Human Resources Development and the status of Women Labor Force in Saudi Arabia – A Critical Analysis

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ABSTRACT
Saudi Arabia is branded as an ultra-conservative country by global as well as domestic media where the status of women is alleged to be very pathetic. Amani Hamdan, a Saudi scholar affiliated to the University of Western Ontario, Canada, published her research titled, “Women and education in Saudi Arabia: Challenges and achievements”. Amani Hamdan quoted Lacey’s findings as, “reform in Saudi Arabia had never been a simple matter,........”. During the past decade the Saudi government laid emphasis on developing its human capital. Since the year 2000, the Kingdom of Saudi Arabia invested more than triple the amount of what it has invested in the year 2000. These progressive strategies to develop its HR and particularly to empower women will surely present remarkable results in next five years.

Introduction
The Arab Human Development Report 2009 appropriately sums up the fast shifting global trends. “The world order that followed the end of the Cold War has proved to be tumultuous. External and internal challenges to the integrity of states have multiplied. From without, environmental pollution, international terrorism, large population movements, a melting global financial system and the rise of other cross-border threats such as pandemics, the drug trade and human trafficking have all laid siege to traditional notions of security. Within countries, spreading poverty, unemployment, civil wars, sectarian and ethnic conflicts and authoritarian repression have exposed the limits of many states in guaranteeing their citizens’ rights and........”. Such a situation is substantially changing socio-political equations for nearly all nations and immediately calls for highly effective solutions to such issues. The entire phenomenon revolves around human resources (HR).

HR, the most precious of all wealth is the basic component of any setup in any
activity or industry. Its participation is not limited to commercial or non-commercial activity of organizations’ but it directly contributes to nation-building process. If only post world war-I era is reviewed a series of major destructions are on record where nations and organizations with an excellent HR battery registered victory over all odds. Not only during turbulent situations but in times of peace too mega projects have been accomplished which remarkably changed the course of direction towards tremendous growth and development of any organization or nation. Rebuilding of Japan after World War and recently after the deadliest “Tsunami” it has ever seen; and other such nations which have seen large-scale devastation due to natural calamities, terrorism or war are some of the best examples of successfully strengthening economy and rebuilding nations by its HR.

In all such instances women also played pivotal role in the overall growth and development of societies’ and nations. The ‘Staff Discussion Note’ (views of some experts in the concerned field) published by the International Monetary Fund (IMF), very well elaborates the issue, “The challenges of growth, job creation, and inclusion are closely intertwined. While growth and stability are necessary to give women the opportunities they need, women’s participation in the labor market is also a part of the growth and stability equation.

In particular, in rapidly aging economies, higher female labor force participation can boost growth by mitigating the impact of a shrinking workforce. Women continue to contribute substantially amid gender biasness all over the world. The Kingdom of Saudi Arabia is not an exception.

Problem

Saudi Arabia is branded as an ultra-conservative country by global as well as domestic media where the status of women is alleged to be very pathetic. But its liberalized policies, economic growth and increasing political participation of women during the last decade display a consistent positive trend. Undoubtedly this is achieved by its visionary leaders; their consistent strategies exploring the human and natural resources at their disposal. Particularly concerning women’s rights most of the times stories published in all types of media builds a negative image but the overall growth and development of the Kingdom contradicts this stigma. Such a situation puts forth the following questions: Are Saudi women; in majority, denied of their basic rights? Does really Saudi Arabia have a major chunk of its HR underutilized?

The main aim and objectives of this study includes, the issue under study bears great impact on a nation’s goodwill, economy, socio-political policies, and its highly conducive environment that is offering good life standards to its citizens as well as a large number of expatriates. The research aims to achieve the following objectives:

1. To compare the degree of Gender disparity within the HR of Saudi Arabia with developed countries.
2. To determine the status of women in Saudi Arabia.
3. To find out the initiatives taken by the government of Saudi Arabia to empower women in order to strike a balance to maintain gender parity in its HR.
Methodology

The researcher mainly relies on secondary data published by researchers and global organizations like the ‘World Economic Forum’, ‘UNESCO’, ‘UN Development Program’, etc. A careful and critical evaluation of research reports, articles, and news items published in various journals, magazines, and websites is carried out to evaluate the circumstances, compare progress and to reach upto any conclusion.

