced Saudisation, as most considered that it replaced Saudisation.

5.3.3 Are private companies complying with Nitaqat?

When questioned about the response of local and international corporations, eight participants agreed that Nitaqat has had a significant influence on the policies and practices of private corporations in improving recruitment to meet the Nitaqat regulations. A Ministry of Labour participant explained:

> Private corporations have been forced to change employment policies and practices in response to the new localisation employment regulations. For example, a private corporation emailed me to ensure that its new policies and regulations are compliant with Nitaqat. Further, this corporation is reassessing their salary scales to retain Saudi employees (GP2).

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In addition, the majority of the participants agreed there were new regulations released through Nitaqat that aimed to create job opportunities for women. Another Ministry of Labour participant explained: Nitaqat used existing regulations regarding women that had not been previously enforced under Saudisation (GP3).

One participant, from the Chamber, claimed that almost 270,000 Saudis achieved employment in just 10 months. Similarly, Labour and Fund participants illustrated the success of Nitaqat, stating that 250,000 Saudis had been recruited in eight months, whereas Saudisation only achieved some 50,000 jobs annually. For example, a Fund participant noted:

> Recently, many more private corporations asked the Fund to provide them with Saudi employees. Previously, only the small and medium-sized enterprises were using the financial resources of the Fund to employ Saudis. With Nitaqat, larger firms [named four corporations] now use the Fund to employ Saudi staff (SGP2).

In contrast, one participant from the Chamber was less positive, arguing that, 'The Nitaqat system had some impact on the rate of Saudisation for some types of jobs'.

Most Group 1 stakeholders agreed that retention in Nitaqat was more effective than in Saudisation. An issue with Saudisation, as explained by Group 1 stakeholders, was that once employed a recruit's file was finalised by the Ministry of Labour and no further action was expected to be taken. The participants all reported that follow-up only occurred under Saudisation if there was a complaint, and that the progress of individual job-seekers was not pursued. Two Fund participants (SGP3, SGP4) explained this lack of monitoring under Saudisation:

> Workplace inspection visits were the only means of implementing and monitoring Saudisation. But enforcing compliance was difficult because there were no penalties for non-cooperation from employers, or incentives for such cooperation. In fact, Saudisation was ineffective in its aims as Saudis, once employed, had a high rate of quitting their jobs (SGP4).

However, a Ministry interviewee said that the figures were misleading:

> Saudisation administration related to placing job seekers in employment rather than retaining them in their jobs. This gave misleading recruitment success and neglected retention (GP1).

In contrast, A Chamber participant noted the pressure on firms to retain employees under Nitaqat:

> In fact, each corporation is trying to preserve a minimum number of Saudi employees to avoid any pressure from the Ministry of Labour by restricting its services as a sanction (SGP7).

A Fund participant considered that the problems were not entirely the fault of employers:

The problem of retention is that of the employees. Therefore, there is no problem from the private sector to recruit and retain Saudi employees; the problem is the employees' entitlements and expectations. For example, 30 per cent of Saudi employees in the private sector continue with their employer, whilst 35 per cent move on to another job, and the other 35 per cent find government jobs (SGP1).

According to all Group 1 stakeholders, to ensure retention of Saudi employees under Nitaqat, Saudi recruits were not counted until they had remained in employment for three months and had been registered with General Organisation of Social Insurance. Therefore, all Saudi employees must be registered by employers for Social Insurance, and Nitaqat relies on this system rather than field inspections to achieve accuracy.

However, while all participants agreed that recruitment and retention of Saudi employees had increased through Nitaqat, the majority of Chamber and Fund participants criticised the Ministry of Labour for not publicly reporting the success rate of Nitaqat or providing any evidence and statistical data, as this is confidential. A Ministry participant (GP2) stated that there were still no statistics published under Nitaqat to estimate the number of private sector jobs taken by women.

In summary, all of the officials believed that Saudisation was unsuccessful in reducing the unemployment rate or retaining Saudi workers in larger international corporations. As noted, Saudisation neglected retention and focused on recruitment. The lack of monitoring was also an issue in other areas, for example, an employer could register any Saudi employee at any labour office without quoting a Social Insurance number. It was therefore unclear if the low success rate for the policy was even factual. In contrast, Nitaqat focused on job seekers, and its database capabilities allowed tracking a client's employment history.

5.3.4 Key elements of Nitaqat for job-seekers

Although part of Nitaqat is directed towards private sector employers, there are also elements of the program that are designed to support employees into employment. These include Hafez, Taqat and Leqa'at.

Hafez is an unemployment payment designed in part to bring people, usually women, into the labour market. A Ministry participant explained that the Hafiz program:

> .... is an unemployment payments program. It is a Royal Resolution aimed at supporting job seekers by monthly payments for a period not exceeding two years. There are conditions to receiving these payments designed to improve the recipients' chances of getting a job in the private sector. The objective of this subsidy is to

provide job seekers with temporary payments until they get a permanent and appropriate job. This program is resourced by the Human Resources Development Fund and under the administration of the Ministry of Labour. The number of beneficiaries in the beginning on this program on 6 February 2012 was 554,655 (GP3).

A Ministry (GP1) and a Fund (SGP2) participant also referred to Hafez:

> Hafez is a royal decision, issued in 2012 to support the Saudi unemployed. It is a temporary support program that provides for just one year to the job seekers until they get work. The number of job seekers in this program reached 1,800,000 unemployed. Based on the data from Hafez, we found that the unemployment rate reached 11 per cent; 85 per cent of these are women and 80 per cent of unemployed women hold bachelor (degrees) and above.

However, some participants criticised the Hafez system. For example, a Chamber participant said:

> 'Hafez' as a name is problematic and the conditions it imposes are incorrect. In my opinion, this program should be called 'unemployment allowance' or 'job seeker assistance' rather than use such a general term. Moreover, some of Hafez's conditions are illogical, such as that it applies only to unemployed Saudis under the age of 35 years. I believe that any person who is over this age and has family responsibilities is more in need of assistance (SGP7).

Taqat is the second element of Nitaqat and comprises job placement centres based on the Hafez database. One official explained:

> Taqat assists job seekers who registered for Hafez. The program trains the unemployed in skills that match jobs available in the private sector. Through this program, job seekers are paid to attend training for courses to increase their chances to get the right job. The Ministry of Labour signed agreements with foreign corporations to set up recruitment agencies and Taqat presently has 10 branches across the Kingdom assisting 1005 job seekers, 218 of them women. Taqat now provides 16 computer courses, and is working on 32 other courses to reach 48 training modules (GP3).

In contrast, a Fund participant disagreed with his colleague on the number of Taqat branches: it has 25 branches across the Kingdom as a pilot phase and these are managed by five international recruitment agencies (SGP1).

Leqa'at the third element of Nitaqat, is a series of job exhibitions dedicated to job seekers. A Ministry participant explained:

> It is a series of career fairs to introduce job-seekers to recruiters. It is an initiative of the HRDF and aims to reduce unemployment and increase the Saudisation rate in the private sector. In addition, the Ministry of Labour recently completed its action plan of e-recruitment of job seekers and [it is] expected to be released soon (GP3).

In contrast, two participants criticised the credibility of Leqa'at, one asserting:

> Leqa'at provides a venue where employers and job seekers can meet. The cost of each recruit is SR8,000, and the HRDF bears SR6,000 and the private sector bears SR2,000. In fact, both *wasta* and lack of planning are the reasons that people cannot get jobs (SGP7).

Overall, while there were some differences between government interviewees in relation to policy implementation, all participants agreed that the programs supporting Nitaqat were aimed at employing Saudis, regardless of gender. At Hafez, all participants were knowledgeable about the aim of Hafez; however, one participant was concerned about its age conditions. At Taqat, participants differed regarding data, which indicates the difficulty of identifying reliable and credible data in the Kingdom.

In summary, there was a lack of transparency by the Ministry in not producing regular statistics on the progress of Nitaqat. The conflicting reports between the Fund and Ministry interviewees, including such basic issues as the date of the Nitaqat proclamation, contributed to the problems faced by all job seekers who had insufficient social connections, and this applied especially to women.

5.4 The impact of Nitaqat on the employment of women

Participants were asked to identify the government's policy initiatives regarding women's employment and whether or not these initiatives were successful. They claimed that both Saudisation and Nitaqat were directed towards increasing the labour force participation rate for all Saudis, and that Nitaqat is gender neutral. Moreover, they agreed that over the decades, while several initiatives, directives, incentives and penalties under Saudisation policy had failed to address women's unemployment, Nitaqat opened new job opportunities for them.

Participants reported that Saudisation had no specific directives or incentives leading to work for women. The Chamber participants claimed that there had been an inadequate response by policymakers to unemployment among Saudi women. In contrast, all participants stated that the change in policy came with Nitaqat, which 'was able to action (the King Abdullah's) directives'. A Fund interviewee explained:

> In 1996, several ministerial and royal directives were issued regarding opportunities for women in the workplace, but nothing happened. All of these directives were reactivated under Nitaqat and implemented in 2011 (SGP1).

All participants agreed that Nitaqat opens up new opportunities for women, including working away from home, in factories and in lingerie stores. A Fund participant explained how Nitaqat addresses women's workforce participation in the private sector:

> Under Nitaqat, the Ministry of Labour opened new opportunities for women's jobs, limiting them in some cases solely to women. For example, the Ministry of Labour limited jobs in women's lingerie to only Saudi women and opened more jobs in factories to women (SGP3).

The participant added that the Fund imposed a minimum salary of SR2,500 per month for women working in factories, unless there was an agreement between the Fund and the employer whereby the employee would receive SR3,000 per month, with half paid by the Fund. Most Fund and Chamber participants said that women's entry into the workforce was being supported for a period of three years. One explained:

> In response to Nitaqat objectives, the HRDF introduced an incentive to employers to hire Saudi women, supporting half their salary for up to three years. This program funds 50 per cent of the women employees' salaries at all levels in any private organisation in the education sector (SGP4).

Nonetheless, the type of job opportunities offered to women through Nitaqat were criticised. A few participants, from the Fund and Chamber, said that while Nitaqat had opened new areas of work for women, they had found themselves working in inadequate workplace environments, such as factories located in another city away from home, where they were insecure, with low salaries and costly transport.

However, some participants mentioned that in Saudisation there were conflicting authorities voicing opinions on what women could and could not do in the workforce, and sole responsibility had now been devolved to the Ministry of Labour. Only the Minister could issue regulations on women's working conditions:

> Under Saudisation, there were many authorities intervening and issuing decisions and organising the way women could join the labour market. Nowadays, under Nitaqat, only the Ministry of Labour has responsibility for any related issues on women in the labour market (GP1).

Interestingly, all participants claimed that the government's initiatives and laws supporting increased women's workforce participation were released under previous Saudisation in 1996. However, they had not been implemented due to cultural, social and religious restrictions. King Abdullah resolved this issue in one of his many directives to improve the position of women in Saudi Arabia. Participants agreed that there were no legislative changes involved under Nitaqat. These directives are resourced by the Fund and its

'partnerships' with employers, which include increasing costs for the use of foreign labour, and raising the minimum wages for Saudi employees.

5.5 Institutional factors that impact on women's employment in multinational companies

The second theme focuses on the opinions of government officials on the institutional barriers that multinational companies encounter in recruiting and retaining women. The government officials were asked if they considered the Kingdom's regulatory environment was an issue with Saudi women's employment. The answers varied. While some agreed, others mentioned the recent changes to regulations under Nitaqat, two disagreed and one refused to comment. There was clearly some confusion about what was understood by the regulatory environment.

For example, more than half of the participants considered commuting and travelling as a hindering factor. A Fund participant said that for positions requiring visits to clients or workplaces, corporate employers found it more efficient to hire men who could drive themselves and were flexible about when they could work. Four participants agreed that factors such as the inability to drive, lack of an efficient public transport system and the need for the employer to provide both a car and a driver at call precluded Saudi women from applying for such jobs (GP2, SGP3, SGP4, SGP5).

A further barrier, identified by four participants was unclear labour laws and regulations regarding women's work and workplace conditions. A Fund participant stated that the regulatory environment of the Saudi labour market governing the workplace and work practices of women is unclear and open to misinterpretation (SGP1).

Another Fund participant added:

> The procedures involved in hiring Saudi women were long and arduous, and required significant resources on the part of the employer to fulfil conditions that could be identified for each woman recruited (SGP3).

Moreover, a Chamber participant noted issues with day-care:

> Childcare either that it was not available at work, or that women had to access private childcare, which was expensive (SGP7).

Article 159 of Saudi Labour Law states women are entitled to childcare provided by their employer in organisation where there are 50 women employees and 10 children under

the age of six years. However, it has not been implemented. Interestingly, a Ministry participant (GP2) recognised this lack of implementation and noted that 'there were numerous problems in gender regulations due to legal restrictions and cultural constraints on women'.

In contrast, two Chamber participants mentioned recent changes to Saudi women's employment regulations under Nitaqat and the flexibility of the Ministry in its regulations and interpretations since the change. A Chamber participant explained how:

> Nitaqat addressed previous issues under Saudisation where responsibility for women's employment was split across agencies. The Ministry of Labour is now the sole decision making agency for Saudi women's employment (SGP6).

But three participants disagreed, and claimed that regulations were not a real issue. Rather, the regulations were designed to support women's employment in a safe environment and were compatible with corporate policies. One participant believed that the Ministry developed employment regulations for women according to Islamic religion and Saudi culture, and gave an example of the guardianship system 'legally and traditionally, Saudi women are under the guardianship of a male relative, so that he has the right to accept or refuse her employment' (GP1). Only one participant declined to comment on this issue with no explanation.

Participants were asked whether Saudi culture restricts or influences women's employment. Indeed, the majority of interviewees believed that it was cultural factors, not regulatory conditions, that most affected women's employment. Family responsibilities were the primary reason mentioned for women's absence in the workplace. One Chamber participant also mentioned extended family responsibilities, such as looking after parents, as a factor influencing a woman's decision to take up employment. Similarly, more than half of the participants agreed that family restrictions on women's work occurred due to Saudi social norms. For example, interviewees from each organisation referred to the social stigma for a Saudi woman's family if she was exposed to public gaze, such as serving customers in a shop. Again, interviewees noted long working hours, night work and split shifts as obstacles to women's employment. A Ministry participant explained 'social norms and regulations preclude women from a range of tasks, certain hours of work, travelling on her own, or working away from home overnight' (GP2). Ministry participant GP1 explained that because of the cultural complexities involved in hiring women, firms tended to employ men.

Nevertheless, a Ministry (GP3) and a Chamber (SGP1) participant did not agree that the primary factor in women's employment was the regulatory workplace environment or social constraints. Ministry participant (GP2) thought that men were responsible for earning money for the family; therefore, women did not need to work. Fund participant SGP4 believed that Saudi women prefer to work in a purely segregated environment, while a Chamber participant (SGP1) said that women were not motivated to work.

Most of Group 1 stakeholders agreed that the regulatory environment and social and cultural constraints influence corporate employers' recruitment of Saudi women. Several legal issues, such as the difficulty of commuting, restrictions on travelling, unclear regulations and lack of day-care facilities, were noted as factors that prevented women's access to employment. Moreover, they agreed that conservative cultural norms, different gender roles, family restrictions on women's work, workplace conditions and working hours, were the main issues for Saudi women's employment.

5.6 Labour market segmentation: public or private opportunities

The Group 1 stakeholders were asked for their opinions on firstly, the ability of the private sector to recruit and retain women, and secondly, the reasons for Saudi women's lack of success in gaining employment in the private sector.

While most participants agreed that private firms, and multinational corporations in particular, were actively recruiting women, they believed that the public sector had more success in recruiting and retaining women. It should be noted that this assumption was based solely on the views of government officials, and was not backed up by evidence and/or statistical data. They claimed that due to the changes in labour market institutions through Nitaqat and the Saudi social perspective, the number of women employed throughout the private sector had increased. As one Chamber participant noted 'we can refer the new trend under Nitaqat to new trends of Saudi social openness, which had a flow-on effect for employment' (SGP7).

Two participants from the Ministry (GP3) and the Fund (SGP4) claimed that Saudi women were being recruited by corporations who found their productivity superior to Saudi men, with greater commitment to working their shifts and remaining focussed. Nevertheless, Fund and Chamber participants believed that while Nitaqat was attempting to increase women's workforce participation by opening up new job opportunities for women, this

process was slow and the areas of work for Saudi women needed to be expanded, as they were still limited to certain types of jobs.

Despite the efforts of the private sector to recruit women, there were more women working in the public sector than the private sector. This was due to new government job opportunities for women and to the generous benefits provided. One Ministry participant explained that according to the Royal Resolution A/121, it reserves an annual quota of jobs for women in all government agencies (GP3). An example was given of a women's customer service section opened at the Ministry of Labour by a Ministry participant 'where I (hold a senior position) and we recruited 35 women for a call centre' (GP2). A Ministry participant agreed that more women were moving into jobs in the public sector:

> Yes, recruitment and retention in the public sector is more successful. Saudi women prefer to work in the government sector because of job security, career path, appropriate wages, less working hours than private jobs and a suitable workplace environment (GP1).

In addition, discrimination against women in the private sector was a factor in women preferring to work in public sector. A Chamber participant noted that women choose to work in the public sector where they receive equal opportunities such as equal pay with men for their work.

In contrast, two participants from the Fund (SGP4) and Chamber (SGP7) noted that there were now limited employment opportunities in the government. Interestingly, GPS7 added, 'In fact there is no plan, or at least not a clear plan, to commit to employing (more) women in the government sector'.

One important finding of this research was that while the majority of the government officials (8 of 10) agreed there was no shortage of Saudi jobs available, the nature of the jobs and women's qualifications and skills were reasons for their lack of success in gaining employment.

Due to the nature of the jobs, half of the participants from Group 1 stakeholders said that despite the number of professional positions available in a robust economy, the advertised positions were frequently not suitable for Saudi women. Issues such as a job being far away from a woman's residence, fieldwork jobs, mixed gender workplace and long working hours were considered. These issues could be explained either by legal restrictions on women's mobility and workplace conditions, or cultural restraints on women's work and led to a clear segmentation of the labour market in Saudi Arabia.

In addition, four interviewees expressed the view that the lack of skills and experience were hampering employers in their bid to recruit Saudi women. Participants from each organisation (GP2, SGP3, SGP5, SGP7) stated that the Saudi education standards were at fault. The Fund and Chamber participants pointed to fundamental issues, such as inadequate fluency with English and workplace skills and qualifications that were not directed towards a career. Another Chamber participant added 'Saudi women have inappropriate qualifications and a lack of skills and experience due to legal and social constraints' (SGP7). Four of the 10 group participants did not consider competency a barrier; however, they did not comment further.

In summary, most participants believed that women were being actively recruited by private firms. However, the public sector was more adept at recruiting and retaining women due to new government job opportunities. Anti-discrimination policies and more generous employment benefits were also attracting women to work in the public sector. While there were no job shortages in the private sector, these jobs were not suitable for Saudi women and there was often a mismatch between women's qualifications and skills and the requirements for these positions.

5.7 Multinational companies, gender employment policies

Government officials were asked their opinions on whether or not multinational companies received applications for jobs from Saudi women, and also the factors that influence EQ policies for Saudi women in multinational companies.

The majority (8 out of 10) agreed that there were a huge number of women, compared to men, seeking jobs in the private sector ,with a Ministry participant estimating the number to be 1,600,000.

Six of the participants believed that Saudi women were free to apply for work at these corporations, and corporate employment policies did not discriminate against them. Furthermore, one participant (SGP7) reported that corporate policies actively encouraged Saudi women's applications for their positions.

However, the remaining interviewees said that unequal corporate employment policies had an influence on women's employment. A Fund participant (SGP2) explained that the corporate culture reflected the national identity of the international enterprise, providing

as an example an Indian corporation that required experienced consultants who were able to operate independently and at a high level. Participant SGP2 argued that:

> The corporate culture in India was discriminative and employed women only under duress; as with the Saudi labour market, private firms prefer to fill the positions with Saudi men.

A Ministry participant (GP2) and a Chamber participant (SGP5) agreed and added that because of previous Saudisation unequal employment opportunities, women had less opportunity for recruitment by corporations and this behaviour was now being monitored under Nitaqat. Another Fund participant was more forthcoming claiming that:

> Saudi subsidiaries tended to avoid hiring women due to the complex regulations and unwritten boundaries that constituted suitable workplaces and work practices concerning Saudi women (SGP4).

A participant from the Chamber claimed that *wasta* prevented women accessing jobs:

> The better jobs were not advertised and were subject to male social networking (*wasta*), thus women did not have the opportunity of applying for them (SGP7).

One Fund participant (SGP1) said that sometimes there were no female applicants, but did not elaborate.

Interviewees agreed that adverse workplace conditions in corporations were the major influence on women's employment. The Ministry participant GP2 noted that the main adverse condition was the ban on genders mixing in the workplace. This was followed by long working hours (then a 6-day, 48-hour week) for women in the private sector, mentioned by two Ministry participants (GP1, GP3). Other participants, from the Fund and the Chamber, agreed that laws against gender contact and women directing men were the reasons that women left an employer soon after being employed.

In contrast, the remaining two participants, from the Fund and the Chamber, did not agree that workplace conditions affected women's employment. The Fund participant stated that women tended to work together in certain areas, as the Ministry opened them to female employment.

Another issue raised was pay. Half the participants claimed that women received low wages and unequal pay, which was a barrier to their employment. But the other half rejected that notion. However, half the government officials claimed that women face discrimination in wages for equal positions and grade to men due to the social perspective. A Ministry participant commented:

In the private sector, women cannot receive equal pay for equal work, as men get higher wages because of cultural beliefs and male-dominated society (GP2).

A participant from the Chamber (SGP7) mentioned low wages as a barrier to Saudi women's employment due to the 'flood of experienced and low-cost foreign labour who diminished the value of work'. Although two Fund participants agreed that the advertised jobs might be inappropriate for Saudi women due to salary levels, they did not comment further. Nonetheless, the other half of the interviewees disagreed and believed that salary levels had no effect on the employment and retention of Saudi women. In contrast, a Chamber participant claimed that a ministerial resolution stated that there must be equal pay for equal work for Saudis in the private sector, while a Ministry participant cited the banking sector as an example of equal pay for Saudi men and women. Other factors such as the quality of the employees and the level of the job were also considered reasons for women's low wages. For example, a participant from the Chamber stated that 'actually the private corporations are looking for quality of employees, not gender, for example the manager of [a USA-based global firm] in Saudi Arabia is a Saudi woman'. A Fund participant agreed and said that wages were low but this was only for women up to the mid-level jobs. Two participants said that it was impossible to generalise on this issue as it occurred across a range of industries and firm sizes. A Fund participant (SGP4) claimed that MNCs were usually not involved in low pay discussions, as they paid better than Saudi owned private companies.

Most participants considered that a lack of career paths and promotion opportunities contributed to women's unemployment. For example, a Ministry participant commented that women cannot hold leadership or decision-making positions because of the tradition of Saudi society (that rejects women directing men) (GP1).

Another Ministry participant expressed a common view that:

> Most private firms do not have organisational charts that show job titles and responsibilities with advertised salaries for possible career paths, particularly for women (GP2).

Fund and Chamber participants believed that there was discrimination in the placement of women in higher decision-making positions, which limited Saudi women's careers. For example, a Fund interviewee said there are Saudi women with a bachelor's degree working on the production line in factories (SGP4).

An important comment was made by a Chamber participant regarding women's promotion:

International firms, which normally have no problem with recruiting or promoting women, have to abide by the legislation and social norms of the host country in that regard (SGP5).

Two Fund interviewees said that while corporate policies varied, they were the critical factor in women's promotion. Only two participants (GP3, SGP1) denied that this was a critical factor in the lack of Saudi women's career prospects, albeit without further explanation.

In summary, while more than half of the participants believed that there were no discriminatory employment policies, the remaining participants mentioned that the host country's regulations and culture had an influence on the employment policies of subsidiaries. While there were a huge number of women seeking jobs, the complex regulations and unwritten boundaries regarding women's work, restrictions on women's workplaces, long working hours, women not being permitted to direct men, and gender contact prevented women in gaining employment. Half of the government officials considered that low and unequal wages were a factor contributing to women's unemployment. Some participants considered that the quality of the employees, the level of the jobs, the low-cost of foreigners, and the policies, size and activities of the corporations as other factors that may also influence women's wages. Moreover, due to traditional Saudi society, the majority agreed that Saudi women lacked both career paths and promotional opportunities in the private sector. However, there were also issues for women's employment in the multinational sector.

The interviewees were asked if they had anything to add relating to the recruitment and retention of Saudi women in multinational corporations. Two participants, one from the Ministry and one from the Fund, provided additional comments and suggestions. A Ministry participant noted a clear direction from the government to increase the participation rate of women in the private sector, with the Ministry of Labour continuing its policy of opening further employment opportunities for women. In addition, a Fund participant suggested part-time jobs to meet women's family responsibilities, which may increase their retention and improve skills and experience. Another Fund participant suggested that firms experiencing a high turnover of Saudi employees should investigate their reasons for leaving, using exit questionnaires or interviews to perhaps respond to the issues that were being raised. The final comment by another Ministry participant was that it was necessary to raise awareness of women's individual rights and remove discriminatory regulations affecting their employment.

In summary, the majority of government officials agreed that the public sector was more adept at recruiting and retaining women through providing job security, career paths, appropriate wages, fewer working hours than in private firms and a workplace environment compatible with the customs of Saudi society. Two participants mentioned that there were limited employment opportunities in the public sector. In addition, the majority of the participants agreed that Saudi women were actively recruited by private firms, international corporations in particular, due to labour market and social reforms on the one hand, and to their commitment to work on the other. However, Ministry regulations limited the type of work that private firms could offer women, and difficult workplace conditions, such as gender segregation, were still enforced.

5.8 Summary of key findings

The aim of the interviews with the first group of key stakeholders, namely government officials, was to identify, explore and analyse government employment policies, economic factors and legal and cultural constraints that prohibit women from participating in the labour market generally and in the multinational sector in particular. There are four key findings.

First, Saudisation was not successful in its aim of reducing the rate of unemployment among Saudis or of increasing the numbers of Saudis in the private sector. This was due to several factors including an unrealistic localisation strategy, lack of monitoring, and limited penalties and incentives for compliance. In contrast, all participants believed that Nitaqat had increased the Saudisation rate in a relatively short time and was based on fair and transparent policy principles and monitored retention. Participants believed that Nitaqat was clear in its aims, stages, targets, and implementation, and encouraged positive change in private corporations' employment policies and practices. Moreover, Nitaqat promoted women's employment by opening up new job opportunities and a limited number of jobs for only women. Nitaqat also imposed a minimum wage.

However, Nitaqat also has some limitations for women. For example, the type of job opportunities offered through Nitaqat were criticised. While it opened new opportunities and limited certain types of work to women, some of these positions were considered unsuitable as they were located far from where they lived, had low salaries and transport to work was

costly. Despite these limitations, participants considered that the introduction of Nitaqat had led to Saudi women being actively recruited by private firms.

Participants also believed that Nitaqat's employee-directed elements of Hafez, Taqat and Leqa'at were largely successful. The critical issue here, however, was that Nitaqat had not officially reported its purported success rate or provided any evidence and statistical data. Rather, the results of the policy had only been reported in the media. As a consequence, there was some confusion in official government information due to the lack of official data and statistics. Hafez's age restriction was also highlighted as discriminatory and had a negative impact on those who were often most in need of help and support to access the job market. Participants suggested that women's employment opportunities could be improved by providing part-time jobs, raising awareness about women's right to work and removing discriminatory regulations.

The second key finding relates to the broader Saudi institutional context, including legal, social and cultural norms that were identified as being a hindrance to women's employment opportunities. Interestingly the primary barrier to women's employment was cultural factors rather than the regulatory conditions. For example, participants claimed that most government's initiatives and legislation to increase women's employment participation had actually been implemented under Saudisation, rather than as a result of social and religious restrictions. One problem is the confusion between legal and cultural or social concepts. While the Labour Law in Saudi Arabia gives women the right to equal employment, it also contains clauses that link this right to expectations around Shari'a Law and 'women's nature' which is open to various social and cultural interpretations and expectations. Hence, social expectations that women will take primary responsibility for the care of family, were identified as the major barrier to women's access to employment. In addition, the workplace environment, such as mixed gender workplaces, public places and long working hours were considered to be culturally unacceptable for women, but it was not clear if they were underpinned by legal restrictions. While legal restrictions were identified as a secondary barrier, these focused on unclear labour regulations regarding women's work, restrictions on commuting and travelling on women and a 'day care' law that had not been implemented. Furthermore, these restrictions were often considered to be both a 'protection' for women as well as a barrier to employment. Despite these institutional constraints due to the recent regulation changes under Nitaqat and changes in social perspectives, the situation of women in the labour market was seen to be improving.

