

How Does the Saudi Public Sector Exercise the Practices of Human Resource Management?

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Case Study: The Ministry of Labour in Saudi Arabia

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Abstract— This study aims to explore how the Saudi public sector exercises the activities of human resource management. The sample of this study consists of the Ministry of Labour and its offices in the Northern region of Saudi Arabia. Data were collected from books and related literature. The researcher then conducted semi-structured interviews with a number of managers and employees in the Ministry of Labour offices in the Northern region. The results of the study indicate that the practice of human resource management activities in the offices of the ministry and the ministry itself suffers from severe weaknesses.

Keywords—*HRM, HR Practice, HRD.*

1. Introduction

Saudi Arabia has a population of 29,994,272, where the number of males approximately equals that of females. The national population is 18,707,576, of whom 50.9% are male and 49.1% female, while the number of non-Saudi residents in the Kingdom has reached 8,429,401, of whom 70.4% are male (Central Department of Statistics and Informatio, 2014). The labour market in Saudi Arabia relies heavily on foreign workers, where the Ministry of Labour pointed out that the deportation of foreign workers that are contrary to the law of work and residence, which amounted to more than 170,000 workers was the reason for emptying Saudi labour market (Faqih, 2014).

This and other factors, such as the Saudisation policy and the intervention of nepotism and cronyism in the employment process, have influenced the role of human resource management (HRM) in Saudi organizations, especially in the public sector. This is in addition to other factors that may have an impact on the policies and practices of HRM in developing countries in general, including Saudi Arabia. These factors can be summarized by the structure of the Saudi economy, its political environment, the Saudi labour market, the national human resource development (HRD) strategy and the Saudi national culture (Mellahi & Wood, 2001). This paper is designed to explore methods of exercising HRM practices and activities in the Saudi public sector as represented by the offices of the Ministry of Labour in the Northern region of the Kingdom.

1.1 A statement of the problem and the research questions

There has not been enough attention paid to the management of human resources, especially in public sector organizations, due to the adoption in the Saudi labour market of foreign workers historically, and also due to the implementation of the policy of Saudisation. The good practice of human resource management activities has almost been lost in public sector organizations in Saudi Arabia.

Therefore, we can formulate the problem of this research according to this statement: “Saudi public sector organizations suffer from a chronic weakness of human resource management practice”. This problem will be discussed through the following research questions:

1. Is there an independent department for human resource management in the organizations of the Saudi public sector?
2. How do public sector organizations exercise activities related to the affairs of employees?
3. Do the managers of these organizations recognize the need for human resource management in the organizational structure?

2. The importance of the study

As long as public sector organizations, including government departments, provide services to citizens through staff who deal with different segments of society, from the poor to the rich, the educated and uneducated, young people and elders and so on, the government administration should carefully select a certain quality of staff and provide the training and qualifications required for these employees to increase their skills in dealing with and providing government services as required. In order to achieve this, it is necessary to create a special unit in each government department to address this important topic, namely, human resource management. This study is, therefore, significant because of the importance of the existence of HRM in government organizations in order to ensure the quality of service provided to the public.

3. The study objectives

This study aims to achieve the following objectives:

1. To recognize the role of human resource management in the labour offices that represent the Ministry of Labour in the Northern region of Saudi Arabia.
2. To compare the practices of human resource management in the Ministry of Labour with the practices assigned to human resource management.
3. To offer recommendations to the Saudi public sector about the importance of the existence of human resource management in every government department.

4. Methodology

- **Type of research:** this research was conducted according to the descriptive approach. A case study approach was also used to access the actual exercise of human resource management by the Ministry of Labour in Saudi Arabia.
- **Study population:** the population of this study is public sector organizations in the Northern region of Saudi Arabia, while the sample of the study consists of officers in the Ministry of Labour in the Northern region of Saudi Arabia.
- **Data collection methods:** secondary data were collected from books and research that illustrate the written implementation of human resource management activities, while the primary data were collected through conducting interviews with managers and employees who work in the labour offices scattered throughout the Northern region of Saudi Arabia.

5. Theoretical background

5.1 *The reality of the public sector in the Kingdom of Saudi Arabia and its impact on the Ministry of Labour.*

The size of the public sector in Saudi Arabia is growing every year in terms of spending and the number of its employees, with the exception of the workers in the military sector. Given the magnitude of this number of workers in the public sector organizations in Saudi Arabia, more than 30% of the budget cut to pay the salaries of the public sector. The Kingdom lacks an effective device for measuring the performance of public sector employees year by year. There is also a large segment of young Saudis who prefer to work in the public sector because of the low requirements of routine work (Askar et al., 2011).

Since this research deals with how the Saudi Ministry of Labour exercises its HRM activities, it is necessary to identify some of the features of this ministry. Before the year 2004 the Manpower Council was responsible for the enforcement of Labour Law. However, on 22/03/2004 , Resolution No. 27 was issued by the Saudi Council of Ministers, under which the Ministry of Labour was separated from the Ministry of Social Development to produce two independent ministries. The Resolution also states that the Ministry of Labour is responsible for all activities relating to the affairs of work and workers (<http://portal.mol.gov.sa>).