Literature Review

Presently women empowerment seems to be topmost on the agenda of Saudi government. Although stereotyped voluminous amount of articles, reports and opinions are published in media and on social networking sites, very few studies have been carried out on this issue. Way back i.e. in 2005, Amani Hamdan, a Saudi scholar affiliated to the University of Western Ontario, Canada, published her research titled, “Women and education in Saudi Arabia: Challenges and achievements”. Amani Hamdan quoted Lacey’s findings as, “reform in Saudi Arabia had never been a simple matter............”. Her study exclusively deals with education opportunities and obstacles before women in Saudi Arabia. In the year 2007, the same author published her study titled, “Arab Muslim Women in Canada: The Untold Narratives”. This study focuses on adaptability of Arab women in a completely different environment and culture. Recently, i.e. year 2011, Deepika Faugoo published a study titled, “The Advancement of Women to Top Management Positions in the Human Resource Management Domain: A time for Change?”. This study reveals the growing number of women in Top Management positions in HRM, particularly in western European countries. But her findings are sharply challenged by another recent research carried out by the Manchester Business School (MBS).

Thus, an analytical study based on comparative facts and figures on the issue under study is not found by the researcher. This study opens up broader avenues and lays a link for further research.

Limitations

This study is based on secondary data i.e. reports published by various international organizations and governments, research papers, magazines and newspapers.

Gender Disparity – Global

Gender biasness is one of the most prominent and common problem in the world. The effects of which are seen more in the developing and under developed countries. Be it public or private sector or any household, from the highest levels of decision-making to the lowest levels, women are denied equal opportunity that badly affects not only their lives but the nation building process also. It not only causes economical loss but it is also responsible for various social and personal problems. Why women are considered inferior to men has always been an unanswered question despite of a glorious record of excellent performance in all walks of life. In many countries even today women are considered weak and are deprived of their rights. In so many places girls don’t even have access to basic education. They are not welcome for employment and if employed are not treated equally at workplace. Rising to higher positions in organizations still seems to be day-dreaming for women. Such pathetic condition of women in the society
demands large-scale reforms at concerned places all over the world.

Although the statistics presented by Deepika Faugoo in her research are presented in a positive manner but it also reveals that even the US took twenty (20) years to display 53 percent share of female HR professionals. In the year 1970 it was 27 percent which at the end of year 1990 rose upto 53 percent. Further, she reports similar trends in case of UK and Australia, along with 11 Western European countries namely Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland, and UK. Her study exclusively deals with women’s share in top positions in the HR. Not a single country out of the 11 countries under study; achieved 100 percent gender parity till date. Table 1 presents ‘Gender Gap’ scenario as on year 2013.

Table 1: Women’s share in the Labor Force in Western European Countries As on 2013

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Country</th>
<th>Labor Force Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Belgium</td>
<td>0.84</td>
</tr>
<tr>
<td>2</td>
<td>Denmark</td>
<td>0.92</td>
</tr>
<tr>
<td>3</td>
<td>Finland</td>
<td>0.95</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>0.88</td>
</tr>
<tr>
<td>5</td>
<td>Germany</td>
<td>0.86</td>
</tr>
<tr>
<td>6</td>
<td>Italy</td>
<td>0.69</td>
</tr>
<tr>
<td>7</td>
<td>Netherlands</td>
<td>0.87</td>
</tr>
<tr>
<td>8</td>
<td>Spain</td>
<td>0.82</td>
</tr>
<tr>
<td>9</td>
<td>Sweden</td>
<td>0.93</td>
</tr>
<tr>
<td>10</td>
<td>Switzerland</td>
<td>0.86</td>
</tr>
<tr>
<td>11</td>
<td>UK</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Note: Author’s compilation.