The third key finding is in relation to labour market segmentation arising from two major conditions. Firstly, there is a mismatch between educational outcomes and job requirements, and secondly, linking back to social and cultural factors, participants believed that the nature of many jobs available in the labour market were culturally unacceptable, inaccessible or unappealing for women. It was clear that due to the outcomes of the education system and social constraints, women find difficulty in gaining employment. While there was no shortage of jobs available in the private sector and of educated women seeking jobs, the Saudi education system does not direct women towards a career. Participants claimed that women have inappropriate qualifications, a lack of English fluency, limited communication skills and little work experience. Again, the conservative society and cultural norms were noted as barriers to women's employment as they limited the extent to which women have the necessary expertise required by employers, a factor that has also shaped women's employment preferences. Saudi women are largely educated in fields deemed appropriate to women's social role and thus lead to employment in a gender-segregated sector, such as a career in education. It was therefore claimed that Saudi women prefer to work in the public sector due to its compatibility with cultural expectations and availability of jobs that they are qualified to undertake. Hence, while there was no shortage of jobs available in the labour market, the jobs available were not considered as suitable for Saudi women due to legal, cultural and social restrictions. It was clear that labour market segmentation was an outcome of a segregated education system, legislation and cultural norms that limit women's training and education options.

Fourthly, due to labour market regulations, education outcomes and social restraints, participants believed that multinational companies often discriminate against women in their employment practices. Participants considered that women faced discrimination in recruitment, wages, career paths and promotional opportunities in that employers preferred to hire men over women to avoid any conflict with the complex labour regulations, unwritten boundaries and the cost of workplace conditions. Again, the poorer and mismatched qualifications of women seeking jobs were considered to be a reason why employers avoided hiring them. Moreover, male social networking (*wasta*), led to women having fewer opportunities to access the labour market. The participants believed that cultural factors also impacted on women in the private sector as women receive unequal wages for work of equal value with men due to gender roles in society, as Saudi men are seen to have the main financial responsibility for families. Furthermore, the relative low-cost of employing foreign

workers also affects women's wages and career path opportunities in ways that do not affect Saudi men. In addition, the public sector was considered more adept at recruiting and retaining women due to better job security, career paths, appropriate wages, fewer working hours, the provision of a segregated workplace and an environment compatible with the customs of Saudi society. Despite these constraints and restrictions, government officials believed that the multinational sector was creating more opportunities for women and more women were seeking and securing jobs in the private sector.

5.9 Conclusion

Saudi Arabian employment policy is a clear driver in creating more opportunities for Saudi Women to participate in the labour market, in particular in the private sector. While Saudisation has had a limited impact on women, Nitaqat appears to have been more successful. However, it is not surprising that government officials who have the responsibility for the implementation of Nitaqat would be optimistic about its success, even though they were not able to provide any hard data to back up their claims. This point needs to be explored further from other perspectives.

The participants did point to various barriers, most of which relate to the institutional context and the legal, cultural and social barriers. It is clear that Saudi women face discrimination in employment practices in the workplace because of the Saudi institutional context, including labour regulations, the educational system and cultural restraints. Indeed paternalistic social structures clearly underlie labour market segmentation and discrimination against women. Whether Saudi women accept or challenge this situation needs to be explored and their voices need to be heard. Are women's attitudes a driver or a constraint?

These factors are complex and intertwined, and it is unclear what impact that they have on the policies and practices of multinational companies. Multinational firms were considered to have no problem with recruiting or promoting women, but clearly need to work within the legislative framework and the social norms of the host country. How they do this needs further scrutiny. Also, are multinational companies accepting these constraints or are their practices a driver for change? By transferring gender and diversity policies from their home country into their Saudi subsidiaries, are they providing positive role models for women in Saudi society?.

This chapter captured the views of the first group of key stakeholders – the government officials who have responsibility for the implementation of government policy. The next chapter analyses the views of the second group of key stakeholders – a group of unemployed women who have experienced the impact of government policy at a personal level, as well as the challenges of finding work in the private sector.

Chapter Six: Key Stakeholders 2: the views of unemployed women

6.1 Introduction

Drawing on interview findings of the key stakeholders 1, chapter six explores the views of unemployed Saudi women in relation to their experience of Nitaqat, the institutional factors that they encountered in accessing the labour market, and their perception of barriers experienced in gaining employment with multinational companies. The discussion begins with an overview of the interviewee characteristics before exploring the key findings.

6.2 Characteristics of unemployed women

This group of key stakeholders included 13 women who were seeking employment. The views and experiences of unemployed women are commonly not considered in the design and implementation of employment policy and so their experiences and views on Nitaqat were crucial to this study. Full details on their characteristics were provided in Chapter four, however, some characteristics are highlighted in this chapter. For example, the age of participants was a particular consideration, given that there are few employment options for people over 40 and seven of the 13 unemployed women were over 30 years of age. The education credentials of these women ranged from one who had a secondary school certificate to four women who had master's degrees. Four of the participants held business degrees, three with international masters' degrees and one held a local Masters.

A further consideration was the relationship between the participants' age with years of unemployment. At the time of the interviews, the period of unemployment of women participants was longer for the 'older' women who were in their peak career years (Table 6.1).

Table 6.1

The unemployment period of women participants by age

Unemployed women under 30 years of age	Unemployed women over 30 years of age	Period of unemployment
0	3	6 years and over
2	2	3-4 years
2	1	1-2 years
2	1	1 year and less
6	**7**	**Total**

The majority of the participants (9 of 13), had work experience. One had extensive work experience of 13 years, and four had between two and four years' work experience. Three of the participants with greater work experience were less than 30 years of age. Of the remaining four participants with work experience of up to two years, three of the older women had been unemployed for four or more years, and the younger woman had been unemployed for less than a year. Four women had no work experience, equally divided as to age, and three had been unemployed for three to four years (Table 6.2).

Table 6.2

The work experience of unemployed women

Unemployed women	Work experience
1	13 years
4	2-4
4	2 and less
4	No experience

Moreover, education did not lead to employment for either the seven participants over 30 years of age or six participants under 30 years of age. This was irrespective of whether they had employment-related qualifications.

Four of the women had master's degrees, three from international universities and one from a domestic university. Of interest, two of the women with international master's degrees and the single local recipient had been unemployed for a year or less, while the fourth had

been unemployed for two years. All except one of the other eight participants had bachelor qualifications. A third of the women (4) with bachelor's degrees (two in French, one each in biology and psychology) were unemployed for periods of four to seven years and the remaining three women with bachelor's degrees (Islamic studies, psychology, and public administration) had been registered for employment for less than three years. The secondary school participant had also been registered for three years (Table 6.3).

Table 6.3

Women's degrees and period of unemployment

Number of women	Degree	Years of unemployment
4	Master (local and international)	2 years and less
4	Bachelor (French, Biology, Psychology)	4 years and over
4	Bachelor (Islamic studies, Psychology, Public Administration)	3 years and less
1	High school	3 years

Thus of the 13 unemployed women, the majority (11 participants) had career-based qualifications, with a third (four women) being highly qualified in career-based professions. Most of the nine participants had work experience in the private sector. Four had experience in entry-level and supervisory roles in marketing, telecommunications, and healthcare. These positions included customer service, market research, receptionist, supervisor, teacher, and work in a call centre. Three of the nine respondents had public and private sector experience in teaching and lecturing. The remaining two of those with work experience had administrative and office manager experience in small firms providing marketing services and in a hospital. The experience of this group of women illustrates the limited work available for women in specific jobs and in sectors such as education, health and marketing services.

6.3 Unemployed women's experience of Saudisation and Nitaqat

The first theme of discussion focuses on the experience of the unemployed women with previous Saudisation and more recently with Nitaqat. Interviewees were asked their opinions regarding firstly, their experience of employment under previous Saudisation

policies and recent Nitaqat; secondly, their employee rights under Nitaqat; thirdly, their views on whether Nitaqat was applied equally to both men and women; and finally, if they had accessed any of Nitaqat's various elements.

All of the unemployed women participants agreed that Saudisation neglected women's employment but that Nitaqat aimed to increase women's participation and open up new job opportunities. The interviewees believed that Nitaqat enforced Saudi employment and restricted employers' attempts to hire foreigners. All of the participants said that Nitaqat had a positive influence on women's employment and had activated all decrees released through Saudisation regarding women's work, and hence increased their employment opportunities. One participant commented that, 'This trend appeared after the new regulations of the Ministry of Labour to compel employment of women, feminise some jobs and facilitate women's work in the private sector' (UEP3).

Another participant stated:

> The Royal decrees and government decisions to increase women's participation in the workforce were put in place some years ago under Saudisation, but they were not implemented. However, recently, Nitaqat activated and implemented these decisions (UEP12).

Yet another participant added that Nitaqat paid attention to women's employment and opened up new job opportunities for them:

> Whilst the Saudisation policy supposedly included women, the focus was on men's employment. Under Nitaqat, the government opened up job categories to women so they can work in public places like shops (UEP13).

Two other participants believed that women were actively recruited by the private sector in response to Nitaqat. One commented, 'Recently, Nitaqat imposed hiring women on employers, limiting the type of jobs to lingerie sales and other female environments' (UPE1). Three participants agreed and said that women were now working in industry sectors such as insurance, automotive and contracting.

Interestingly one woman claimed that change was not just due to government regulation but also to the expectations of the younger generation:

> The new policies and regulations of the Ministry of Labour and changes in social beliefs of the next generation regarding women's work have encouraged the employment of women, but still few (UEP12).

Another participant stated that Saudi conservative culture was a significant factor that influenced women's work and limited their job opportunities, especially in some parts of Saudi Arabia:

> While Nitaqat has been opening up new job opportunities, I live in the highly conservative culture, south region, where acceptable jobs for women are still limited. For example, women cannot accept some types of jobs such as retail sales, supermarket cashier or as secretary to a man (UEP12).

It is noteworthy that this was the only question on which there was full agreement from all of the unemployed women participants.

Regarding employee rights' policies under Nitaqat, only two participants could answer this question and they had differing views. One woman commented on the recent minimum wage policy and its positive impact in private schools:

> The Ministry of Labour, through the Nitaqat system, has increased the minimum wage in the private sector, particularly private schools, and thus increased women's participation in the labour force (UEP13).

The other participant disagreed, arguing:

> There was a lack of policies to protect women employees; if such policies did exist, they were not enforced or they were inadequate .... there was a royal decision to increase the salaries of private school teachers; however, this did not occur to date (UEP5).

Hence, most of the women had no knowledge about the impact of Nitaqat on their rights in workplace.

Nevertheless, most participants (10 of 13) agreed that Nitaqat policy applied equally to both men and women and that there was no discrimination evident from the government agencies. One participant commented:

> We can see women everywhere in private sector employment since the Nitaqat system began. For example, my woman friend worked as a maintenance supervisor ata car dealership (UEP9).

In contrast, two participants believed that Nitaqat did not apply equally to men and women. They considered that there was inequality in government programs in the job types and levels offered to women, and that unsuitable jobs were offered for women's qualifications, the workplace conditions, and the quality of training provided to women. One participant said that the jobs available to women were not career-oriented, but positions such as sales or entry-level jobs. The other believed that government employment policy still

focussed on men, claiming that any job offered would be unsuitable in relation to a woman's qualification, or would require working in a mixed gender environment. She also mentioned that there were no training courses leading to women's employment, and claimed that the HRDF offered various and better training only for men. Only one participant said that she has no idea whether or not government employment programs applied equally to men and women. Interestingly, the majority of unemployed women considered Nitaqat equitable and accepted the status of their new job opportunities.

Most participants had not accessed any of Nitaqat's elements including Hafiz (unemployment benefit), Taqat (employment placement) or Leqa'at (careers days). Only four unemployed women in this study accessed Hafiz. The first women to apply for Hafiz had applied seven months before the interviews in November-December 2012 and the latest just two months earlier. One participant was satisfied with Hafiz and said 'Hafiz secures my monthly income'. Another had applied for Hafiz but was waiting for a response from the Ministry of Labour. Of the remaining eight members, four were over the age of 35 years, which made them ineligible to apply for Hafiz. They considered this condition as discrimination based on age. Moreover, unemployed women were not eligible for Hafiz for minimum of a year after graduation and/or leaving school. Three participants also said that while they accessed Hafiz they had not yet received any job offers by matching their skills and competencies with employers through Taqat. Only one participant had the benefit of the week's short-training course provided by Taqat for registered women, as a foundation course before hiring.

Six participants had not been informed of Leqa'at events, four had heard but not attended, one participant had not attended as it was not available in her region, and the remaining two had attended one of the career days. Two participants, who attended Leqa'at stated that they received job offers through Leqa'at but none were relevant to their qualifications. However, one of two participants who attended Leqa'at and held an international master's degree, believed that Leqa'at was useful; but seven months after graduation she had not received a certificate. She said this was the reason for referring to irrelevant jobs and being still unemployed, as she explained, 'I am waiting for the Ministry of Higher Education to deliver my certificate, which would assist me in finding a relevant and suitable job.' (UEP4)

Overall, while respondents believed that Nitaqat supported women's employment by activating all previous Labour Laws and regulations and opening up new job opportunities

for women, most had no knowledge about women's rights under Nitaqat. Moreover, while most unemployed women considered Nitaqat applied equally to men and women, several identified a number of issues that created inequalities. These included the limited number of acceptable jobs available to women, mismatches between qualifications and job offers, unsuitable workplace conditions, and the lack of training available to women. Interestingly, while the conservative Saudi culture generated significant barriers to employment opportunities, they also believed that trends were changing in terms of both labour regulations and cultural values.

It is noteworthy that whether or not they had personally benefited from the programs, most participants agreed that Hafiz, Taqat and Leqa'at were ineffective and identified a number of key problems. The conditions of Hafiz prevented women from accessing unemployment relief, Taqat offered women jobs that did not match their qualifications and Leqa'at was quite rare, lacked announcements and offered jobs irrelevant to women's qualifications.

6.4 Institutional factors impacting on women's employment

The participants were also asked about their views on the impact of gender laws and practices, and cultural barriers to the employment of Saudi women. Interestingly, the majority of the participants (11 of 13) stated that they did not consider legislation as a barrier to their employment, but they did not elaborate. However, two women considered that government policies and regulations did not encourage women's employment in the private sector but did not give any specific examples of legislative policies constraining women's employment.

On the other hand, the majority of the women considered Saudi cultural restraints to be the primary barrier to women gaining employment in the labour market. Key barriers included women's family responsibilities, the mixed gender workplace, the limited type of jobs available, *wasta* and the guardianship system.

One participant described Saudi cultural traditions of women's role as a mother, 'Because of the culture and customs of our society, women's role is determined by the boundaries of her home' (UEP9). Another participant talked about how a mixed gender workplace is a culturally unacceptable environment:

> Due to the perspective of Saudi society, certain types of jobs are rejected, such as cashier or sales, because these jobs require mixing with male colleagues and customers. (UEP6)

Three participants continued with this theme of the limited types of jobs available for women:

> Because certain jobs are considered unacceptable for women by culture, women's choice is limited to work such as a teacher, as working in a segregated workplace (UEP7).

One participant, who is a biologist, agreed and said:

> There are limited jobs available to women (in biology), mainly as a teacher and I have no passion for this type of job (UEP9).

Another agreed on the limitations on the job categories available to women:

> Due to the nature of the Saudi labour market, there are many more jobs available to men than to women. For example, all jobs in Saudi Airlines, SABIC, the petrochemical industry, and professional and technical categories are limited to men (UEP5).

A further participant described the limited job opportunities for rural women:

> The provinces have a high sense of tradition and exclusion for women from the workplace and many jobs are closed to women as socially unacceptable (UEP12).

The practice of *wasta* was also identified as a cultural barrier:

> *Wasta* plays a significant role regarding women's employment; if you have a *wasta*, you will get a good job; if not, it will be hard to find a job (UEP4).

Another three participants reported that women's inability to commute freely outside their homes and their need for guardianship approval in getting a job were additional cultural barriers to gaining employment. For example, one participant said:

> My opinion from experience, the main obstacle is my husband who has the final decision whether I can accept or reject the job, rather than family responsibilities (UEP13).

While only two participants did not think that culture was a barrier, they did not comment further.

In brief, while the majority of the participants believed that there were no legal restraints to women's employment, they all agreed that there were cultural restraints. Interestingly, the majority did not consider that restrictions such as gender segregation, the limited type of jobs or the guardianship system were actually legal barriers. Rather, they considered these restrictions as a reflection of conservative Saudi traditions and norms. Barriers such as women's family responsibilities, the mixed gender workplace, the limited type of jobs available, *wasta* and the guardianship system were all considered as the primary reasons for women's inability to access work. This is an important finding as all unemployed

women recognised the barriers to employment. However, whether or not these conditions were an outcome of legislation or culture, their existence was unchallenged.

6.5 Recruitment and retention of Saudi women in the public and private sectors

The Group 2 stakeholders were asked their views on firstly, the recruitment and retention of women in the public and private sectors, secondly, their sector preferences, and thirdly, the reasons for Saudi women's lack of success in gaining employment in both sectors.

In broad terms, most participants believed that the private sector was more adept at recruiting women than the public sector and that it offered more job opportunities. Eleven participants said that they had been actively recruited for jobs in the private sector. One explained:

> The private sector is more adept at recruiting women than the public sector. In fact, the public sector just commences employment in case of Royal decrees and depends on *wasta* (UEP1).

Another participant explained that the private sector was offering more jobs and recruiting more people than the public sector. A further participant agreed that many more women were being employed by the private sector, while another said that the public sector had passed the burden of employment on to the private sector.

In contrast, one participant disagreed with the majority view and said that the public sector was more adept at recruiting women than the private sector, as the women-only workplaces could absorb women applicants:

> Most of the Ministries have female-only branches and the departments and also have large women-only divisions. There are also women managers and administrators for schools and universities (UEP7).

Only one participant thought that employers in both sectors were equally able to recruit and retain women in employment.

Despite the effort of the private sector to employ women, all unemployed participants expressed a clear preference for public sector employment. They believed the public sector offered employment conditions that suited women more than the private sector. These conditions included better job security, lower working hours, better wages, fewer commitments, a reduced workload, a clear career path, opportunities for promotion, as well as a gender-segregated workplace, workplace resources and protected employee rights.

Indeed, most participants said that job security was a key reason for preferring the public sector. The understanding was that public sector jobs offered jobs for life, regardless of performance or commitment to their jobs. One participant explained 'because of job security in the public sector, I will accept any public job, even if the salary is less than the private job' (UEP9). Another participant echoed this sentiment 'there is no job security in the private sector. In some cases, private corporations do not renew the employment contract; this is exactly what happened to me'(UEP8).

Most participants preferred the public sector for its lower working hours, but this was a second priority to job security. As one participant explained:

> Family based working hours offered by the public sector contribute to women's retention in employment. The working hours in the private sector are much longer than in the public sector, which contradicts with women's priority for her family responsibilities (UEP13).

A minority of the unemployed women (5 of 13) mentioned salary. With a higher fixed salary in the public service, they thought that the private sector offered lower wages for the same work and that salary levels fluctuated and were unpredictable. One participant said:

> The public sector's salary levels are better and women prefer the predictability of these salaries. They may leave a private sector employer looking for better income (UEP8).

Another participant mentioned that the private sector's wages were not compatible with the work expenses:

> Salaries are lower in the private sector. After paying for transport and childcare, there is little left from a private sector wage. In this case, women make the effort and face social pressure without achieving a real return (UEP13).

A further participant agreed and added that 'employers do not offer incentives such as health insurance to their employees' (UEP9). In addition, the private sector may not pay for holidays, as one participant explained:

> Government employees are paid for any kind of leave, vacations or public holidays. Private sector employers may or may not pay for time off work, such as a teacher working in a private school (UEP10).

Only three participants mentioned job commitment as a factor, saying that government employees had less commitment to their job. However, with the greater monitoring of their attendance in the private sector, women have difficulty in balancing their work with social and family commitments. One participant explained:

Employees in the public sector are paid whether or not they turn up for work and there is no accurate record of attendance. This does not happen in the private sector, where accurate records are kept of the employee's attendance (UEP9).

Another participant thought that this led to less productivity in the public sector:

There are no specific performance targets for government employees. In contrast, the private sector demands performance from its employees (UEP5).

The private sector's heavy workload was mentioned by three unemployed women. One commented:

The private sector has high expectations for their job descriptions, with multiple tasks and responsibilities in one job. Women therefore work hard for little pay (UEP5).

Two participants mentioned promotion and career paths as other factors. One was looking for a clear career path:

The private sector cannot retain Saudi women if there are no opportunities for promotion or a career path, as happens in the public sector (UEP4).

Another participant agreed and added 'there is no career path for some jobs available to women such as sales supervisor'(UEP8).

One participant highlighted gender segregation, workplace resource and employee rights as the reason for her preference for public sector employment. A segregated workplace was seen as more suitable for women due to the cultural perspectives and the preferences of male relatives:

For cultural reasons, women dislike a mixed workplace environment in the private sector. In contrast, government jobs provide segregated workplaces suitable for Saudi women (UEP3).

One participant raised the issue of lack of resources in the private sector workplace environment, 'I worked as a manager of public relations and marketing at a medical clinic. They didn't provide me with an office or even a desk of my own' (UEP9).

Employee rights were an issue for only one participant, who considered that Saudi workers lacked equal opportunities with foreign workers:

Saudi employees, particularly women, tend to leave private sector employers because they do not have the same salary and conditions as foreign employees who have more responsible work, better salary, a housing allowance and annual fares paid to return home for holidays (UEP1).

While the majority of unemployed women preferred to work in the public sector, there were issues preventing them from accessing public sector employment. Limited job availability, the practice of *wasta* and workplaces that were far from where they lived were factors.

Eight of the participants said that the number of jobs with the public sector was very limited. One summed up this view as follows:

> There are limited jobs available in the public sector, and there are far more job seekers than available government jobs. This is despite the recent Royal orders for the government to increase the number of women in the labour market so that many departments and agencies opened women-only offices and these are expanding by a specific annual percentage of jobs (UEP13).

Another participant agreed, and added:

> The number and type of jobs available in the public sector are limited. Women's work is limited to some sectors such as education and health, as part of the segregation laws and education outcome (UEP6).

Six participants raised the issue of the use of *wasta* influence for public sector recruitment as a barrier to women's employment. One explained that, in most cases, employment in the public sector depended on *wasta*. Another interviewee agreed and added:

> *Wasta* is necessary for public sector employment and, in a few cases, extends to a trade-off between candidates based on who has the most powerful *wasta* (UEP9).

Only one participant mentioned that public sector employment was located too far from women's place of residence:

> Women (in the public service) are employed far from their homes, such as remote villages, where there is little appropriate accommodation. Moreover, it is difficult for women to provide their own transport or find public transport in those areas (UEP5).

While there were no job shortages in the private sector, Saudi women lacked the skills and qualifications to meet the job criteria. The majority of the participants (9 of 13) agreed that a mismatch between educational outcomes and job descriptions was an issue. One explained:

> University degrees do not match employers' needs. There were no internships or workplace training during the years of study; thus, graduates are not qualified to work. Moreover, Saudi women lack communication skills due to inadequate education and the conservative society (UEP4).

Three participants mentioned their lack of basic skills and the dilemma of experience as a job requirement when there were no entry-level jobs available for graduates. One explained:

Graduates cannot gain work experience when corporations ask for experience as a job requirement. Moreover, Saudi women lack English language fluency and computer and communication skills; thus they are not eligible for jobs (UEP10).

Another participant added that lack of work experience and English language skills affects the range and status of jobs available to women (UEP13).

However, three participants believed that Saudi women generally had the skills and experience to gain jobs. One considered the large number of women seeking work made it difficult for women to get jobs:

Most of the unemployed women are holding bachelor or higher degrees, but the main problem is the number of people out of work. There is a massive supply of women seeking work; in contrast, there are limited numbers of jobs for women in the private sector (UEP2).

One interesting comment, given the conservative Saudi culture, was that a woman was hired on her appearance and looks, rather than her qualifications:

Women are hired on their beauty rather than qualifications .... I have an international master's degree and am still unemployed because the private employers consider a woman's external appearance, such as a woman not covering her face and her Abaya style [black robe worn by Saudi women], more important than her qualification or productivity (UEP7).

Therefore, while the majority of Group 2 stakeholders believed that the private sector was more adept at recruiting and retaining women because there were more jobs available, they preferred working in the public service, which provided life-long job security, family friendly working conditions and a steady income. Less important factors were that the public sector was lax regarding attendance records and performance requirements. Further benefits of working in the public sector were higher wages, gender segregation and career opportunities. Nevertheless, limited jobs, the practice of *wasta* and jobs often being far from where the women lived were clear obstacles to accessing the public sector for unemployed women. In addition, most unemployed women agreed that there was a mismatch between their qualifications and labour market requirements. This included a lack of English fluency and communication skills. Despite this, three participants who held international degrees, disagreed and believed that the jobs available in the labour market could not accommodate the huge number of women seeking jobs. However, women's external appearance and the limited type of jobs available for women were considered. An important finding is that Saudi women cannot access the public sector due to limited job availability and *wasta* practices. At

the same time, they often cannot access the private sector due to their inappropriate qualifications and lack of skills and work experience.

6.6 Corporate employment practices

Unemployed women were asked to comment on their experiences of corporate employment policies and practices in the workplace. A majority of the participants (9 of 13) claimed that they had experienced unequal employment practices. It is worth noting that most provided several examples and explanations of their experiences of workplace discrimination. Indeed, Group 2 stakeholders believed that there was a lack of EEO due to cultural practices and male domination.

One participant stated:

> Generally speaking there is no equality between women and men in Saudi society. Due to cultural norms, private sector employers have not adopted non-discriminatory policies and practices regarding Saudi men and women. In fact, with the new trends of the labour market regulations, employer recruitment and promotion favour men (UEP12).

Another noted that:

> Corporations have equal employment policies; however, due to the cultural norms, women are limited to office jobs .... There are some employers who refuse to hire women. However, recently corporations began to recruit Saudi women but very few are employed. For example, there is a large supplies corporation that just recruited two Saudi women this year (UEP7).

The interviewees claimed that women were also excluded from promotion to leadership positions. One participant asserted:

> Corporations may have equal opportunity policies and practices but these are limited. For example, women have no opportunity for promotion to decision-making positions because these are limited to men (UEP13).

> Another agreed and added, 'There are some types and levels of jobs that are limited to men and we can see this in the job offers.' (UEP13)

Unequal wages for the same job was another issue mentioned by the half of the participants. One commented:

> In case of a situation where women and men have similar tasks and responsibilities, men are better paid for that work (UEP9).

> The issue of *wasta* was also raised due to cultural values:

Recruitment and promotion are based on *wasta* and if this occurs, gender or qualifications do not matter. The person with *wasta* will get the job (UEP5).

In contrast, two participants believed that there were now a limited number of employers who believe unequal employment opportunity and that recruitment and promotion should be based on skills and merit. This was due to the change brought about by Nitaqat regarding women's employment on one hand, and the policies and practices of MNCs on the other.

One participant claimed that the private sector had commenced hiring women in response to Nitaqat and considered that the previous Saudisation was discriminatory employment policy:

Recently, corporations have adopted non-discriminatory policies and practices. They had such policies in the past, but there were no labour regulations that supported gender equality under previous Saudisation (UEP3).

One participant believed that employers in the private sector adopted equal opportunity practices but unclear labour regulations were the issue:

There are equal opportunity employers, like the banking sector, and promoting women .... I have some of my friends holding management positions with private employers, but it's still limited (UEP11).

The same participant added in relation to labour regulation:

Private sector employers avoided hiring women due to the authorities' varying interpretations of the Labour Law. However, the Ministry of Labour now has sole jurisdiction of private sector employment for women and men (UEP11).

The second discriminatory practice facing women in the workplace related to marital status and age. Interviewees explained how marital status was an important consideration in the recruitment process. The majority of the respondents (11 of 13) reported that marital status was of interest to employers, due to the impact of family responsibilities. They believed that employers, including large employers, preferred to hire single women. Five interviewees agreed, reporting that during job interviews employers asked them whether or not family responsibilities would interfere with their commitment to their job. One participant said 'private sector employers prefer single women with no family responsibilities' (UEP8).

Another participant explained the reason for this question:

Because married women's priority is their responsibility to their family, so women may be away from work, this is seen as less commitment towards their employer (UEP10)

A further participant was questioned about her commitment to work: I am married with kids, so each time I had a job interview, I was asked 'How can you manage your family's responsibilities and job commitments?' (UEP13).

