

**RELIGION, CULTURE AND MANAGEMENT: A COMPARATIVE STUDY OF
THE IMPACT OF ISLAM AND SAUDI CULTURE ON HRM PRACTICES OF
INDIGENOUS AND FOREIGN OWNED AND MANAGED CORPORATIONS IN
SAUDI ARABIA**

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ABSTRACT

This dissertation provides a journey into the world of beliefs and values of Saudi Arabia's organisations, people and society at large, and how these influence and shape HRM practices and the employment relationship in the country.

Designed as a single country case study, the dissertation uses a multi-case research design where two large companies operating in Saudi Arabia (an indigenous and a foreign multinational corporation) are explored and compared through methodological triangulation in data collection methods (interviews, surveys and focus group).

The main findings identify that institutional pressures (regulatory and normative) are strong catalysts facilitating the impact of Islamic teachings on the workplace in the Kingdom of Saudi Arabia. The regulative forces represent the organisations' rules, regulatory constraints (forced by regulatory bodies) and penalties for violations. They are a result of the KSA's legal system and its political culture. The normative forces identify values and social behavioural norms which define how things should be done within the organisation. They are a result of the wider Saudi culture.

Apart from its contribution to knowledge of the HRM practices of Saudi Arabia at micro- and meta- level, the dissertation also provides an analysis at two additional levels. It contributes firstly to the growing knowledge on the influence of Islamic beliefs in the workplace, and secondly, to the enlargement of theory on the subject of religion and its impact in the workplace. Moreover, the dissertation makes a contribution to the literature on HRM practices and approaches in Saudi Arabia. This extends to other countries of the Arab Gulf, holding strong potential to become a source of knowledge and reference for foreign organisations which operate and wish to operate in that region.

GLOSSARY OF ISLAMIC TERMS AND CONCEPTS

Since the thesis is essentially about Islam and its implications for HRM and employment relations practices, the abstract is followed by a non-exhaustive glossary of Islamic concepts and their meaning, which will be referred to throughout the thesis. This will introduce some of the characteristics and beliefs of Muslims which are discussed in the thesis. The richness of the Arabic language is such that one word has various meanings and various words can describe one characteristic, which at times cannot be directly translated into the English language. The researcher has attempted to translate to the nearest meaning.

Quran	<p>The Quran takes its name from the Arabic word for recitation or reading, and is 114 chapters long. The text is the exact word of Allah (Subhanahu Wa Taala) as revealed to the Prophet Mohammad (Peace Be Upon Him) in seven recitative forms, and these were passed on to and recorded by his companions.</p> <p>At a later time, Caliph Uthman ordered the collection of all these writings and their transcription into one recitative form. This work was completed by a committee led by Zaid Ibn Thabit, who is known to be the writer of the revelation for the Prophet Mohammad (PBUH). This committee gathered all the <i>Mushaf</i> (Holy Book) in one standard mode of recitation to prevent confusion amongst people, and this is the Holy Book we have today. The Holy Quran has been kept safe by the Prophet Mohammad (PBUH), preserved by His companions with no changes and by scholars century after century; remembered by heart and taught across the Muslim community. As the text was faithfully copied and disseminated, beginning in the time of Caliph Uthman, the Islamic faith also expanded to take its place as a major religion across the globe. The Quran's safeguarding is attributed to the guardianship of Allah (SWT), as He says in the Holy Book: "Indeed, it is We who sent down the Quran and indeed, We will be its guardian" (Quran 15:9).</p>
Prophet Mohammad (Peace Be Upon Him – PBUH)	<p>Mohammad (PBUH) is the final prophet of the line of prophets sent by Allah (SWT), and was tasked with spreading the message of Allah (SWT) to the entire creation through the revelation of the Quran, "And verily, you (O Mohammad (PBHU)) are on exalted (standard of) character" (Quran, 68:4): "indeed in the Messenger of Allah (Mohammad PBUH) you have a good example to follow him who hopes for (the meeting with) Allah and the Last Day and remembers Allah much" (Quran 33:21). In this way, the Prophet Mohammad (PBUH) is commended by Allah (SWT) as a full example of the life which followers should lead if they want to attain the Mercy of Allah (SWT) and His forgiveness. The life of the Messenger of Allah (PBUH) is a complete guide for Muslims to practise and show the best of Akhlaq. Abu Hurairah narrates that the Prophet (PBUH) has said: "Indeed I have been sent to complete the best of character (Akhlaq)" (Sahih Muslim, 6017).</p>

Sahaabah (Companions)	Companions of the Prophet Mohammad (PBUH); these were Muslims who knew and followed him (PBUH). Many struggled with him and defended him, and continued to spread his message after his death. Islam therefore accords a special place and recognition to the companions of Mohammad (PBUH).
Adaa (Payment)	Adaa signifies repayment of debt, and this includes the employer-employee relation, as the concept applies to payment for work provided: thus salary is seen a debt which the employer must repay to the employee.
Amanah (trust, responsibility, honest, trustworthiness)	An Amanah is a duty or obligation which an individual is tasked with and therefore obliged to fulfil, whether related to religion, morality or the material world. Any task/duty will be perceived as an Amanah and thus oblige Muslims to be trustworthy. It is a moral responsibility of fulfilling any duty owed, whether to Allah (SWT) or to any aspect of the created world, including humans, the natural environment and the beings within it. It is an important quality of a good believer who should be honest and trustworthy.
Saadiq (truthful)	This refers to a truthful person, and is related to the honesty of the individual.
Sabir (patient, perseverant) <i>adjective</i>	An individual who patiently accepts ill-fortune and continues to do good in spite of adversity may be described using this term.
Sabar (patience, perseverance) <i>noun</i>	Sabar is a broad term, including concepts of perseverance, stamina and forbearance. It is a highly recommended trait for a Muslim.
Iadl (justice, fair dealing)	The concept of fairness is important in Islam, and based on the Quran's teachings, justice and equity are to be observed when dealing with others, and even with enemies.
Ajr (wage, reward)	Ajr in its wider meaning simply refers to payment for work done or service offered. However, it also has a different and specific meaning in the religious context, in which it refers to rewards bestowed by Allah (SWT) in return for doing good, and for abstaining from wrongdoing.
Mithaaq/ 'Ahd (covenant, pledge)	This concept places an obligation upon Muslims to keep to covenants or agreements which are entered into. Thus, in a work setting for instance, confidential information regarding the organisation must not be leaked to rival organisations.
Wafaa' (fulfilment, commitment, loyalty)	Wafaa' refers to the keeping of promises and also to maintaining and expressing loyalties.

Akhlafa al ahad(break a promise)	Akhlafa indicates that a promise has been broken, and the Prophet Mohammad (PBUH) holds this act as one of the four signs of a “munaafiq” (hypocrite). Therefore, as an example, a Muslim ought to dutifully respect their contract in the workplace.
Five pillars of Islam	There is an obligation for all Muslims to fulfil the five pillars of Islam. The pillars of Islam are as follows: 1) Testimony: testifying that there is no deity except Allah and that Mohammad is His messenger 2) Prayer: performing the five daily prayers 3) Fasting: fasting during the month of Ramadan 4) Almsgiving: there is a duty to give a portion of income to the poor (<i>Zakat</i>) 5) Pilgrimage to Mecca (for those who are able) (<i>Hajj</i>)
Six pillars of Faith	Six pillars set out the essential beliefs of the Islamic faith 1) Belief in Allah 2) Belief in the angels 3) Belief in the revealed scriptures 4) Belief in Allah’s messengers 5) Belief in the Last Day 6) Belief in the predestination by Allah of all things, both the (seemingly) good and the (seemingly) bad.
Taqwa (fearing, piety, mindfulness)	Taqwa has a range of meanings as related to righteousness, piety, mindfulness and fear of Allah (SWT). An individual holding onto Taqwa can showcase the best of his/her behaviour.
Muraqabat Thaatia (self control)	Islam emphasises self-management of behaviour in the human realm, and is central to the concept of productivity and quality in work. A good believer has to show restraint because of the consciousness that Allah (SWT) is watching constantly, as Allah (SWT) says “Indeed Allah is ever, over you, an Observer” (Quran 4:1).
Muhasabat an-nafs (examination of conscience)	This concept refers to the need for the individual to assess their behaviour and actions in relation to Islamic guidance. In the context of work, this might mean for instance that where an employee has made an error, they will attempt to rectify this.
Hadith	This refers to any account of a statement by the Prophet Mohammad (PBUH) or an instance of his approval or disapproval regarding any matter.

Haqq (true, truth, right, due)	Haqq encompasses various meanings of reality, truth and inevitability, and further, can refer to rights of labour as existent in the workplace.
Haqq al –insaan (human rights)	<p>This term encompasses the rights of the individual, as seen for example in employment as the right to be recognised for work done, and therefore decreeing against the appropriation of this. The violation can be forgiven by Allah (SWT), but right which was violated has to be returned as a necessary part of repentance.</p> <p>As Muslims believe in the Hereafter and Day of Judgement; violating someone else’s rights would be prejudicial to the author of the violation on the Day of Judgment as long as the victim had not forgiven them, and therefore a good Muslim will guarantee Haqq al-insaan.</p>
Hifz al-lisaan (guarding the tongue)	This concept refers to the need for restraint in speech so as not to make wrongful or harmful statements. This can be related in the working context to the promotion of harmonious working relationships.
Hilm (clemency, forbearance, kindness)	This refers to the need for forgiveness when considering the harms of others against the self.
Husn al-Khuluq (good manners/conduct)	This concept includes morality as well as positive conduct irrespective of to whom.
Ihsaan (acting in the best way / benefaction)	This concept entails good work and the need to act in a kindly manner with others, explained by the Prophet Mohammad (PBUH) as meaning “that you worship Allah as if you see Him, for even if you do not see Him, He sees you”.
Imaan (faith, belief)	This concept encompasses a settled faith and trust in a person or entity.
Sunnah	Sunnah may refer either to the Prophet Mohammad’s (PBUH) practices, or to the sum of his teaching.
Niyat (intention) and Ikhlas (sincerity, loyalty)	The two concepts of Niyat (Intention) and Ikhlas (sincerity) are the foundation upon which individual actions should be built, and, further, from which Allah (SWT) will pass judgment on those actions. On this basis, any activity which does not have intent and sincerity as its core will not contribute to the good deeds which will be rewarded in the Afterlife (Akhirah). Thus, actions are judged based on intent, and Muslims are called upon to scrutinize their motivations before any act, to ensure that the act is motivated by seeking the pleasure of Allah (SWT).