According to the 2011 Davies Report for the UK, female director participation in boardrooms in the year 2004 was 9.4% which reached upto 12.5% by the year 2010. Whereas, the latest study carried out by the MBS published by ‘HR Magazine’, UK, reveals that the actual female director participation in boardrooms in 2004 was just 5.1% which by the year 2010 was just 6.5%. These contradictory figures are an outcome of manipulation for the sake of building a progressive image or are an error remains unanswered. Considering the situation revealed by the latest research carried out by MBS which, is not yet challenged by the former; the researchers find quite a pathetic state of women in the UK too.

Similarly, UNESCO claims to be very satisfied with its efforts to eradicate gender disparity. It boasts of achieving near parity in some of its cadres as on 2010, but at the Director and P-5 positions women constitute only 32% and 38% respectively.

Gender Disparity in Saudi Arabia

Gender disparity in Arab world persists not only because of male dominance being practiced since centuries but also due to religious reasons. Gender segregation in the Arab world is not imposed in totality; on the contrary most of the women themselves prefer this practice with deep respect for religious reasons. And for such a situation male are not to be blamed. But for those willing to work; it is observed that besides religious laws, local customs, culture and tradition have its own impact on matters related to women.

Whatever may be the reasons for gender disparity but media reports and statistical figures reveal that the GCC countries are lagging behind in utilizing its human resources to its optimum level.
During the last five years i.e. from 2009 to 2013, Saudi Arabia remained in the last twenty five (25) countries. In the year 2009 it was ranked 130 but the results at the end of year 2011 and 2012 are quite discouraging where it slipped down to 131 position. A slight improvement is recorded at the end of year 2013 when it surged up and secured 127th rank. A lot needs to be done to tap its HR potentials while maintaining balance to eliminate gender disparity. The government of Saudi Arabia claims to have initiated several measures to empower women. Stories in media are widely circulated about the major reforms that are taking place in the Kingdom amid large-scale resentment being expressed by some people (so-called conservatives) from the society. Another class of the society is the “E-Volunteers or the “E-Activists” who seems to be obsessed by the glamour of internet publicity. This class is many a times exaggerating facts and figures and trying to blow out the situation out of proportion. Government’s considerable resources are being occupied to deal with rumors being spread, and the global community being misguided by these forces. The researcher is in no way dealing with the religious or political aspect of this issue but, solely evaluating gender parity in labor force and the government’s efforts to develop its human capital.

**Kingdom’s economy and women’s contribution**

Around 1960s the Kingdom’s economy and relative growth and development of other sectors started rolling positively. Accordingly, the government started investing aggressively in education, health care and industries. Education sector was prioritized above all social sectors. The need for long-term planning with clearly defined objectives along with precisely identified resources was felt. This resulted into Five-Year plan policy so as to achieve better economic growth.

With the introduction of the first Five-Year plan in the year 1970, Saudi Arab is consistently displaying robust growth in all sectors. The first plan focused on the development of infrastructure, the second plan on the development of human resources and the third on the economic diversification and expansion. The fourth, fifth, sixth and seventh plans were made to strengthen the private sector which was displaying quite an impressive growth. Realizing well before time that, complete dependence on oil reserves will always be a potential threat to its economy; the Kingdom smartly diversified its economy.

Eighth Five-Year plan laid emphasis on the development of human resources and increasing foreign and national investment. The purpose and objective of the Ninth Five-Year plan (2010-2014), clearly focuses on increasing the standard of living of the people, increasing employment opportunities and having a balanced regional economical development. Presently, the government highly prioritized the development of its HR with special emphasis to activate its women labor force. Under ninth plan the government allocated USD 195 billion to develop its HR.