Women's age was a further issue identified in relation to securing a job. Participants claimed that employers preferred younger women with fewer family responsibilities and assumed that they would have better productivity because they could work long hours. One explained: I could not get a job because of my age. Private employers prefer women who are aged less than 30 years (UEP11).

Only one participant believed that due to social pressures regarding marriage, employers preferred to hire married women:

> Saudi society deemed it shameful for a single woman to work in a mixed gender workplace environment, so employers prefer to hire married women who have fewer social barriers to working in a mixed gender workplace (UEP1).

On the other hand, another participant (UEP7) disagreed and said that marital status had no influence on women's employment.

The issue of guardianship laws also emerged as a factor influencing employment practices. But only three participants referred to women's need for permission from a guardian to accept a job offer. One participant explained: the male guardian relative has the final decision whether women can accept or reject the job, rather than family responsibilities (UEP13). Another agreed, saying: 'because women's guardians have the final decision on their work, employers avoid recruiting women' (UEP12). In contrast, participant UEP1 said that the 'private sector prefers a married woman who can get her husband's permission to work'.

In summary, most of the women discussed three major types of direct workplace discrimination that occurred on the basis of age, family responsibilities and appearance. The majority agreed that discrimination occurred across all organisations and that it arose due to cultural attitudes and male-domination. Again, due to cultural norms, *wasta* was noted as a factor that prevented EEO.

An important finding was that Saudisation and unclear labour regulations were previously a key cause of discrimination, while the Nitaqat policy supported gender equality. However, a few women noted recent moves by employers towards hiring more women under Nitaqat and some others believed that private employers, particularly multinational corporations, were not discriminatory in their employment policies. Overall, it was generally

agreed that Nitaqat was having some impact on improving women's employment opportunities. At the same time, another important finding was that discrimination was still occurring on the basis of marital status and age, with employers preferring to hire single and/or younger women with fewer family responsibilities.

6.7 Women's expectations and aspirations

The Group 2 stakeholders were asked about their own expectations and aspirations. They were asked to discuss what were the most common methods that they used for job searching, what were the barriers to gaining work experience or access paid jobs, and the reasons why they had resigned from their previous jobs.

All the participants used more than one method to find a job. Primarily, they used on-line searching and often supplemented this with attending career events. In addition, a few mentioned *wasta*, print media and a direct approach to employers as job seeking methods.

Only four of the unemployed women had work experience, and while they had been offered jobs, these were rejected due to commuting issues, unacceptably low wages, an inability to find work in their profession, long hours, no options to work part-time, and no internship for students.

Most of the interviewees had turned down job offers, mainly due to low wages. One participant explained her experience:

> I received an offer for a job as a teacher in the private sector; however, at SR2000 ($AU518 per month) it was not worth it to accept it, as more than half of the salary will be used for commuting to work (UEP9).

Another participant had a similar experience. She had an offer to work as a receptionist for SR2000; she rejected it, as it was an extremely low wage.

Commuting distance to work was also identified as a deterrent to job acceptance by five interviewees. One explained:

> Saudi women are banned from driving and public transport is unreliable, therefore transport represents a real issue that prevents women from working. Lack of transport is a major issue in getting to work (UEP13).

Other participants agreed that they were unable to travel the distances required to work. Due to low wages, women could not adequately cover the cost of travel. For example, one participant said:

A university offered me a lecturer position once a week; however, I did not accept it as it was quite far from home .... It didn't offer any benefit, due to low income from one day's work and the expense of travel with a private driver and childcare (UEP1).

Another participant explained:

Because I have no transport and the employer would not consider a car and driver, together with a minimal wage (SR2000), I could not accept that job offer as it was of no benefit (UEP6).

A mixed gender workplace and the type of job offered were also reasons for rejecting job offers, as the following participant explained:

Work in the private sector involved mixing with male colleagues and in some cases travelling, which conflicted with a woman's primary responsibility under Shari'a law to stay at home and care for her family (UEP6).

In the case of one participant (UEP1) this was a direct order from her husband: 'My husband rejects any jobs where I could mix with men'.

Another unemployed women said that she would reject some of those jobs recently opened by Nitaqat to women such as shop workers, cashiers and secretaries because they were in mixed gender workplaces:

Working in public places such as sales, cashiers or in some cases secretaries are jobs that women reject because they are mixing with men or need to dress for the work environment. In some cases, employers demand that face covers should be removed or to apply cosmetics. These types of jobs are in conflict with our religion and culture (UEP6).

Four participants mentioned the long working hours[4] or shift work and the subsequent conflict with family responsibilities; one commenting:

Because of Saudi women's family responsibilities, they cannot afford long working hours in the private sector, which may reach nine hours including break time (UEP11).

Shift work was also problematic, as this participant explained, 'It is really difficult for Saudi women to work out-of-hours shift work because of the culture, family responsibilities and lack of transport' (UEP9).

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[4]At the time of the interviews in 2012, the standard working week was 48 hours, six days per week. More recently firms have reduced their working week from 48 hours to 40 hours per week.

Incompatibility between the job description or status and a woman's qualifications was a further issue. One women said:

> I assure you that the majority of job offers that are available for women are not compatible with their qualifications and are of a lower level of responsibility (UEP13).

Another participant agreed and explained:

> I have a bachelor's degree but the only job I was offered was on a factory production line .... I did not accept it because they did not even care whether you had finished school (UEP8).

A further participant raised the issue of incompatibility between job tasks and responsibilities and the job title asserting: private corporations offer women a limited array of jobs, such as a secretary. In fact, the job title does not match the work (UEP8).

The reasons given by the two participants who did not receive job offers were the region's conservative culture and that there was no demand for their qualifications by employers. One said that her location in the conservative south of the country did not readily offer paid work to women, while the other said that her degree in French was not relevant to any job descriptions where employers might employ women and reported that employers preferred to employ cost-effective foreign workers. Only two participants said that wages and the type of jobs available were not an issue but there was no further comment by either.

Overall, on-line searches and career fairs were the most common methods of job search by unemployed women. The participants attributed their lack of work experience to low wages, commuting issues and a lack of opportunity to gain work experience in their chosen fields. Although most received job offers, these were rejected due to low wages, because of the high costs of travelling to work, low job status of the positions and mixed gender workplaces, long working hours and the mismatch between job requirements and the women's qualifications and skills. The region's conservative culture and the lack of demand for their qualifications were reasons why women did not receive job offers. Interestingly, while unemployed women did not consider legal issues as a barrier to employment, the explanations for rejecting offers generally involved travel restrictions. As women are banned from driving, low pay combined with the cost of travel made most employment offers untenable. An important finding was that while the majority of the participants were registered as unemployed, the available job options were effectively inaccessible and mismatched with their expectations, aspirations and qualifications.

Once employed, the women experienced various issues that affected their tenure. The major reason for leaving a job was a desire to gain qualifications, not being allowed time off to study by the employer, or they gained a (paid) scholarship from the government. A second factor was long working hours (48 hours per week) and split shifts (an early morning shift and a late afternoon shift). Lack of training, lack of promotion opportunities and the non-renewal of an employment contract were further reasons for leaving jobs. Other reasons mentioned were lack of childcare, family responsibilities, low or unpaid wages and commissions, and finding a better job. Travel restrictions and commuting issues, requirements to work in mixed workplace environments, and sexual harassment compounded these issues, as well as employment in roles that were unrelated to the individual's qualifications.

6.8 Summary of key findings

The purpose of this chapter was to explore and identify women's experience of Nitaqat, the institutional factors that women encounter in accessing the labour market, and their perception of barriers in gaining employment with multinational companies. There were five key findings.

Firstly, while the Saudisation policy had neglected the issue of women's unemployment, the women believed that Nitaqat had focused attention on women's employment, opened up new job opportunities and had been applied equally. However, several critical issues were identified with Nitaqat. The jobs that Nitaqat did create were often unsuitable due to their low status, the mismatch with women's qualifications, low wages and the requirement to work in mixed gender environments and public places. Moreover, it was clear that women had little knowledge about employee rights, such as minimum wages. Evidence from the experience of the interviewees indicated that the supporting elements of Nitaqat were also limited in improving employment outcomes due to the age limitations of Hafiz, the unsuitable jobs offered by Taqat, and poor communication of Leqa'at.

Secondly, there was a great deal of evidence that the Saudi institutional context hinders women's employment opportunities. However, the interviewees saw cultural constraints as the primary barriers preventing women's access to jobs including family responsibilities, the mixed gender workplace, the limited type of jobs available, *wasta* and the guardianship system. While issues such as restrictions on commuting to work were noted as a

barrier for women's employment, legal restrictions such as gender separation in the workplace were not considered barriers. On the contrary, these were considered to create a suitable workplace environment compatible with cultural norms. It was also clear that there was confusion between what is legal and what is cultural. For example, legal barriers, such as the limited type of jobs available for women and the guardianship system, were regarded as cultural restraints. This situation illustrates that the legal restrictions on women's employment reflect the conservative Saudi traditions and norms. However, importantly, the women recognised the barriers to their employment, and whether or not they were considered as legal restrictions or cultural restraints, these barriers were accepted.

Thirdly, it was clear from the interviews that gender segmentation of the Saudi education system resulted in a mismatch between women's qualifications and skills and job opportunities and requirements. In turn, the segmentation in the labour market reflected an educational system that offered women limited options and women's qualifications and skills were mismatched with job requirements. Women's general lack of English fluency, communication skills and work experience compounded the problem. In the women's universities, the degrees did not match labour market requirements, and internships, skills training and summer jobs were not available. Interestingly, the conservative society also limited and shaped their educational and sector preferences. Women were educated for 'women's roles' in home duties, teaching and work available in other segregated workplaces. In order to comply with social norms, the Saudi women expressed a preference for working in the public sector to maintain gender separation and compatibility with their family responsibilities. As a result, while the private sector actively recruited women under Nitaqat, the public sector remained the workplace of choice. The reasons for this preference were expressed as more favourable job conditions that were compatible with women's family responsibilities, with issues such as *wasta*, workplaces that were too far from women's place of residence and the limited available jobs all prevented women from gaining work in the government sector. All these barriers, and the limited number of government sector jobs that allowed women to comply with cultural restrictions, meant that government investment in women's education had done little to improve women's employment participation.

Fourthly, the women believed that multinational companies frequently discriminated against women in their employment practices due to the cost and difficulties in complying with regulations and social and cultural norms. This discrimination occurred due to restrictions on women commuting and travelling, the need for guardianship approval, the

nature of the jobs, and women's external appearance all of which, according to interviewees, led employers to avoid hiring women. Also, since women were banned from travelling, and driving and public transport was unreliable, they believed that employers preferred to hire men to maintain productivity. Even though Saudi women can now legally accept a job offer and do not need guardian permission for certain types of jobs, cultural norms still require them to gain a male relative's verbal permission.

The interviewees also believed that Saudi women faced discrimination from multinational companies because of their external appearance. Specifically, this was due to women's preference to dress Abaya style (the traditional black robe) and cover their faces. They also considered that women were excluded from decision-making positions in the private sector and received lower wages, due to the social norm of workplace domination by men. Moreover, in a collective society such as Saudi, *wasta* was a common workplace practice in recruitment and particularly in promotion. Interestingly, while women used their own *wasta* to access jobs, they considered that *wasta* operated to prevent EEO in the private sector. In addition, due to gender roles in Saudi society, they believed that married women encountered discrimination, with perceptions of single/no children status as the preferred demographic for private sector employers. Nevertheless, nine of the interviewees had actually had a job and others had turned down job offers.

The final finding related to employment expectations. All interviewees were unemployed and educated, at least to high school and most to degree level. All of them had turned down jobs that they considered unsuitable. So the question is – are their employment expectations realistic given the limited number of jobs accessible to women and the cultural barriers to women's employment? These educated women aspire to positions that have a clear career path and the potential for promotion to management level, in accordance with their qualifications and expectations of holding high-status positions. However, conditions are such that in the Saudi Arabian private sector Saudi women cannot undertake management roles that would lead them to directing men and are limited to entry or middle level positions in gender-segregated environments. The implication is that educated Saudi women have high-level expectations and aspirations and Nitaqat has not been successful in meeting these expectations due to the legal, cultural and social influences to which women themselves often subscribe.

6.9 Conclusion

While the unemployed women were positive about the impact of government employment policy, namely Nitaqat, on women's employment opportunities they had also experienced many of its limitations. These limitations were sometimes to do with Nitaqat itself, for example age discrimination in Hafiz, but they were often to do with the broader Saudi institutional context.

The institutional limitations were seen to be social and cultural factors rather than legal restrictions and there was confusion and contradiction surrounding the complex web of legal, social, cultural and religious regulations, norms and beliefs. However, two things were clear. First, that the institutional context has led to a segmented labour force and that it is much harder for women than men to participate fully and meet their aspirations and expectations. Moreover, many educated Saudi women would prefer to work in the public sector because they believe that it is culturally more comfortable for them than the foreign-owned private sector.

While four of the unemployed women did not have experience working in the private sector themselves - whether from personal choice or lack of opportunity - it meant that much of their commentary on the private sector was second hand. It therefore is important to capture the experience of those who are working in foreign owned companies to explore some of the issues that the unemployed group raised.

Chapter seven introduces the first case study. Using data from interviews with senior managers and women employed in the company, it analyses changing government employment policy and its impact on the employment of women.

Chapter Seven: Manufacturing case study

7.1 Introduction

Chapter seven introduces the first case study and focuses on the views of senior managers and female employees in a male dominated manufacturing company, which was a Joint Venture between a Saudi and a US company based in Jeddah city. Data was drawn from company documentation – mainly from websites - and interviews conducted between June and September 2012 with two senior managers who were the Human Resources Business Partner and the Regional Talent Manager and ten women employees. This chapter presents and discusses the findings of the case study. The views of the participants are captured in relation to four key factors: the impact of government employment policies; the macro barriers women face in gaining employment; the corporate employment policies and barriers they encountered in recruiting and retaining women; and finally, Saudi women's experience in the workplace. The Chapter is structured as follows. Firstly, it provides information on the background of the firm. Secondly, it introduces the senior managers' profile and the demographics of women employees. Thirdly, the chapter compares the responses of the senior managers and the female employees; and finally, it summarises themes into five key findings.

7.2 The manufacturing company

The parent company of the manufacturing Joint Venture, headquartered in the United States, was a global diversified and industry leader (pseudonym: Manufacturer) with over 160,000 staff in 150 countries (Company website). The parent company produces energy equipment for buildings, automotive batteries and interior systems for vehicles. In 2012, an economic magazine placed Manufacturer in the top five companies in its annual 100 Best Corporate Citizens list. Manufacturer was also ranked by another an economic news paper (2013) as among the best Saudi companies with which to work in 2012–2013 in its provision of a working environment for its employees[5].

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[5]For confidentiality purpose, the references are disclosure

According to the briefing with the both senior managers (June 2012), Manufacturer has its Saudi headquarters in Jeddah city and offices in the cities of Al-Madinah, Riyadh and Al-Dammam; with over 1,500 workers (at that time), including management, engineering, maintenance, operations, project management and technicians. The HR manager stated that in 2012 the proportion of Saudi employees was 24 per cent - a significant increase since 2010 when only 4 per cent were Saudis - and that Saudis representation was highest in marketing (70 per cent), and then in the factories (50 per cent), followed by sales (39 per cent). Regarding Saudi women employees, the HR manager claimed:

> Currently, there are 15 women employees, all Saudis and all in the Jeddah office. Next month, a women's section will open in Riyadh and Al-Dammam offices and we have already hired 11 Saudi women.

But the Regional Talent manager was not so sure and estimated that that there were 10 to 15 Saudi women in the Jeddah office. The differences in the responses were interesting, as both these senior managers were responsible for Saudisation and it would be expected that they would agree on the number of women employees, especially since the numbers are so low. They both agreed, however, that the jobs and roles occupied by Saudi women were at the management level, in finance and accounting, administration, marketing and the supply chain.

7.3 Interviewee characteristics

The two senior managers were both male Saudi nationals with responsibility for employment policies. The managers held senior positions within human resources (HR) and regional talent acquisition (MMP1 and MMP2 respectively). The senior human resource manager held a bachelor's degree in chemical engineering while the senior recruitment manager had a bachelor's degree in management information systems. The tenure of both managers was less than two years in their current corporation.

Ten women employee participants from the manufacturing corporation were interviewed and are depicted as participants MEP1 to MEP10. They were employed in human resource management, including recruitment, accounting and finance, marketing, supply chain and administration. Saudi women supervisors selected the women participants from different departments, position levels and work experience. The key characteristics of the women interviewees in relation to their qualifications, tenure, work experience and promotion are presented in Table (7.1).

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Table 7.1

Women employees job characteristics from manufacturing company

Interviewee job characteristics	
Position held	2 team leaders, 1in senior position, 3 assistants, 1 analyst, 1 specialist, 2 were in accounting and filing
Job classification in relation to education credentials	One team leader held a bachelor's degree
	One team leader had a bachelor degree
	One in senior position had a local masters degree
	One analyst and another specialist had an international masters
	One assistant had a bachelor degree and other two assistant had high school certificates
	One in accounting and another in filing held a bachelor degree
Work experience and length of time spent job seeking	Four women employees found work within three months or less, only two of these had prior work experience
	Another three participants received an offer from Manufacturer while still working in a previous job
	Two participants found work within one year or less and both had prior work experience
	One participant had no prior work experience and spent up to two years seeking work.
Promotions	One participant was hired as a specialist and then promoted to manager during her five years' tenure at the corporation
	One participant was hired for a team leader position and had not been promoted during her four years' tenure at the corporation
	One participant with long-serving employees had not been promoted
	Two participants had been promoted during their less than two years' tenure
	Half of the women participants had less than a year's employment with this firm

7.4 The perspectives of the senior managers and women employees

In this section, comparisons are made between the views of senior managers and women employees regarding government employment policies, the macro factors that prevented women gaining employment, corporate employment policies and practices that

have an impact on women in their company and finally, women's experiences in the Manufacturing's workplace and their future employment intentions with the company.

7.4.1 Government employment policy: Saudisation and Nitaqat

The first theme focuses on the participants' opinions about the effectiveness of government employment policies on women's employment. All were asked about their opinions on Saudisation and Nitaqat. The women were also asked about their experience in relation to Nitaqat's elements. It needs to be noted that when these interviews were held in mid-2012 Nitaqat was a new policy mechanism for Saudi employment that had only been introduced in mid-2011. Both managers agreed that Nitaqat generally increased the participation rate of women in the labour market and particularly in Manufacturing. The HR manager stated:

> In response to Nitaqat, women's participation rate is increasing. The Nitaqat system required our corporation to achieve 17 per cent Saudisation. In fact, we achieved 25 per cent and our goal is to get 50 per cent in 2015 over all our employees. In fact, Nitaqat has opened opportunities for women to take jobs in previously banned work.

While the Regional Talent manager agreed, he had a slightly different view of the numbers:

> The priority is to employ Saudis and in the process achieve gender diversity. Under Saudisation, 8 to 10 per cent of our factory employees were Saudis. In response to the Nitaqat system, the percentage of Saudi factory employees increased to 50 per cent in 2011. However, our corporation employed women four years ago, before Nitaqat.

It was clear that both senior managers were aware of the Nitaqat ranges and quotas and agreed that it increased the Saudisation rate, particularly for women who had new job opportunities opened up for them. However, they provided differing statistics and information regarding Manufacturer's achievements and goals under Nitaqat. In response to government employment policies, the Saudi subsidiary had also received agreement from their global headquarters to increase the rate of Saudisation.

The women employees also agreed that Nitaqat increased women's labour market participation. Interestingly, none of the women mentioned that Manufacturing had recently opened the door for women's employment in response to Nitaqat. Also, issues such as low salaries, unsuitable workplaces, the cost of employment such as commuting and childcare issues, lack of commitment by firms, *wasta* and not enough publicity were all considered to be reasons for Nitaqat's lack of success. In addition, most of employed women believed that

Nitaqat was not applied equally and offered men better job opportunities and training courses than women.

Since the women were in employment, none of them had accessed Hafiz, which was introduced after Nitaqat. Discussing their views on Leqa'at (job fairs), three participants believed that the participating corporations offered low salaries. For example, one woman said,

> Most of the corporations that participate at the job fairs are Saudi firms, and they offer low salaries and few benefits. So it is not worth attending (MEP7).

Two participants agreed that the salaries were low and raised the issue of the cost of employment. Specifically, the 'salaries offered did not cover childcare and commuting costs' (MEP10). Another raised the problems of distance, as the workplace was too far from her residence, given the difficulty with public transport or hiring a private driver.

A lack of corporate commitment to Nitaqat and the prevalence of *wasta* also emerged as issues. Two participants claimed that firms only wanted to appear to respond to the Ministry of Labour instructions to please them. For example:

> From my experience, all private corporations attend job fairs in response to instructions from the Ministry of Labour and to avoid any conflict with them (MEP6).

Another woman agreed and believed recruitment in private sector was based on *wasta* and said 'in fact, most of the firms destroy all the resumes after a job fair and I saw them. I believe they recruit employees through *wasta*' (MEP10).

Only one participant said that there was not enough publicity regarding job fair events, while another believed that she did not need to go to a job fair because she could gain any job she wanted, due to her work experience.

In relation to Nitaqat's equal policy for Saudi employment, the majority of women agreed that there was no gender bias in Nitaqat. At the same time, they believed that most new and better status job opportunities were limited to men. One participant noted that more training was available to men due to their greater freedom of movement. Others added that women's reluctance to enter mixed gender workplaces took precedence over other considerations, and so male Saudis derived most of the benefits of Nitaqat.

In summary, senior managers and women employees agreed that Nitaqat succeeded in increasing women's participation rates by opening up new job opportunities. However, women did not have equal access to jobs and training courses. Moreover, since the programs

available under Nitaqat were so new, the women had not had experience with them yet. From their perspective none of the career fairs with similar goals to those of Leqa'at were successful.

7.4.2 Institutional factors that impact on women's employment in the manufacturing company

The broad theme of discussion in this section was to identify and explore the barriers that companies, particularly international firms, encounter in employing women. The participants were asked about legislation that acted as a barrier to women's employment in Manufacturing.

Both senior managers identified the segregated workplace as a legal requirement. However, they differed in their views on its impact. The HR manager did not consider the segregated workplace an issue, but a cultural norm. He explained:

> The Ministry of Labour imposes gender separation in the working environment and firms must provide separate working facilities for women. This is not a big issue and it is a part of Saudi culture.

In contrast, the Regional Talent manager believed that gender segregation was indeed a barrier to women's employment in the labour market and claimed:

> There are legal barriers that have an effect on the recruitment of women in a corporation. For example, while the Ministry of Labour forces firms to provide a separate section for women; our employment policies encourage the recruitment of women without conditions based on gender.

This senior management saw a contradiction; while the company's policies supported the employment of women, it was required by law to duplicate its workplaces to accommodate women. This condition added significant cost to employing women and demonstrates a tension between compliance with government regulation and company policy. Nonetheless, the HR manager considered this was an acceptable regulation, consistent with cultural norms and therefore not a problem.

Interestingly, only three women saw the gender segregation law as a barrier to women's employment. One women commented on this in a fairly bland manner:

> The corporation finds it difficult to meet the Ministry regulation regarding women in the workplace. Indeed, the Ministry enforces that corporations offer women a segregated workplace and a separate entrance and exit (MEP9).

In contrast, six others denied that there were legal issues, while one participant (MEP6) said she did not want to comment on this point, but did not provide any explanation.

All participants were asked whether Saudi culture restricted or influenced women's employment. Both senior managers agreed that there were cultural issues involved in employing women, particularly for global enterprises that were not accustomed to gender discrimination. Interestingly, they both focused on the traditional role of women regarding family responsibilities in Saudi society, arguing that this was a major factor leading companies to prefer to hire men rather than women. The HR manager stated quite openly:

> Because we are concerned with a smooth work-flow to achieve quality and timeline restraints, we prefer to hire men rather than women. In addition, women's responsibilities toward their families could have an effect on work-flows if they have to take time off.

However, the Regional Talent manager saw things slightly differently. While family responsibilities were a substantial barrier to women's employment, he argued that the company was looking at ways to solve this:

> To overcome some of the cultural issues such as women's primary responsibility towards family, our corporation reduced women's working hours from 10 to 9 hours per day, including break times. Working hours for male employees are maintained at 10 hours. Moreover, women can work online in some cases to manage family responsibilities and job commitments.

Similarly, all employed women considered cultural restraints as a factor and these restraints were highlighted across the group. The majority considered mixed gender workplaces were the primary issue that strongly denied women's employment. Others observed that women's role in Saudi society was a barrier and named the cultural aspects of family responsibilities. Only one participant raised the issue of the guardianship system and considered it discriminated against women. Another participant believed that the male-dominated society was a barrier and said:

> Due to cultural norms and beliefs, Saudi women were unable to direct Saudi men, thus Saudi men would accept a foreign woman as a manager but not a Saudi woman. For example, our corporation was planning to hire a Saudi woman as a supervisor in an entirely male employees' department. However, because of the male employees' rejection of her, the management department changed their plan (MEP6).

Only one participant was ambivalent about issues in relation to women's work with Manufacturer, believing that the cultural issues were minor.

Overall, most participants from this case study believed that Manufacturer encountered barriers to employing women due to conservative cultural restraints, and a minority considered there were legal restrictions on women's work. This was possibly due to the sensitive nature of being seen to criticise government legislation. However, interestingly, while both senior managers agreed that labour regulation affected women's employment in the company they had slightly different perspectives regarding the impact of a segregated workplace. Clearly, the HR manager adopted a conservative cultural perspective while the Talent Regional manager appeared to be more aware of the contradictions that these labour regulations placed on implementing company policy possibly because he had a regional role and came into regular contact with managers from other regions and countries. The HR manager however more closely identified with the organisational culture and norms of the subsidiary. Interestingly, a few women believed that regulations involving segregated workplaces denied Manufacturer's ability to hire women, but they had little to say on the matter.

Unsurprisingly, both senior managers and the majority of women considered Saudi Arabia's conservative culture perspective a strong hindrance to women's ability to gain a job in Manufacturer. While senior managers considered women's role in society was the major factor in hiring women, the women interviewees saw the mixed gender workplace as more important. The main finding here is that, due to gender roles and restrictions on mixed workplaces, women faced discrimination in recruitment which was contrary to Manufacturer's EEO policies.

7.4.3 Labour market segmentation: public or private opportunities

Participants were asked their opinions on firstly, the ability of the private sector to recruit and retain women, and secondly, the reasons for Saudi women's lack of success in gaining employment in the private sector.

Both senior managers and the majority of women employees agreed that the private sector was more active in the recruitment of women, and senior managers believed that this was due to the Nitaqat policy. However, the women employees also considered that there were few government employment opportunities, and that *wasta* was a common method in government recruitment processes. One participant explained:

> The number of jobs in the government sector are limited. However, employment in government depends on *wasta*, which determines status and remuneration (MEP3).

Interestingly, more than half of the employed women participants (6 of 10) preferred to work in the private sector, as they favoured a mixed gender workplace. They believed that they could also gain greater experience and improve their career possibilities in private companies compared to government jobs. As one participant noted:

> Saudi women were predominantly working in the education sector as a fully segregated workplace environment and in line management; however, I prefer to work in a mixed workplace to gain experience and then get promoted to an executive position (MEP5).

In contrast, four participants preferred working in the public sector due to family responsibilities and because government jobs offered benefits such as a better salary, higher positions, less working hours and job security. Clearly, women's preferences are changing, with more than half of the employed women giving priority to their career development rather than remaining compliant with culturally assigned gender roles and acceptable segregated workplace conditions.

However, while all participants agreed that there was no shortage of either Saudi women seeking jobs and jobs available in private sector, there were barriers to women's employment due to legislative restrictions, cultural constraints and women's mismatched qualifications and skills.

Senior managers remarked that identifying suitable jobs and mobility constraints for Saudi women under the country's gender restrictions created difficulties for women's employment. The HR manager claimed:

> In fact, most of our jobs do not suit Saudi women; such as technical jobs, field work, and travelling .... However, we are putting our firm's employment policies in place to open up jobs for women.

The Regional Talent manager agreed, and particularly highlights restrictions on women in commuting and travelling:

> In our subsidiary, fieldwork jobs, such as engineering, are available for both men and women. However, this type of job is rejected by Saudi women because the job is far from women's residence and the commuting barrier.

None of the women considered the Kingdom's regulatory environment was an issue with Saudi women's employment – again this could be due to their reservation about criticising government legislation. Also, while only one senior manager and a minority of women employees considered gender separation in the workplace to be a costly barrier, the majority accept this regulation as being consistent with cultural norms.