	<p>It is narrated from Ibn ‘Abbas (may Allah be pleased with him) that the Prophet (PBUH) said, relating to his Lord, may He be glorified and exalted: “Allah decreed good deeds and bad deeds, then He explained that. Whoever thinks of doing a good deed then does not do it, Allah will write it down as one complete good deed. If he thinks of doing a good deed and then does it, Allah (may He be glorified and exalted) will write it down between ten and seven hundred fold, or many more. If he thinks of doing a bad deed then he does not do it, Allah will write it down as one complete good deed, and if he thinks of it then does it, Allah will write it down as one bad deed.” [Al-Bukhari (6491) and Muslim (131)]</p> <p>Amirul Mu’minin, ‘Omar bin al-Khattab (radiyallahu ‘anhu) supports this account by stating: “I heard the Messenger of Allah, sallallahu ‘alayhi wasallam, say: “Actions are (judged) by motives (Niyat), so each man will have what he intended. Thus, he whose migration (hijrah) was to Allah and His Messenger, his migration is to Allah and His Messenger; but he whose migration was for some worldly thing he might gain, or for a wife he might marry, his migration is to that for which he migrated.” [Al-Bukhari (6689)]</p> <p>Niyat (intention) has two meanings:</p> <ol style="list-style-type: none"> 1. The intention before an Ibadah (act of worship) 2. Willingness <p>The second meaning is what is meant in the hadiths. These hadiths emphasise Ikhlas, which is used in Islamic theology in the sense of devoting one’s worship to Allah (SWT) and believing in His absolute oneness. It also describes the action of performing good deeds.</p>
<p>Itqan (quality, endeavour)</p>	<p>A quality-related term used by Prophet Mohammad (PBUH) to denote continually improving performance in any task, activity or function.</p>
<p>Islaah Thaah al-bayn (peace-making)</p>	<p>This concept places value upon the act of peace-making to resolve conflicts, and is applicable to the working environment through the concept of mediation.</p>
<p>Istiqaamah (uprightness)</p>	<p>This is the concept of righteousness under Islam and acting according to prescribed parameters in word and deed, as commanded in the Quran, 41:30.</p>
<p>Khulafaa ar-raashidun (The Righteous Caliphs)</p>	<p>The four Leaders of the Muslim community who succeeded Prophet Mohammad (PBUH): Abu Bakr As-Siddiq, Omar Ibn Al-Khattab, Uthman Ibn Affan, Ali Ibn Abu Talib (May Allah be pleased with them).</p>
<p>Shura (consultation)</p>	<p>Shura, or consultation, is discussed in the Quran, 42:38, and forms a central part of Islamic structures of governance.</p>

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LIST OF ABBREVIATIONS

<u>Abbreviation/Acronym</u>	<u>Meaning</u>
ARAMCO	Saudi Arabian Oil Company
CBI	Confederation of British Industry
CDS	Central Department of Statistics
CIA	Central Intelligence Agency
CME	Coordinated Market Economy
CSR	Corporate Social Responsibility
ER	Employee Relations
EU	European Union
FMNC	Foreign Multinational Corporation
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GOSI	General Organisation for Social Insurance
HCM	High-Commitment Management
HR	Human Resources
HSBC	Hong Kong Shanghai banking Corporation
IHRM	International Human Resources Management
ILO	International Labour Organisation
IR	Industrial Relations
ISC	Indigenous Saudi Corporation
IWE	Islamic Work Ethic
JIT	Just In Time
KAEC	King Abdullah's Economic City
KSA	Kingdom of Saudi Arabia
L&D	Learning and Development
LME	Liberal Market Economy
MNC	Multi – National Corporation
MoCS	Ministry of Civil Service
MoL	Ministry of Labour

OECD	Organisation for Economic Development
PDP	Personal Development Plans
R&S	Recruitment and Selection
SA	Saudi Arabia
SAMA	Saudi Arabian Monetary Agency
SR	Saudi Riyal
STC	Saudi Telecom Company
SVET	Saudi Vocational and Educational Training
TQM	Total Quality Management
UK	United Kingdom
UN	United Nations
UNIEC	Union of Industrial and Employment's Confederations
USA	United States of America
WERS	Workplace Employment Relations Study
WTO	World Trade Organisation

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Chapter 1: Introduction and Overview of the Study

1.1 Introduction

This thesis examines the impact of Islamic values in the workplace. Religious beliefs and social and economic trends have always had a mutually reinforcing effect on each other (Tawney, 1937; Bouzenita, 2012; Abbasi, 2014). Although there are strong arguments about the enduring effects of religion on social and economic institution and organisation, suggestions about the static and unchanging nature of religious dogma do not necessarily rest on credible empirical evidence. Tawney (1937) presents some strong evidence concerning the way in which Puritans, as ‘spiritual aristocrats’ also “drew on’ medieval ‘traditional schemes of Christian virtues ... as a dynamic into the routine of business and political life” (p. 229). Similarly, in his review of theoretical developments in the principles of Islamic governance and political systems – *Khalifa* and *Imama*, Bouzenita (2012) noted that although the teaching and texts from earlier generations of Islamic scholars included arguments which legitimise and idealise political power, contemporary theories about principles of Islamic governance emerged out of generations of scholarly debates and work (p. 137).

In its highly relevant application for the purposes of the current study, the impact of religion on management is variously elaborated in the literature on cross-cultural management and International HRM (Budhwar and Debrah, 2011; Edwards and Rees, 2006, 2011; Tayeb, 2005). In a more direct analysis of how economic trends have also influenced religion (and more precisely, Islam), Abbasi (2014), outlines emerging modes of economic and financial transactions/instrument such as shares and securities. Although Abbasi acknowledges that instruments and transactions such as “shares in companies and securities issued by the state

were a new form of property, which were not dealt with in classical Islamic legal texts”, he goes on to present a strong historical analysis of “the process by which shares and securities were adopted as a valid subject matter under *waqf* (Philanthropic Trust) law (p. 325). This analysis of Islam’s ability to adjust to developments in the capitalist mode of production and transactions also, to some extent, undercuts what Tawney (1937) calls Weber’s generalisation about the favourability of Christianity to the progress of capitalism.

Despite this very strong evidence of how religious doctrine has adjusted to trends in economic and financial management, human resource management (HRM) is much more attuned to a nation’s history, language and culture (Hollinshead, 2009; Tayeb, 1997). By combining “hard” (instrumental) and “soft” (developmental) approaches in managing people (Storey, 1995 in Legge, 2005), the HRM functions and responsibilities of companies are focused on managing relationships with employees in order to create conditions for improving individual and organisational performance. Keeping in mind that profitable organisational performance is one of the reasons for the existence of companies, the main goal of this thesis is to explore the impact of Islam and Saudi Arabian (SA) culture on the employment related practices of organisations.

Mindful of the fact that religion impacts on social and economic behaviour as much as “economic and social changes act powerfully on religion” (Tawney, 1937, p. xiii), the study gathers and analyses data about the human resource management philosophies and practices of Saudi national and multinational corporations, as well as attitudes towards other areas of the working environment with the aim of revealing views on how Saudi and Islamic cultural

norms intersect with the job market and corporate activities at large. This endeavour encompasses a significant number of sections addressing various subject areas related to the main thesis, discussing practices and attitudes and relating them to Islamic traditions and norms. By offering such a detailed examination of this subject, a comprehensive overview of the Saudi working environment is drawn, both from an external perspective encompassing the entirety of this country's culture towards work and business, and from an internal perspective, exploring the dynamics of individual companies in their daily activities.

The relevance of the study is that the detailed description it offers will help corporate policy makers, human resource managers and managers in general gain a better understanding and an insight into the way in which the dynamics of the modern global multicultural business environment interact. By adopting a comparative assessment between how Islamic cultural norms are encountered within an indigenous Saudi company and a foreign multicultural organisation, it is hoped that useful ways of integrating different cultural and national backgrounds into the same working environment will be devised. This way, the research aims to contribute to the effort to find ways of maximising the efficiency of the international business scene, towards mutual satisfaction for all the involved groups and individuals.

1.2 Managing People in an International Context

Managing people in a global business context involves dealing with differences in the cultural, social and economic systems of increasingly interdependent regions and countries (Brewster et al., 2011; Harzing and Punnington, 2011) and, therefore, managing complexities between a “strategic-structure configuration and competing demands of global integration” which need to adjust to “the need for local responsiveness” (Schuler et al., 1993, p. 718). Within this context however, many current HRM studies have historically covered the Western world, as the majority of researchers belonged to nations of Anglo-American culture (Ferner and Quintanillis, 1998; Varma and Budhwar, 2011; Edwards and Rees, 2011; Brewster, 1994). The lack of research on other cultures and nations calls into question the applicability of the current knowledge to other contexts (Brewster et al., 2007; Romani, 2004; Tayeb, 2005). As a result and in response to the need to develop a truly international perspective on HRM, researchers have started to investigate how HR policies and practices may vary across countries (Adler and Gundersen, 2008; Scullion and Paauwe, 2004).

In general, the initial literature review on the subject highlights four approaches to the study of managing people in an international context. The first approach is called *Comparative HRM*, which focuses on cross-cultural or cross-national differences and similarities in management policies and practices (Cheng and Brown, 1998). Begin (1992) argues that the purpose of comparative HRM is to describe and explain the differences in, and identify broad patterns of, national HRM systems. Furthermore, it also centres on the debate on divergence and convergence of management practice (*cf.* Huo et al., 2002), a topic widely discussed in the fourth chapter of the dissertation.

The second approach to the study of managing people in an international context is cross-cultural management. This deals with the impact of cultural differences on management practices (Jackson, 2002; Traxler, 1999). The third approach is the concept of international HRM, which focuses on the management of expatriates, and the analysis of various management strategies and practices in different multinational contexts. International HRM is a process of “employing, developing and rewarding people in international, or global organisations” (Armstrong, 2006, p. 99) and involves the worldwide management of people, and not just the management of expatriates. From a multinational perspective, international HRM is related to the effective management of HRM in these companies through successful implementation of international strategies (Sorge, 2004). From this perspective, Taylor et al. (1996, p. 960) see international HRM as “the aggregate of various HRM systems used to manage people in the MNCs, both at home and overseas”. The fourth approach is the concept of Strategic International HRM, as proposed by Schuler et al. (1993), which claims to reconcile the competing demands of global integration and the need for local responsiveness. Following Schuler et al.’s (1993) lead, Taylor et al. (1996, p. 960-1) argue that Strategic International HRM is used to “explicitly link IHRM with the strategy of the MNC” (see also Taylor, 2007).

These four approaches to the study of managing people in an international context are operationalised in human resource management practice through methods for managing people in international organisations, as identified by Chakravarthy and Perlmutter (1985):

1. The ethnocentric model, in which the organisation’s approach reflects the practices used in the home country;
2. The polycentric model, which draws on host country HRM practices;

3. The regiocentric model, where regionally identified ideas and practices form the basis of an organisation's HRM strategies and practices; and
4. The geocentric, or global model, which is based on so-called best practice in HRM in international terms.

Each has specific strengths and weaknesses, depends on the context of the nation and the industry in which the MNC operates, and is shaped by emerging best practice within it.

1.3 The Convergence-Divergence Debate

Some of the debate about international HRM follows the convergence and divergence hypotheses (Kerr, et al., 1960 in Edwards and Rees, 2011) as a prescription for a universalist as opposed to a context-specific approach to international practice in human resource management. Some researchers argue in favour of converging practices at both individual MNC and at broad societal levels. The perspective highlights a growing similarity of preferences and practices across national boundaries, with accompanying cost savings and leveraging of opportunities available through global market integration and standardisation (Levitt, 1983). At organisational levels, these researchers consider global competition, arguing that the same will lead in the end to a convergence of management practices, to what is called 'best practices' – a concept first explored by management pioneer Frederick Winslow Taylor (Taylor, 1911), and which refers to methods and techniques which have been demonstrated to offer the best results (Von Glinow et al., 2005). For example, Brewster (2004) argues that convergence may be on the rise because of increasingly powerful markets, the importance of cost, quality, and productivity pressures, the emergence of transaction cost economies, and the widespread practice of benchmarking 'best practice' (Taylor, 1911).