At the end of the third quarter of 2013, Gross Domestic Product (GDP) in the Kingdom of Saudi Arabia was recorded as 3.1 percent which is nearly the same as of the previous year. The Central Department of Statistics & Information reports that the GDP Growth rate in the Kingdom averaged at 5.4 percent from the year 1969 till 2013, excepting year 1974 where it recorded an all time high of 27.5 percent and an all time
The Kingdom’s economy is oil-based which shows 87 percent of the total exports. But recently the government very well diversified its economy by investing into telecommunications, petrochemicals, natural gas exploitation and power generation sectors.

Saudi women’s role in boosting the Kingdom’s economy is commendable. Their active participation into trade and commerce are displaying remarkable progress. It is worth noting at this point that the percentage of women engaged in business is growing progressively. As per a report published by the ‘Oxford Strategic Consulting’, Oxford U.K., (sponsored by the HSBC), at the end of year 2003, 20% of the businesses in Saudi Arabia were owned by women. Over a gap of two-year period i.e. 2005, this percentage rose to 30% (Source: al Yousef 2009).

The Ministry of Economy and Planning, K.S.A., under the ‘Millennium Development Goals-2011’ programme of the United Nations, declared that at the end of year 2010, above forty seven (47) thousand commercial enterprises in the kingdom were owned by women.

**Investment in Education Sector by the Saudi government & opportunities for women**

During the past decade the Saudi government laid emphasis on developing its human capital. Since the year 2000, the Kingdom of Saudi Arabia invested more than triple the amount of what it has invested in the year 2000. The latest budget has provision to build 610 new schools in addition to the 3,200 already under construction. With a rise of 21 percent as compared to the 2012 budget; Saudi Arabia allocated $54.4 billion (SR204 billion) to education and training.

This will be the highest increase in its budget’s education sector since 2007. The Kingdom also plans to construct 539 new schools as well as fund 1,900 existing school projects, and renovate 2,000 schools. Apart from these, 15 new colleges, facilities and campuses at newly-opened universities will be built. $3.6 billion (SR13.4 billion) is been allocated for the Saudi Electronic University. $1.1 billion (SR4.25 billion) is allocated to build three new college hospitals while $5.8 billion (SR21.6 billion) is allocated to fund the 120,000 Saudi students seeking education abroad which was $5.3 billion (SR20 billion) during the 2012.

The government allocated SR204 billion ($54.4 billion) for education in its budget for 2013, from SR168 billion ($44.80 billion) in 2012, and SR150 billion ($40 billion) in 2011. These provisions make Saudi Arabia as the biggest investor in education sector in the GCC. The infrastructure to impart education includes eighteen (18) university cities and academic complexes, a good number of universities exclusively for female students; more than one hundred and sixty one (161) colleges for female students. A large number of female students are also sponsored to have education from universities abroad.

Saudi Arabia is constantly under fire from domestic as well as international media with regards to women’s rights and other social rights. Such allegations hold no water seeing the large scale investments being made by the Kingdom of Saudi Arabia, on women’s education.
Table 2: Adult Female Literacy Rate in Saudi Arabia

<table>
<thead>
<tr>
<th>Year</th>
<th>Female Literacy Rate</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Youth (15 to 24 Years)</td>
</tr>
<tr>
<td>1992</td>
<td>81.1</td>
</tr>
<tr>
<td>2000</td>
<td>93.7</td>
</tr>
<tr>
<td>2004</td>
<td>94.7</td>
</tr>
<tr>
<td>2011</td>
<td>97.0</td>
</tr>
<tr>
<td>2015</td>
<td>97.8</td>
</tr>
</tbody>
</table>


Note: Author’s compilation

Female literacy rate in the year 1992 was 57.3 which reached to 82.2 by the end of year 2011 and is projected to reach up to 85.3 by the year 2015. Such an impressive growth rate is more than a satisfactory answer to the constant criticism by global community. According to the latest (June 2013) ‘Information Paper’ published by the UNESCO’s Institute for Statistics, titled, “ADULT AND YOUTH LITERACY – National, regional and global trends, 1985-2015” Arab States have only (66%) female share of the illiterate population whereas, Central and Eastern Europe (78%) and East Asia and Pacific (71%).