Regarding women's suitability for the job, both senior managers and most women employees agreed that while there were substantial numbers of women applying for vacancies, they could not match job requirements due to mismatched qualifications and a lack of skills and work experience. The HR manager explained:

> While we receive a huge number of Saudi women seeking jobs, in particular administration jobs, there is a large gap between job specifications and Saudi women's experience and skills. For example, new graduates are inexperienced; they do not have the qualifications required for technical positions or English fluency. In fact, most of the women applicants have management or accounting qualifications.

The Regional Talent manager agreed and added:

> They do not even have basic knowledge such as how to write a proper email, how to use Excel, or the basics of the English language. In fact, there are significant mismatches between the education system and the working environment.

Both senior managers and most of the women agreed that Saudi women lacked workplace competency and believed that the high standards set for English fluency and experience effectively barred Saudi women who had just entered the labour force.As one interviewee said:

> Saudi women's professional qualifications do not meet job requirements. In fact, they had no opportunity during their education to gain work skills through job placement, and they lacked English fluency (MEP6).

Another woman confirmed the English language requirements:

> While Saudi women are highly educated, English language is presently a barrier for women when finding a job in the private sector, particularly in multinational corporations (MP3).

However, another participant, who worked as HR team leader for the women section, noted that finding sufficiently qualified women to hire in senior positions was even more difficult:

> While there are a large number of women job seekers, our corporation has difficulty in finding a capable professional woman to hire for senior positions .... that is why most of women employees are hired at the mid-level (MEP1).

In contrast, the remaining three women interviewees said that most women job seekers were highly educated; therefore, workplace competencies were not a barrier to women's employment.

Overall, the evidence indicates that while there is a clearly segmented labour market in Saudi Arabia, women are being actively recruited by private firms and joining private

companies. This is not only due to the impact of government policies such as Nitaqat, but also the limited opportunities open to women in the public sector. A further important finding is that despite the generous benefits of government jobs, over half of the women interviewed in Manufacturer preferred to work in the private sector, and they did not consider a mixed gender workplace to be an issue for them. Interestingly, they believed that they had more career possibilities and opportunities to be promoted to executive positions in the private sector.

Despite the large number of educated women seeking jobs, Manufacturer encountered barriers in recruiting women due to legal restrictions on suitable jobs, women's mobility, and segregation in the workplace. In addition, many women's professional qualifications, the standard of their fluency in the English language, and their skills and work experience did not meet Manufacturer's job requirements.

7.4.4 Manufacturer's gender employment policies

All interviewees in Manufacturer were asked whether the company had an equal employment policy. Both senior managers and the majority of women participants agreed that the subsidiary adopted the equal employment policies of the company headquarters particularly in relation to recruitment and selection, wages, career development and job positions. However, the senior managers added that the Saudi subsidiary adopted the policies of their headquarters and then adapted them to fit Saudi regulations and cultural practices such as segregated workplace and excluded them from field work.

Despite these adaptations, both senior managers and most women participants concurred that all job categories and levels were available to Saudi women. The Regional Talent manager explained 'all job positions and levels are available to women and range between managers and administrators'. Interestingly, while the HR manager agreed, he added that this was only the case if the job legally and culturally suited women:

> We hired five Saudi women for accounting jobs and they are equal with their male colleagues in terms of position level, wages and allowances. The joint venture adopts equal opportunity practices if the job is legally and culturally suited to both genders. There is no difference in salary or conditions based on gender.

However, two women interviewees disagreed and believed women were limited to mid-level positions and that all women reported to men at the senior management levels.

Again, senior managers had slightly different perspectives about available jobs for women. Clearly, the HR manager appeared to be more aware of the amount of adaptation to Saudi regulations and cultural norms while the Regional Talent manager believed that HQ equal employment opportunities applied.

Both senior managers and over half of the women employees claimed that the recruitment and selection practices of the corporate headquarters were applied across all of its subsidiaries and there was some adaptation for the local context. The HR manager explained:

> The Saudi subsidiary adopts an equal opportunities policy in recruitment regardless of gender; however, there is some flexibility from headquarters to meet the host country's legislation, such as Nitaqat quota and conditions.

However, the Talent manager saw less adaptation, commenting:

> Our subsidiary adopted a competitive interview process for candidate selection; we have a standardised approach to interviews to ascertain competencies and technical knowledge.

Interestingly, four employed women had used *wasta* to access their current jobs through their family names and/or friends who are working in the corporation. This is an important finding given that both senior managers claimed that their subsidiary adopted HQ recruitment policies and jobs were awarded on the basis of merit. Clearly, due to the flexibility in adapting to the Saudi environment permitted by the company's headquarters, *wasta* practices were used in recruitment and selection.

Again, both senior managers and most women agreed that Manufacturer provided industry equivalent wages. The HR manager stated:

> An international firm is employed to undertake remuneration research for the Saudi labour market before we benchmark and set our wage leaders. Therefore, we provide fair and equal payment for all employees, regardless of gender.

Indeed one employee believed 'this corporation offers equal salaries for all employees and higher than the market'. Another women participant noted:

> Annually, I get an increase in my salary, so I am completely satisfied with my salary. However, our corporation's salary is considered in line with the market average (MEP1).

In contrast, three women disagreed and believed that they face discrimination in salary. One participant commented that she deserved a higher salary according to her work experience, while two others believed that the salary for the same job position and work experience

varied and was dissimilar. However, this was not always based on gender and could be attributed to *wasta*. One participant claimed:

> There are women colleagues in job positions with work experience the same as me but they receive a higher salary than me, although I was hired before them (MEP6).

Despite these claims, both senior managers and the majority of women agreed that remuneration was fair and based on employee's performance. One woman explained the process of the remuneration system:

> Our corporation adopts a fair remuneration system. Annually, based on the direct manager's evaluation, each employee receives remuneration that is based on his/her performance (MEP6).

Another participant noted that the evaluation discussion was usually carried out between the direct manager and the employee. Two participants disagreed and considered that the evaluation process was discriminatory and unfair. Again, this discrimination was not always based on gender but rather on *wasta* and personal preferences, as the following participant explained:

> I face discrimination from the direct female team leader in my evaluation. She evaluates the employed women on the basis of personal relationships and family class rather than their performance (MEP10).

These claims undermined the senior managers' beliefs that the Manufacturer's policies were merit based and while these practices were possibly a reflection of Saudi cultural practices, they could also demonstrate a lack of leadership skills and training as well as enforcement of company policies.

In relation to career paths and promotion opportunities, senior managers claimed that Manufacturer's policy and practice was to offer all employees a clear career path and equal opportunity towards promotion. The HR manager stated:

> Our subsidiary has a clear career path and opportunities for promotion for each job, regardless of whether the job is occupied by men or women.

The Talent Regional manager agreed and added:

> As our corporation adopts equal opportunity, we advertise both internally and externally for all positions that become vacant and we select the candidate on competency to meet the job specification. For example, we have women employees promoted from assistant to management positions. However, whilst we have equal opportunity, Saudi women have to prove themselves in their jobs for promotion.

Over half of the women agreed that there was a clear career path and that they could be promoted. One participant said that after I passed the interview and received the job offer, they explained the available career path for my current job (MEP8). Another participant agreed and added that, 'while some of the job positions recently opened, there is a clear career path' (MEP2). Another explained, 'I have a clear career path and in the next step, I will be promoted to management level' (MEP1). However, other women had different views. For example, one participant agreed that there was a career path, but said it was unfair, based on discrimination due to personal relationships by the Saudi team leader:

> There is a career path. However, I have not been promoted since I was hired four years ago because management's practices in promotion and evaluation depend on personal relationships; they discriminate against me (MEP5).

Another three participants did not know whether there was a career path for their current positions but assumed that there was; one commented:

> I have not had any clarification about my career path and I have no idea if my job has a career path: however, I could tell that there is a career path as other employed women have and were promoted (MEP6).

Only one participant disagreed and said, 'My current job has no career path' (MEP10).

Both senior managers claimed their corporation implemented a training and development strategy. The Regional Talent manager explained that:

> Manufacturer's training and development strategy includes access to online learning modules, a development centre to provide courses such as leadership development, development opportunities.

Despite these claims, four of the women had not received any training and others had been only able to access minimal training. Their experience contrasted with other women in leadership positions, one in the HR women section and another in the communication department, who had undertaken five or more training courses in three or more years. Therefore, an important finding is that within the workplace some women received various levels of access to opportunities depending on their connections and relationships with their immediate female supervisor, rather than discrimination based on gender.

Finally, both senior managers and the majority of women believed that they worked in a healthy and flexible environment and no marginalisation occurred on the basis of gender. Rather, women were supported and received special treatment. For example, Regional Talent manager said:

Women gain preferential treatment to men with less hours, time off and working from home due to the traditional gender role in Saudi society.

The HR manager agreed and added:

We have healthy workplace environment and consistent with our cultural perspective. For example, Manufacturer offers women a fully segregated workplace and does not require them to wear a uniform or take off the veil.

In contrast, two women participants reported marginalisation and discrimination against them in their workplace because of *wasta*, internal relationships and family class. One woman commented 'due to discrimination practices by our team leader, there is no cooperation between employed women in our section' (MEP5).

In summary, both senior managers and the majority of women at Manufacturer agreed that the subsidiary adopted the equal employment policies and practices of the parent company, but they also highlighted local flexibility that enabled compatibility with Saudi government legislation, Nitaqat policy, and cultural norms and values. Despite attempts at equality practices, there were many claims of *wasta* being used in recruitment, and women being limited to mid-level positions. Moreover, a number of women participants faced discriminatory practices based on personal relationships and family class in promotions, remuneration and training from their female team leaders.

7.4.5 Women's expectations and aspirations

In order to explore the expectations and aspirations of women in the company the women participants were asked their reasons for accepting the current job, and all interviewees where asked whether Manufacturer faced difficulty in retaining women.

The women reported varied reasons for accepting their positions. In particular, Manufacturer's good reputation was the primary reason cited, with one woman commenting 'this corporation is a multinational, so it has a strong position and good reputation in the Saudi labour market (MEP3). Similarly, another woman explained:

I accepted work with this employer because it is a multinational, first job offer I got, and I had some friends working here at the time..Also the job offer was good (MEP1).

Another participant agreed and explained 'as it is a multinational the salaries are better, with good job security and a chance for promotion' (MEP10).

The offer of a job that was relevant to their qualifications and experience was another reason for accepting their current job, as the following participant explained:

> I am satisfied with my current job because it is matching with my qualifications and work experience, clear career path and promotion (MEP1).

To gain experience to find better jobs, either with the manufacturer or with another employer, was a further reason.

However, three participants were dissatisfied with their current position because they believed it was below their qualifications and work experience, and reported that they only accepted the job to gain experience. One participant commented:

> The job is too low for my qualifications, and I accepted it to get work experience from an international corporation with a good reputation and then I can find a better job (MEP7).

Another participant agreed and added:

> I deserve a better job position .... my qualifications and work experience are higher than my current job position; however, I accepted it since this was the only job opportunity that I found (MEP10).

Hence, whether or not the women were satisfied with their current jobs, they had accepted their position because of the reputation of the Company, the quality of the job on offer, and the need to gain work experience.

Both senior managers and almost all the women agreed that Manufacturer had no issue with women employees' retention. Senior managers believed that Manufacturer practised a retention policy with all employees, in particular women, so that once employed, they were less likely to resign. The HR manager explained:

> The firm offers all of the employees competitive working conditions and incentives that include housing, Saudisation and commuting allowances, medical insurance and an annual airline bonus, similar to that offered to non-Saudi employees.

He then added,

> It is proactive in increasing its Saudi nationals as a proportion of the workforce, including a focus on women's employment and is planning to add a school fees' allowance for a maximum of two children for all employees regardless of gender'.

The need to fit with Saudi cultural practices was also considered important in increasing women's retention, as the HR manager noted:

> The Saudi subsidiary provides women a suitable and segregated workplace that is compatible with Saudi culture and flexible working hours for women due to their responsibility toward their family.

Interestingly, both senior managers observed that Saudi female employees stayed in their jobs longer than Saudi male employees. The Regional Talent manager commented 'most of our women employees are still in their jobs since we established the women's section four years ago'..

Most of the women interviewed planned to stay in their jobs due to suitable workplace conditions, better salary, training, clear career paths and the ability to access management positions. In contrast, a minority of the participants intended to quit their jobs once they found another job due to the discrimination against them through *wasta* and influence of unequal opportunities policies.

Both senior managers believed that women resigned from manufacturing jobs not because they found the working environment unsuitable, but because of the following reasons: they wished to find alternative and more senior jobs, getting married, a lack of childcare, difficulties with commuting and/or working in a mixed gender environment, or wishing to pursue further education. Both senior managers agreed that women looked for stability in employment, thus their loyalty and retention were likely to be higher than that of men if they worked in a suitable environment. The HR manager said:

> We had two women resign because they found higher positions, and another two married and left work. In general, women have higher loyalty towards their jobs than men. Further, women look for stability in their job as more important to them than pay..

The Regional Talent manager agreed with this view, and added:

> Commuting difficulty, lack of children's day care, Saudi society's perception of working women in a mixed gender environment or to pursue further education were also reasons for resigning .

The seven women who had prior work experience explained why they had left their previous jobs. Three left to pursue further education; others offered various explanations, such as a difficult workload, differences with the supervisor, family reasons, their contract had expired, and inadequate employment standards.

Women employees also mentioned other issues that might influence their decision to remain at work; for example, family responsibilities, the need to follow their husband, a mixed gender workplace and limited career path and promotion were all considered major issues in remaining in employment. Less important factors were pursuing further education, marriage, accepting a job offer in the public sector, insufficient or unpaid maternity leave, an

unacceptable workload, the type of job, the long working hours, discriminatory practices, and marginalisation.

In summary, senior managers and most women agreed that Manufacturer had a good retention rate and that women employees had lower turnover than male employees. This could be explained by the company's flexible policies and suitable workplace conditions or it could be that women had fewer opportunities than men for finding other employment due to unequal employment practices and gender restrictions minimising job availability. Clearly, gender roles, cultural norms and the male-dominated society and workplace were the major reasons for women leaving their jobs. However, senior managers added other factors such as the influence of legal restrictions, difficulties with commuting, and a lack of childcare.

7.5 Summary of key findings

A comparison between the responses of the senior managers and the female employees in Manufacturer reveals five key findings.

Firstly, compared to Saudisation, Nitaqat was generally considered a positive initiative in increasing women's employment participation rate. According to the senior managers, the Saudi subsidiary had agreement from headquarters to adapt company practices to meet Nitaqat quotas. Interestingly, while senior managers agreed that Nitaqat opened up new job opportunities for women, particularly in Manufacturer, none of the women employees were aware that these changes were a response by the company to Nitaqat. This was despite the company having previously made minimal attempts to employ Saudis, especially Saudi women, under the earlier Saudisation policy. This was justified because of the nature of the jobs available in a manufacturing company and the fact that the employment rate of women was low. However, the rate of Saudisation, particularly for women, had increased since the company was required to take action by Nitaqat and the removal of bans on some types of jobs. Manufacturer's response to Nitaqat was demonstrated by its expanded women's department in Jeddah and opening new women's branches in different cities.

However, while employment opportunities had expanded, the female employees denied that Nitaqat was applied equally, as it offered women unsuitable job status and conditions such as work in a mixed gender workplace, and with less job opportunities and training courses than men. The women also considered that Nitaqat's elements were unsuccessful. Since none of the employed women had accessed Hafiz and Taqat, they commented on Leqa'at. Specifically, they believed that Leqa'at and other career fairs were

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not sincere in their aims, they were poorly publicised, and companies only participated in order to avoid conflict with the Ministry of Labour. Moreover, female employees considered that private corporations offered unsuitable workplaces and low salaries that did not cover employment costs, such as commuting and childcare at career fair events. Rather, recruitment in private firms was through *wasta*.

Secondly, legal, social and cultural norms were all recognised as barriers to women's employment opportunities. There was agreement that legal restrictions were a secondary barrier to cultural practices and values that place restrictions on women's capacity to access employment. Although the Saudi subsidiary adopted the equal employment policies of its headquarters, these were adapted to fit Saudi legislative restrictions and the cultural context. Adaptations included such measures as ensuring a gender segregated workplace and ensuring that women were not required to drive. Consequently, women were not considered for many potential jobs due to restrictions on their travelling and driving as well as gender separation in the workplace. These restrictions were a particular barrier given that most company jobs involve fieldwork, and were therefore not suitable for Saudi women. This was despite corporate efforts to open up jobs such as engineering to women. The opinion of the minority of women employees was similar to that of the Talent Regional manager: that the segregated workplace was a barrier to women's employment in the labour market, in particular for multinational corporations. All agreed that this regulation required a duplicate workplace to accommodate women, which added cost to the corporation. It is worth noting that senior managers adopted a different perspective on this issue: while the Regional Talent manager noted segregated workplace regulation as a barrier of women's employment in their corporation, the HR manager considered it was acceptable, since it was consistent with cultural norms. This difference could be explained by the Regional Talent manager's exposure to both headquarters and overseas offices. Moreover, due to Saudi social restraints and cultural norms, the HR manager of Manufacturer preferred to hire men to maintain a smooth work-flow.

Both senior managers and women employees agreed that Saudi women's responsibilities toward their families were the primary reason for their employment difficulties. To overcome this issue, the senior managers noted that their manufacturing subsidiary reduced women's working hours and allowed them to work from home in some instances. Women employees were satisfied with these changes. They added that mixed gender workplaces, the permission of male relatives and the male-dominated society and workplace all hindered women in gaining jobs. To be consistent with cultural norms, women

were not required to wear a uniform or remove their veils in the manufacturing subsidiary. It was clear that while the Saudi subsidiary's policies had no issue in recruiting women, the Saudi institutional context was preventing women's employment.

Thirdly, due to legal restrictions, the outcomes of women educational system and the cultural perspective, Saudi labour market is segmented. Saudi Labour Law bans women from certain types of jobs and excludes them from some industries. Senior managers noted that legislative restrictions on suitable jobs for women and commuting and travelling resulted in a low rate of women employees in some industries, such as manufacturing, due its fieldwork requirements. In contrast, women employees considered the limited type of jobs available to them was a cultural rather than a legislative constraint. Nonetheless, it was clear that due to legal policies and labour regulations, women encountered difficulty in gaining employment in particular industries. This was compounded by women's qualifications and skills being mismatched to industry job requirements. It was noted that due to this mismatch and lack of English fluency and skills, the company experienced difficulty in hiring women for technical jobs and senior positions. Furthermore, gender roles in Saudi society were hindering women in gaining employment. The HR manager said that the company preferred to hire men rather than women due to their family responsibilities. It was clear that segmentation in the labour market was due to legal restrictions on women's mobility and types of jobs available, the mismatch between women's qualifications and skills and labour market requirements, and gender roles in society that limited women's opportunities to gain employment. In such circumstances employers preferred to hire men.

The fourth finding was that the company discriminated against women in their employment practices due to the cost and difficulties in compliance with regulations and social and cultural norms. The majority of participants from Manufacturer agreed that women did not face discrimination in employment. Indeed, recruitment and selection were based on competency, all job positions and levels were available to women, offers were suitable, workplace conditions were flexible, salaries were equal to those of men, remuneration was fair, training courses were offered, there was a clear career path, there was opportunity for promotion, and there was no marginalisation in the workplace. However, the Saudi subsidiary had local flexibility to maintain policy compatibility with Saudi legislation, Nitaqat policy and cultural conditions. Therefore, some of the policies of the corporate headquarters could not be implemented in the Saudi subsidiary and thus discrimination occurred.

Due to legal restrictions on women's work, women were excluded from certain types of jobs. Both senior managers noted that the Saudi subsidiary adopted EEO only if the job

was legally and culturally suited to both genders. Moreover, practices such as the gender segregated workplace and the exclusion of women from fieldwork were adapted through Saudi legislation and cultural perspective. It was clear that the subsidiary's employment policy was not an impediment to recruiting women at any level or job position. For example, senior managers mentioned that they had hired women employees in different job positions and departments, such as at the leadership and management level, in finance and accounting, administration, marketing and the supply chain. The Regional Talent manager said that Nitaqat removed the previous Saudisation ban on some women's jobs. Nonetheless, the labour regulation of segregated workplace was received varied perspectives. While the Regional Talent manger and the minority of women employees rejected this regulation and considered it as a barrier to accommodate women, as it added cost to the corporation, the HR manager and most women employees considered it acceptable and consistent with cultural norms. It is noteworthy that not all of the women employees recognised the legal restriction on women's jobs and they accepted the segregated workplace.

Due to Saudi culture, discrimination occurred in recruitment and selection, promotion and training. Given that, Saudi is a collective society, *wasta* rather than the applicant's qualifications and competency was the common tool of recruitment. While senior managers stressed that recruitment was based on competency, half of the women employees accessed their current job by *wasta*. Clearly, cultural values influenced the corporate equal employment policy and *wasta* was used. Due to the male-dominated society and workplace, Saudi men rejected being directed by Saudi women and management accepted this practice. Moreover, Saudi women team leaders used discriminatory practices based on personal relationships and family class in promotion, remuneration and training. Interestingly, while women employees faced discrimination from Saudi women, they received encouragement from male managers, regardless of nationality, to improve their job status and skills. This issue of discrimination could be referred to Saudi cultural norms or women's lack of leadership skills. An important finding was that while headquarters adopted equal employment policies, the discriminatory practices of the subsidiary in employment arose due to the flexibility of the parent's policies to meet Saudi legislation and cultural perspective.

Finally, the expectations and aspirations of educated Saudi women have both changed and increased. An important finding to emerge from the interviews was that women's sector preferences and job status changed due to their experience of working in the private sector. Despite the generous benefits of government jobs and cultural restraints, the majority of women employees preferred to work in the private sector and a mixed gender workplace to

gain experience, improve their career potential and be promoted to executive positions. Interestingly, women gave priority to career progression over the desire to remain 'compatible' with their conservative cultural perspective and norms. However, other explanations could be that the private sector has become more adept in recruiting women, the limited availability of government jobs, having no strong *wasta*, or that the possibility that Saudi social attitudes had changed regarding women's work in the private sector.

Despite being subject to discrimination in some employment practices, as noted by a minority of women employees, women employees had a lower turnover than men. According to senior managers and most women employees, all employees were offered a clear career path, equal opportunity towards promotion, and equal and adequate wages and remuneration regardless of gender. Moreover, women were offered a segregated workplace and flexible working hours that were consistent with their family responsibilities. However, women's retention could be explained by the equal opportunity practices of the corporation or women having fewer opportunities than men to find other employment due to unequal employment practices and gender restrictions minimising job availability, in particular with local corporations. Additionally, none of the women employees rejected the opportunity to attend training courses. Women's retention in this corporation provided evidence of changes in women's expectations and aspirations. Women intended to remain in their jobs due to the attraction of an international corporation, reputation, to gain experience, career path, promotion, good salaries and a satisfactory workplace environment.

7.6 Conclusion

While the recent government policy Nitaqat is a driver of change in women's employment in the private sector, particularly in MNCs, not surprising the institutional context such as legal restrictions, cultural norms and social restraints are reminded limitation the Nitaqat efforts.

It was also clear that women's lack of appropriate qualifications and work experience and suitable skills were clearly a factor in women's employment. Indeed, the educational system of women is designed to meet the country's legislation and culturally conservative perspective. The fact is that the institutional context has led to labour market segmentation and limited opportunities for women to gain employment.

Furthermore he employment policies of the MNC were adapted to fit the Saudi host environment. While segregated workplace regulation has added to the cost of the corporation, most participants accepted it as consistent with culture and religion perspective, norms and beliefs. Clearly, the MNC had attempted to introduce special and flexible practices for women, but discrimination in recruitment occurred due to gender roles in Saudi society. Despite extensive training courses offered by the MNC, women employees also faced discrimination from other women due to either poor management practices and personal relationship and family class. The issue of discrimination in relation to class needs to be explored further.

Finally, it was surprising that in such a conservative society as Saudi Arabia, women's attitudes to employment were changing, with many wanting to work in mixed gendered workplaces and wanting to expand their job opportunities, and ignoring Saudi strict cultural norms and beliefs.

Chapter 7 focused on the Saudi Arabian subsidiary of a US multinational in the male dominated manufacturing industry. Chapter 8 introduces the second case study – the Saudi subsidiary of a UK owned insurance company employing many more women.

Chapter Eight: The insurance company case study

8.1 Introduction

Chapter eight introduces a multinational insurance provider as the second case study and analyses the views of both senior managers and their female employees about women's employment. This case study is an insurance Joint Venture between a Saudi and a UK company based in Jeddah city – pseudonym Insurer. Data was drawn from company documentation, as well as interviews with two senior managers, one man and one woman, and ten women employees between June and September 2012. Their views are analysed in relation to four key factors including government employment policies, the macro barriers women face in gaining employment, the corporate employment policies and barriers they encountered in MNCs in recruiting and retaining women, as well as the issues that women face in the workplace. The Chapter begins with background information on the corporation and is followed by a discussion of the key findings.

8.2 The insurance company

The parent of the insurance joint venture was (according to its website) domiciled in the United Kingdom, with 62,000 employees serving 14 million customers in 190 countries. The MNC offers personal and company-financed medical and hospital insurance products, including a portfolio of health-related services, such as hospital administration, workplace health services, home healthcare, health assessments and chronic disease management services. The subsidiary, with more than 900 employees and 1.2 million clients, was considered one of Saudi Arabia's best employers and won several awards in 2012. These included awards for the 'best call centre in the Middle East', the 'best recruitment program' and, for the third consecutive year, 'best working environment for women' (extracted from its website and interview with the Assistant Benefits Controller).

The senior managers reported that the corporation had approximately 900 workers in Saudi Arabia, with responsibilities for management, finance, customer service, operations and telesales. Fifty per cent of all employees were Saudis, 30 per cent of whom were Saudi women which placed them as 'green' in the Nitaqat ratings system. Saudi percentages were highest in customer services and telesales with Saudi women employed in human resources,

finance, customer service and telesales. The company did not require women to visit clients or otherwise travel outside the office.

8.3 Interviewee characteristics

The two senior manager interviewees were Saudi nationals. The managers were responsible for the employment policies of the company and worked in recruitment and learning and development (IMP1 and IMP2 respectively). The male senior recruitment manager had a bachelor of Business Administration from overseas, while the female senior learning and development manager had a Master's degree in Business Administration. The tenure of the recruitment manager was less than one year and that of the learning development manager was two years.

Ten women employees were interviewed and coded as participants IEP1 to IEP10. They were selected by their supervisors from different departments, positions, levels and work experience,. They worked in resources management, finance, telesales, customer service and membership.

The key characteristics of the women interviewees in relation to their qualifications, tenure, work experience and promotion are presented in Table (8.1)

Table 8.1

Women employees job characteristics from insurance company

Interviewee job characteristics	
Positions held	Three supervisors, two team leaders, one assistant controller, four consultants, one officer, two customer service and administration positions.
Job classification in relation to education credentials	One supervisor participant had a bachelor's degree One supervisor participant held a high school certificate Assistant controller had a bachelor's degree Three consultants had a bachelor's degree One consultant had a diploma. Two women were employed at the mid-level range and had high school certificates.
Work experience and length of time spent job seeking	Six women found their current job within three months (more than one year of prior work experience) One participant found her job within three months (student work experience) One participant found her job within six months (three years' prior work experience) One participant sought work for two years (more than four years of prior work experience) One woman received an offer while still working in a previous job (more than four years of prior work experience).
Promotions	Only three of the five long-serving employed women in this corporation received promotions Since half of the women participants were employed as telesales consultants and team leaders, promotion into line management was difficult One participant was promoted to supervisor during her four years' tenure One woman employee was hired as a team leader Four women were promoted to consultant during their three year tenure One woman was promoted to officer during her three year tenure Two had not been promoted during their three year tenure.

8.4 The perspectives of the senior managers and women employees

This section compares the views of senior managers and women employees in relation to government employment policies, the macro factors that prevent women gaining employment, the corporate employment policies and practices that impact on women in the company, and finally women's experiences in the workplace and their future intentions regarding continued employment with the insurance company.

8.4.1 Government employment policy: Saudisation and Nitaqat

The first theme focused on participants' opinions about the effectiveness of government employment policies on women's employment. All participants were asked their view on firstly, Saudisation and Nitaqat, and secondly, whether Nitaqat was applied equally to men and women. Also, the employees were asked about their experience of Nitaqat's elements.

Both senior managers agreed that Nitaqat had a significant effect on corporate employment policies and that it increased the employment of nationals, particularly women. The recruitment manager explained:

> In 2011 (shortly after Nitaqat's introduction), our corporation increased the total rate of Saudisation for both genders. In 2011, our corporation achieved the platinum level in the Nitaqat system and dropped to the green level in 2012, due to women's resignation.