The idea of the global convergence of management practice is based on the argument that the logic of industrialisation will generate economic and technological imperatives which will lead to universally homogeneous business practices (Kerr et al., 1960). Such ideas have, more recently, been reinforced by the rapid pace of globalisation, underpinned by equally rapid developments in information technology, and the unprecedented internationalisation of economic activity, both in terms of scale and in integration of production systems through new forms of organisation such as network organisations (Dicken, 2011).

Since its original conception by Michael Beer and his colleagues in their Harvard Stakeholder model (Beer et al., 1984), the idea of HRM as a management orthodoxy has been subjected to extensive review and criticism. As the globalisation of economic and business activity takes hold at the same time as the idea of HRM as a strategic function – the basis for competitive advantage (Boxall and Purcell, 2011; Storey, 2007), research on HRM in context has also intensified. Some of this study has drawn on the convergence argument, which suggests the emergence of a universal model. The idea of a universal management model is the basis of what Briscoe et al. (2009) term the global firm, with a dominant headquarters and strong organisational use of a global branding strategy in a one-market world view.

The notion of policy diffusion through MNCs, education and other social and economic practices has also lent some credibility to the argument for emerging universal management practices, with MNCs acting as proxies (Primecz et al., 2011). There is some debate as to whether “multinationals act as vehicles for transmitting HR/IR practices from the parent country to the host countries in which they operate” or whether “they attempt to drop what

they see as the constraining elements of their business systems once they leave their own border” (Ferner, 1997, p. 20). Either way, MNCs continue to play a prominent role in the global convergence of management and business practices in general, and of HRM strategies and practices in particular, through the integration of production systems that allow MNCs to apply control over employment practices, through centralisation of decision-making, and through the use of global competition to create and organise international product divisions and global management structures (Brewis and Jack, 2009; Marginson, Edwards, and Ferner, 2013).

Still, evidence shows that even in the face of continuing global business convergence in such broad-level areas as strategy, structure, and utilisation of advanced technologies and telecommunications (Smith, 2014), divergence in managerial and employee perceptions, preferences, and practices is still apparent (Gooderham and Nordhaug, 2011; Katz and Darbishire, 2000; Vance, 2006).

For instance, in the field of employment relations, Traxler et al. (2001) have shown that important national differences in systems of employment relations systems remain intact. Indeed, a survey conducted by the Harvard Business Review of almost 12,000 managers in twenty-five countries concluded that “change is indeed everywhere – regardless of country, culture, or corporation. But the idea of a corporate global village where a common culture of management unifies the practice of business around the world is more a dream than reality” (Ang & Dyne, 2015, p. 192). Thus, adherents to this view argue that culture is such a powerful force that it will continue to shape and define managerial values in different ways across

countries (Huo et al., 2002; Pieper, 1990; Scullion and Paauwe, 2004; Sparrow et al., 1994; Vance et al., 2005).

Thus, the divergence hypothesis states that cultural differences between peoples cannot be ignored, and nor are these differences likely to be overcome by any type of business practice (Meyer, 2014). The divergence hypothesis claims that social, cultural and labour market considerations will ensure that organisational size and complexity vary. The divergence hypothesis also predicts that managerial attitudes and behaviour will continue to be influenced by national and cultural differences (Hofstede, 1980, 1994; Trompenaars and Hamden-Turner, 1997). As it relates to HRM specifically, there is a natural tendency for managerial traditions in the parent company to shape the nature of key decisions and as Trompenaars and Woollimas (2005, p. 381) note: “We have observed many Western organisations that have sought to impose Western (or rather, Anglo-American) HR systems on organisational cultures that were based on entirely different assumptions”. However, empirical research comparing HRM practices across countries indicates that the basic HR functions are given different weights in different countries and are executed in different ways (Brewster, 1994; Moore, 2006; Pieper, 1990; Scullion and Paauwe, 2004; Sparrow et al., 1994).

Child (1981) argues that the convergence hypothesis is based on an analysis of broad formal features of organisational structures and asserts that it ignores the more informal (micro-level) aspects of organisational reality. His assertion that the convergence hypothesis is due to an analysis of formal features of the organisation is central to the arguments that underpin this study.

The argument is essentially that employee and managerial attitudes and behaviours are also shaped by informal aspects, not just in the organisation (Meyer, 2014; Mitchell, 2009), but also in the wider community (Fox, 1985). For this reason, there will always be differences and variations in motivational factors which are determined by institutional, social, and cultural factors (Child, 1981). Indeed, Ackers (2002, p. 5) argues that “[t]he neglect of work-and-family relations is perhaps the most striking single instance of anti-social character of traditional IR” and thus “while IR has been alive to the role of *social institutions*, notably trade unions, in employment relations processes and outcomes it has sustained an image of workers as unattached individuals in their out-of-work life” [emphasis in original].

One important aspect often neglected in literature is the importance of religion. Religion can shape individuals’ attitudes, perceptions, and behaviours (Emmons and Paloutzian, 2003; Lynn, 2011) and spill over into the work arena, affecting work-related attitudes and behaviour including business ethics, career development, and risk aversion (Brotheridge and Lee, 2007; Duffy, 2006; Mickel and Dallimore, 2009). As a result, more research into this domain of HRM practices (impact of religion) is required as the same may hold the potential to provide answers on the divergence/convergence dilemma and clarify the route through which best practice in HRM will emerge at international level. Religion however does not impact on HRM practices directly, but rather it affects them through its impact on culture. For these reasons, there is a need to clearly define the relationship of religion *versus* culture.

1.4 The Impact of Religion on HRM practices

1.4.1. Religion and Culture Defined

The first sub-section provides definitions of religion, beliefs, culture and values, how these are linked, and in what way they affect the workplace. Throughout the years, different theories and definitions of religion have been developed and elaborated from a variety of authors/scholars. There is no way to establish which theory is the ‘right’ one, but those which have more reliable arguments and interpretations are the ones that are most frequently elaborated and used in literature and practice.

From a theoretical point of view, religion is considered as an incorporated system of ideas and practices conveyed through actual religions such as for example Islam, Buddhism, Hinduism, and Christianity (Idinopulos and Wilson, 1998). Yinger (1970, p. 33) defines religion as follows:

“Where one finds awareness of and interest in the continuing, recurrent, permanent problems of human existence – the human condition itself, as contrasted with specific problems; where one finds rites and shared beliefs relevant to that awareness, which defines the strategy of an ultimate victory; and where one has groups organized to heighten that awareness and to teach and maintain those rites and beliefs – there one has religion.”

The scholar’s approach in studying religion is not to search for the essence of religion, but to explore and elaborate the social actions covering the understanding, meaning and significance of an act in which a person is engaged “religion is a patterning of social relationships around a belief in supernatural powers, creating ethical considerations” (Weber 1905 p.26). Thus, the most important influence of religion in society is in the fact that it affects the beliefs of peoples.

Described as maps and roads offering information, which help in determining in which direction one should move, beliefs are a state of mind centring upon trust and confidence in something (Douglas and Wykowski, 2010). According to Hume (1739), belief is an integral part of the conception and the feeling of the mind, instead of order of ideas. It is impossible to explain this feeling, or conception, and as Hume (1739) argues, the true and proper name of it is belief. In philosophy, belief is defined as something felt by the mind. As different definitions describe belief as “an experience that happened both in our minds and our bodies”, it can be stated that the belief is “the acceptance that comes from what we think is true in our minds married with what we feel is true in our hearts” (Braden, 2009 p.76).

Beliefs are strongly connected to cultures, and thus, one can argue that religion is a vehicle that influences culture yet at the same time culture can influence religion. One example of how religion can influence cultures is seen in the behavioural laws of religion in society, such as celebrations of certain religious events which have significant cultural implications. The same effect can be attained by culture imprinting onto religion. This effect is evident when certain cultures collide and one manages to imprint its culture onto another, including religious beliefs.

As Williams (1961) states, there are three different categories that define culture. According to the first, the “ideal” culture is outlined as human perfection; the “documentary” category elaborates culture as a body of intellectual and imaginative work; and the third, “social” definition, describes culture as a particular way of living, expressing certain meanings and values.

The main features that define culture cover systems of morals and values, the need for moral culture within society, and the changes as a result to cultural evolution. As a word, culture is most often used in two main ways: (1) popular usage, which covers interests and activities including types of music, literature and art; and (2) as a technical term, which is most often used by anthropologists and sociologists (Lawton, 2011).

According to Taylor (1871), national culture, taken in its wide ethnographic sense, is that complex whole which contains knowledge, belief, art, morals, law, custom, and any other competences and habits acquired by man as a member of society. Cultures affect values of people living in a specific social context. Values are equally difficult to define. As Jocano (1993) states, there are three different areas according to which a value can be distinguished; objects, ideas, and actions. The first classification defines value as price, cost, charge and amount; when value is attached to ideas, it can be elaborated as dignity, weight, importance; and according to the third classification, value is defined as extent, significance and usefulness.

Esteban (1990) argues that there are two kinds of values: objective and subjective. Objective values are “those which originate from without, from Truth itself- those absolute moral values which are ethically and socially binding to all men at all times and in all places”, while subjective values include those which emerge behaviourally and are based on the person’s own opinions and attitudes or those of a particular culture. Thus, religious beliefs affect culture, creating subjective values through the collective concepts of the group. Culture and values in their broadest sense are the main driving force behind most of what people believe

and do. These collective concepts of culture and values influenced by religious beliefs hold the potential of affecting (1) job related attitudes and behaviour of individuals at work, along with (2) the HRM practices present in companies operating in that cultural context, and (3) the wider national regulation of employment and work in the nation concerned.

Despite the idealised concepts of the principles of human nature so often advanced in religious text and teachings, In *The Idea of Justice*, Amartya Sen (2009) powerfully argues; “what moves us, reasonably enough, is not the realisation that the world falls short of being completely just, but that there are clearly remedial injustices around us which we want to eliminate” (p. vii). Thus, according Sen, what animates human beings is the identification of injustice which they need to redress. Sen’s argument that addressing remedial injustice is central to the theory of justice is, one can argue, also the central tenet of the employment relationship. Thus, they affect what is known in the literature as Employment Relations. Hobsbawm (1962) argues that collective pride is stimulated by group achievements, such as in the case of building important monuments which increase group pride.

Moreover, collective bounds formed between employees lead to empowering of the working force as a collective and engaging them to attain a common goal.

1.4.2. Employment Relations

Employment Relations is an aspect of modern business which has much to do with reflecting the dynamics of the working environment when it comes to the employer-employee relationship. In the context of this study’s thesis, the cultural influences of Islam carry significant weight when discussing employment relations, both in indigenous companies of Saudi Arabia and in MNCs.

According to Edwards (2003), the term ‘employment relations’ is simply a more recent way of referring to ‘industrial relations’: a term which has become suitably rooted in the literature and relates to the relations between employer and employee in all aspects of economic activity. Thus, the terms “employment relations” and “industrial relations” are used interchangeably in this research. This research takes an Industrial Relations (IR) perspective and thus sees employment relations as the “study of the regulation of the employment relationship between employer and employee” (Rose, 2008, p. 8). In line with this, Clegg (1979, p. 1) defines IR as “the study of the rules governing employment, together with the ways in which the rules are made and changed, interpreted and administered. Put more briefly, it is the study of job regulation.” Overall, industrial relations is the system that produces the rules of the workplace, which are the product of interaction between employers and unions, employers and associated organisations and the state (Dunlop, 1977).