Saudization – Boon for Saudis

The process of Saudization is back again with full swing. The government is taking every step to provide jobs to its citizens. With the creation of three million jobs by the private sector the government aims to bring down the unemployment rate to around 5.5% by the year 2014. Under its Eighth Five-Year Development Plan (2005-2010), certain positions were identified that were suitable for women to work. In the year 2007, the government announced that one-third of the government jobs will be reserved for women.

The cleanup drive taken up by the government of Saudi Arabia to flush out illegal expat labors in the year 2013 has shown tremendously encouraging results. This move not only flushed out illegal expats but to a great extent helped in correcting and updating statistics pertaining to labor force which otherwise was causing great confusion, misleading media, aspirant citizens, government machinery and the global community. After this drive the government of Saudi Arabia came to know the exact situation of its labor market, this will facilitate better planning for future. This may also reflect in a drop in crime rate which was considerably increasing due to the presence of illegal expats. Large scale rioting by illegal expats in its capital city Riyadh, the economic hub Jeddah is self-explanatory of how illegal labor were a threat to national security and economy. To a great extent the presence of illegal labor in the Kingdom caused disproportionate distribution of opportunities resulting into imbalanced and uncontrolled labor market. Long before the deadline to correct status of illegal expats; hundreds of Small and Medium Enterprises (SMEs) like groceries, electronic shops, restaurants, laundries, etc. were shut down. An estimated 20 percent of such SMEs are supposed to be shut down. Thus, a recently published report claims to employ more than 6,15,000 Saudis. This figure constitutes 58 percent of Saudis in the private sector. Employing women shows a remarkable growth as compared to year 2009. Presently 4,54,000 women have been employed which, in the year 2009 was just 50,000.
Job Opportunities and Job Security for women in Saudi Arabia

As Saudi women take jobs that were previously not open to them, they’re creating a new workplace dynamic in the country. Employers who see the benefits of hiring women are adjusting their workplaces to accommodate them, adding women’s restrooms or creating separate entrances and work spaces for them are some of the measures that offer great comfort to work.

Women who’ve been raised separately from men outside their immediate family are eagerly learning to accommodate in a mixed environment which is a positive sign in developing a more conducive environment to empower women.

Now the Saudi government has made it mandatory for all organizations to employ certain number of Saudi citizens; be it a managerial post or a menial job. The government is providing job opportunities to the women as well. Providing higher education and opening the gateway for employment is a ray of hope for all the women in Saudi Arabia. As an outcome of these initiatives; presence of women is becoming prominent in all sectors.

Highlights of the opportunities for Saudis and Women in particular

➢ Tourism sector in the Kingdom is growing enormously; with a total spending of SR 6.2 billion in the year 2013, by domestic tourists it registered annual growth by 13 percent.
➢ There are more than 3,40,000 SMEs in KSA that reportedly do not employ Saudis. Many SMEs have closed down and been put up for sale. This opens up another opportunity for the nationals to operate SMEs.
➢ Experts expect a straight 30 percent decline in property rates.
➢ Half of the country’s i.e. 1,00,000 registered contracting firms have been phased out during inspection raids. The contracting sector is expected to accomplish projects worth SR 3 trillion by the year 2020.
➢ Judiciary department started hiring women on large scale. Their job titles range from document-controllers to clerks, secretaries, case researchers, legal researchers and Shariah researchers.
➢ Saudi women have started working as ‘Customs Officer’. Presently a large number of airport jobs are still vacant which will soon be filled up by Saudis. Many of the countries airports are under expansion phase which opens up further job opportunities.
➢ Saudi Arabia’s auto industry is also reshaping; with the entry of auto giants like Mercedes, Tata, etc. planning to set up their assembly plants more jobs are expected to open up for Saudis.
➢ Ministry of Health (MoH) awards the highest number of contracts to private companies for maintenance and construction of health facilities across the kingdom. Now the MoH made it mandatory for such companies to employ Saudis.