The Learning and Development manager added:

> To meet increasing Nitaqat quotas, we adopt acquisition policies in Saudi women's employment through the HRDF and flexible job requirements in accommodating the skill levels in women applicants.

It was very clear that both senior managers understood the Nitaqat ranges and quotas. They also agreed that Nitaqat was increasing the Saudisation rate, particularly for women in Insurer and the company had changed the job requirements to meet both Nitaqat quotas and women's skills. However, despite the company's recruitment drive Insurer's Saudisation level dropped from platinum to green due to the resignation of many female employees during this period, as mentioned above.

Similar to the senior managers' views, most of the women employees agreed that Nitaqat encouraged women to join the labour market and private organisations to hire them. It is worth noting that none of the female employees mentioned that Insurer recently opened

the door for women's employment in response to Nitaqat. Moreover, none of the employees had accessed Hafiz or Taqat and they differed in their responses regarding Leqa'at. Four participants were satisfied with their current job and were therefore not seeking employment elsewhere. Another three participants said that they had no idea about such events due to the lack of official announcements. Two other participants had heard about Leqa'at but had not attended events due to their being held at unsuitable times, at a distance from where they lived, or from fear that their managers would see them searching for another job. One participant said that she preferred to search for jobs by herself.

Over half of the women participants viewed male Saudis as benefiting more than women from all government employment initiatives. One observed:

> Saudisation focused on men who received preference with new releases of government jobs and for private jobs through Nitaqat (IEP2).

Another mentioned that men had no legal restrictions on work:

> Saudi males did not have the same restrictions of the Labour Law on women's work, thus men had more flexibility at work than women (IEP5).

A further participant argued that inequality in employment policy was a product of the culture and said 'Saudi women have less job opportunities than men do because this is the nature and norms of our Saudi society' (IEP6). In contrast, two women employees disagreed, and supported the notion that Nitaqat promoted job opportunities for women and men alike.

Senior managers and the majority of employed women agreed that Nitaqat opened up new job opportunities. However, over half of the women denied that Nitaqat created equal opportunity with men in competing for jobs. Clearly, they saw inequality in Nitaqat due to Saudi legal restrictions and cultural constraints on women's work. It was also difficult to assess the women's experience of Nitaqat elements given that none of the employed women had experience with Hafiz and Taqat and only limited experience with Leqa'at.

8.4.2 Institutional factors that impact on women's employment in the insurance company

In this section, the broad theme is identifying and exploring the barriers that corporations encounter in employing women, particularly in the insurance company. The members of Insurer were asked about institutional factors that acted as barriers to women's employment in their company.

Both groups of participants stated that there were no legal issues regarding women's employment. Interestingly the two managers commented on the Ministry of Labour adopting flexible regulations regarding workplace segregation. The Recruitment manager explained:

> There are no legal restrictions on women's employment. On the contrary, the Ministry of Labour encourages private corporations to hire women and adopt flexible regulations. For example, in some of our departments, men and women work together in one workplace and just make space between their desks. There is no issue.

The Learning and Development manager agreed and added that the HRDF assists with women's salaries:

> In fact, the Ministry of Labour has being reforming its regulations and flexibility regarding women's work. The Ministry of Labour encourages women's employment and assists private corporations in this regard. For example, we only pay half of the women's salary and HRDF bears the other half. Moreover, in the past the Ministry imposed total gender separation in the workplace, whilst now genders can work in one workplace with separated work spaces only.

Interestingly while women employees previously claimed that Nitaqat was unequal due to legal restrictions on women's work, the views of the majority (8 of 10) of the women employees were similar to senior managers' view and denied that legal restrictions hindered women's employment in this Company. Only two participants considered legal restrictions to be an issue. One woman saw segregated workplace conditions as a barrier that corporations in the Saudi labour market faced in recruiting women, while another considered the lack of child day-care in other corporations (although Insurer offered this), and part-time work to be issues:

> The Ministry of Labour has to regulate the part-time jobs, for married women, she can work and take care of her family, and for a student, she can study and gain experience. Moreover, the Ministry of Labour has to encourage and support child day-care projects and force private corporations to offer this facility for their women employees (IEP1).

On the other hand, both senior managers agreed that cultural norms were an issue that must be taken into consideration when recruiting women. They argued that mixed gender workplaces were a factor in keeping women's participation rates low. The Leaning and Development manager, a woman, raised the issue of women's need to seek the permission of a male relative to work (guardianship), although the male manager did not mention this as an issue. She argued that:

Due to cultural beliefs and norms, the primary issue is gender separation, as Saudi women frequently demand it and it is important to women applicants. This is followed by the guardianship system.

All the employed women acknowledged that cultural issues were a barrier to women securing employment. They considered that the mixed gender workplace was the primary factor that hindered women's employment in the private sector, as it was considered an unacceptable workplace environment. Women's role in Saudi Arabia was another barrier to women's employment. One participant commented on the gender roles in Saudi society:

In response to cultural norms, once women are married, they have to follow their husband. A woman's husband can prevent his wife from working as he has the final decision on this matter, short maternity leave, which makes women unable to balance between her baby and work, then the responsibility to take care of her children (IEP7).

Another interviewee explained that Saudi men had advantages over women due to cultural practices and beliefs:

Due to cultural constraints on women, employers prefer to hire men rather than women because they have less family ties and are more flexible. Moreover, due to male-dominated society women, particularly Saudis, are unable to direct men in the workplace. Thus, employers would not accept or hire woman in a management position over men to avoid any conflict with culture beliefs and the rejection by the male employees (IEP6).

Two women took the opposite view, that cultural issues had a minor effect on women who, once employed, remained in their jobs.

In brief, while senior managers and most employees denied that legal regulations were a barrier, they argued that Saudi cultural norms and beliefs largely prevented women's access to jobs. Senior managers saw labour regulations as flexible and that they encouraged women's work, even in relation to workplace conditions. In contrast, a few women employees noted that the segregated workplace, lack of childcare and lack of available part-time jobs were reasons for women's unemployment. Due to the conservative nature of Saudi culture, mixed gender workplaces were considered the major barrier preventing women's access to work. Gender roles, the guardianship system, the male-dominated society and workplace were noted as secondary factors. Importantly, the male senior manager did not acknowledge the guardianship system as discriminatory, possibly because he accepted the system of guardianship as an embedded feature of Saudi cultural life. As a male, it may be that the effects of such constraints on women were invisible to him.

8.4.3 Labour market segmentation: public or private opportunities

Interviewees were asked their opinions on firstly, the ability of the private sector to recruit and retain women, and secondly, the reasons for Saudi women's lack of success in gaining employment in the private sector.

The participants were unanimous in their view that the private sector attracted more women than the public sector and senior managers added that this was due to Nitaqat. However, three participants stated that there were few job opportunities in the government. One of the employees commented that available government jobs for women are limited to the education sector as teachers or basic office jobs (IEP1). Another agreed and commented on the nature of jobs in the public sector, 'women in the government sector have no power to make decisions' (IEP3).

Half of the participants raised the issue of *wasta* as a common method in government recruitment processes. Interestingly, despite the general belief of more culturally appropriate benefits in the public sector, the majority of employees said their priority was to focus on their own career development regardless of the sector. Their views were quite nuanced, for example, three women preferred to work for the Insurer because it provided a mixed gender workplace to gain greater experience and improve their career opportunities. Another four participants stated that they would accept a government job if they could obtain a higher position provided it was not in the education sector. For example, one woman said that 'I would accept a government job at any of the Saudi Ministries such as the Ministry of Foreign Affairs and reject any job in the education sector' (IEP5). Only three women employees said that they preferred to work in a government job for its benefits, such as job security, shorter working hours and long public holidays, regardless of whether it offered them a lower salary or position. This is an important finding, indicating that women's preferences have changed, and the priority given to their career progression appeared to be a stronger driver than adhering consistent with cultural practices.

Senior managers and half of the employees also believed that while the Nitaqat regulations were a driving factor in encouraging the private sector to employ women, institutional factors continued to be a barrier. For example, the Recruitment manager explained:

> Due to cultural norms and beliefs, women are excluded from fieldwork and travelling. To overcome this obstacle, our corporation limited some types of jobs and departments for only women and excluded men. For example, all jobs in the telesales department are limited to women.

Therefore, due to the male-dominated society and workplace, women were limited to certain job positions. One participant commented:

> Due to cultural beliefs, the men dominated workplace and recruitment priority still focus on men and management-level and decision-making positions are given to men (IEP4).

It was clear that due to the Saudi cultural perspective, gender-based discrimination occurred in recruitment, the types of jobs available, position level and promotion in the private sector leading to difficulties for women in gaining employment. But half of the employees disagreed, and noted that all positions and levels in Insurer were recently opened up for women. It could be that new job opportunities opened up in response to Nitaqat had changed Saudi social attitudes towards women's work in the private sector but that the response of insurance company was patchy.

Furthermore, the constraints on women's employment were often beyond the control of individual companies. For example, regarding women's suitability for the job, while most participants agreed there were substantial numbers of women seeking jobs, senior managers and some employees claimed that Saudi women applied for jobs for which they were not suited and lacked experience and workplace skills. The Recruitment manager explained:

> While there were adequate numbers of Saudi women applicants, they most likely do not meet the requirements of the job vacancies. The corporation found issues with women's workplace skills, particularly English fluency and the associated communication skills.

The Learning and Development manager agreed and added:

> There is a gap between the job specifications and Saudi women's qualifications, experience and skills. In fact, Saudi women applied for human resource management and administration jobs and there were insufficient numbers of women applying for jobs in certain categories, such as information technology and financial jobs. Moreover, they are not skilled communicators for positions in sales or advertising, which is why there are no women hired as a director or chief.

One employee, who was in an assistant benefits controls position in the finance department, agreed and stated:

> Due to women's qualification and skill, our corporation faces difficulty in finding professional Saudi women to hire for management or senior positions (IEP1).

In relation to the mismatch between women's qualifications and job requirements, a consultant from the telesales department commented:

There are limited numbers of Saudi women professionals because there is a mismatch with the firm's job specifications; or the women have no experience if they have just graduated (IEP6).

In contrast, the majority of the women participants (7 of 10) disagreed, noting that Saudi women were qualified and had adequate skills and experience. However, they believed the standard of Insurer's job requirements were higher than the ability of many Saudi women. One employee commented:

Our corporation adopted high standards of job requirements, such as a rare qualifications, English fluency and long work experience (IEP8)

But the Learning and Development manager had a different view:

Our corporation adopted flexible job requirements to meet the skill levels in women applicants. For example, our standard job requirements include a tertiary qualification that is required for applicants, and women must be aged between 25 and 35 years.

This is an important finding; Insurer was determining an acceptable age bracket for female applicants, which was discrimination on the basis of age, if the same policy did not apply to men. Moreover, this policy went well beyond any legal requirements or restrictions imposed by Saudi regulation on women. While the extent of this practice was not known, women faced difficulty in accessing jobs due to the mismatch between their qualifications and skills and requirements on one hand, and age discrimination on the other.

In summary, participants believed that the private sector was actively recruiting Saudi women and in contrast, government job opportunities remained limited. Moreover, they claimed that government recruitment processes were based on *wasta* rather than competency. Therefore, most of the women gave priority to their career progression, despite the generous benefits of government jobs.

While Insurer encountered barriers in recruiting women due to legal restrictions on women's job conditions and mobility there was confusion between the relative barriers of legislation and culture in women's employment. Clearly legal restrictions reflected conservative Saudi traditions and norms, and in turn within companies discrimination occurred due to these underlying cultural perspectives and male workplace domination. Even though the company had recently opened up new job opportunities for women, they were limited to certain types of jobs, and did not include decision-making positions. Female employees believed that the priority in recruitment was for male employees or was based on *wasta*. Furthermore, despite the large numbers of educated women job seekers, their professional qualifications, fluency in English language, skills and work experience and

women's age did not meet the high standard of Insurer's job requirements. In addition, women faced extra discrimination on the basis of age in this company and were excluded from management positions due to their inappropriate qualifications, lack of skills and work experience on one hand, and culture norms and male-dominated workplace on the other.

8.4.4 Insurer's gender employment policies

The discussion in this section identifies the factors that influence and impact on Insurer's gender employment policies. All participants were asked about the Company's equal employment policy.

Both senior managers and over half of the employees believed that the Insurer adopted equal employment policies in recruitment, selection, wages, career development, training and job positions. Both senior managers also agreed that the Saudi subsidiary adopted the equity policies of their headquarters in the UK and then adapted them to fit Saudi Labour Law, such as segregated workplace, suitable job and women's uniform, and provided examples. The Recruitment manager stated:

> The Saudi subsidiary generally adopts the employment policies of headquarters and then adapts them to fit the Saudi legislation, labour laws and cultural perspective. For example, we adopt the headquarters' equity policy, which states that all employees are recruited and paid according to competency and meeting corporate goals and performance targets. On the other hand, we adapted to the Saudi law that dictates women's dress code (veil and long dress), and time off for prayers and reduced work hours during Ramadan for all employees.

The Learning and Development manager agreed and added:

> The Saudi subsidiary adopts the aims and vision of headquarters. However, the subsidiary's workplace remained Saudi, such as with a segregated workplace and women's uniform.

Both senior managers claimed that once in the company, women could apply for all positions and that there was no discrimination based on gender. The Learning and Development manager said that 'for example, the subsidiary has equal employment opportunity; we have women managers in different departments, I am one of them. The Recruitment manager agreed but added the proviso that the job had to be legally and culturally suited to women:

> All positions from entry to senior management are available to women. Our corporation adopts equal opportunity practices for all jobs, excluding fieldwork, which is due to travel restrictions for Saudi women.

However, half of the employees were dissatisfied with their current positions for reasons such as the job under-utilised their work experience and qualifications, they were limited to certain types of jobs, and they not able to direct men.

In relation to recruitment and selection, the senior managers stated that the Company adopted practices of their headquarters, with flexibility to meet the Nitaqat quota. The Recruitment manager explained:

> The corporation adopts equal employment policies and selection based on competency .... all applicants go through the same selection process, regardless of gender.

The Learning and Development manager agreed and added that due to their equality in employment policies, Saudi women comprised 30 per cent of all Saudi employees in the Company. But half of the women employees claimed to have used *wasta* through their personal relationships with employed friends to obtain their current job, undermining the claim that recruitment and selection was merit based and consistent with home country policies.

In addition, while both senior managers believed that Insurer provided equal and fair wages in comparison with the Saudi market, the majority of employees (7 of 10) disagreed and were not satisfied with their salary, which they considered was not compatible with their positions. One employee commented 'I had been promoted four times; however, I am still on the same grade and received a minor increase in my salary' (IEP6). Another agreed and claimed that the Company's salaries were less than that of the market, she argued 'whilst I was promoted this year, the workload is high and I am still not being paid enough and I can get more money elsewhere' (IEP4). A further employee saw this as gender discrimination, since women received less salary than male colleagues who were on the same job and grade; she reported that 'the manager said that to me you will not receive any increase in your salary this year because your male colleague has not' (IEP2). The issue of remuneration was also linked to performance review, as one employee explained:

> I received a rating of 4 out of 5 in my annual performance evaluation. Then they decided to lower everyone's rating by a point, and I dropped down to 3, and this ruined my chance to get a bonus (IEP3).

Another employee added:

> There is no fair performance evaluation and reward; for example, I haven't received my annual bonuses because that would put me ahead of my male colleague (IEP2).

Only two employees disagreed and believed the corporation paid them fair remuneration. It was clear that there was a big difference between the views of the senior managers and the female employees on their remuneration and basic salary.

In relation to promotion and career opportunities, while both senior managers agreed that these were key factors in retaining women in employment, the Learning and Development manager contradicted her own previous opinion and commented:

> Generally, the corporation prefers to hire men in manager positions, as women are culturally unable to direct a male employee, which led to women resigning in search of advancement.

This is an important finding, because while both senior managers claimed that all positions were available to women in Insurer and believed the Company adopted equal promotion and career opportunities, they admitted that women were excluded from many management positions.

Nevertheless, over half of the employees expressed satisfaction with their promotion opportunities. One said she had received several promotions during her three years' tenure with the insurer. Another stated that she was satisfied because she had received a promotion in a reasonable amount of time. An interesting comment, which is hard to verify, was that discrimination against Saudis, and women in particular, had improved with the replacement of foreign managers by Saudis:

> Promotional opportunities and career paths had opened up for Saudis, particularly women, since foreign executive changes occurred and expatriate managers were replaced by Saudis managers (IEP6).

Hence a complex and often contradictory picture was emerging of the impact of equal opportunity policies in Insurer. While women employees received promotion, their career opportunities were clearly limited. Indeed two participants believed that there was no career path for women. One woman commented:

> There is no career path for jobs in this department; in contrast, men have a clear career path in all departments, regardless of whether in their own department or moving to another (IEP3).

A further two participants agreed that there were limited career paths for women. One participant explained:

> Women have a limited career path. For example, women have a career path up to a certain level, once she reaches the managerial level, her career path will get unclear (IEP1).

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An important finding was that while men had a clear career path, women's options were limited as Saudi culture did not allow women to direct men and this was largely accepted within the Company.

In relation to training and development, both senior managers claimed that Insurer offered all employees access to training regardless of gender and some of these courses were compulsory while others were not. All employees reported that they had attended courses - a minimum of two and up to a maximum of ten. One employee stated that 'training courses improved my skills and job opportunities in future' (IEP4). Another said that I have not rejected any training course, as it adds to my knowledge, improves my skills and increases my chance to find a better job in the future (IEP8). Only two employees rejected some courses due to the subject being too general or because of their workload. One commented:

> Each employee has the right to undertake at least two training courses a year; however, I attended four training courses in two years and just rejected only one as it was general and I am looking for intensive courses (IEP1).

Interestingly, only one woman participant reported discrimination in training; women were limited to local courses while men were sent overseas. Again this was an example of how legal restrictions on women travelling alone and conservative cultural beliefs, resulted in women having fewer training opportunities than men and hence fewer career development opportunities.

Finally, both senior managers claimed that workplace conditions in the Company were flexible and that women were not marginalised. However, while all employees considered workplace conditions were acceptable, over half of them believed that they were marginalised on the basis of gender. Comments included:

> Due to women's social responsibilities, women might to be less productive or leave her job at any time, thus the corporation appoints them in non-strategic jobs (IEP10).

> The corporation limits women to nonstrategic jobs and men are appointed into primary jobs that have a clear career path and opportunities for promotion (IEP3).

Again, the attitudes of foreigners, particularly men were raised. One woman said:

> In several meetings, the foreigner Chief said to us, "I am sure you were not understanding anything" …. and he never said this to men employees. Generally, the men's departments were looked [on as] superior to the women's departments (IEP5).

Another woman claimed 'I have not faced any unfair treatment when a Saudi woman directs our department, while a foreign male manager was discriminatory' (IEP10). One employee disagreed that women faced discrimination, but her supervisor was a woman, said:

> I have not faced any marginalisation in my job on the basis of gender. For example, the senior manager of the finance department is a woman. So, women and men are equal in this corporation (IEP1).

An important finding was that most employees had experienced discrimination in Insurer. While they believed that discriminatory practices resulted from the policies of the Saudi subsidiary, some also commented on the discriminatory attitudes of foreign male managers.

In summary, both senior managers agreed that the Saudi subsidiary adopted the equal employment policies and practices of its headquarters. However, they emphasised the need to be compatible with Saudi legislation, Nitaqat policy and cultural norms and values. Although both senior managers claimed that Insurer did not discriminate on the basis of gender, they provided examples that demonstrated they actually did discriminate. Instead, they chose to see this as a cultural reality in Saudi rather than discrimination. In contrast, the women generally saw these practices as discriminatory, based on gender, and gave examples, such as the emphasis on *wasta* in recruitment, limitations on jobs open to them, unclear career paths limited to mid-level positions, and unequal salaries and remuneration.

8.4.5 Women's expectations and aspirations

In order to explore women's expectations and aspirations, employees were asked why they had accepted their current job, and all participants were asked about retention of women within the Company.

The women offered various reasons for accepting a position with Insurer. The good reputation of the Company was a key factor, with one participant commenting 'It has a good reputation in the Saudi labour market as a multinational corporation and their job offer was better than the local corporations' (IEP4).

Another factor was an attractive workplace environment and facilities, as the following participant explained:

> I accepted work with this corporation because it is a multinational; I had some friends working here and they have a large number of women employed .... Also, it has a segregated workplace environment and childcare (IEP5).

Other reasons such as suitable salary, the opportunity to gain experience, a position that was compatible with their qualifications, and the possibility of a career path were also mentioned.

Although the senior managers and most women employees agreed that the Company had challenges retaining Saudi women, they had different explanations of the reasons for the turnover of female staff. The Recruitment manager claimed that cultural norms and workplace conditions were important:

> The corporation had challenges retaining Saudi women employees. During 2011-2012, our corporation level in the Nitaqat system was dropped due to women resigning. They resigned due to their family responsibilities, unsatisfactory working conditions such as long working hours, lack of flexible leave arrangements and finding better jobs.

However, the female senior manager identified other reasons, such as male relatives and lack of leadership skills among the female managers. She explained that:

> We have no issue with workplace conditions as, in 2011, our corporation was awarded the best status for female working conditions. For example, the corporation offers women a free childcare and gym, a lounge and smoking area and a prayer room. The problem is that the Saudi women managers lack leadership skills; moreover, in some cases, a woman's male relative forces her to resign.

A number of reasons were given as to why women resigned from the MNC. These included, family responsibilities, long working hours, inflexible leave, the desire to find better jobs and guardian relative attitudes and under-utilisation of the leadership skills of Saudi women's managers. Interestingly, the female senior manager again noted the guardianship system as the reason for women quitting their jobs; an explanation not offered by the male manager who perhaps uncritically accepted this situation due to his gender. Despite the earlier evidence that the nationality and gender of the director was influential in the treatment of Saudi women employees, here the participant noted a lack of leadership skills among Saudi women managers.

Over half of the employees had no intention of leaving Insurer, citing attractive workplace conditions, a better job offer within the company, adequate allowances and rewards, promotion opportunities, employee rights and loyalty. Four participants - two of whom had been with Insurer for three to four years - were planning to leave their jobs, and their reasons focused on Saudi women's traditional role in society, for example the mixed gender workplace, guardianship issues , marital status and impeding childbirth.

Unequal salary packages and unclear career paths were also mentioned as reasons for women resigning from their jobs. One participant explained this salary inequality:

Men employees received full family health insurance and women employees received a policy for a single person, an inexplicable situation given that the employer was a health insurer (IEP1).

Another interviewee concurred and claimed:

The female salary package was less than a male's for the same job and grade, for example, women employees received a housing allowance while men could access full accommodation (IEP5).

Interestingly, some women participants doubted whether the promotions were actually available for women, as one explained that it takes two to four years to get promoted, there is a clear career path until we get to management level, then it starts to get difficult (IEP1). Another woman added:

This organisation hires women for a certain type of job that has a limited career path .... women have a problem being promoted out of their various female-only groups, but the men apply for any management position (IEP3).

The need to pursue study, heavy workloads and long working hours were other issues reported. The seven women who had prior work experience also explained why they had left their previous jobs. Reasons included low wages, shift work, poor management, lack of training or career prospects, pregnancy and the distance involved in commuting.

Clearly, Insurer had challenges in retaining its Saudi women employees despite numerous strategies and employment benefits. While some women found better positions elsewhere, many left the Company because of pressure from both family responsibilities and the impact of a male-dominated society. In addition, discriminatory practices were evident in Insurer despite management's claims they adopted the policies of headquarters. Furthermore, there was evidence that Saudi women employees faced discrimination based on both their gender and nationality from foreign managers.

8.5 Summary of key findings

There are five key findings from this case study. Firstly, the participants all agreed that compared to Saudisation, Nitaqat significantly increased the rate of Saudisation, particularly for women. According to the senior managers, Insurer had changed its employment policies to increase the rate of Saudisation in response to Nitaqat. To meet Nitaqat quotas, corporate management adopted acquisition policies in women's employment through HRDF and flexible job requirements. Interestingly, none of the female employees had noticed these changes.

The senior managers also claimed that due to the nature of the industry, they had no barriers to employing Saudis, especially Saudi women, under previous Saudisation and recent Nitaqat. However, women were hired in different 'suitable' job positions, such as in management and consultancies, and departments such as human resources, finance, customer service, operations and telesales. While the majority of employees agreed that Nitaqat opened new job opportunities, they did not believe that it was applied equally and they viewed men as benefiting more than women from all government employment programs. In addition, the majority of women considered Nitaqat's elements were unsuccessful; however they could only make limited comment, given that it was introduced after they were employed with Insurer. As none of them had accessed Hafiz and Taqat, their only comments were about Leqa'at. They reported that Leqa'at lacked official announcements, was held at times that were unsuitable for women employees, was far away from where they lived and/or they feared that one of their managers would see them searching for another job. Importantly, they believed that recruitment in the private sector was through *wasta* not merit.

Secondly, the Saudi legal, social and cultural context was considered a barrier that resulted in women's inability to access employment. Both senior managers and employees identified the conservative Saudi social and cultural norms as the major factor that limited women's employment opportunities. While senior managers considered legislative restrictions and labour regulations as key factors in encouraging the private sector to employ women, the minority of women employees identified these as a major barrier.

Senior managers claimed that Insurer adopted the equal employment policies of its headquarters and then adapted them to fit Saudi legislation, labour regulations and cultural conditions. Adaptations such as providing women a segregated workplace, limited them to office work and supported a Saudi Islamic dress-code by wearing black long dress and veil instead of suits. Senior managers noted that the legal restrictions on women travelling and commuting were barriers to women's employment. However, regulations such as the segregated workplace were not considered an issue, as the managers believed that the Ministry of Labour's regulations were flexible. Indeed, the company interpreted these regulations flexibly with women and men working together with only space between their desks. This indicated that the definition of a segregated workplace regulation was open to interpretation. Nonetheless, some women believed that segregated workplaces, lack of childcare and lack of availability of part-time jobs were legal barriers that limited women's ability to gain employment.

Cultural constraints were noted as a significant barrier affecting women's employment. Both senior managers and employees agreed that gender roles in society and mixed gender workplaces were the primary reasons for women's unemployment. Employed women also added that the guardianship system, pregnancy and short maternity leave, the male-dominated society and workplace limited women's ability to access employment.

It is noteworthy that all interviewees were confused about legislative restrictions and cultural constraints. For example, barriers such as women's inability to commute to work, the limited types of jobs available, restrictions on women's travel and the guardianship system were often identified as cultural rather than legal constraints.

Thirdly, the Saudi labour market was clearly segmented due to a complex mix of legislative restrictions, educational outcomes, and cultural constraints. Most participants agreed that the private sector was better than the public sector at recruiting women. Indeed, the majority of employees believed that the government sector had only a limited number of jobs available for women and, similar to private sector recruitment, was based on *wasta*. However, the motivation of most female employees was to secure career opportunities and better pay rather than a preference for either the government or private sector. Furthermore, a sizable minority of women preferred to work in a mixed gender workplace in order to gain experience and improve career possibilities, and they ignored conservative cultural norms. These developments indicate that women's experiences in the largely foreign owned private sector were changing both the perspectives of Saudi society and the women themselves, albeit incrementally.

Also influencing the labour market was the fact that in Saudi society *wasta* was clearly a common tool of recruitment and promotion, rather than the applicant's qualifications and competency. As a result, only a limited number of jobs were available and there were limited career development opportunities for women in both the public and private sectors. Furthermore, the restrictions on women commuting and working in 'suitable' jobs impacted on the labour market for women. While the majority of participants agreed that a high number of women were seeking jobs, senior managers believed there was a gap between the job specifications and Saudi women's qualifications. Indeed, senior managers mentioned that most Saudi women applied for human resource management and administration jobs and that there were insufficient numbers of women applying for jobs in certain categories, such as information technology and finance. The Learning and Development manager noted that due to women's qualifications, lack of English fluency and workplace experience, the majority of employees felt that there were large numbers of highly educated women job seekers with

adequate qualifications, skills and work experience who were not able to get into the workforce due to high job requirements. In this particular company discrimination on the grounds of age for women but not men also occurred.

Fourthly, in accommodating legal, social and cultural norms, Insurer was clearly discriminating against women. While claims were made that the company adopted all of the corporate headquarters' equal employment policies, the local flexibility to accommodate legislation and cultural norms had some mixed outcomes. On the one hand, women's dress code, time off for prayers and reduced work hours during Ramadan (fasting month) demonstrated a local flexibility that was positive in its impact on all employees and women in particular. On the other hand, the requirement for jobs to be legally and culturally suited to women undermined their position in the workplace.