The employment relationship includes both “market relations” and “managerial relations” (Fox, 1974). Market relations are related to the price of labour, while managerial relations deal with how this process is undertaken as it relates to determination of work performance, the right to delineate job tasks, and any disciplinary action (Edwards, 2003). While the relationship between employer and employee remains fundamentally a legal and power relationship governed by ‘a contract of employment’ (Welch and Leighton, 1996), there are other factors regulating the employment relationship, as is discussed in the next section.

Three key perspectives on employment relations are found in the literature; the unitary perspective, the pluralist perspective, and the Marxist or radical perspective (Budd and Bhawe, 2008; Hyman, 2011).

These different ideologies and frames of reference which provide a larger context for employment relations are based in two main dimensions: (1) the interests of the parties in the employment relationship and (2) the extent to which these interests are compatible (Budd and Bhawe, 2008), as well as the objectives of the employment relationship: efficiency, equity, and voice (Budd and Zagelmeyer, 2010).

The unitary perspective on the employment relationship argues that employers and employees have a unity of interests, with management as the single source of employee loyalty (Fox, 1966). The unitarist model does not see labour as simply a commodity but rather generally adheres to a psychological conception of the human agent (Budd and Zagelmeyer, 2010).

In contrast to the unitarist perspective, the pluralist view of the employment relationship is that employers and employees are not equals in the relationship and the organisation is “competitive in terms of groupings, leadership, authority, and loyalty” (Salamon, 2000, p. 7). Also, while employers and employees are expected to have some goals in common, conflict is also acknowledged (Budd and Bhawe, 2008); however, this conflict is seen as being limited to the employment relationship, which is at odds with the Marxist or radical perspective, which recognises conflict in the employment relationship as being an outcome of a wider societal conflict between competing groups (Gall, 2003; Salamon, 2000; Kelly and Frege, 2013).

Understanding and appreciating difference is the essence of the pluralist perspective of the employment relationship (Fox, 1966). Most analysts of the pluralist perspective however limit such differences to the workplace’s economic and social relations.

In these cases, they lose sight of the crucial observation by Fox (1985) that people also bring into the workplace interests which are shaped by value systems outside the organisation. An important point in this perspective is how the individual value system acts upon workplace interests.

A core element of belief is values, which according to Durkheim (1912 in Schwartz, 2012, p. 3) are “crucial for explaining social and personal organization and change”. Drawing on Durkheim’s argument that despite the irrationality in which it may be expressed, all religion represents a human reality and reflect human need (Durkheim, 1912), Schwartz’s (2012) value theory categorises values as beliefs that trigger feelings. According to Schwartz’s “values serve as standards or criteria’ that ‘transcend specific actions or situations’ and ‘refer to desirable goals that motivate action” (p. 3-4). It follows, therefore, that employees may be more motivated to achieve company goals when they feel that the organisation’s belief system is in line with their own belief system. This can be the case when the company is practising corporate social responsibility strategies, which may add to the employee’s self-esteem in that he or she is contributing to the community through the organisation.

Fox (1985) then warns managers that ignoring this fact could be fatal to the organisation. For that reason, Edwards (2005) argues that the definition of IR as the making of rules of the employment relation is robust to the extent that it underlines the importance of those external factors that also influence the rule-making process and outcomes.

To this end, Ackers (2002) calls for a reframing of the employment relationship on the grounds that in the current context it also involves issues pertaining to how work impacts on the family and the wider community.

The dynamics of how cultural norms affect the workplace environment have been increasingly explored in recent decades, as the employment needs of multinational companies have broadened, and not require a significantly complex set of HRM practices adapted to each group and cultural profile.

There are several fields in which international HR practices have to be adjusted to cultural backgrounds: labour relations, political factors, economy, and legal aspects and so on. Companies that operate abroad therefore have to comply with the ethical codes in operation within that foreign environment. Morris, Snell and Wright (2005, cited in Christiansen, 2013) state that the variation of environments in which multi-national enterprises operate hinders a uniform manner of conduct and of seeing events and situations within their workforce. In order to avoid conflict, the differences between these groups should be evaluated, and each group must be rendered valuable by emphasizing its particular positive traits. This means that the consequent HRM practices would focus on a particular set of traits in the workforce of a specific cultural background, while other groups with other cultural backgrounds are stimulated in other sets of traits, so that the working regime of the organisation is maximized. Anderson and Metcalf (2003, cited in Christiansen, 2013) have underlined the various dimensions that have to be incorporated into any assessment of workforce diversity, from background, education, experience, tenure, personality, attitudes, with their many sub-traits. Christiansen (2013) states that all these differences can be encompassed within three main categories, namely demographic diversity (which encompasses age, gender, ethnicity, nationality), organisational diversity (occupation, job profile, professional skills and so on),

and socio-cognitive diversity (cultural/religious values, knowledge levels, beliefs, and various traits related to one's personality).

Because it may be crucial to muster workforce diversity in the best manner possible, HRM practices have to focus on each of the three aforementioned categories of traits, and in the background of this particular study, the last category (socio-cognitive diversity) is of foremost importance (Chen, 2006).

Essentially, diversity refers to differences in characteristics with reference to, for example; race, gender, age, cultural and social backgrounds (including religion) (Parvis, 2003). In relation to employment, the need for workforce diversity has become the focus of both academic and policy literature. The academic literature has focused on the theoretical distinction between equal opportunities and diversity management. The former generally refers to the reduction of disadvantage in employment through formal procedures (Williams, 2014), while the latter, diversity management, recognises the fact that the workplace comprises a diverse population and “is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued” and every talent is utilised for the good of the organisation (Kondola and Fullerton, 2002 in Rose, 2008, p. 629).

Parvis (2003) casts this argument in international context and argues that in an increasingly globalised economic and business environment, diversity management constitutes a competitive strategy. In its 2012 report on “the benefits of having a diverse workforce, ACAS (2012) makes a similar argument with respect UK organisations, noting the increased diversity of the UK workforce.

Although Saudi Arabia may differ in some workforce characteristics (e.g. age), the characteristic of the Saudi workforce is also significantly diverse in terms education, increasingly in gender mix and nationality. The importance of managing workforce diversity is significant not only for rendering the internal processes of the company more efficient, but also for making sure the company remains valuable and competitive within its economic environment. Initiatives for managing diversity, on the other hand, have to be internally driven, and not dictated by external influences such as compliance to certain laws. The initiatives are best applied to individuals and not groups, and Soltani (2010, cited in Christiansen, 2013) states that the management of diversity needs to be the responsibility of all company employees, and not only of the HR department.

1.4.3. Regulation of Work

One of the key scholarly works on work regulation was published by Polanyi in 1944 (republished in 2001). His concept of regulation is broad, encompassing (1) distinct political and legal institutions for regulating economic activity, such as trade unions, central banking and monetary policy, (2) the regulatory force of social norms, and (3) state enforced competition law. These regulatory institutions are engendered as economic activity becomes co-ordinated through markets to a greater degree. Thus in pre-industrial, pre-capitalist societies, the economic activity is still embedded in social relationships and at this stage distinct regulatory institutions have only limited functions within society (Dale, 2011; Salsano, 1990).

In these societies, regulation is not imposed on citizens by the state, but instead reflects the community's commonly accepted norms of self-governance, such that "custom and law, magic and religion cooperated in inducing the individual to comply with rules of behaviour which eventually, ensured his functioning in the economic system" (Polanyi, 2001, p. 57).

Clegg (1979) highlights a second stage, that of the mercantilist, in which more economic activity is co-ordinated through markets. Using various examples from Europe, he argues that during this stage the state begins to organise trade on the scale of the nation and also begins to take apart traditional forms of regulation that had restricted trade to local and regional areas. Moreover, he argues that the state regulation starts to promote markets for external war efforts, not only for internal unification (Somers, 1990) and new avenues of regulation open up: for example, the prevention of national monopolies. Finally, according to Polanyi, in the third stage, regulation becomes vital to establishing a 'market society.' Using Britain in the late 18th century as an example, he argues that this stage marks a fundamental change in the relations between 'economy' and 'society.' In this stage, labour, land and money have become commodities (Dale, 2010). This 'market society' is characterised by a belief in the self-regulatory capacity of markets, although regulation is vital for its functioning. In this society, prices are the main organising principle of markets, incomes are earned solely via market transactions and regulation transcends national boundaries.

As it relates specifically to the regulation of work, Grubb and Wells (1993, p. 9) argue that "regulation exists when an individual employer cannot, even by agreement with his or her own employees, use particular working arrangements or forms of employment contract, without risking legal sanctions or the invalidity of the relevant provisions in the contract."

Employment may therefore be regulated by statutory legislation alone, by sectorial collective agreement alone, or by both (Grubb and Wells, 1993). Defined as “any theory or scheme as long as it is based on a genuine concern for the rights of workers in industry, particularly their right to share in the control of industrial decisions” (Clegg, 1960: 3), in the period from 1965 to 1979, Hugh Clegg began to discuss the fundamentals of employment democracy through equalising collective bargaining and thus setting higher bars for human resource management. Those collectives assembling were now being given the opportunity to act on egalitarian fundamentals that could, in the words of McIlroy (1995), “transform the ownership and authority relations of the enterprise as part of the wider strategy for transforming economy and society” (p. 357) and these collectives sought to have representatives on employee boards to ensure that their salaries would keep up with inflation rates (Ackers, 2005). Additionally,

“...the society at large has certain expectations from its organisations and exerts influences on them, through various formal and informal means. Political, social and economic institutions, such as the economic structure, trade unions, social groups, the educational system, and pressure groups, can all exert their own influences in turn on organisations” (Tayeb, 1997, p. 352).

The presumption that labour could be treated as a commodity to be regulated by market forces has been given intellectual support by developments in economic theory (Paton, 2010). However, Polanyi (1944) problematized the commodity status of labour, describing labour as a ‘fictitious’ commodity, arguing that the human aspect of labour necessitates ‘protection.’ In line with this Peck (1996, p. 40) argues that:

“the nature of labour, or more precisely of labour-power, is such that the market for labour is riven with contradictions, conflicts and dilemmas of regulation. Because labour is not a true commodity, self-regulating mechanisms associated with conventional commodity markets cannot be expected to regulate the labour market...It follows that the labour market cannot be self-regulating in the sense of an abstract commodity market, but must be socially regulated” [emphasis in original].

Thus, instead of being 'self-regulating' as in the economic literature, work is regulated in a variety of ways, most usually by the state. For example, the state influences labour regulation through the framework of employment legislation, the structure of welfare and educational systems, policy interventions in industrial training and labour market programmes, and regulation of marital and family life (Peck, 1996). It follows, therefore, that any management of the employment relationship, like HRM, which rests on a unitarist conception of the organisation that sees that relationship as unproblematic, is also likely to ignore in its analysis the impact cultural and institutional factors on the employment relationship.

1.5. HRM and Cultural Differences

As highlighted in the previous section, management practices are shaped by the political, economic and legal context in which they are conceived. Rugman et al. (2006) discuss the differences in contextual factors in terms of institutional differences and cultural factors. Explanations about the impact of differences on management attitudes and practices have generally been based on the concepts of culture (Hofstede, 1980; Trompenaars and Hamden-Turner, 1997). Although these explanations have been criticised for being rather abstract and lacking in theoretical rigour, the essence of their arguments is clear (Nolan and Slater, 2003). The basis for Hyman's (2004) argument on the need for a universal theory of industrial relations is that national differences matter even where nations are also governed by similar legal regimes on industrial relations, such as in the case of European Union member states.