If we look at the organizational structure of the Ministry, we find it consists of three sections:

- The overall organizational structure is headed by the Minister of Labour.
- The organizational structure of the labour offices in the provinces is headed by the Director of the Office of Labour.
- The organizational structure of the labour offices in the regions is headed by the Director-General of the areas.

Given these three organizational structures, we find that they do not contain a separate department for the management of human resources, but they contain a personnel unit belonging to the Department of Financial and Administrative Affairs. This is a clear indication that public sector organizations in Saudi Arabia do not pay HRM adequate attention in terms of practice and application.

The functions performed by the Personnel Department in the Ministry of Labour in Saudi Arabia do not cover all the HRM activities with regard to the modern concept. The following is a list of these functions:

1. Supervising the application of the civil service system and its implementation of regulations regarding workers in the ministry.
2. Identifying the needs of the ministry for manpower and preparing formations jobs and work to fill job vacancies.
3. Overseeing the completion of the rationale for hiring and contracting, and working directly in the ministry.
4. Overseeing the implementation of upgrade and vacation resolutions, the transfer and secondment of staff and terminating the service of employees in the ministry.
5. Supervising the implementation of the necessary procedures for the granting and payment of workers' salaries, wages, bonuses and allowances (Ministry of Labour website).

5.2 Comparison between the activities of human resource management and the practices of the Ministry of Labour in Saudi Arabia

If we compare the above tasks with HRM activities, we find that they do not address the methods used to fill vacancies in the ministry or the sources from which the ministry is to recruit staff and where. The activities of human resource management can be summarized as follows:

- Human resource planning
- Recruitment
- Selection
- Identification and selection of competent employees
- Orientation
- Training and Career development
- Adapted and competent employees with up-to-date skills and knowledge
- Performance management
- Compensation and benefits

The results of these activities will be employees who are capable of sustaining a high level of performance over the long term (Robbins & Coulter, 2005).

5.3 Human resource management practices.

Human resource management practices consist of the following:

- **Human resource planning:** this is the process of comparing the present human resources and the future needs of an organization in order to identify the gaps in skills and competency between what is available and the actual needs of skilled employees, and, subsequently, developing plans for building the human resources needed in the future (Bhattacharyya, 2006)
- **Employee recruitment:** this is the process of attracting capable applicants from several sources, starting by defining the type of applicants needed by the employer and determining methods and sources of obtaining them (Breaugh & Starke, 2000).
- **Selection process:** the process of screening job applicants to ensure that the most appropriate candidates are hired (Robbins & Coulter, 2005).
- **Employee orientation:** Employee orientation is very important for both the employee and the organization. Some authors have summarized these benefits as follows:
 - To reduce start-up costs
 - To reduce anxiety
 - To reduce employee turnover
 - To save time for supervisors
 - To develop realistic job expectations, positive attitudes and job satisfaction.

Therefore, all new employees should be subjected to an orientation programme that is designed to help them identify their jobs and work environment (Brown, 2007).

- **Employee training:** an appropriate definition of employee training is that training is an ongoing effort and is the next step after employee recruitment. This effort aims to modify trainees' behaviour to patterns desired by the organization (Sarwar et al., 2011). By conducting these activities, some organizations have implemented skill-based pay systems, which reward employees for the job skills and competences they can demonstrate in order to exercise the practice of career development.

5.4 Human resource practices in the Saudi Ministry of Labour

In order to learn how HRM activities are practised in the offices of the Ministry of Labour in the Northern region of Saudi Arabia, the researcher conducted semi-structured interviews with a number of managers and employees in several offices. The following are questions that were raised with both managers and employees in these offices and their responses to each question: Does the organizational structure of the ministry or the offices of the Ministry of Labour have a separate section for human resource management?

This question was directed to the managers of three offices in the region, and their answers were as follows:

- There is no separate department for the management of human resources, either in the organizational structure of the ministry or in the offices, despite the fact that the main

work of the ministry and its offices involves the management of human resources for both the ministry and the business organization in the Kingdom as a whole.

1. Who is responsible for the employment of workers in the ministry and how they are employed?

There was a consensus in the answers to this question by managers and staff, where they reported that the organizational structure of the ministry contains management personnel who belong administratively to the Department of Financial and Administrative Affairs, which handles traditional tasks such as filling vacancies and determining salaries. As for employment, it can either be through the Civil Service Commission or a more direct way, which is under a lot of pressure from nepotism and cronyism.

2. What about staff training?

The ministry believes that on-the-job training is enough to get the job done.

6. Results and recommendations

The main findings of this research indicate that the Ministry of Labour in Saudi Arabia and its offices in all of the Saudi regions does not exercise the minimum degree of human resource management activities properly. Therefore, the researcher recommends the following.

The Ministry of Labour could consider changing the organizational structure and adding a special department for the management of human resources. This department should deal with the appointment of staff under modern methods of recruitment, taking into account the policy of Saudization, in addition to focusing on the training of human resources, both for the workers in the ministry and for those in other government departments.

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