While some discriminatory practices such as issues around recruitment, unclear career paths, exclusion from decision-making positions, unequal salaries, benefits and unfair remuneration could be characterised as underpinned by legal and cultural restrictions, others went well beyond this. For example, in Saudi collective society, *wasta* was the common recruitment tool, rather than the applicant's qualifications and competency. Although senior managers claimed that recruitment was based on competency, the experience of employees was that they used *wasta* through social connections to obtain their current jobs. Moreover, women faced marginalisation in the workplace due to the gender roles in society. Women employees were hired in nonstrategic jobs with unclear career paths and limited opportunities for promotion. They also faced discrimination based on gender and nationality from non-Saudi male managers.

Finally, there was evidence from this case study that the expectations and ambitions of educated Saudi women had both changed and indeed been raised. Despite Insurer offering women free childcare and a gym - and it won an award for best female working conditions in 2011 - all participants agreed that the Company faced a high turnover of women in its workforce. While some of these reasons were beyond the scope of the Company and linked to Saudi women's traditional role in society, others such as unequal salary packages and unclear career paths were not being addressed. Another issue raised by a manager not by the employees was lack of leadership skills among women managers. However, the employees experienced a range of issues that were linked to this; for example, they were often disadvantaged by *wasta* and favouritism from their female managers. This is an important finding because *wasta* was often explained as a cultural factor rather than a lack of leadership and managerial skills.

While women faced discriminatory practices in the workplace, they nevertheless intended to remain in their jobs due to the reputation of the corporation, good salaries and a satisfactory workplace environment and facilities. This could be explained either by women having fewer opportunities for finding other jobs due to unequal employment practices and gender restrictions minimising job availability, in particular with local corporations, or that they accepted gender discrimination.

8.6 Conclusion

This company had made a genuine effort to comply with Nitaqat and had been highly effective in a relatively short space of time in opening up job opportunities for women. It interpreted many government regulations broadly and flexibly in favour of its female workforce. Women embraced these opportunities and saw MNCs as an important vehicle for realising their career aspirations and ambitions. In fact, through work experience, women's career ambitions and preferences had changed.

However, the company was in many ways out of step with parent company policy and even in some instances with Saudi rules and regulation. It applied EEO policies but adapted these to the cultural context – some positively as they provided a culturally appropriate working environment – others less so. Indeed the company discriminated against women on the basis of age, far beyond any legislative requirements.

Given the extensive legislative and cultural constraints on women, the extent to which EEO could be genuinely implemented was limited, and women were restricted to traditionally female occupations and could only be promoted to a limited level given the Saudi restriction on women's mobility and capacity to direct men. Therefore, the institutional context led to a segmented labour market that limited women's opportunities. Moreover, the differences in human capital were a key factor, with women's qualifications being out of step with corporate requirements.

The extent to which EEO could be implemented was thwarted by the Saudi cultural and legislative context, partly evidenced by problems in retaining women. A mix of institutional factors, mainly cultural and legislative barriers, led to a high turnover of female staff. The guardianship system was a key issue; while women themselves were adapting to working in mixed gender environments, male guardians commonly did not necessarily share the same view. Other restrictions and structural barriers also contributed to the turnover of

women in employment. The company also needs to look at its leadership and management programs for women to counteract nepotism and favouritism in the workplace.

Finally, the career aspirations of many educated Saudi women were changing. They were willing to work across both the public and private sectors to meet their aspirations and expectations rather than comply with cultural perspectives.

Chapter nine is the discussion and conclusion chapter which analyses the findings in the context of the research questions, and these outcomes are aligned with previous empirical literature and evidence and the theoretical framework. The conclusion therefore summaries the thesis, and offers further lines of prospective enquiry for future researchers.

Chapter Nine: Discussion and Conclusion

9.1 Introduction

The purpose of this chapter is to draw on these findings to respond to key questions posed by this study.

This is the discussion and conclusion chapter; its aim is to align the outcomes of the study with previous empirical literature and evidence as well as the theoretical framework. First, the main findings are discussed in relation to broader theory and the major contributions of this study are identified. Second, the conceptual framework is revised to incorporate the study's findings and to illustrate why the driver and resister factors of Saudi women's employment are present. Third, the conclusion summarises the thesis and offers recommendations for future research.

9.2 Discussion of the findings

In this section, the macro factors that drive and resist women's employment, which emerged from the study findings, are presented and framed within a conceptual model (Figure 9.1). The five key findings are discussed in relation to the literature and the major contributions of the findings are presented.

9.2.1 Saudisation failed and Nitaqat has had marginal success

Overwhelmingly, all of the participants believed that Saudisation had failed in its attempt to limit the influx of expatriate labour and improve the recruitment rate of Saudis within the private sector. Furthermore, the policy neglected women's employment. This finding concurs with SAMA's (2013) published statistics. In addition, many of the Royal Saudi decrees existed as laws for years without being implemented under the Saudisation policy. Esmaeili (2009) also affirmed that changes in the law were extremely slow. Until recently, the belief was that the government paid little attention to enforcing equal employment (Al-Dosary & Rahman 2009; Sadi & Al-Buraey 2009; SAGIA 2010) and that it neglected to track retention (Cordesman 2003; Ramady 2010).

In contrast, the majority of the participants agreed that Nitaqat had been effective insofar as it had increased Saudi employment rates. The case studies showed that the effect of

Nitaqat was clear in relation to increasing the rate of Saudisation. However, this finding could not be confirmed with published data and the evidence on the success of Nitaqat is conflicting (Allam 2012; Zawya 2012). A further issue, as pointed out by the Minister of Labour, was that 86 per cent of available jobs were 'not fit for Saudis' (Zawya 2012). A key difficulty in the nationalisation of private jobs is that while Nitaqat attempts to replace foreigners with Saudi nationals, there is evidence that Saudis avoid working in certain types of jobs especially low status positions (Ramady 2010).

Government officials attributed the success of Nitaqat to its layered system and realistic targets with the ratios pegged by industry and its relative capacity to achieve Saudisation. However, the case studies showed that different industries are better placed to implement Saudisation than others. While the insurance company found no issue in recruiting Saudi women, the manufacturing company faced difficulty in doing so because of the nature of its skills requirements and employment conditions. However, due to the design of the Nitaqat system, both case study organisations achieved their rate of Saudisation. In fact, Sfakianakis (2011) found 205 job categories for Nitaqat quotas, based on the firm size and industry. A key reason for this success was the implementation of a system of penalties for non-compliance. The importance of this was emphasised by Government officials and supported by media commentary (Ministry of Labour 2011; *Saudi Gazette* 22 November 2011b; *Arab News* 8 January 2013).

Despite apparent success, it is difficult to judge Nitaqat's effectiveness due to a lack of statistics and outcomes. As noted previously, official employment statistics are not published in the Kingdom. Rather, the pronouncements of the Ministers and royals are taken as fact, whether these pronouncements are contradictory or not. This finding concurs with that of Ramady (2013, p.3), who characterised contemporary research on Saudisation/Nitaqat policies as relatively limited, with no 'descriptive quantitative data analysis, or prescriptive assessments of what governments should do'. According to Ramady (2013, p.3), the difficulty in conducting reliable research is that there is a 'general lack of data, and data which is often incomparable, inconsistent or not credible'. As indicated by the use of media reports in this study, published government documents 'which for reasons of perceived sensitivity and confidentiality, are unlikely to enter the public domain' (Ramady 2013, p.3).

Most of the study participants agreed that Nitaqat succeeded in increasing women's participation by opening up new job opportunities and reactivating all of the Royal decrees released under previous Saudisation regarding women's work. However, this increase in

women's employment opportunities was problematic. Participants considered the status of the jobs offered by Nitaqat was unacceptable from both a cultural perspective and in relation to the aspirations of educated women. It is noteworthy that only employed women said that Nitaqat did not appear to be gender-neutral. They claimed that, unlike women's work, there were no legal restrictions on men's work. Therefore, Nitaqat offered men more job opportunities and those offered to women were of low status and mismatched to their qualifications. This finding is unsurprising given the Saudi institutional context which is shaped by the country's cultural policies, practices and social structures that shape women's legal status and social position (Moghadam 2003). Clearly, the Saudi institutional context hinders women from access to employment, in particular by multinational corporations.

As a response, one of the key government responses to improving women's employment opportunities was to 'feminise' more job categories to allow women to gain paid work (*Arab News* 8 January 2013). This measure has been only partially successful due to the Saudi cultural perspective that jobs available in the private sector are generally considered 'not fit for Saudis', particularly women (Zawya 2012). According to Ahmad (2013), although there were 750,000 jobs available after the deportation of illegal workers, Saudis would not consider them due to their low job status. Moreover, while Nitaqat opened new job opportunities limited only to women in 2012 (*Arabian Business* 20 January 2014) these positions were considered unacceptable due to mixed gender workplaces and the requirement to work in public places. In Saudi society, which is characterised by 'high uncertainty avoidance', women demand fully segregated workplaces to comply with Islamic principles and Saudi cultural norms and beliefs (Hofstede Centre 2014; Al-Asfour & Khan 2014).

A related problem is that the jobs available are mismatched with the qualifications of educated women. As evident in this study, the majority of unemployed women participants were highly educated. This concurs with a report by *Al-Monitor* (25 January 2012), where it was claimed that 78 per cent of unemployed Saudi women were university graduates. Allam (2013) confirmed this fact and noted that the majority of private sector jobs for women were entry-level roles formerly held by foreigners in shops and offices. The fact is that the Nitaqat jobs were aligned with unskilled and semi-skilled work in retail, thus replacing foreign labour in sales, production lines and as cashiers. Despite the possibility of a career path from these entry-level positions, they did not have the job status and responsibilities considered acceptable to educated women. This finding concurs with the recruitment agency reports that the typical low-wage and low-skill jobs do not attract sufficient Saudi interest. According to a

recent report, one Saudi applies for every ten jobs offered (Albawaba Business 2014). Evidence from this study shows that educated Saudi women are not satisfied with the low quality jobs offered, which is a key flaw in the design of Nitaqat in relation to women's employment targets. Women's employment preferences have not been considered in the policy design and implementation process and as such, the uptake of available employment has been limited.

A further problem identified with Nitaqat was that programs designed to support the achievement of targets have had limited success in increasing the rate of Saudi participants, particularly women. One issue was that due to the conditions of Hafiz, women over 35 years old were prevented from accessing unemployment relief at the time of interview. Taqat also simultaneously offered women jobs with unsuitable workplace conditions, a high cost of employment, low wages and positions that were not matched with their qualifications. Finally, Leqa'at lacked announcements, offered jobs that were irrelevant to women's qualifications and recruitment was based on *wasta*. The majority of employed women believed that Nitaqat was applied unequally, as men obtained advantages from all government employment policies and elements due to legal restrictions and cultural constraints on women's work.

These findings contradicted some of the official statistics and the announcements made through the media, but there was very limited empirical data and/or literature that discussed the issue of women accessing the elements of the Nitaqat program. Hawari (2011) confirmed discrimination in the Hafiz program and additionally noted that 'Saudi citizens have criticized the Hafiz unemployment program for excluding job seekers over the age of 35'. This is a direct discriminatory regulation against women based on age (Bagilhole 1993; Bacchi 1996). In contrast, Alkhudair (2012a) claims that Hafiz produced several benefits in raising Saudi job opportunities and salaries. It is noteworthy that in February 2014 Hafiz's financial assistance was expanded to job seekers aged 35-60 (G20 2014). Moreover, it contradicted the announcement of the Taqat women's director that a thousand jobs were offered to women each week and that these were matched with the profiles of Saudi job seekers (*Saudi Gazette* 15 January 2013). Taqat was considered an unequal policy as it offered women less job status than men, which is clear and direct discrimination driven by regulations and laws based on characteristics such as gender (Bagilhole 1993; Bacchi 1996). There was no literature that made a comparison between Saudi women and men's job opportunities on the bias of types and positions and the training courses offered to them by

Nitaqat's elements. Regarding Leqa'at, there were no literature or media reports that supported the study about Leqa'at lacking announcements. In the highly collective Saudi society, loyalty and commitment are also considered in hiring decisions (Hofstede Centre 2014). However, the issue of *wasta* was largely confirmed in both the literature (Ramady 2013; Mellahi 2007; Ali 2009a; Tlaiss & Kauser 2011) and recent media reports (Al-Fasi 2014). For example, the status in the jobs they sought was frequently derived from *wasta*, and competencies (skills and knowledge) may or may not be necessary (Al-Bashr 2014; Al-Husan et al. 2009).

The findings also showed that most of the women participants were not aware of their rights under Nitaqat and neither the literature nor the media raised the issue of employee's rights'. Nonetheless, according to participants, the protection of the rights of employees was one of Nitaqat's short-term targets (Sfakianakis 2011; Kawach 2011). Indeed, the issue is the lack of clarity in the Labour Law Articles and employees' rights, and the fact that even if a law exists, it is often not implemented. This was supported by the unemployed women who believed that employee childcare entitlements, as specified by Article 159 of the Saudi Labour Law, were not implemented. Similarly, provisions for employee transport were not made, given that unemployed women noted commuting as a reason for not accessing work. Another example was that while the minimum wage and sexual harassment policies existed at the time of the interviews, unemployed women considered these issues ineffective and emphasised that there was a lack of policies to protect women employees. This finding confirmed that both the Labour Law and written and unwritten determinations are unclear and employer compliance is weak.

Overall, Nitaqat's achievements are limited and the program will not succeed if it is not consistent with the Saudi cultural perspective and women's qualifications and aspirations. This suggests that firstly, there is a contradiction between the aims of Nitaqat regarding the actual reality of employment for women and the legal restrictions that need to be observed in order to participate in the labour market. Secondly, Nitaqat will not succeed if it is inconsistent with the Saudi cultural perspective concerning workplace conditions such as mixed gender workplace and appearance in public places. Finally, women's education levels need to be considered in Nitaqat's jobs by opening new opportunities in professional positions to meet their qualifications and expectations.

9.2.2 Institutional factors shaped women's employment opportunities

For the most part, cultural constraints were considered to be a primary barrier preventing women's access to jobs and limiting their agency. Legal restrictions were considered secondary and a reflection of cultural beliefs and norms. However, both law and culture are indeed enmeshed and difficult to disentangle. Participants were also confused about the difference between the legislative and cultural barriers and the majority of the participants, particularly women, considered the legal restrictions on women's work as cultural restraints.

This finding is consistent with both the literature and institutional theory where the close links between law and culture are explained. As noted previously, the institutional context is a social product (Selznick 1957/1984, p.5) that shapes women's legal status and social position (DiMaggio 1988; Moghadam 2003). Sullivan (2012) emphasised that Saudi legislative restrictions and its conservative society clearly restrict women's access in the work place on the basis of culture. Legal restrictions include gender workplace segregation, the inability to apply for certain types of jobs, the inability to travel and work without the approval of a male relative and being banned from driving. These have all been identified previously as barriers to women working (Kelly & Breslin 2010; Al-Munajjed 2010; Hamdan 2008; Muhammad 2013; Ramady 2013; Kelly & Breslin 2010) not only in Saudi Arabia but also in other countries in the Middle East and the North African (MENA) region (Al-Ali 2002; Moghadam 2003). These barriers, however, are both culturally sanctioned as well as established in law, and while the impacts on women's labour market participation was acknowledged across the study participants, they were also widely supported and supported as being a necessary 'protection' for women.

While these various restrictions affect women's employment, different emphasis is placed on each of them and the relative effect that they have on women's capacity to engage in employment. For example, there are those that view travel restrictions as the key factor. For example, Alkhudair (2012b) and Al-Munajjed (2010) consider women's inability to drive as a significant barrier that has a profound effect on women's work. Alkhudair (2012b) argues that Saudi women's inability to commute means that, among other matters, 1.5 million unmarried women over the age of 30 years cannot work. While these issues were supposedly being addressed through Nitaqat (*Arab News* 8 January 2013), recent reports suggest that the travel issue had not been resolved and that women had been demanding their own public transport to move around in their cities (*Arab News* 29 January 2014a). Similarly, this

restriction was highlighted by the unemployed women in this study who saw the cost of commuting as a key reason for turning down job offers.

More broadly, the participants overwhelmingly agreed that Saudi women's traditional role in society was the main barrier preventing women's access to jobs. For example, the HR manager, from the manufacturing corporation preferred to hire men to maintain a smooth work-flow. To overcome this issue, the Regional Talent manager noted that their manufacturing subsidiary reduced women's working hours and allowed working from home in some instances. This finding confirms the view of Hofstede et al. (2010) that the issue of women's lack of employment rests with the traditional gender roles within the society. Al-Dosary et al. (2005) also argue that Saudi conservative society demanded that women conform to its stereotypes. In addition, because of women's traditional role in Saudi society, long working hours in the private sector were incompatible with their family responsibilities. In response to Nitaqat reforms, there was a move from long working hours (48 hours per week) towards a 40-hour work week across five days and resolving the early morning and late afternoon shifts (*Arab News* 8 January 2013).

The requirement that women work in a gender segregated workplace was a further barrier raised throughout the interviews but at the same time, this is a workplace condition that women commonly demand. Again, almost all of the participants agreed that Saudi women avoid working in mixed gender workplaces that is considered culturally unacceptable. The Learning and Development manager from the insurance corporation said that Saudi women frequently demand a segregated workplace. This concurs with Baki (2004), Al-Dosary et al. (2005), Ali (2009a), Al-Munajjed (2010) and Ramady (2010) who argue that due to Saudi conservative cultural norms, the majority of women avoid working in mixed gender workplaces, which results in limited types of jobs available to them and hence unemployment. As with other Arab countries, a large proportion of women work in the education sector because of the gender segregated environment and it is more socially acceptable (Boserup et al. 2007).

Nevertheless, the participants acknowledged the inherent conservatism of the population through Shari'a law which limits the type of workplace deemed to be acceptable; that is, where genders mix and may come into direct contact (Vogel 2012). This concurs with the finding of Scott-Jackson et al. (2010) who found that three quarters of their study sample of Saudi women preferred a women-only working environment. Although King Abdullah began the workforce feminisation policy on reaching the throne in 2005, women's

employment in mixed gender workplaces was, and remains, aggressively fought by conservative clerics (*Al-Arabiya News* 14 February 2013). Furthermore, the religious police closely monitor and regulate women's public appearance (Cassell & Blake 2012).

As noted, male and female study participants largely upheld the need for these restrictions on the grounds of culture, yet there were several points that were only made by women. For example, only women participants complained about the guardianship system because it places restrictions on women's work. It is noteworthy that there is no article in the Labour Law stipulating guardian permission as a requirement for women's work. Both the literature and the reports of global organisations confirm this. Nonetheless, regardless of a Saudi woman's age, the approval of a male relative is essential for her in all of her activities, which limits the autonomy of Saudi women in deciding whether to work or even to accept a particular job offer (Al-Munajjed 2010; Sullivan 2012; Manea 2008; Human Rights Watch 2008). Since the introduction of Nitaqat the requirement for a guardian's permission has been partially removed. For example, women who work in lingerie shops or factories were not required to have written permission (Wilcke 2012). Jiffry (2013) also reported that the Ministry has deferred to employers to decide whether they require such permission. In a recent article, Friedland (2014) noted the division of opinion among Saudi women in relation to the guardianship law. Moreover, to achieve equality for women citizens, female Shoura Council members had unsuccessfully submitted a call for the end of guardianship in the Kingdom. However, since the guardianship system is interwoven in Saudi society through Islamic characteristics of a paternalistic nature (Ramady 2010), women complain but nonetheless accept it.

Again, only women participants considered the limited types of jobs and opportunities available to them as being a result of male domination. This was illustrated through the insurance case study where the women believed that the recruitment priority still focused on men and that management-level and decision-making positions were given to men. Furthermore, Saudi men rejected being directed by Saudi women and management accepted these rejections in the manufacturing subsidiary. The deeply masculine characteristics of Saudi society are confirmed throughout the literature (Hofstede Centre 2014). Further, male dominance is upheld by institutional and organisational structures, rules and norms (Burrell 1984; Acker 1990). Greater value is given to male-stereotyped perceptions of skill and stability that in turn offer men greater opportunities for work and training (Mintz & Krymkowski 2010).

These restrictions add to the difficulties faced by private corporations in hiring women due to the requirements of industry fieldwork. For example, most of the manufacturing corporation's jobs were deemed unsuitable for Saudi women who were banned from certain types of jobs, such as technical and fieldwork jobs, and from travelling locally or overseas. Nonetheless, Labour Law Article 149 limits women to certain types of jobs, and states that 'women shall work in all fields suitable to their nature' and prohibits employing women in hazardous jobs or industries. With no more explanation, the type of job suitable to women is subject to the interpretation of the employer.

Government officials and a minority of the employed women interviewed added that the lack of clear or unimplemented labour regulations was an issue that limited women's job opportunities. A Ministry participant noted that 'there were numerous problems in gender regulations due to legal restrictions and cultural constrains on women'. Saudi Labour Law Article 3 gives the right to work to every Saudi and all Saudis are equal in the right to work; however, Article 149 states that 'women shall work in all fields suitable to their nature'. In addition, while Articles 148 and 159 asserted that an employer shall provide means for transporting his workers, and women are entitled to childcare by their employer; these articles have not been implemented. Moreover, Article 4 of Saudi Labour Law stated that without any further explanation, all employment is based on Islamic Shari'a laws. Therefore, the issue of gender separation is not explicitly legislated in this article and the conditions of a segregated workplace are subject to employer explanations. The Ministry of Labour relies on the media to publish written and unwritten determinations in this regard.

The role of employer interpretation of law was made clear by the findings from the case studies. For example, while the manufacturing corporation adopted a fully segregated workplace, the insurance corporation did not consider it an issue and women work together with men in one workplace and they just made space between their desks. This indicated that the definition of segregated workplace regulation was not sufficiently clear for employers or even the agency authorities. Consequently, employers adopted different practices in relation to workplace gender segregation and the agency authorities accepted these variations.

The lack of, or unclear, 'Labour Laws' regarding women's work in the labour market has not previously been addressed either by the literature or general media. Furthermore, none of the literature discussed issues such as childcare or the lack of part-time jobs for women. Suggestions by the government officials and employed women were for the need to provide part time jobs to meet women's family responsibilities, increase their employment

and retention and improve skills and experience. However, this issue was addressed by the Ministry of Labour under Nitaqat in 2012 (*Arab News* 8 January 2013) and implemented in 2014 (*Arab News* 4 January 2014a).

From the study's findings, the participants' perspectives on the impact of conservative Saudi cultural norms concur with previous literature and the authorities' announcements in the media. These perspectives of the primary barriers that influence women's employment included women's traditional role of being responsible for the family, the mixed gender workplace, the limited types of jobs available, *wasta* and the guardianship system. Scholars such as Al-Munajjed (2010), Abdul Ghafour (2009), Al-Dosary et al. (2005), Zawya (2012) and Batarfi (2013) confirmed that Saudi women face difficulties in gaining employment due to these social restrictions.

Gender discrimination in employment practices is based on the conservative Saudi culture, the male-dominated workplace that avoids hiring women, the limited job opportunities that are available, and women's exclusion from decision-making positions. These findings confirmed existing literature. In the male-dominated Saudi culture, employers prefer to hire men and women generally stay at home and take care of the children (Ali 2009a; Al-Munajjed 2010; Ramady 2013). In broad terms, Hofstede et al. (2010) stated that Arab women are excluded from jobs that are traditionally occupied by men. Authors such as Ramady (2013), Al-Munajjed (2010), Offenhauer and Buchalter (2005) and Hamdan (2005) also argue that because of the male-dominated workplace, Saudi women are limited to certain types of jobs, lack access to managerial positions and cannot supervise men. Al-Munajjed (2010) claims that women are placed in secondary jobs and have a lower job status than men. Interestingly, while Article 3 of the Labour Law guarantees an equal right to work, regardless of gender, there is no article that guarantees an equal right to promotion or to occupy decision-making positions. Al-Munajjed (2010) states that there is no law guaranteeing women's right to supervise men and that there are substantial barriers to promotion in a mixed-gender workplace. Nevertheless, in 2013 there was some minor relaxation of the laws regarding women's work. For example, the first woman to train as a Saudi lawyer was licensed in April 2013 (Human Rights Watch 2013a).

Overall, despite the aim and implementation of Nitaqat, the interactions with Labour Law regulations and cultural restrictions result in a limited number of job opportunities and unemployment for women (Al-Munajjed 2010; Hamdan 2008; Muhammad 2013; Ramady 2013). There is no doubt that the Ministry of Labour encourages women's participation in the

labour market under Nitaqat; however, other contradictory legal restrictions are simultaneously imposed. Scott-Jackson et al. (2010) maintain that the Saudi government needs to review their legislation to remove impediments to women's employment. In addition, Ali (2009a) and Al-Munajjed (2010) believe that there is a need for a cultural shift regarding Saudi women's work, particularly in the private sector and its mixed gender workplaces. This indicates that the Saudi institutional structure remains as a barrier that influences women's ability to participate in the labour market. Nonetheless, Nitaqat has provided the foundation for substantial changes in women's work and regulations.

9.2.3 Saudi institutional context is a segmented labour market

Segmentation theory explains how the labour market is divided into primary and secondary segments (Doeringer & Piore 1971), and women are typically hired into secondary positions (Reich et al. 1973). According to Mellahi and Wood (2001), the Saudi labour market is highly segmented and this segmentation is sustained by an institutional structure that sharply delineates between male and female roles within the labour market. Institutional arrangements sharply restrict the roles that women can play within the labour market, thereby limiting their labour market participation.

The study findings showed that almost all participants agreed that there was no shortage of jobs available in the labour market. However, the jobs that were available were not suitable for Saudi women due to legal restrictions and the cultural perspective on women's work. According to the government official and senior managers' findings from both case studies, Saudi Labour Law bans women from certain types of jobs and excludes them from some industries and fieldwork jobs. Government officials and the senior managers from manufacturing added commuting and travelling as other legal restrictions that resulted in the low rate of women's employment in the labour market. Interestingly, none of the women participants noted the limited types of jobs available to them as a legislative barrier. Most participants agreed that due to conservative cultural norms and beliefs, Saudi women avoided working in mixed gender workplaces and public places and they avoided long working hours.

This finding supports Sullivan (2012), who emphasised that Saudi legislative restrictions and a conservative society clearly restricts women's access in the labour market. Legally, while Article 3 of the Labour Law states that women have the right to work, Article 149 stipulates that women should be hired only in jobs 'suitable' for their nature and in

designated industries. Scholars such as Berger (1971), Bagilhole (1993) and Bacchi (1996) argue that excluding a woman from a certain type of job because of her gender, by laws and regulations, is direct discrimination. Due to the conservative cultural perspective, Saudi women are absent from labour market participation (Abdul Ghafour 2009; Ali 2009a; Baki 2004). Bailyn (2003) and Leahy (2007) argue that due to women's priority toward her family, they do not fit the mould of the ideal worker and they often work long hours for free. In their study, Scott-Jackson et al. (2010) found that whereas over half (56 per cent) of their sample of Saudi women would like part-time work, this was offered by only one out of seven employers. Clearly Saudi women face enormous difficulty in balancing long working hours in the private sector and their traditional responsibilities toward their family. It is noteworthy that there has been a move towards a 40-hour week in the Kingdom, rather than the current 48hours (*Arab News* 8 January 2013).

Labour market segmentation is also underpinned by the education system. Participants overwhelmingly believed that there was no shortage of educated women seeking jobs but the outcomes of women's educational opportunities did not match labour market requirements. A key reason for women not being able to access work was that they had inadequate qualifications, and lacked English fluency, communication skills and work experience. Unemployed women added that internships, skills training and summer jobs were not available in universities. It is noteworthy that three of the unemployed women participants, who held international master's degrees, disagreed that women's qualifications were a reason for their unemployment. Therefore, issues relating to the unemployed women's individual circumstances hindered their ability to gain employment. Women's qualifications are generally matched with women's gender role in society which consequently limits women's work to traditionally female roles such as education (Hamdan 2005–2008; Al-Munajjed 2009-2010; Baqadir et al. 2011; Human Rights Watch 2011; Mansour & Achoui 2012; Almalki et al. 2012; Muhammad 2013; Ramady 2013; Abu-Nasr 2013; Al-Bahis 2014). Moreover, a poor match between women's skills and the available job opportunities is also confirmed in the literature. Saudi women's skills at graduation result in limited job opportunities (Hamdan 2008; Al-Munajjed 2010; Muhammad 2013; Ramady 2013). Al-Zahrani (2013) attribute unemployment to computer and English illiteracy, and Al-Shammari (2009) adds the lack of vocational skills. However, the Minister of Labour announced that Nitaqat is supported by an extensive education and skills program directed toward training nationals in different disciplines to provide sufficient employees to meet the private sector's

needs (*Arab News* 28 November 2011). Furthermore, the Minister of Labour claimed that many of these issues were being addressed through Nitaqat (*Arab News* 8 January 2013).