If differences between states governed by the same legal frameworks can account for differences in their conception and practice of employment relations, it is logical to say that these differences will be greater and more profound between countries with variances in cultural and institutional frameworks and, therefore, beliefs and value systems (Parker, 2000).

The ways in which the employment relationship is regulated vary by national context, as described by Tayeb (1997). He argues that the impact of national culture, and religion, on IR and HRM is formally incorporated in the rules and regulations that govern the employment relationship, both explicitly and implicitly. The national context will affect the rules and regulations about employees' individual rights, including wage rates, equality of opportunity, job security, and working hours, as well as the rules and regulations about employees' collective rights, including their rights to form and join trade unions, collective bargaining, resolving contract disputes, and engaging in participative decision-making (Tayeb, 1997).

With the globalisation of organisations, MNCs have had to consider how to implement HR practices on a worldwide scale. The large number of subsidiaries from one side and the need for cost-efficiencies from another pushed the management of these companies in some cases towards standardisation of approach. As a result, many international organisations use the same HR practices across all their locations, and these are generally based on Anglo-American culture: however, as the discussion on the convergence and divergence explains, it is not always the case that these practices fit well with the context of the local culture, and thus they may negatively affect the operations of the organisation within that external context (Marginson and Sisson, 2002; Martinez Lucio, 2013). Saudi Arabia holds very profound cultural connections that are fundamentally different from Western societies.

The Islamic culture will thus have an influence on HRM strategies which may contradict but may also be in line with western models of HRM.

In this regard, the initial literature review identifies a lack of specific understanding on the impact of cultures affected by different religious beliefs, and in particular, research on the impact of Islam on the HR practices of MNCs.

1.6. Islam's Impact on the Workplace

Islam is one of the three main religions in the world by the number of its followers (CIA, 2014; Grimm et al., 2015), for the millions of its believers is also a culture which remodels their material and moral environment, providing them with a specific identity. It offers a code, or a system of beliefs to which individuals submit in their material and spiritual life.

The cultural values and beliefs in Muslim countries were created as a result of Islamic teachings and principles, which experience labour as crucial for creating human relations. The feeling for what is right and what is wrong has been developed by individuals as a result of the influence and power of religion. As stated in the Quran (49:13)¹: “O mankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted”. This is emphasized by the Prophet while defining responsibilities considering the relationship with others and the obligations to “[...] feed (the poor) and offer salutation to whom thou knowest and whom thou dost not know”.

¹ The Quran is the Holy Book that is the exact word of Allah as revealed to the Prophet Mohammad (PBUH). The researcher used translated version of the meaning of verses. See Glossary on Islamic concepts.

Thus, for both employer and employee, Muslim or non-Muslim, it is assumed that they will treat each other with kindness, sincerity, and responsibility beyond what is specified in the contract and the boundaries of work. Human considerations, therefore, in the workplace, take priority on matters related to treatment of employees, justice, and equality in hiring and promotion.

Latifi (1997, 2006), who has examined traditional and modern Islamic texts, enlarges the core three values (equality, individual responsibility and fair and generous treatment) with an additional two as outlined below:

1. Equality before God (Allah),
2. Individual responsibility within the context of co-operation and teamwork,
3. A view that those holding positions of power should treat subordinates kindly, as if their subordinates were their family members,
4. Fatalism but also an acknowledgment of personal choice, and
5. Encouragement of consultative decision making at all levels, including the family, community, and country levels.

These findings are in line with Ali (1988), who studied the values of Muslim students in the USA and reported two key sets of values: one related to work ethic and another related to individualism and self-reliance. Based on these results, he argues that Muslims see work as obligatory and self-reliance as a source of success. Additionally, he posits that although a person's loyalty is to the self and family in general, in the context of work, the individual's loyalty is to the persons in power (which is in line with a unitary view of the employment relationship).

Also in the context of the work environment, Endot (1995), following his review of literature, identifies eleven significant Islamic values which are thought to have strong impact on organisations, including *inter alia* co-operation, discipline, dedication, trustworthiness, and responsibility. In studying organisations in Arab countries in the Middle East, Muna (1980) also found that the employment relationship and decision-making were characterised by a process of consultation that was based in Islamic traditions and was emphasised in the Quran.

He also noted that this was emphasised by interviewees as being important in home life as well as in work life, as consultation serves many purposes; to avoid potential conflict, to please, or win over people, and as an information-gathering mechanism.

As the studies presented in the preceding paragraphs argue, findings from previous research among companies in Arabic countries emphasise a potentially strong impact of religion on HRM practices. The premise however, is not explored further, thus creating a gap in literature on the subject (Mashood et al., 2009). Further analysis indicates that the issue cannot be explored on the level of the Islamic code, simply because Islam through the centuries has adapted itself to local cultures and conditions, and as Stone (2002, p.124) notes, “its salience in politics derives to a considerable extent from this adaptability rather than its ability to transform local cultures into any unified world image”. Thus, any exploration of the impact of religion, Islam included, on HRM practices needs to be linked to a specific cultural context and national context. As a result of this need, the thesis is geographically limited to the Kingdom of Saudi Arabia.

1.7. The Case of Saudi Arabia

The research is limited to Saudi Arabia as a unique context for a range of reasons. Saudi Arabia is an Islamic country, which means that Islam determines the institutional norms, patterns and structure of the society. For example, women in Saudi Arabia are banned from holding public office, driving and voting (Tayeb, 1997). This is especially so since Islam is not only a religious ideology but also a way of life (Al Munajjed, 1997; Khan et al., 2010; Zin et al., 2012).

As noted by Tayeb (1997, p. 355), “Islam, unlike many other religions, is an all-encompassing creed, it governs every aspect of life, public and private, political and economic, and as such is relevant to business activities. In other words, when it comes to Islam there is no separation between worldly and religious aspects of life”.

However, this is not to say that historical developments in social and economic structures and processes have not also impacted on Islamic principles. As indicated in earlier, Bouzenita’s (2012) review of theoretical developments in Islamic jurisprudence and Zubair Abbasi’s (2014) *Insight into the making of Anglo-Muhammadan Law* indicate the dynamic nature of Islamic law and principles over time, in response to economic and social developments. Accordingly, Saudi Arabia is interesting to study particularly since religion – to be more precise, Islam, plays a dominant role in this society and thus makes up a substantial part of this society’s “cultural baggage”. Yet, Saudi Arabia also has a large emerging Muslim middle class that is attentive to the values of Islam, but also interested in modern consumption (akin to Western norms), accompanied by a greater visibility of a new class of Muslim entrepreneurs who mix religious principles with capitalist aspirations (Sandıkcı and Rice, 2011; Wilson, 2006).

Another factor which makes Saudi Arabia an interesting case study is that like other nations in the region, Saudi Arabia is facing an unemployment crisis, but unlike other Muslim countries, heavily uses expatriates to support national development plans because of a shortage of skilled local workers (Dyer and Yousef, 2007; Rees et al., 2007). Developing the national workforce depends on understanding the context in which these employees operate and the context is determined by the Islamic religion.

The core of this analysis is the impact of the cultural and institutional arrangements on HRM and employee relations. These institutional frameworks are shaped by traditions and laws. In the case of Saudi Arabia, the traditions and legal system that influence institutions and business practices are the Islamic laws known as Shariah, Sunnah, and the indigenous Arab traditions (Alhabshi and Ghazali, 1994). Despite the fact that as with most economies, Saudi Arabia attempted to introduce economic policies and management reforms which are consistent with the Anglo-American model, Islam and traditional Arab principles and value systems continue to be the dominant influences on management attitudes, values and laws, which are shaped by Islamic values and Arab traditions. Alhabshi and Ghazali (1994), for example, outline a number of Islamic principles, including Prophetic teachings, which have significant influence on management style, work culture and business practices in Saudi Arabia.

The core aim of this study, therefore, is to assess the extent to which such analysis remains credible, or if, like most countries, HRM practice in Saudi Arabia is also subject to the impact of globalisation and the introduction of foreign management ideas and practices. It is for this reason that the study seeks to assess the continuing influence of Islam and traditional Arab principles and customs on HRM practice in Saudi Arabia.

The discussion will explore the dynamics between HRM practices and employee relations, as the two elements are strongly linked and determine a number of significant trends within a country's working environment.

Emphasis will also be placed on the difference between the private and the public sectors operating within Saudi Arabia; in the public sector, employees work for government agencies, whereas in the private sector, they work for individuals or for non-governmental organisations and groups. This leads to differences in the way in which employment relations unfold, as studies have shown that sometimes more variance is encountered in the private sector than in the public (e.g. Farman et al., 2013). Whether this is the case for Saudi Arabia is to be discussed, but nevertheless, differences may be expected between the two sectors (Drummond and Al-Anazi, 1997). In spite of such evidenced differences, there is also evidence that suggests some similarities, reflecting the fact that the Saudi Arabian economic and business systems are linked to and therefore influenced by global trends including, emerging organisational and management ideas and practices.

Like other countries entering the global marketplace, HRM is important for Saudi Arabia and its indigenous companies (Mellahi and Wood, 2000). In order for human resources to be managed appropriately, it is important to understand the factors which may influence the workplace. Islamic values include a wide range of values described in the Quran and the Sunnah (Prophetic pronouncements). The Islamic religion addresses a wide range of moral and spiritual issues as well as descriptions of appropriate conduct (Alhabshi and Ghazali, 1994).

Thus, this research will hopefully lead to a better understanding of the effects that traditional Arab institutions and Islam have had on both employee and managerial attitudes in indigenous Saudi Arabian organisations.

There are a number of Islamic values, present throughout the society of Saudi Arabia, which are likely to be valued in indigenous organisations. These values apply to an individual's behaviour and conduct as well as their actions at work (Alhabshi and Ghazali, 1994). Examples of these values include humility, hard work, justice and sincerity, the honouring of promises, trust, kindness, and goodness. The Islamic values of cooperation, persistence, self-discipline, consensus, universalism, and accountability are also likely to be seen in native Saudi Arabian organisations.

As with the majority of economies, Saudi Arabia has attempted to introduce economic policies and management reforms that are consistent with the Anglo-American model (Budhwar and Mellahi, 2006). These policy and management changes involve neoliberal economic ideas which have implications for HRM. These have included a policy of financial constraint in the 1980s which attempted to limit public sector employment and increase reliance on the private sector, and the establishment of a Supreme Economic Council (in August 1999) to accelerate reforms in order to achieve World Trade Organisation (WTO) membership; however, as Azzam (1997) and Mellahi and Wood (2000) note, despite these 'reforms', the public sector is some distance from the private sector both when considering employees, and favourable terms and conditions.

Public sector monopolies such as Saudi Arabian Oil Company (ARAMCO) and Saudi Telecom Company (STC) overwhelmingly dominate the Saudi Arabian economy, which is

largely dependent on oil, providing approximately 90 to 95% of export earnings. The country also has a labour market problem in that its population growth is out-pacing the rate of economic growth. The labour market is dominated by men, although there is some evidence of an increase in the rate of the female participation.

Socially, the context is based on Islam and tribal family traditions governed by Islam and Prophetic pronouncement (Sunnah), and this also forms the basis for managerial attitudes and behaviour (Ramady, 2010; Mellahi and Wood, 2000). Thus, Alhabshi and Ghazali (1994) emphasise that management and employment relations are based on Islamic pronouncement and the ethics of intention (Niyat); conscientiousness, knowledge and endeavour (Itqan); proficiency and efficacy (Ihsan); sincerity (Ikhlas); passion for excellence (Al falah); continuous self-examination and mindfulness (Taqwa); justice and fairness (Iadl); honesty and patience (Amanah and Sabar); and moderation, dedication and obedience to the leader. Some of these are dealt with in the findings.