Discussion

The facts and figures presented in section 8(a) and 8(b), clearly portrays the sincere efforts by the government of Saudi Arabia, to develop its human capital. As far as
women empowerment is concerned; some countries initiated way back and some have joined the race recently but none of the countries attained 100 percent gender parity. Maintaining gender parity for the sake of simply empowering women or striking a balance between its human resources are seemingly two different issues. Publishing data intentionally or unintentionally that perhaps is not correct is a completely different issue. As is the case of statistics related to women in top HR position in the UK, challenged by the latest research conducted by MBS. Secondly, presenting a comparative result of the final outcome without mentioning the duration of time required to achieve the present position, as pointed out by the researcher in section (7) is also inappropriate. Developed countries took nearly half a century to reach up to this position. While Saudi Arabia shows quite a good pace in achieving its goals pertaining to women empowerment particularly during the reign of King Abdullah. Induction of women to the extent of 30 percent of the total members in ‘Shoura Council’ (National Advisory Board) is one of the most effective strategic moves to empower women followed by granting them power to vote in elections. Allocation of quota for women in government as well as private sector jobs is another major move to utilize the potentials of its HR. In order to allow more freedom to women, proposed amendment to the system that monitors travel of women will soon be effective. Such consistent reforms will surely help in reducing gender parity gap in the Kingdom of Saudi Arabia.

Conclusion & Suggestions

This study reveals that post 2002 reforms introduced by King Abdullah in the kingdom very well refutes the finding of the famous historian Lacey. Amani Hamdan quoted Lacey’s findings as, “reform in Saudi Arabia had never been a simple matter........”. On the contrary; the existing progressive trends are surely an outcome of the gradual and steady reforms. As far as gender disparity is concerned; the kingdom may be lagging behind but it is only a matter of time. The following measures will yield sustainable progress in developing human capital of Saudi Arabia with proper balance:

1. Making health sector jobs for women more lucrative; which otherwise are not much appreciated in the Saudi society, may help in attracting more women to this noble field and will result in achieving its Saudization targets with greater speed.
2. Filling up vacant posts in Aviation, Customs, Hospitality, Health, etc. sectors and creation of ‘Women Only’ ancillary units of armed forces, public safety, law and administration.
3. Induction of women on large-scale into law and administration may additionally help in curbing domestic violence.
4. The government must strictly monitor the media which at many times publishes stories in isolation that shows a very pathetic state of unemployment and status of Saudi women. Atleast for the local media the government must make it mandatory to publish statistical figures pertaining to the amount of funds being spent on building infrastructure and the welfare of its citizens, within stories that shows pathetic state of employment and women’s status. Such snapshots of consistent growth and development of the kingdom will surely help in preventing deviation of minds. In totality the media must display greater
sense of responsibility and rule out all possibilities that may have negative impact on its readers.

5. Most importantly, the rights groups must show some patience and restrain itself from aggressive stands which, otherwise may be misused by external forces and they may indirectly become a tool threatening the national security.

6. Marathon symposiums and conferences be organized by the government for students ranging from schools to universities to educate its youth about the growth and development of the Kingdom and its efforts to develop human capital.

The above measures will have multi-faceted impact like, it may substantially reduce unemployment ratio, highly boost the morale of women, effectively help in reducing gender parity gap. These will also help to effectively implement recently amended and newly formulated laws to curb domestic violence. These progressive strategies to develop its HR and particularly to empower women will surely present remarkable results in next five years.

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