In addition, the literature confirms that women find it difficult to access any job in the private sector due to a lack of work experience that is an issue across the Saudi labour force and a key reason for unemployment (Al-Zahrani 2013; Al-Shammari 2009). Saudi women who have no work experience find it particularly difficult to gain jobs in the private sector. However, while most of the literature confirms that Saudi men and women lack work experience, none of the literature discussed women's barriers to gaining experience. The findings from this study show that the barriers that prevented Saudi women from gaining work experience were low wages, jobs that were mismatched with tertiary qualified respondents, the inability to find work in their profession, commuting to work, women's age, long working hours, lack of internships for students and lower job positions. In addition, summer jobs and entry-level jobs for new graduates were not available. The literature highlights all of these factors as barriers to accessing paid jobs (Al-Dosary et al. 2005; Hamdan 2008; Al-Shammari 2009; Ramady 2010). A further gap in the literature is in relation to the role of Saudi women's age as a barrier to gaining a job or work experience. The fact that Saudi women face direct discrimination based on their age is a new finding. Sex-based discrimination can be direct when policies and regulations explicitly disadvantage workers based on characteristics such as sex, age and marital status (Bagilhole 1993; Bacchi 1996).

It is not surprising that the majority of unemployed women and a minority of employed women preferred to work in the Saudi Arabian public sector to maintain gender separation, compatibility with their family responsibilities and to match their qualifications. All of the literature supports this finding. In Saudi's highly normative society, people respect their traditional norms and beliefs. This is similar to other Arab countries (Boserup et al. 2007). In order to comply with Islamic principles and Saudi cultural norms, women prefer to work in the fully segregated government sector and in the education sector in particular (Al-Asfour & Khan 2014; Al-Asmari 2008; Al-Shammari 2009). Further, Saudi women prefer to work in the government sector for its highly beneficial and generous working conditions, such as segregated workplaces (Ramady 2013). For example, wages in the public sector are substantially higher than in the private sector (Al-Asmari 2008), particularly for women, as evidence suggests that they are paid 50 per cent less than Saudi men in the private sector (Hertog 2012; Haddad 2013). Al-Shammari (2009) also argues that the public sector offers

annual and stable remuneration and a clear career path regardless of gender. Therefore, evidence suggests that Saudi women avoid working in the private sector because of mixed workplace conditions, the lack of staff policies and motivation, and low income and benefits (Al-Dosary et al. 2005; Hamdan 2008; Ramady 2010). At the same time, most of the women participants in this study believed that *wasta* prevented women's access to government jobs. According to Hofstede's dimensions, Saudi Arabia is extremely high on the collectivism dimension; therefore, *wasta* is frequently the common tool of recruitment in the government sector (Al-Bashr 2014). More generally, *wasta* is an accepted route to employment (Al-Bashr 2014; Ramady 2013; Smith et al. 2012; Tlaiss & Kauser 2011).

It was clear that the segmentation in the labour market reflected the institutions of the education system, law and culture, which all limited women's qualifications and then shaped women's sector preferences. Moreover, segmentation occurred between the government and private sectors due to cultural values and women's qualifications.

9.2.4 Discriminatory practices in the private sector

The women participants overwhelmingly believed that the private sector was creating more job opportunities for women and that more women were seeking and securing jobs in the sector. However, most women participants also noted that women faced discrimination in employment practices based on gender, marital status, age, *wasta* and favouritism. Evidence from the literature suggests that the host country context has a strong influence on the employment policies and practices of MNC subsidiaries (Hofstede et al. 2010; Ma & Allen 2009; Singla 2007; Vance & Paik 2010; Ferner et al. 2013; Edwards et al. 2013). Scholars such as Ferner (1997), Myloni et al. (2004) and Harzing and Pinnington (2011) argue that the institutional system of the host country affects the ability of the parent corporation to transfer their employment policies and practices to their subsidiaries due to both socio-cultural regulations and non-market factors (Al-Bashr 2014; Smith et al. 2012; Tlaiss & Kauser 2011). In the Saudi context, gender discrimination in employment practices occurs based on the legal restrictions on women's mobility, the labour regulations in avoiding hiring women and the limited available job opportunities. A key factor identified by the majority of the participants was that employers preferred to hire men instead of women to avoid any conflict with the complex labour regulations, unwritten boundaries and the cost of workplace conditions. Interestingly, the majority agreed that the 'safe environment' or gender separation was a significant aspect of women's retention in employment. Regarding gender separation in the workplace, as an issue relating to the unemployment of women, employers preferred to

hire men over women to avoid any conflict with the Ministry' requirements. This finding is confirmed by Baki (2004), Baqadir et al. (2011), Batarfi (2013), Hamdan (2005), the United States Department of State (2013) and Ali (2009a).

The traditional role of women regarding family responsibilities in Saudi society adds to corporate preferences to hire men rather than women. For example, the HR manager from the manufacturing company stated that Saudi women's responsibilities toward their families could have an effect on work-flows. Therefore, the company preferred to hire men rather than women. The broader literature also shows that Saudi women face difficulties in gaining employment due to social restrictions (Abdul Ghafour 2009) and employers prefer to hire men (Ali 2009a; Al-Munajjed 2010). Therefore, Saudi women are limited to certain types of jobs according to their stereotyping by cultural beliefs (Al-Dosary et al. 2005).

The findings that showed women were excluded from the managerial level concurred with many scholars (Ramady 2013; Al-Munajjed 2010; Offenhauer & Buchalter 2005; Hamdan 2005). Indeed, employers, whether national or international, were clearly hesitant to champion women's rights by promoting them over men in the workplace. For example, in the manufacturing corporation a Saudi woman was promoted as a supervisor in a department made up entirely of male employees. However, because the male employees rejected her, the management department changed their plans. Moreover, women were unable to apply for jobs allocated to men by regulation; and the majority of supervisory jobs and promotions were not available in the women's sections of the organisation. Therefore, Saudi women are restricted to female-dominated fields with a lack of access to higher-level positions (Offenhauer & Buchalter 2005).

One of the reasons given for discrimination against women was women's perceived lack of competence. This was a view put by government officials who agreed that the poorer and mismatched qualifications of women seeking jobs were a reason that employers avoided hiring them. Indeed, while the majority of women participants believed that the standard job requirements were high, senior managers noted that women were excluded from management due to their qualifications and skills. It is noteworthy that while the Learning and Development manager from the insurance corporation noted that their corporation had recently changed their job requirements to overcome the issue of women's skills, they faced difficulty in hiring women at a managerial level due to their lack of qualifications and skills. This supports the literature, which identifies the issue of women's unemployment as being a result of their inappropriate qualifications, English illiteracy and lack of skills (Ramady 2010;

Al-Shammari 2009; Almalki et al. 2012; Al-Munajjed 2010; Euromonitor International 2010; Baqadir et al. 2011; Hamdan 2005; Human Rights Watch 2011; Mansour & Achoui 2012).

Unequal wages and benefits is yet another discriminatory practice that was identified by participants in this study. Most believed that this occurred due to cultural factors that also had an impact on women in the private sector. Since Saudi men were seen to have the main financial responsibility toward families, women received unequal wages for equal work with men. The relative low-cost of foreign workers also affected women's wages and career path opportunities in ways that did not affect Saudi men. Al-Asmari (2008) and Hertog (2012) argue that due to Saudi labour segmentation and cultural divisions, women have a considerably lower expected wage than men in the private sector. It noteworthy that a minimum wage (SR 3000) for Saudis was introduced in February 2013 through the Nitaqat short-plan (D'Cunha 2013). The *Emirates 24/7* (13 February 2013) quoted an unpublished World Bank study that showed Saudi private sector male nationals were paid an average SR6,400 per month. In comparison, Saudi women were paid far less, with their average monthly wage in the Saudi private sector standing at SR3,900. The reality is that if legislation and/or regulations exist regarding Saudi women's right to equal pay, they are not enforced (Al-Munajjed 2010). Nonetheless, following the interviews in this study, the government addressed the wage issue as it became clear that the level of financial support under Nitaqat discouraged employment. All Saudis must receive SR3,000 per month from 1 March 2013 regardless of hours or productivity (*Arab News* 8 January 2013). Of further interest to Saudi women is that private schools had to increase Saudi teachers' salaries to SR5,600, although the Fund provides 50 per cent of these salaries to new teachers for three years (*Arab News* 22 February 2012). Taha (2013) added that the Ministry of Labour aimed to improve working conditions for women in relation to salaries, medical insurance and other benefits.

As part of salary packaging, women employees may seek employment benefits such as private health care, accommodation costs, transport costs and childcare costs. From the insurance case study, the majority of women employees claimed that while men receive full family health care insurance and accommodation, women receive only single insurance and an accommodation allowance. In the manufacturing case study, equal employment benefits were provided for all employees. Therefore, women were satisfied with their benefits, such as insurance, accommodation and transportation, despite some discriminatory practices. Unemployed women confirmed discrimination in benefits of employment in the labour market. In addition, a minority of women participants considered unpaid and short maternity

leave was an issue. A new finding here is that neither the literature nor the media raised the issue of women's inequality in employment benefits. According to the Labour Law Article 146, employers have to provide comprehensive health treatment to workers and their families (family shall mean spouse, children and parents residing with the worker). Indeed, the Saudi government places the onus on the employer to provide health insurance for expatriates and Saudi employees who ask for it (Hatem Abbas Ghazzawi & Co 2013). Moreover, Article 153 determined that an employer must provide medical care for women workers over a year's employment during their pregnancy and delivery. This is in addition to paid leave that is subtracted from their annual leave. In addition, while an accommodation bonus is offered to expatriates as well as male employees and their families, Saudi women employees are expected to share family accommodation.

A new finding in this study is the extent to which Saudi women face discrimination in performance and training. While senior managers from both case studies stated that their organisations rated men and women equally in their competencies and that their organisations had no discriminatory practices in evaluation, women employees from both corporations disagreed. Women considered gender discrimination, *wasta* and favouritism as factors affecting their performance evaluation. In particular, women claimed that social connections and class were used to make decisions, rather than productivity or performance. One participant claimed that she had not been granted a bonus, as her male colleague had failed his bonus and she could not earn more than he did. There were further claims that training was controlled through favouritism and *wasta*. If this is so, its widespread effect would be to nullify employee motivation and performance. It was also claimed that men received more offers of overseas training, given women's inability to travel outside the country without written male permission. While there is some literature on Saudi employee training relating the effects of training on turnover (Jehanzeb et al. 2013) and customer orientation (Fawzi & Bright 2013; *Arab News* 8 January 2013) and Mansour and Achoui (2012) argue that Saudi women are generally satisfied with their workplace training. The findings of this thesis indicate an entirely different picture.

Discrimination on the basis of marital status and age were also identified as an issue facing women in the workplace. In the findings from this study, employers preferred single women with no family responsibilities. The first example of this was of a recruiter asking an unemployed woman how she intended to balance family responsibilities with job commitments. The second example was that of age discrimination, where the Learning and

Development manager from the insurance corporation said that the preferred hiring age for women was 25 to 35 years, presuming no family responsibilities. Most unemployed women also said that married women over 25 years of age were discriminated against on the expectation that they had family responsibilities. An unemployed woman participant mentioned that at 38 years of age, she was free to work but was often considered too old. Indeed, the Labour Law 2005 does not specifically discriminate between married and unmarried women; however, of the 12 articles referring to female workers, nine relate to pregnancy and early childcare.

While the broader international management literature identifies discrimination against women based on age as an important barrier to women's employment (Bagilhole 1993; Bacchi 1996), this factor has not been considered in the literature relating to women's employment in Saudi Arabia. Scholars such as Al-Ahmadi (2011), Ali (2009b), Al-Munajjed (2010), Al-Shamsi and Aly (2008) as well as media sources (*Al-Arabiya News* 14 February 2013; Al-Khattaf 2013; Allam 2012; Al-Mukhtar 2013; Aluwaisheg 2013) have all considered the issue of gender in relation to women's employment. However, the study also shows that discrimination based on age is an important consideration relating to women's capacity to secure employment.

Marital status was a problem encountered by the majority of participants. Unemployed women reported that marital status was of interest to employers, as under Islamic law (the basis for the Labour Law 2005, at Article 4) a woman's first priority is to her family. Therefore, employers assume that a married woman would put her husband and children first. The connection between women's family responsibilities and low labour market participation is supported by the literature (Al-Dosary et al. 2005; Manea 2008; Euromonitor International 2010; Ali 2009a; Al-Munajjed 2010; Ramady 2013). In addition, discrimination against women because of age is also supported by the World Factbook report (2013) showing that the unemployment rate, particularly among women, increased at the age of 35 years, thus narrowing the possibility for employment after the age of 40 years. As noted, the Hafiz unemployment program discriminates against job seekers, particularly women, on the basis of age (Hawari 2011), and women's employment in lingerie and cosmetic shops, which is only relevant for Saudi women between 20 and 35 years of age, is a Ministry of Labour condition (Al-Harbi 2011). However, barriers due to age and marital status found in this study do not concur with Ramady (2010) who claimed that the majority of employed women were married and the majority of single women were unemployed. Clearly,

the status of unmarried women is extremely poor in a traditional conservative Saudi society and marriage is also a proxy of unemployment due to family responsibilities. This thesis founds that discrimination on the basis of age was more complex, with some older married women also finding difficulty in getting jobs.

Saudi women faced discrimination both in employment practices and the workplace on the basis of *wasta* and favouritism. While most participants mentioned *wasta* as a common employment practice in both the private and public sectors, due to cultural values and the lack of regulatory enforcement, the minority of the participants disagreed and said that recruitment was based on competency in the private sector. The majority of the women believed that due to the male-dominated society and workplace, men had stronger *wasta*, more social networking, than women. Therefore, men had priority in recruitment and they also received overseas training and more opportunities for promotion. In addition, a minority of employed women noted personal relationships and family class as another type of *wasta* that occurred in training, evaluation and promotion. Indeed, both types of *wasta* led to women facing discrimination in employment practices and fewer opportunities to access jobs.

These findings support the literature (Mellahi 2007; Ali 2009a; Almalki 2012; Al-Munajjed 2010; Baqadir et al. 2011) and with recent media reports (Abu-Nasr 2013; Al-Bahis 2014; Albawaba Business 2013). It appears that *wasta* is readily used in awarding jobs, training, job allocations and performance pay with little oversight by both MNCs in their employment practices regarding women (Al-Bashr 2014; Smith et al. 2012; Tlaiss & Kauser 2011). These findings raise a number of key issues. Both case study companies have parent companies in liberal market economies – namely the US and the UK. Both economies are known for their market based, shareholder focused mindsets (Ferner et al 2013; Edwards et al. 2013). US companies in particular are known for their ethnocentric international strategies and the transfer of 'best practice' HRM strategies to their subsidiaries (Ferner 1997; Ferner et al. 2013). However, in the Saudi Arabian context, despite the claims of the senior managers, there is no evidence of 'best practice' HRM in regard to gender based policies and practices. Indeed both companies appear more focused on compliance with local regulations and culture supporting. Jain et al. (2012) claim that MNCs are more likely to take a compliance based approach in relation to export of gender diversity policies overseas.

Both companies have entered Saudi Arabia through a joint venture strategy and employ host country nationals in key human resource positions and have clearly embraced a localised, adaptive strategy. It is not clear if the driver for this is the overall company strategy

of entry into the Middle Eastern market or if it is due to the highly regulated legal and cultural context particularly in the sensitive area of gender. In practice however, it is clear that company equal employment policies have not been transferred. This does not mean that the companies have done nothing in Saudi. The Manufacturing company adopted a number of costly positive policies to encourage the recruitment and retention of women. However, whether this was to meet Nitaqat targets or through a genuine concern to change the makeup of its workforce is debatable. The Insurance company on the other hand did manage to interpret Saudi laws in a more flexible manner.

One overriding concern though is that both companies allowed practices to be implemented that had no basis in legislation, such as discrimination on grounds such as age or marital status. These were clearly cultural issues. Furthermore, by allowing *wasta* to flourish at so many levels it could be claimed that these MNCs have abdicated their responsibilities to provide employment opportunities based on merit and competency. While working within such restrictive legal and cultural contexts is challenging, companies have a number of strategies at their disposal. For example, knowledge transfer through leadership and management training of host country nationals, managerial rewards based on objective performance based measures and strategic placing of home country nationals are all levers that can be pulled (Brewster et al. 2008; Ferner et al. 2012).

This is not to say that foreign owned multinationals are playing a negative role in relation to Saudi women's employment. Indeed quite the reverse as they provide opportunities and experiences for Saudi women that in turn become a driver for change by raising women's expectations.

9.2.5 Saudi women's perceptions have changed

The last key finding was that job status is an important consideration for women's employment aspirations. The large majority of educated women participants aspired to positions appropriate to their professional qualifications, with a clear career path, promotional opportunities and adequate wages. The majority of employed women had shifted their priorities and sector preferences for career advancement over their desire to comply with cultural norms and beliefs. Given that women's continued employment is reliant on guardian approval, guardians must have made a similar shift in attitude relating to suitable workplace conditions for women. This illustrates that, while women's expressed preference for gender segregated workplaces remains strong, this is not 'hard-wired' as Hakim's (1998) preference

theory would suggest, these preferences are shaped by institutional factors (Al-Munajjed 2010; Abdul Ghafour 2009; Hamdan 2008; Muhammad 2013; Ramady 2013; Al-Dosary et al. 2005). With expanded opportunities, and changes to institutional arrangements, preferences have shifted and some Saudi women have embraced the opportunity to expand their choices.

A large body of literature confirms that Saudi women remain at a lesser job status than men, are limited to nonstrategic jobs, lack a career path, cannot access management positions and receive lower wages (Ramady 2013; Al-Munajjed 2010; Offenhauer & Buchalter 2005; Hamdan 2005). However, none of the literature or empirical studies has explored the expectations and aspirations of educated Saudi women. This finding contradicts the literature that suggests that mixed gender workplaces are a reason for women's unemployment (Al-Dosary et al. 2005; Ali 2009a; Al-Munajjed 2010; Ramady 2010). For example, Scott-Jackson et al. (2010) found that three quarters (73 per cent) of their sample of Saudi women preferred a segregated workplace environment. In addition, the majority of the literature claims that Saudi women prefer to work in the government sector (Al-Dosary et al. 2005; Al-Asmari 2008; Al-Shammari 2009; Ramady 2013). The evidence that Saudi women will accept and embrace a mixed gender workplace is a challenge to such beliefs.

The reasons for women accepting or leaving jobs appear to be a mixture of conservative Saudi society and women's expectations. Once hired, women were leaving their jobs due to the desire to gain qualifications, incompatibility with family responsibilities, inadequate wages, finding a better job, location of the work and commuting issues, long working hours and shift-work, a mixed workplace environment, or that the job was unrelated to the individual's qualifications. Nonetheless, the majority of the employed women had no intention of resigning from their jobs.

The findings regarding women's low and unequal wages were confirmed by the literature (Ramady 2013; Al-Munajjed 2010; Offenhauer & Buchalter 2005; Hamdan 2005) and concur with Al-Kuwailit (2010), who claimed that 147,000 Saudi workers left their jobs because of low wages in 2009. However, a minimum wage (SR3000) for Saudis was introduced in February 2013 (D'Cunha, 2013). In addition, because of women's traditional role in Saudi society, long work hours in the private sector are incompatible with their family responsibilities. In response to Nitaqat reforms, there was a reduce from 48 to 40 hours per week across five days and resolving the early morning and late afternoon shifts (*Arab News* 8 January 2013). There was no comprehensive published research or statistics on the cost of

employment for women, including childcare and commuting with a driver for a distance from their residence. However, Al-Mukhtar (2013) recently noted that the government was considering allowing saleswomen an allowance so that they could use taxis to travel to clients.

In Saudi Islamic beliefs and culture norms, sexual harassment is considered a critical issue. Fnais et al. (2013), who surveyed Saudi men and women medical professionals, found a high incidence of harassment in the workplace. There was no other literature that considered this issue and only one participant in this study mentioned it. It is important to note that the Minister of Labour stated that many of these factors were being considered under Nitaqat (*Arab News* 8 January 2013).

9.3 Theoretical contribution of this thesis

Understanding Saudi institutional changes is essential to the exploration and understanding of the factors that led to the political, economic and social institutional changes to improve women's status in the labour market. One of the key theoretical contributions of this thesis is the application of institutional theory to explore both the drivers of and resisters of change and importantly, the experience of Saudi women in being simultaneously the agents of their own destiny and captives within a male dominated institutional context. Clearly, Nitaqat opened new job opportunities, removed previous bans on some jobs for women, partially removed the guardianship system and reformed labour market regulations, such as working hours and workplace conditions. However, since the changes were incremental, institutional theory can be useful in understanding why and how such change takes place, particularly as it pertains to Saudi women's employment in the labour market. According to Thelen (2009), there are two types of institutional change in advanced political economies: rapid change by the 'breakdown' of one set of institutions and its replacement with another and incremental change by gradual transformation.

In early 2011, Middle Eastern countries witnessed wide-ranging uprisings and revolutions against regimes, known as the Arab Spring (Wagemakers et al. 2012; Retta 2013). While Saudi Arabia was neither directly, nor heavily affected by these uprisings, the Arab Spring touched upon some of the more sensitive political aspects of Saudi society, which can ultimately have an impact on the forces pushing for reform. Certainly, since 2011 the Saudi government has simultaneously reformed the country's legislation, labour

regulations and the educational system, in particular with an increase in women's rights (Wagemakers et al. 2012). Even though change is slow, political, economic and socio-cultural imperatives are leading to institutional change through Nitaqat, despite conservative culture and religious influences. According to Sadi (2013), the aim of the Nitaqat program was labour market reform.

This incremental change was clear in the findings of this study. First, the majority of the participants disagreed that the country's legislation is a barrier and agreed that it responded and integrated with cultural values and norms. Although legislation, such as women's inability to commute and the requirement for permission of a male relative, were considered barriers, they were accepted as an Islamic regulation and cultural norm. An additional barrier was discrimination against women in the workplace, which occurred in employment practices such as promotions, career path and low wages on the one hand, and women's marital status and age on the other, and was the result of a cultural perspective. Importantly such discrimination took place in foreign owned multinational companies who adapted to the local environment both legally and culturally. Overall, the participant's compliance and agreement with the broad labour market arrangements was evident. At the same time, the findings also illuminate the role of women's aspirations. Due to changes in educational aims and large investments in women's education, women were aspiring to high-level positions, clear career paths, promotional opportunities and adequate and equal wages. Merely gaining employment was not enough to satisfy Saudi women's aspirations. The presence of foreign owned multinationals and the opportunities to work within them, despite the discrimination that they met, broadened women's experiences and raised their expectations further. Therefore, women's retention issues were not caused by labour regulations and cultural norms alone. Rather, both structural constraints and women's preferences and priorities shape the employment possibilities for women within the labour market.

All the institutional barriers described above contribute to the segmented character of the Saudi labour market. Therefore, the second theoretical contribution of this thesis is the application of labour market segmentation theory to explore how the Saudi institutional context limits women's employment opportunities. This segmentation is very clear and is a product of institutional factors including labour law and regulations, the gender segregated education system, conservative cultural perspective and beliefs. This segmentation limits

women's agency as well as shapes women's employment preferences. Indeed, this segmentation prevented women from equal participation in the Saudi labour market.

The key theoretical contribution of this thesis has been to apply institutional and labour market segmentation theories to a context where there has been little exploration elsewhere. In particular, there has been little exploration of women's labour market opportunities in a context where culture has such a strong and pervasive influence on labour market conditions and opportunities.

9.4 Drivers and resisters; influences on Saudi women's employment

As noted in Chapter Four, a conceptual framework for illustrating Saudi women's labour market position was derived from the literature and illustrated in Figure 4.1. In this section, the structure and agency factors that drive and resist Saudi women's access to the labour market are discussed and incorporated into Figure 9.1, thus extending the literature in this key area.

Across all of the interviews, there was wide agreement that Saudi cultural practices generate the primary barriers to women's employment. These include women's primary gender role in society and family responsibilities. Less important factors include the mixed gender workplace, the limited type of jobs available for women, the guardianship system, the male-dominated workplace and long working hours in the private sector. Due to Saudi cultural norms and values, *wasta* emerged from the findings as a barrier to women's employment in the labour market, in both government and private sectors.

Legislative restrictions were regarded as secondary. Barriers that are mandated by law include the segregated workplace regulation, restrictions on driving and travelling, women being banned from certain types of jobs and the guardianship system. Through the study other factors emerged. First, the lack of childcare offered by employers due to Article159 of the Labour Law not being implemented, and second, there were no part-time jobs available for women to balance their work and family responsibilities

While these factors were ranked in importance with culture first, and law second, there was some confusion on the part of participants about the extent to which it was culture or law that governed women's access to employment. Barriers such as the limited types of jobs and the segregated workplace were interpreted differently depending on the perspective

of the participant. For example, while government officials and senior managers considered them as legal regulations, women participants saw them as cultural restraints.

While the guardianship system is an unwritten labour regulation, there is no article in the Labour Law stipulating guardian permission as a requirement for women's work and women saw this regulation as a cultural restraint. Importantly, only women participants and none of the men participants noted the guardianship system as a barrier. Given that men are strongly advantaged by the guardianship system, this finding is perhaps not surprising.

Importantly, there was little challenge to the appropriateness of the restrictions placed on women's movement. All participants were highly accepting of both law and culture acting to 'protect' women's interests and safety. This acceptance comes from the understanding that the guardianship system and gender segregation is based on Shari'a law, which is embedded in Saudi legislative and cultural perspectives and beliefs. For example, women's preference for women-only work environments still exists and while they complain about the guardianship system over them, they accept it. This is perhaps a reflection of the strength of Saudi culture, which is based on Islamic regulations, and the extent to which the Saudi people themselves act to recreate Saudi systems. Nonetheless, Saudi culture and law are inextricably linked and together they shape the institutional context in which employment policy is implemented. Both the legal system and the cultural practices that the law reflects are deeply embedded in institutional structures.

These institutional arrangements have a pervasive influence on government employment programs. While Nitaqat opened new job opportunities for women and removed the ban from some jobs, it only offers a narrow range of employment options and few actual positions that women can apply for in line with cultural and legal restrictions. For example, while Nitaqat opened new job opportunities and limited certain types of jobs for only women, such as work in factories, cashiers and salespersons in lingerie and cosmetic shops, women rejected those jobs. The reasons were that mixed gender workplaces and work in public places were unacceptable culturally, they faced difficulty commuting to work in factories, and these job positions did not meet the aspirations and expectations of educated Saudi women. Clearly, Nitaqat has made incremental changes but these changes are limited in the context of institutional constraints and women's views and perspectives not being considered in the design of Nitaqat policies.