Context, also by way of institutions, laws and culture, has implications for management practices (Cooke, 2005; Jackson, 2004). The implications of this dual religious and traditional influence on management and HR in Saudi Arabia include:

- A labour market and a managerial hierarchy which are male dominated with limited female involvement,
- A greater dependence and concern for an ‘external role set’ and loyalty to family and tribe (Asabiyah), and
- An emphasis on ‘consultation’ in decision-making, but an authoritarian approach with non-kin (out-group).

The dominant management style, according to Addalla (1997, in Mellahi and Wood, 2000), is consultative (or should that be 'pseudo-consultative?'), authoritarian and paternalistic. Beyond these broad management and HR considerations, there has been little research focused on the effect of Islam and Arab tribal traditions on HRM motivation strategies.

Although there has been heavy investment in women's education and training, female participation is limited to education and nursing sectors which could be attributable to the impeding effects of a high fertility rate on women's ability to work and manage successful careers in such a social context (Al-Iktissad WalAamal, 1997)

Contrary to some popular Western beliefs, Islamic principles are not the main source of influence on management style and work culture related to the working environment of Saudi Arabia and other Middle-Eastern countries, as non-Islamic influences can also be seen in the cultural norms of these peoples. The extent to which these principles influence the work culture and style of management will be discussed in order to differentiate between the factors pertaining to Islam and those that pertain to other elements. This analysis will not be an easy one, as the lines between traditional pre-Islamic culture and Islamic influences can sometimes be blurred, or vulnerable to misinterpretation. In this regard, the thesis will try to take all the required measures for revealing the actual Islamic thinking and influences in Saudi institutions.

1.8. Research Aims and Objectives

The study explores the extent to which HRM and employment relations practices of organisations in Saudi Arabia are influenced by Islam and traditional Arab values. The central argument of the dissertation thus is: *in a primarily Muslim country, Islam and traditional Arab values affect labour relations by way of national culture*. Since HRM is a major part of any organisation and by its very nature involves the management of economic, but, crucially, also social relationships and reactions, it is one most likely to be affected by contextual factors, including culture (Mellahi and Budhwar, 2010). It follows, therefore, that HRM practice in countries where Islam and traditional Arab values play a significant role, will inevitably also reflect those values, as they govern individual conceptions and interactions of and in their employment relationship. The aim of this study is to examine how these values manifest themselves in HRM practice by focusing on employee attitudes toward each other and the organisation that employs them, as well as managerial attitudes and practices.

Thus, the research is guided by two key questions:

1. Are there any major differences in the HRM practices of indigenous Saudi Arabian owned and operated corporations and foreign owned and managed multinational corporations in Saudi Arabia?
2. If so, to what extent are these differences attributable to the influences of Islamic principles and traditional Arab customs and values as factors shaping HRM practice in Saudi Arabian organisations?

Following the initial literature review, the dissertation covers the impact of Islam on six specific areas of HR practices:

1. Pay and conditions
2. Motivation of employees
3. Welfare and work-life balance
4. Recruitment, selection, learning and development
5. Workplace relations
6. Management of resources

1.9. Significance of the Research

There is considerable research on business and HRM practices in Saudi Arabia. This has included research on the nature and characteristics of the Saudi labour market (Ramady, 2010; Niblock and Malik, 2007; Mullah and Wood, 2000; Assam, 1997) and broader issues of the social nature of Saudi society and its implications for management in general, and HRM in particular (Mellahi and Budhwar, 2010). These studies however have not focused on the implications of the peculiar Saudi Arabian social and economic character for specific HRM practices and strategies. This study aims to focus on this particular area, specifically researching the impact of Islam. Therefore, the study is unique in its aim of understanding motivational strategies in public organisations and thereby gauging the extent to which Islamic principles and traditional Saudi norms and values impact the practices in the public sector organisations. Such a study will not only add to the literature on HRM in Saudi Arabia and by extension the Arab Gulf, but will also be a source of reference for foreign organisations who wish to operate in that region.

Furthermore, while religion can substantially affect human behaviour, little is known about how religious beliefs and practices integrate with work (Lynn et al., 2011) and how religious and cultural beliefs affect job regulation. Indeed, the religious foundations of IR and HRM policies and strategies are rarely highlighted in the literature (Hashim, 2009). The research thus contributes to greater understanding in this area, having the potential of becoming an important reference for future studies about IR and HRM policies and practices in an Islamic context as it pertains to Saudi Arabia in particular. Thus, one of the most meaningful contributions which this research project hopes to make is to fill the gap in Islamic management literature, since there is a paucity of research on IR and HRM in the Islamic context. Moreover, most of the research that studies the Islamic context does not delve into the differences in context based on traditional values held within different countries, and this research makes a contribution also by examining the traditional Arab values held in Saudi Arabia and how the same interact with Islam to affect work regulation.

Finally, from a practical perspective, the research provides non-Muslim organisations operating in Muslim countries and non-Muslim managers working in Muslim organisations with a potentially better understanding of the expected and acceptable behaviours of their Muslim employees in the workplace, as well as how work can and should be regulated within these contexts.

1.10 Outline of the Dissertation

Organised in several chapters, the dissertation provides an interesting journey into the world of beliefs and values in Saudi Arabia's organisations, people, and society at large, and how the same influences shape HRM practices and the employment relationship in this country. The first chapter discussed the nature and purpose of the research, outlining the research questions to be addressed and highlighted the significance of the research problem. In order to successfully meet its purpose in justifying the importance of the thesis, the chapter was divided into nine sub-sections. The first sub-section explored the current challenges related to managing people in an international context. These approaches and methods were further discussed through the convergence/divergence dilemma in HRM practices on a global level, outlining the main challenge to the emergence of global "best practice" in HRM as arising from the different contexts defined by the variance of national cultures, where religion is recognised as an important influence.

The text further continued with a clear definition of religion and the three ways it affects HRM in corporations, seen through its potential to influence (1) job related attitudes and behaviour of individuals at work, along with (2) the HRM practices present in companies operating in that cultural context, and (3) the wider national regulation of employment and work in the nation concerned. Each of these three pillars was further explained in the text in a separate section. From the initial analysis provided, it becomes evident that the current literature on the subject provides a magnitude of research on the impact of religion on HRM practices in the Anglo-American culture, while there is a gap in the literature on the impact of Islam.

Chapter Two provides a localisation of the discussion to the context of Saudi Arabia, by providing research and analysis on the political, legal, and cultural context of the country which defines the employment relationship and shapes the expectations for HRM practices in SA organisations. The chapter ends with a clear framework which describes the assumptions derived from literature and adjusted to SA as to how Islam affects the employment and HRM practices in the Kingdom. As a result, Chapter Three and Four identify how religion impacts on HRM practices and the employment relationship from current research, and discusses possible applications in an Islamic context by looking at how Islam affects the workplace.

Once the research questions, needs, and framework have been crystallised, the research moves to the fifth chapter, the purpose of which is to describe the research methodology. By approaching the generation of new knowledge through the philosophical understandings of epistemology and ontology, the chapter provides a clear identification of the research philosophy (positivism), along with the alternatives for the research strategy (case study, survey and quasi-experiment), and why the choice of a multi-case research strategy and design most accurately meets the needs of the research questions. Once the research philosophy and strategy have been justified and described, the chapter moves on to explain the choice of the data collection methods, their strengths and weaknesses and how to approach the process to ensure validity and reliability along with objectivism in data analysis. Four data collection methods have been explained in the chapter (survey, semi-structured interviews, semi-Delphi interviews and quasi-experiment). The chapter ends with an outline of the ethical challenges associated with the research, and how they have been mitigated through the research design.

Chapters Six and Seven are the next frontier, where collected data from primary research are presented in a simple way in order to avoid a clutter of information, and to leave no space for false interpretation. For that purpose, data collected through each of the four data collection methods is analysed in six sub-sections to provide an objective presentation of the findings, while Chapter Seven ends with a summary of the findings from all four data collection methods, grouped in six thematic areas which emerged from the research.

The last chapter of the dissertation provides the conclusions from the findings in terms of answers to the research questions as defined in Chapter One, along with a discussion on what these findings mean at three levels: (1) for Saudi Arabia as the country explored with the research; (2) for Islamic countries in general as subjects which policy solutions and culture is influenced from Islam; and (3) for the general theory on the impact of religion on HRM practices and the employment relationship. Moreover, the eighth chapter also discusses the limitations of the study and areas for future research.

Chapter 2: Overview of the Saudi Arabian working environment

2.1 Introduction

The preceding chapter provided an overview of the theoretical and contextual issues relevant to the thesis. In that regard, as well as outlining the relevant theoretical focus and concerns, it gave some insight into the underlying dominant values that shape individual and collective views and actions in Saudi Arabia. In that respect, the significant influence of Islam and traditional Arab values and norms is emphasised. However, there is also some inference, if not explicit assertion that, in as much as Islamic principles and values are dominant influences, they are also impacted on by economic and social developments. Accordingly, organisation and management structures and practices in Saudi Arabia are also, to some extent, imitations of what patterns elsewhere.

Following from that, this chapter provides the context of the research and the development of the conceptual framework. The chapter critically discusses the background to the research context, Saudi Arabia, and the two case organisations being investigated. The information for this section is taken from the website of the Royal Embassy of Saudi Arabia, OECD (2012), CIA World Factbook (2013), and Library of Congress (2011), unless otherwise stated.

2.2 Saudi Arabia: A Brief Geography and Political Account

The Kingdom of Saudi Arabia, hereafter referred to as Saudi Arabia or the Kingdom, is located in the Middle East. The population is almost 27 million (which includes 5.5 million non-nationals) and its capital city is Riyadh (CIA World Factbook, 2013). It occupies most of the Arabian Peninsula and while the precise size of the country remains unknown, the Saudi

government estimates it to be 2,217,949 square kilometres. To Saudi Arabia's west are the Red Sea and the Gulf of Aqaba and to its east is the Arabian Gulf. In addition to being bounded by three bodies of water, it is bounded by seven countries. The neighbouring countries are Jordan, Iraq, Kuwait (to the North), Qatar, the United Arab Emirates, the Sultanate of Oman (towards the Southeast), Yemen and Bahrain, through the mainland causeway (Figure 2.1). Saudi Arabia is home to the world's largest continuous sand desert, the Rub Al-Khali, otherwise known as the Empty Quarter. However, it is a mistake to think of Saudi Arabia as being only desert terrain, as the country's geography is diverse, with forests, grasslands, and mountain ranges to complement the deserts.



Figure 2.1: Saudi Arabia

According to Dekmejian (1994, p. 627), the symbiosis between royal power and religious Puritanism forged in the mid-18th century provided the motivational nexus for King ‘Abd al’-Aziz Ibn Saud’s warriors to conquer and unite the Arabian Peninsula between 1912 and 1925. The religious puritan component carries much weight in the widespread influence of Islam in today’s Saudi society.

The modern Kingdom was founded in 1932 by Abdulaziz bin Abd al-Rahman Al Saud and the country is a hereditary monarchy. Abdulaziz bin Abd al-Rahman Al Saud’s son, King Abdullah bin Abdulaziz Al Saud, has ruled the country from 2005 until his death in 2015, although he had been regent since 1996 as a result of his brother, King Fahad’s illness. Following the death of the late King Abdullah, his brother Salman bin Abdulaziz Al Saud was crowned King of Saudi Arabia. In this country, the King is also Prime Minister, head of state, and head of government as well as commander in chief of the military. The Basic Law of Governance, established by royal decree in 1992, articulates the government’s rights and responsibilities. Saudi Arabia is an Islamic state and as such the Holy Quran has been declared as the constitution of the country. The King must therefore comply with the Islamic law as outlined by the Quran and Shariah law. As an Islamic country, many religious issues are considered political issues and *vice versa* (Humphreys, 1979).

The King, as Prime Minister, presides over the Council of Ministers or Cabinet, which is composed of the first and second Deputy Prime Ministers, twenty-two ministers with portfolio, and five ministers of state. The current Deputy Prime Minister is Crown Prince Muhammad bin Naif bin Abdulaziz Al Saud, the nephew of the king.

The King appoints the members of the Cabinet every four years. The legislative arm of the government consists of a Consultative Council, also known as the Shura Council, composed of 150 members, who are appointed by the King for a term of four years (which can be renewed) and assigned to one of twelve committees focusing on Education, Culture, Health and Social Affairs, Foreign Affairs, National Security, Administration, Economy and Industry, Finance, Islamic Affairs, Human Rights, Information, Services and Public Utilities. In a landmark move, King Abdullah announced in September 2011 that women could be appointed to the Consultative Council. A little over a year later, in January 2013, the King appointed thirty women to serve four-year terms on the Council, representing 20% of the Council's membership.

As highlighted previously, justice in Saudi Arabia is administered according to Islamic Law. The Saudi Court system consists of the Shariah Courts in which most cases are heard, the Board of Grievances (specific to the Government), as well as various committees within government ministries are geared up to resolve disputes such as labour issues. Since 2007, a Supreme Court has been established, along with commercial, labour, and administrative courts. The Supreme Council of Justice, comprised of twelve senior jurists, is the judicial branch of Saudi government. Judges are appointed by the King based on recommendations by the Supreme Council. However, the King acts as the highest court and has the power to pardon.

The local elections in the country's 178 municipalities were first undertaken in 2005, at which time only male Saudi citizens older than twenty-one years were permitted to vote. In general, the elections were deemed as historic but despite the rich political campaign which preceded

them, the elections failed in providing a sustainable local power to represent citizens' interest (NDI 2014). In 2011, King Abdullah announced that women would be allowed to vote and run for office in subsequent municipal elections, which is recognised as a commitment towards further reforms. The elections raised many significant questions over the acceptability of democracy in the society, where there is no segregation between the religion and the state. If democracy is a system which is supported by Islam, why it did not emerge on its own in Arab societies? Thus, the future expectations for the development of democracy in Saudi Arabia will be in line with the development of the other existing Arab democracies. It is noteworthy to state that the views of key members of Saudi society, inclusive of religious scholars (the Ulema), tribal sheiks, and heads of affluent families, are also considered at policy-making level. This is again an element from Islamic heritage.

2.3 Economic Context: Underlying Macro-Economic Policy and Strategy

The economic philosophy of the Saudi Arabian royal family has not changed substantially since the reign of its founder, Abdulaziz; although, the economic role of the government has developed enormously. Understanding the need to improve economic conditions for the country's citizens while holding on to strong Islamic values; the Al Saud family has recognised that the secret to political power in the Kingdom lies in replacing the old economy with profitable new economic opportunities. Saudi Arabia is now one of the most rapidly developing countries of the greater Middle East region. The development of its energy sector, and particularly of its oil and petrochemical industries, is considered to be the main reason for the significant improvement of the country's position in the international community.

According to the US Energy Information Administration (2013), Saudi Arabia has almost 20% of the world's proven oil reserves, is the globe's largest producer and exporter of total petroleum liquids, and has the largest oil production capacity in the world. Although Saudi Arabia's natural gas production remains limited, it has the world's fifth largest natural gas reserves.

The way in which the Saudi Arabian economy has developed over the past few decades has been in tandem with the establishment and expansion of the Saudi Arabian state over the last seventy years. The process of nation building, supported by oil revenues distributed through modern institutions, has helped to bring together this economically diverse country. Saudi Arabia's active participation in projects related to the production and the export of petrochemicals has affected the country's political standing in the region and the world. In this context, it is noted by Alnasrawi (1984, p. 137) that:

“...increased oil revenues have, at the regional level, resulted in an income gap between nations of the region; at the international level, they resulted in increasing the imports of oil-producing nations, increased assistance to Third World nations, and large investments in markets of industrial nations”.

The Saudi Arabia of today is one of the world's wealthiest countries: for example the Kingdom is a member of the G20 group (G20, 2014). The development of oil production through the years has affected the country's ability to actively take part in all projects involved in the reform of the entire Gulf region. It should be noticed that the country's industry is still heavily controlled by the state; the participation of individuals in the various commercial projects developed throughout the country cannot be denied, but it is rather limited if taking into account the level of development of the country's infrastructure.

Generally, it could be stated that the production of oil is considered to be one of the main reasons for the improvement of country's position internationally; the profits from oil have also supported Saudi Arabia's growth in GDP – at an annual rate of 6.3% for the period between 2008 and 2012 (PRS, 2014).

Many attempts have been made to develop the country's various industrial sectors. The production of oil still remains the central activity on which the country's economy is based. Saudi Arabia's economy is still heavily dependent on petroleum and as of 2011, petroleum exports accounted for almost 90% of total Saudi export revenues (US Energy Information Administration, 2013). The development of the country's other sources of energy is not considered in long term plans. Oil has been the main source of profit for Saudi Arabia supporting the various governmental projects and initiatives for the development of alternative sources of energy. According to a report published in 2006 by the Congress Library:

“Despite ambitious government plans for economic modernisation and diversification, the development of the non-oil economy has proceeded slowly, and attempts in the past decade to encourage private investment have been hampered by the many vested interests of the royal family, which continues to dominate the economy”.

Developing an oil-independent Saudi Arabia is a challenging task. For many years, oil has been the base of the country's economy but the Kingdom needs to develop a range of other industrial sectors and ensure that the country does not suffer serious consequences from the potential limitations of the oil stock. As a result of this awareness, the country has used the profits from the country's oil production to support the development of other industries.

In this context, it is noticed that:

“...since its accession to the WTO in 2005, the Kingdom has been pressing ahead with economic reforms, opening the door to private sector investment, and launching construction on a series of economic mega-cities that will transform the Gulf-nation’s landscape” (Washington Post, 2008).

Thus, one of the most important priorities for the government in Saudi Arabia has been the improvement of all of the country’s industrial sectors in such a way that equality can exist on the level of the performance of the organisations operating across the country. It should be noticed that the country’s government has tried to develop an appropriate strategic plan in order to support the improvement of the various industrial sectors: however the effectiveness of the relevant efforts has not yet been verified (Kechichian, 2013).

According to the Ministry of Economy and Planning, and the most recent Long Term Strategy of the National Economy, provides twenty year projections which emphasise a gradual change in the export structure due to the increased participation of the non-oil industries in the KSA economy. The aim is to enable the KSA economy to diversify its risks, to establish the country as a significant producer in the global higher value added industries, and to provide higher quality of life to its citizens (KSA Ministry of Economy and Planning, 2014).

The development of the economy of Saudi Arabia has been the result of a long term strategic planning – started approximately at 1970. An economic convergence study conducted by on behalf of Brookings Institute, Al- Sadiq (2014), an IMF economist, reported that from a real per annum GDP of below \$70 billion, the Saudi economy registered an annual GDP of about \$365 billion in 2007 and, despite the 2008 financial crisis, grew at an annual rate of 6.5% between 2010 and 2013.

Evidence also shows Anglo-American neo-liberal economic influence on Saudi economic policy. In that regard, the conservative Heritage Foundation report on 'economic freedom' (2015) considered Saudi Arabia as the "77th freest economy in 2015". Similarly, although it provided some detailed analysis of the weak link in the Saudi economy by virtue of the dominant reliance on oil and oil products, a 2014 IMF study of the Saudi economy also shows similar positive indicators (Al-Darwish et al., 2014).

Under King Abdullah's leadership, the eighth development plan (2005-2010) was primarily about economic diversification as well as focusing on education and greater inclusion of women in more spheres of Saudi society. In terms of education, the plan outlined the establishment of new universities and colleges with technical specialisations. The country also embarked on an extensive foreign education programme, in which thousands of Saudi students travelled outside the country to gain higher education in international universities. In terms of economic diversification, industry and agriculture have started to account for a larger portion of the economic activity. Privatisation, coupled with an emphasis on a strong knowledge-based economy and tourism, are believed to be instrumental in attaining the goal of economic diversification. During this period, the average real growth in the sectors of the economy not directly related to oil was 8.2%, with a balance of payments surplus of SR 3.1 trillion. In addition, the public debt to GDP ratio dropped from 39.2% at the close of 2005 to 3.6% by the close of 2012. However, research (Oxford Business Group, 2010) has indicated that there is a mismatch between the job skills that Saudi graduates possess and the requirements of the job market at all levels of the private sector and this continues to be the

main impediment to economic diversification and development and in 2010, foreigners made up about 80% of the workforce. This issue is discussed in more detail later.

The ninth development plan (2010-2014) sought to eradicate poverty amongst Saudi nationals as well as increase the investments in developing Saudi infrastructure, medical services, educational capacity, and residential housing. The plan also sought to increase real GDP by 15% over five year span and calls for significant government investment in human resource development, to decrease unemployment from 9.6% to 5.5%. In an attempt to diversify the local economy, the previous King launched the construction of a string of new cities around Saudi Arabia. Called King Abdullah's Economic City (KAEC), these cities will cover an area of 168 square kilometres, and it is projected that the same will provide up to one million jobs plus homes for two million people. The first stage of KAEC was completed in 2010.

The goal of this (extra) large scale enterprise is to create a fully integrated 21st century metropolis, a model of modern city planning that addresses three strategic opportunities: (1) a strategically located regional powerhouse, (2) the establishment of the global oil reserves and a (3) sustainable response to increasing housing demand and employment needs. The most important achievements and developments to date include the industrial valley, the seaport, the 232 residential units and the Haramain High-Speed railway. Among the other main elements of the project are a five billion dollar aluminium smelter, a four billion dollar education zone offering primary- and secondary-level schooling, in addition to a university and an international airport at Rabigh. In addition to residential housing, the plan calls for building up to 25,000 hotel rooms across the city, spread across more than 120 hotels.

2.4. Social Institutions and Authority Relations

Saudi Arabia is still characterised by a relatively high degree of cultural homogeneity, which is reflected in a common Arabic language and continued observance of the teachings of Islam, the Quran and Sunnah. More than anything, the cultural homogeneity of the Kingdom relies on the diffusion of values and attitudes embodied in the family and in Arabian tribal society, especially the values and attitudes about relations between family members and relations of family members with the rest of society. This is because the family has traditionally been the most significant social institution in Saudi Arabia. In general, Saudi Arabians see the family as the most important basis of identity and status for the individual and the direct centre of individual loyalty. Particularly in the past, families formed alliances with other families which had common interests and lifestyles, and individuals have generally socialised within the circle of these family alliances. In Saudi Arabia, families are generally patrilineal and thus the boundaries of family membership have been determined by lines of descent of males. Much of these values are from Bedouin tradition, which still heavily influences Saudi society (Kalliny et al., 2006).