Furthermore, institutional arrangements have limited women's education options and shaped their preferences, which segregated the labour market. The fact is that there were already limited disciplines available for women, which constrained their opportunities in both the traditional and the fully segregated sector. Saudi women graduated with inadequate qualifications, English illiteracy and a lack of skills and work experience. However, to meet labour requirements; massive budgets were allocated for women's education, opening new public and private universities and disciplines and scholarships. Although these were incremental changes, they were taking place.
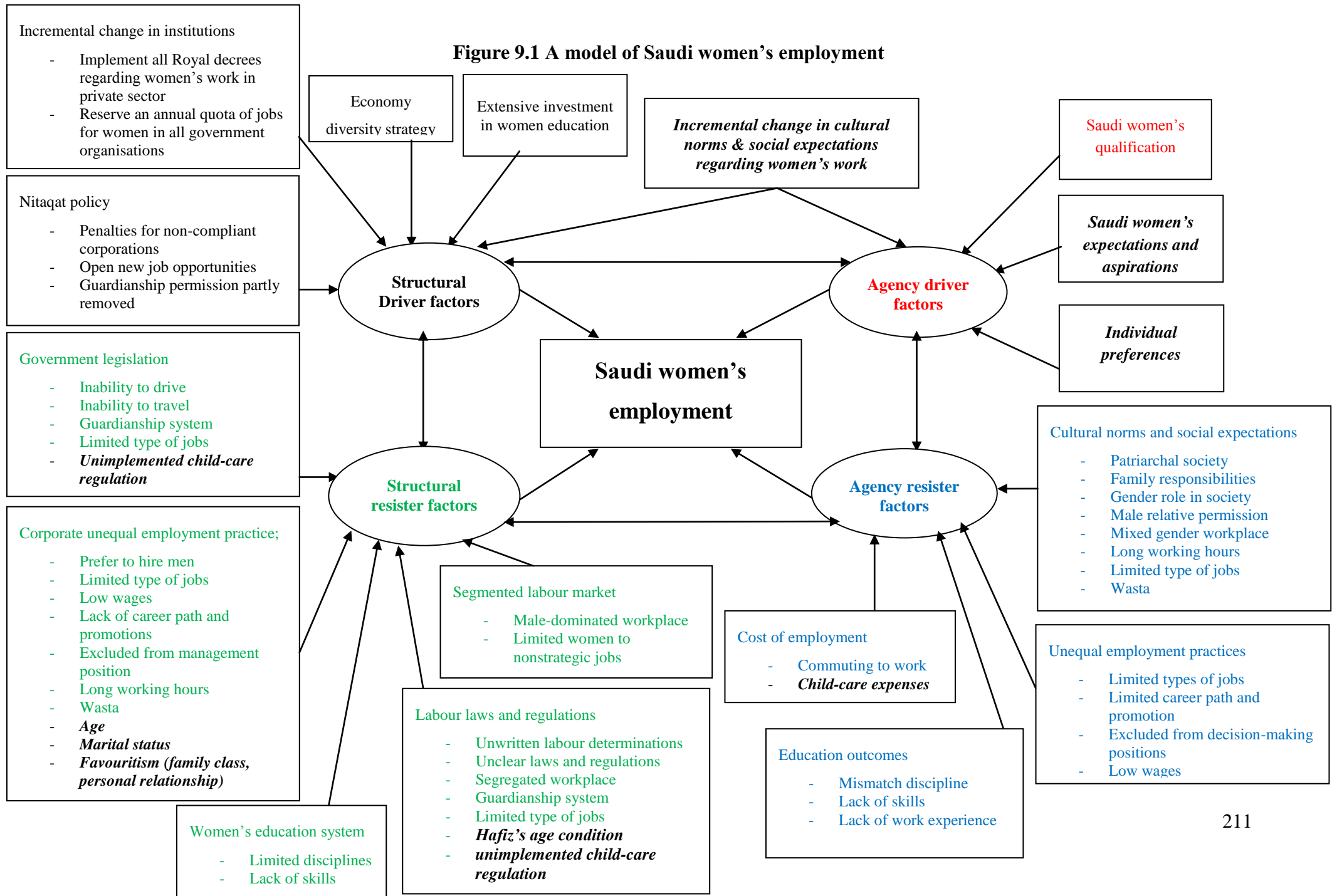
Institutional arrangements similarly shape the possibilities for MNCs and while parent company policy guides the broad corporate employment and recruitment policy, these were substantially adapted to the Saudi cultural and legal context. Although the parent companies of the US manufacturing and the UK insurance subsidiaries came from liberal market economies known for their ethnocentric approach to international management strategy, both companies entered the Saudi labour market through joint ventures adopting a more responsive localised strategy and hiring Saudis in key management positions. Both companies focused on compliance with Saudi host country laws, regulations, and cultural fit and thus equal employment opportunity policies and practice were adapted to fit the Saudi environment. This led to discriminatory practices beyond the legislative requirements and adds to the body of literature on the transfer of human resource practice across borders and across cultures.

Nonetheless, Nitaqat has provided the impetus for change, and paradoxically MNCs have had to open up substantial numbers of new employment opportunities for women to comply with Saudi law rather than their own company's 'best practice'. Furthermore, due to the institutional context, there are differences in the two industries regarding women's employment. For example, employing Saudi women in the manufacturing company was more challenging than in the white collar, office based insurance company. Interestingly in their attempts to increase the number of women employees, both companies brought in positive discrimination measures such as extra benefits for women and duplicating the work environment so that segregation could occur. These actions were limited by cost constraints and it was not clear whether this was an attempt to comply with Nitaqat quotas or to extend and adapt the parent companies' EEO policy. Other forms of discrimination practice emerged and were taking place; unchallenged bias against women from senior managers included women's age and marital status on one hand, and favouritism and *wasta*, rather than merit, on

the other. It appears that such practices are permitted and are unchallenged due to social structure and cultural values. The fact is that despite the leadership and management development programs and commitment to implement the parent company's equal policies, the practices of the senior managers still reflect Saudi cultural norms and beliefs. This is clear evidence that Saudi culture is extremely strong and it shapes its people and their behaviour, regardless of their job positions. However, changes in women's situation in foreign owned MNCs in the Saudi labour market are taking place incrementally. Clearly, despite some discriminatory practices, MNCs are giving Saudi women opportunities that meet their expectations and aspirations. Evidence of the women's satisfaction is that the women employees in the MNCs do not intend to quit their jobs.

It is particularly noteworthy that some women have shifted in their priorities for career advancement. For example, increased job opportunities and career development in mixed gender environments has led to women's preferences changing from the public to the private sector. Furthermore, many women prioritise their career advancement over their desire to stay in culturally appropriate roles, which have fewer opportunities for growth. There is nothing 'natural' about wanting gender prescribed roles; rather the preferences change when the opportunities change. This is a major contribution of this thesis.

Figure 9.1 A model of Saudi women's employment

Incremental change in institutions
- Implement all Royal decrees regarding women's work in private sector
- Reserve an annual quota of jobs for women in all government organisations

Nitaqat policy
- Penalties for non-compliant corporations
- Open new job opportunities
- Guardianship permission partly removed

Government legislation
- Inability to drive
- Inability to travel
- Guardianship system
- Limited type of jobs
- *Unimplemented child-care regulation*

Corporate unequal employment practice;
- Prefer to hire men
- Limited type of jobs
- Low wages
- Lack of career path and promotions
- Excluded from management position
- Long working hours
- Wasta
- *Age*
- *Marital status*
- *Favouritism (family class, personal relationship)*

Economy diversity strategy

Extensive investment in women education

Incremental change in cultural norms & social expectations regarding women's work

Structural Driver factors

Agency driver factors

Saudi women's qualification

Saudi women's expectations and aspirations

Individual preferences

Saudi women's employment

Structural resister factors

Agency resister factors

Segmented labour market
- Male-dominated workplace
- Limited women to nonstrategic jobs

Cost of employment
- Commuting to work
- *Child-care expenses*

Cultural norms and social expectations
- Patriarchal society
- Family responsibilities
- Gender role in society
- Male relative permission
- Mixed gender workplace
- Long working hours
- Limited type of jobs
- Wasta

Unequal employment practices
- Limited types of jobs
- Limited career path and promotion
- Excluded from decision-making positions
- Low wages

Education outcomes
- Mismatch discipline
- Lack of skills
- Lack of work experience

Labour laws and regulations
- Unwritten labour determinations
- Unclear laws and regulations
- Segregated workplace
- Guardianship system
- Limited type of jobs
- *Hafiz's age condition*
- *unimplemented child-care regulation*

Women's education system
- Limited disciplines
- Lack of skills

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9.5 Conclusions

In this chapter, the findings of this investigation were discussed in response to the key questions posed by this study. These were to identify, explore and analyse government policies, economic factors and the legal and cultural constraints that result in low labour participation rates for Saudi women, particularly in multinational organisations.

The study findings confirmed that Nitaqat has made incremental changes in relation to women's employment and was considered a success, particularly by senior managers and government officials. However, while Nitaqat opened new job opportunities for women and removed some of the legal restrictions on women's work, educated Saudi women considered these opportunities culturally unacceptable and that the available positions did not commonly meet their expectations and aspirations.

Second, a central consideration of this study was how institutional factors such as law, culture, family and education shape Saudi women's employment opportunities. Indeed, these factors have significantly limited the success of Nitaqat and women's ability to access the labour market. Conservative Saudi cultural norms and practices emerged as the primary barrier, and legislative restrictions on women's work as the second, with both combining to limit women's access to employment. Both the legal system and cultural practices are based on Shari'a law, and both are deeply embedded in Saudi institutional structures. While these structures determine the constraints on women's ability to access employment, and consequently perpetuate women's low labour market participation rate, all study participants were accepting of these conditions given that they were understood as being a reflection of Shari'a law.

The study findings also confirm that Saudi institutional structures create labour market segmentation that subsequently shapes women's employment preferences and sets constraints on the extent to which women can exercise agency. Both legal and cultural barriers limited the job opportunities available for women and the education system is designed to align with cultural perceptions of women's nature and social roles. Therefore, women expressed a preference to work in gender-segregated employment sectors in compliance with cultural values. This in turn excludes women from managerial positions in the private sector due to their mismatched qualifications and lack of skills on one hand, and the male-dominated society and workplace on the other.

Third, this chapter explored the contributions of MNCs in terms of EEO policy and the employment of Saudi women. Again, the study found that, despite having international EEO policies in the parent companies, both companies adapted their policies to the host country environment. Women faced discrimination on the bias of gender, marital status, age, *wasta* and favouritism. This is due to the institutional context and the cultural norms and values of Saudi nationals who hold management positions. In this context, employers expressly preferred to hire men, and women are excluded from decision-making positions, limited to nonstrategic jobs and received unequal wages. Marital status and age are further barriers that emerged in this study. Specifically, employers preferred to hire single women who have fewer family responsibilities and determined that only women younger than forty years old were eligible for employment. *Wasta* is also an important factor. *Wasta* is embedded in Saudi culture and the study found that access to employment is highly dependent on favouritism based on class and personal relationships. These practices led to unfair work evaluations, prevented promotions and were a common reason for exclusion from training opportunities.

Finally, the study explored Saudi women's perceptions of their employment experiences. It found that educated Saudi women's expectations and aspirations are changing. This change is largely in response to the changing opportunities provided through Nitaqat and changing cultural perspectives in relation to women's work. The study provided evidence, however, that once Saudi women gain wider experience through new opportunities, they give priority to career advancement over their traditional gender roles as a mother or in the educational sector as a teacher. In particular, women's exposure to a mixed gender work place resulted in a shift in employment preferences. This and other changes are supported by new trends in the Saudi education system, such as the provision of scholarships, which give women equal opportunities with men to travel overseas and pursue further education.

9.6 Recommendations for Policy and Practice

The issue of unemployment has been central to Saudi's development plans since the Sixth Development Plan (1995–2000). The Ninth Development Plan (2010–2015) has particularly directed attention to the crucial issue of women's unemployment through the implementation of Nitaqat. The findings of this study have a number of implications for consideration in the future implementation of Nitaqat's plans and strategies to increase women's participation in the Saudi labour market.

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9.6.1 Clarity of labour laws and regulations

One of the issues to emerge with the implementation of Nitaqat was the lack of clarity in relation to Labour Laws and regulations regarding women's work. This was a significant barrier that was evident in relation to the misunderstanding of regulations, unimplemented regulations, employees who were not aware of their rights and the fact that released decrees were published through media announcements. These difficulties suggest the need for reform of Saudi Labour Laws and regulations to underpin the implementation of Nitaqat. In particular, greater clarification is required in relation to rules and employer compliance requirements pertaining to matters such as workplace segregation, transportation and child-care provision. Concurrently, it is necessary to publish employees' rights widely through the media and government agencies as well as to promote the availability of intensive short courses offered by Taqat for women who register as job seekers. Importantly, there is a role for the Ministry of Labour to communicate the availability of the complaints pipeline to protect employees' rights in the workplace. In addition, all regulations need tobe published officially on the Ministry of Labour's website, and communicated through the general media.

9.6.2 Improve the databases

In order to achieve the aims and targets of Nitaqat as part of the long-term development planning process, greater attention needs to be given to the collection and communication of employment data and progress in relation to national employment objectives. The need for reliable data was evident throughout this study, given that government agencies were reliant on data of dubious reliability and on media announcements. A further implication is that the Ministry of Labour similarly needs published official data and reports regarding Nitaqat's achievements, rather than relying on media announcements. Greater cooperation between the Ministry of Labour and the Central Department of Statistics and Information might bring both official quarterly employment data and transparency to the Saudi labour market and Nitaqat's success.

Moreover, government agencies have little knowledge of the employment practices of multinational corporations. A related problem, and in part due to the lack of data and unclear labour regulations, is that MNCs themselves have a distorted vision regarding Nitaqat's process, stages and targets. In order for MNCs to contribute to the success of Nitaqat, additional clarification of both employment data and Nitaqat policy implementation requirements is necessary.

9.6.3 Nitaqat needs reform

As discussed throughout this thesis, the Saudi cultural and legal context shape the extent to which Nitaqat objectives can be achieved. A major gap in the design of Nitaqat is that the constraints on women's capacity to access employment have not been fully considered. This was evident throughout the study. For example, while Nitaqat opened new job opportunities for women and liberalised some restraints on their work, some of the women job seekers found these jobs unacceptable. Similarly, the supporting elements of Nitaqat were largely not of direct assistance to women. One issue was that the conditions of Hafiz excluded many eligible unemployed women. In contrast, Hafiz offers men better job opportunities and a wider range of training courses than it does women. Another issue was that Taqat offers women unacceptable or inaccessible jobs that are unrelated to their professional qualifications, costly to access due to transport expenses, and the requirement to work in mixed gender workplaces. Further, Leqa'at is poorly publicised and known for recruitment based on *wasta*.

The third recommendation is that instead of using Saudi women in lieu of cheap foreign labour, attention needs to be directed towards establishing quotas for Saudi women in professional employment aligned with their qualifications. These efforts could be focussed on non-traditional sectors such as manufacturing, legal, service industries and especially tourism. Unfortunately, women's voices regarding their aspirations and expectations of Nitaqat have not been adequately considered. This is a gap that needs to be addressed by the Ministry of Labour if Nitaqat is to be successful. This similarly applies to Hafiz. Some conditions should be revised and based on individual circumstances, such as the unemployment benefit reflecting family income rather than a flat payment. Taqat, the job finding system, is tasked with matching women to work. It thus carries the responsibility of successfully placing women in the right job and monitoring their progress. Information on placements could be published on the Ministry of Labour's websites so women can identify the more resourceful job providers. Greater consideration also needs to be given to women's qualifications and the legal and social issues that women encounter in work such as travel restrictions and family responsibilities. Greater availability of part-time jobs within reasonable distance from a woman's home would provide greater access to employment for many women, particularly those who are married or studying part-time. A further consideration is the need for training under Taqat to be provided free of charge until the

woman secures work. Leqa'at job fairs should also be more widely promoted and attention should be given to the participating firms' actual commitment to recruitment.

9.6.4 Educational outcomes

There is an urgent need for education reform to ensure that women can acquire skills and qualifications relevant to the Saudi labour market. As evident throughout this study, a lack of industry relevant qualifications, English illiteracy and work experience were key barriers to women's ability to access work. This is caused by Saudi women's exclusion from studying in fields such as engineering and civil engineering development where access is exclusive to men. Also, other specialisations in fields such as IT are limited in terms of female access. As such, the fourth recommendation of this study is that cooperation between the Ministry of Labour and Education is necessary to meet Saudi labour market requirements. This might to be through directing attention on standardised competency outcomes at each student level. Thus, on leaving school, students would have basic knowledge (and some experience) of workplace requirements as well as opportunities to take up uninterrupted training pathways to an occupation. There is also a need to widen the choice of disciplinary pathways for those who pursue a tertiary qualification. This measure needs to be coupled with a focus on English literacy and internships in order to gain the skills to meet labour market requirements. For graduates, bridging courses to work-readiness should be available under Nitaqat to allow professional training for the transition to work.

9.6.5 Corporate equal opportunity practices

The evidence showed that, due to the Saudi cultural context, it was not possible for the full implementation of parent company EEO policies. For example, the manufacturing case study showed that when a woman was appointed to a more senior supervisory position, the male employees refused to work with, or take direction from the female appointee. Similarly, the structural limitations on women's education and movement mean that the appointment of women into non-traditional roles such as engineering is extremely impractical. For example, engineering jobs commonly involve field work and travel to sites outside of the city of employment. Few women would receive guardian approval to be able to function in such a job even without considering legal restrictions on women driving or supervising men. Given the strength of social attitudes on women's freedoms, MNCs are not able to ignore societal attitudes and behaviours. As such, only an adapted form of EEO can be implemented. At the same time, there were also possibilities for change that the MNCs

only partially embraced. For example, the case study showed that women adapted and sometimes embraced working in a mixed gender workplace. These kind of practices could be more widely adopted. There was also evidence that MNCs were, in some cases, explicitly discriminatory. For example, women were denied bonus payments that were not available to male colleagues.

As such, discriminatory employment practices by MNCs continue to be a key barrier to women's recruitment and retention. This needs to be addressed by basing recruitment and employment policies and promotional opportunities on the criterion of merit rather than gender and *wasta*. In addition, corporations should be required to offer equal salary packages for the same grade and positions. Similarly, work evaluations and promotions must be based on employee performance. Training must focus on the weaknesses and skills of women employees rather than on wasting money for general subjects that are unnecessary. Such changes would enable companies to retain women employees and further contribute to the achievement of Nitaqat objectives.

9.6.6 *Wasta* practices

The widespread practice of *wasta* is an urgent issue impacting on women's employment opportunities. The evidence from the study shows that *wasta* is a common practice in recruitment in both the government and private sectors and Nitaqat's elements as well. The final recommendation is that the Ministry of Labour has to encourage the private sector to recruit on merit, particularly in Leqa'at, and set up a clear complaints mechanism that the applicants can use if the employers exclude them for unfair reasons such as *wasta*.

9.7 Future research

This study opens potential areas for further academic research. First, this thesis might be a catalyst for future academic studies concerning gender issues in the Kingdom of Saudi Arabia and comparisons with other GCC countries. While Saudi women's employment issues are a priority of Nitaqat, investigating the impact of Nitaqat on women's employment in Saudi owned firms of large, medium as well as small sizes is also necessary. In addition, the employment practices of MNCs operating in Saudi Arabia could also be compared with Saudi local firms. This comparison could investigate the most effective strategies for women's recruitment and retention with the employer after significant time and expense is invested. Another suggestion is that future employment research on the GCC countries could

be attempted from the perspective of harmonising legislation and statistics, a long-term aim of their localisation programs.

Other research could potentially address Nitaqat's impact on women's employment on a regional basis within Saudi to identify differences across the various cities. The influence of class, leadership skills among Saudi women managers, *wasta* and discrimination could also be further investigated in relation to the effect on women's employment. A major contribution of this thesis has been to give voice to Saudi Arabian women – future research needs to strengthen this voice further.

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Appendices

Appendix 1; questions for government officials

For the record of this research would you please advise

- Introduce yourself
- Education level
- Position title and level
- Tenure
- Sex

1. Could you please explain Saudisation?
- Why was it introduced?
- How was it implemented?
- Were the employment histories of people placed in jobs under Saudisation monitored? If yes, how; if no, why not?
- Please comment on the effects of Saudisation on the policies and practices of recruitment and retention in multinational sector. Have you data on this please?
- What were the issues regarding Saudisation that led to its replacement?

2. Could you please explain Nitaqat?
- Why was it introduced?
- When was it taking place?
- Which stage is it at now?
- How Nitaqat is implemented?
- Were the employment histories of people placed in jobs under Nitaqat monitored?If yes, how; if no, why not?
- Please comment on the effects of Nitaqat on the policies and practices of recruitment and retention in multinational sector. Have you data on this please?

3. Do you consider that the Nitaqat system more effective than Saudisation? Please explain why with examples.

4. Were there specific strategies in Saudisation and Nitaqat addressing women's workforce participation? Could you comment on this?

5. Could you please explain the following programs under Nitaqat, who is responsible for them, the stage of each, the number of people assisted under each?
- Hafez (unemployment payments)
- Taqat (retraining)
- Leqa'at (career fairs for employers and job seekers)

6. Please state your view, what are the barriers that constrain women's recruitment and selection in multinational sector?
- Employment policies
- No female applicants
- Job position and level available
- Lack of skills or experiences
- Legal issues
- Culture issues
- Other?

7. Please state your view, what are the barriers that constrain women's retention in multinational sector?
- Salary levels
- Lack of promotion and career development opportunities
- Workplace conditions
- Labour market shortage
- Culture or legal issues
- Other?

8. Do you think the public sector is more adept at recruiting and retaining women than the multinational sector? Why? Could you comment on this please?

9. Do you think that Saudi women are being actively recruited by multinational sector? Could you comment on this please?

Is there anything that you would like to add relating to the recruitment and retention of Saudi Arabian women to multinational sector?

Appendix 2; questions for unemployed women

For this research would you please advise;

- Education level and discipline
- Age bracket (under/over 25 years)
- Last position title (or school leaver/graduate)

1. How long have you been registered for unemployment?

2. Do you have any previous work experience?

If yes,

- Please describe your previous jobs and their titles.
- How many years did you work in each organisation?
- The reasons you left that organisation?

If no,

- What are major reasons that being you unable to access work in private sector?

3. What forms of job-seeking do you use?

4. Did you receive any offers of job?
- If yes, what was the nature of the job? Why didn't you accept it?
- If no, what do you believe are the reasons you can't find a job?

5. Have you accessed Nitaqat programs such as Hafez, Taqat and Leqa'at?
 - If yes, were these helpful?
 - If no, why didn't you use them?

6. Do you think the government employment programs apply equally to men and women? Have you any examples of this?

7. Please state your view of the following issues or barriers regarding women's employment in private sector, in particular multinational sector.
- gender
- marital status
- family responsibilities
- Shortage skills or experiences
- avoid hiring women
- workplace conditions
- job positions and level available
- legal issues

- culture issues

8. Do you think the organisation policies and practicesin private sector, in particular multinational sector, apply equally to men and women? Can you comment on this?

9. Do you think that Saudi women are being actively recruited by private sector, in particular multinational sector? Could you comment on this please?

10. Do you think the public sector is more adept at recruiting and retaining women than the private sector, in particular multinational sector? Why? Could you comment on this please?

11. There is evidence that Saudi women prefer working in the public sector. Do you agree?
Would you prefer working in the public sector? Why?

12. Is there anything that you would like to add relating to the recruitment and retention of Saudi Arabian women to private sector, in particular multinational sector?

Appendix 3; questions for senior managers from case study 1 and 2

For this research would you please advise;

- Introduce yourself
- Education level
- Position title and level
- Tenure
- Sex

1. Can you tell me about the structure of the workforce in this organisation?
   - Approximate numbers of employees
   - Types of jobs
   - Percentage of Saudi employees

2. Approximately how many women do you employ and in what jobs or roles? How many of these are Saudi women?

3. Do you face any challenges or barriers in recruiting and selecting Saudi women to your organisation or to particular jobs? If so what are they?
   - Employment policies
   - No female applicants
   - Job position and level available
   - Lack of skills or experiences
   - Legal issues
   - Cultural issues
   - Other?

4. Do you have any challenges or issues retaining your female staff especially your Saudi female staff? If so what are they?
   - Salary levels
   - Lack of promotion and career development opportunities
   - Labour market shortages
   - Workplace conditions
   - Cultural or legal issues
   - Other

5. Do you have equal opportunity policies in this organisation? If so how effective are they and for what reasons?

6. How much discretion do you have from your overseas organisation headquarters in relation to your HR policies in particular
   - Salary,
   - Recruitment and selection,

- Retention,
- EEO, for example; is these organisation wide policies or specific to Saudi Arabian operations?

7. Do Saudi government policies such as Saudisation/ Nitaqat impact on this organisation in particular in relation to the employment of women?

8. Is there anything that you would like to add relating to the recruitment and retention of Saudi Arabian women to multinational sector?

Appendix 4; questions for women employees from case study 1 and 2,

For this research would you please advise:

- Education level and discipline
- Position title
- Tenure

1. Did you have any previous experience prior to this position?

If yes;

- how many years did you work in each organisation?
- What were the reasons you left?

If no;

- how long were you looking for a job before you arrived here?

2. Could you please comments on the following points regarding your current job;
   - What are your reasons for accepting your current job?
   - How long have you been here? Are you planning to stay? Why?
   - How did you apply for this job?

3. Have you accessed assistance or training through Nitaqat? (Hafez, Taqat, orLeqaat)?
   - If yes, was it helpful?
   - If not, why didn't you use them?

4. Do you think that women receive equal attention to men from the government employment programs? Could you please comment on this?

5. Does your organisation face any challenges or barriers in recruiting and selecting Saudi women or to particular jobs?

If so what are they?

- Employment policies
- No female applicants
- Job position and level available
- Lack of skills or experiences
- Legal problems
- Cultural issues
- Other?

6. Does your organisation have any challenges or issues in retaining Saudi female staff? If so what are they?

- Salary levels
- Lack of promotion and career development opportunities
- Labour market shortages
- Workplace condition
- Cultural or legal issues
- Other

7. From your knowledge of your organisation's policies and practices, could you please comment on the following;
- Are you satisfied with your job position? Why?
- Are you satisfied with your wage?
- Are you satisfied with your remuneration and working conditions?
- Have you attended training courses in this organisation? How often? Did you choose not to undertake some training? Could you comment on this please?
- Is there a career for you in this organisation?
- Did you face any type of marginalisation in your job?

8. Do you have equal opportunity policies in this organisation? If so how effective are they and for what reasons?

9. Do you think the public sector is more adept at recruiting and retaining women than the multinational sector? Why? Could you comment on this please?

10. There is evidence that Saudi women prefer working in the public sector. Do yo agree? Would you prefer working in the public sector? Please comment.

11. Is there anything that you would like to add relating to the recruitment and retention of Saudi Arabian women to multinational sector?

Appendix 5; information to participants involved in research

You are invited to participate

You are invited to participate in a research project entitled "Increasing Women's Labour Market Participation in Saudi Arabia: Government Employment Policy and Multinational Corporations".

This project is being conducted by a student researcher Abeer Alfarran as part of a PhD study at Victoria University under the supervision of Professor Pauline Stanton and Professor Donna Buttigieg from the School of Management and Information Systems at Victoria University, Melbourne, Australia.

Project explanation

This research seeks to explore the gap in Saudi government policy and regulations and the Saudi multinational sector practices in recruitment and retention relating to the low participation rate of Saudi women in labour market. Whilst government policies are increasingly robust to address the issue, quotas and directives have yet to impact the social and cultural factors that act against the employment of women in the multinational sector. This research explores the legal and cultural gender constraints that result in low participation rates for women in multinational corporations, and addresses a gap in the literature because this is under explored. Its contribution to knowledge relates to testing institutional, human resource management, cross-cultural and discrimination theories and their application in the Saudi context. Further, this research will produce findings from which recommendations may assist the Ministry of Labour in its policy decisions, whilst recommendations may assist MNCs in offering attractive work to Saudi women.

What will I be asked to do?

You will be asked to participant in a 60-90 minutes 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 increasing Saudi women's labour market participation, government employment policy and multinational corporations practices.

What will I gain from participating?

There will be no direct benefit to you from participating in this research. It will however provide data that could support the future reduction of the Saudi unemployment rate in general and increasing women participation rate in particular. 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.
- 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 PhD 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?

There will be four groups to be interviewed. The first group involves interviews with at least five representatives from the Ministry of Labour and the Human Resource Development. The Chamber of Commerce and Industry in Jeddah will be approached for at least five representatives. The second group involves interviews with two HR representatives from each of two multinational corporations. The third group involves interviews with women employees in the MNCs. The final group involves interviews to be undertaken with unemployed professional women who are members of the Chamber of Commerce and Industry in Jeddah

Who is conducting the study?

The Student Researcher is Abeer Alfarran, who will be conducting the interviews, can be contacted by phone on [DELETED] or by e-mail [DELETED]

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

Appendix 6; consent from participants involved in research

Information to participants:

We would like to invite you to be a part of a study into "Increasing Women's Labour Market Participation in Saudi Arabia: Government Employment Policy and Multinational Corporations".

This research seeks to explore the gap in Saudi government policy and regulations and the Saudi multinational sector practices in recruitment and retention relating to the low participation rate of Saudi women in labour market. Whilst government policies are increasingly robust to address the issue, quotas and directives have yet to impact the social and cultural factors that act against the employment of women in the multinational sector. This research explores the legal and cultural gender constraints that result in low participation rates for women in multinational corporations, and addresses a gap in the literature because this is under explored. Its contribution to knowledge relates to testing institutional, human resource management, cross-cultural and discrimination theories and their application in the Saudi context. Further, this research will produce findings from which recommendations may assist the Ministry of Labour in its policy decisions, whilst recommendations may assist MNCs in offering attractive work to Saudi women.

Certifications by subject

I, Mr/Miss -- 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:

"Increasing Women's Labour Market Participation in Saudi Arabia: Government Employment Policy and Multinational Corporations" being conducted at Victoria University by: Professor Pauline Stanton and Professor Donna Buttigieg from the School of Management and Information Systems.

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 Abeer Alfarran and that I freely consent to participation in an interview of approximately 60-90 minutes.

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 have been informed that the information I provide will be kept confidential.

I understand that the interview will be recorded; I consent / do not consent to having the interview record.

Signed:

Date:

Any queries about your participation in this project may be directed to Dr. Yasser Alkhateeb – Lecturer, Faculty of Economics and Administration, King Abulaziz University, Jeddah.

Office Tel. [DELETED].

 Email; [DELETED].

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