Personal status matters are governed by Shariah law. The interpretation and application of Shariah law is left to specific judges and the Council of Senior Religious Scholars, and judges have a large amount of discretionary power when deciding cases. Families in Saudi Arabia, like other families across the Middle East, tend to adhere to the cultural and religious values that permeate society as a whole. Families share a sense of corporate identity and the esteem in which the family is held is measured by each family member's ability to live up to socially prescribed standards of honour.

Saudi society values generosity, selflessness, and hospitality, as well as respect for those higher in the family hierarchy, independence from others, and mastery of one's emotions. Chastity and sexual modesty are also very highly valued, although applied primarily to women. These values are not only tied to family honour but are also held to be a religious obligation. The veiling and separation of women are considered ways of ensuring sexual modesty and avoiding fitna.² In practice, however, veiling and separation has the impact of also ensuring that women continue to depend on men, and this, in effect, perpetuates the family as a patriarchal unit. Some families adopt more liberal standards than others in terms of the degree of veiling and separation, but the core value of sexual modesty is almost universal. Control of women tries to ensure female chastity and thus family honour as well as the patrilineal character of the family. These traditional and religious norms have both social and, especially, economic implications. In economic terms, they privilege men over women in labour opportunities and, consequently, exacerbate the anomaly between women's educational/professional attainment and their labour market position (Ramady, 2010).

2.5. Labour Market Institutions in Saudi Arabia

According to the Trade Development Authority of Pakistan's analysis of Saudi Arabia's labour market, Saudi Arabia has faced a skills shortage since the country started producing and exporting oil in the 1930s. However, they note that these shortages became greater in the 1970s and spread across most occupations. These severe skills shortages were primarily as a result of the fact that there had been little investment and development in the areas of education and training in Saudi Arabia before oil was discovered.

² Arabic word with connotations of secession, upheaval and chaos. It is often used to refer to civil war, disagreement, and division within Islam and specifically alludes to a time involving trials of faith.

Additionally, there was a prevalence of education that was irrelevant to labour demand and women were segregated from men in such a way that they were excluded from both education and the labour market.

The Saudi Arabian labour market has thus long suffered from a variety of structural imbalances, such as high dependence on foreign labour, a severe gender gap in the supply of labour, large wage disparities between similarly educated Saudis and non-Saudis, and high unemployment of Saudis; especially among the youth (Al-Dosary and Rahman, 2005, 2009; Elamin and Omair, 2010).

According to Fasano and Goyal (2004), many of the structural imbalances can be traced to the country's high dependence on foreign labour, which makes up roughly 80% of the country's labour force. Specifically, they note that:

“The continued large expatriate presence in [Saudi Arabia] is also reflected in a segmentation of the labour market in terms of wages, skills, and sectors of employment for national and non-nationals. Underlying this segmentation has been the (implicit) guarantee of employment in the government sector extended to nationals, who prefer to work in this sector because of relatively high wages, job security, social allowances, and generous retirement benefits” (Fasano and Goyal, 2004, p. 2).

In general, the government encourages recruitment of Muslim workers from Muslim countries with sizable Muslim populations. The largest groups of foreign workers now come from Bangladesh, Egypt, India, Pakistan, the Philippines and Yemen (BMI 2011).

Despite the high dependency on foreign labour, Fasano and Goyal (2004) argue that the large number of expatriates has provided some benefits for the Saudi labour market. Specifically, they note that:

“Access to a highly elastic supply of expatriate workers at internationally competitive wages and flexible contracts has also contributed to avoiding a sharp deterioration in competitiveness of the non-oil sector, usually observed in oil (or other natural resource) rich economies” (Fasano and Goyal, 2004, p. 2).

The unemployment rate of Saudi nationals has been rather steady in the past decade, averaging around 10%. The unemployment rate of the youth is even higher, reaching 39%. In 2009, the unemployment rate for young people aged 20-24 was 30.2%, reaching 39.3% in 2012 for Saudi nationals in the same age bracket. However, an important caveat here is that labour market data for Saudi Arabia vary significantly depending on the source. For example, the CDS manpower survey for 2007 shows a total Saudi labour force of 4.03 million, of which 3.58 million are recorded as employed (irrespective of the sector breakdown). This however greatly differs from the data emerging from the Ministry of Labour (MoL), the General Organisation for Social insurance (GOSI), and the Ministry of Civil Service (MoCS). According to the MoL, 770,000 Saudis were employed in the private sector in 2007. GOSI recorded 550,000 private Saudi employees the same year. According to the MoCS, 760,000 Saudis were employed in government. The MoL and MoCS figures amount to only 1.53 million employed Saudis. These employees are full-time workers, with part-time jobs being absent in Saudi Arabia. This aspect shows attitudes of the Saudi public, as private sector employees and employers focus on one person one job rather than dividing one job between two people. It is therefore likely that the CDS estimate of Saudi employment is considerably too large.

These developments create pressure on the government to push ahead with plans to encourage private-sector employment of Saudi nationals. The government has sought to address many of the structural imbalances in the Saudi labour market. To this end, Saudi Arabia's Council of Ministers adopted the Saudi Employment Strategy in July 2009.

The strategy has the following aims: (1) a sustained increase in participation of the national workforce to reach full employment of Saudi citizens through the provision of an adequate number of opportunities at appropriate terms of pay and conditions, (2) developing the country's competitive edge based in its national human resources, and (3) increasing the national workforce's productivity to a level comparable to advanced OECD countries.

These actions are part of the Saudi government policy for Saudisation, primarily aimed at increasing the percentage of Saudi nationals employed in every sector of the local economy. While other countries such as the United Kingdom have a similar policy with "British jobs for British people" (Anderson, 2010, p.103), the Saudi government has developed its own policy under the name of "Saudisation". Within the UK, the causes of emergence of policies which were seeking to provide employment for British people related strongly to the recession and work-force migration (Anderson, 2010). At the other end of the line, the Saudisation policy was aimed at meeting economic growth demands, as the country relies strongly on one resource (oil) and must therefore ensure a standard of living for its people (Fakeeh, 2009). Nevertheless, the issues residing in Saudi Arabia which originated the concern relied strongly on population growth and on the value of gross domestic product, which had remained relatively the same although population was growing (Looney, 2004). Although the policy was aimed at reducing the rates of unemployment, which reached 8.2% during the development of Saudisation, and pacing the economic system with new reforms, the private sector, over which the government does not have total control, still prefers to hire the best qualified employees or cheap labour (Looney, 2004).

This is not true only in the case of Saudi Arabia and for policies aimed at creating or providing jobs for Saudi people. In the UK, similar policy has given little result, as the private sector is seeking the same thing: either qualified or cheap labour from migrants who are easily exploitable, in lieu of improving working conditions or employing British citizens (Anderson, 2010).

With an aim of creating new jobs through the process of assimilation, i.e. replacement of foreign workers with Saudi nationals, Saudi Arabia in 1994 initiated the Saudisation programme, intensively implemented during the Sixth Development Plan of the country (1995-1999). The programme focused on setting quotas for the number of nationals which private firms should hire, aiming to increase Saudi jobs in the private sector. The concept refers to the replacement of expatriates (sent from the parent company's native country) with competent and skilled local employees (recruited from the local labour market of the host country) (Law et al. 2009:135). The policy was formulated through a ministerial decree in 1995, which

“declared that private firms with over 20 employees should reduce the number of non-Saudis by 5 percent annually, implement penalties for non-compliance including denial of access to certain types of government support, enforce a freeze on applications to hire new workers from abroad and on their renewal of existing permits” (Ministry of Planning, 1995; Said and Al-Buraey, 2009, p.70).

After their initial introduction in 1995, the progress of the Saudisation policies was reviewed and policies revised in the Seventh Development Plan (2000-2004), when targets were set to 25% of private sector jobs by 2004 (Al-Dosary and Rahman 2005). The targets have been approached through an aggressive push for employment of Saudi nationals, and annual spending of more than \$400 million on training to prepare Saudi workers for

employment in the private sector and subsidise the wages of Saudis hired by private firms (BMI, 2011). However, evidence also indicates that the initial Saudisation strategy has failed to deliver, as most major employers continue to rely on foreign labour (Ramady, 2010). There is evidence to suggest that the government has acknowledged, if not overtly, the failure. This is evident in the introduction of another reiteration of Saudisation in form of ‘Nitaqat’ (Alsheikh, 2015). Unlike the initial policy, ‘Nitaqat’ is much more specific in terms of the requirements and specific numbers of Saudi nationals as a percentage of total workforce, depending on organisation’s size (ibid).

There are three accrediting bodies and institutions which have the responsibility of enforcing skill standards and providing support for Saudisation, which are the Ministry of Labour and Social Affairs, the Ministry of Education, and the Ministry of Municipalities and Rural Affairs. The Saudisation initiative in the private sector, also known as Nitaqat, relies on the classification of economic entities based on their levels of Saudisation. Thus far, over 400,000 Saudis have been hired through Nitaqat. Within this, the Hafiz programme provides support for male and female Saudis who are looking for employment by giving them job matching initiatives and basic training. The programme also provides an incentive in the form of a subsidy for job seekers until they secure employment. The Liqaat programme is geared at creating a conducive environment for exchange and networking between young male and female job seekers and national companies and institutions. Additionally, the National Observatory of the Workforce helps to track and understand labour market statistics thus facilitating job search as well as providing information for employers and policymakers.

Whereas the public sector now is largely ‘Saudiised,’ attempts to nationalise the private labour market have made little headway and dependency on foreign labour has remained high (Al-Dosary and Rahman, 2005, 2009). A relatively high proportion of workers from South and South East Asian countries are employed in jobs that need only unskilled and/or semiskilled labour, such as construction, agriculture, transport, cleaning and domestic services. Foreign workers from the United States, Europe and other Arab countries predominate in the highly skilled jobs and in professional positions in sectors such as the petrochemical industry, healthcare, higher education, banking and finance (Al-Dosary and Rahman, 2009; Al-Harbi, 1997).

The Saudi Arabian Monetary Agency (SAMA) in its Report (2013) estimates that in 2012, the total labour force in the Kingdom was 8.779 million, whilst the Saudi labour force was only 1.7 million. Moreover, half of the total employed population—estimated to be 7 million—was non-Saudi. Additionally, 92% of the jobs in the public sector were held by Saudis. In contrast, however, only 13% of all private jobs were held by Saudi employees. The majority of the jobs in the private sector held by non-Saudis, however, are considered to be menial or minor jobs, and therefore demand low qualifications; with this in mind, it is noteworthy to highlight that more than 50% of these employees can only just read and write.

When it comes to female participation in the labour force, the same is estimated to be 10–13% of the total labour force (Alhumaid, 2002; Diwan & Girgis, 2002). Importantly, 62% of all working women are employed in the government, whilst the remaining 38% work in the private sector. Further, 88% of all female workers in the government work in the education sector.

The three dimensions in which the Saudi labour market is segmented are reflected in the skewed distribution of Saudi men, Saudi women, and foreign workers in public and private labour markets. The main factors of segmentation are wages, along with working conditions and expectations, as well as flexibility in hiring and firing: all of which play an important role in preventing integrated national labour markets from emerging (Al-Dosary, 2004).

According to the Trade Development Authority of Pakistan, private sector companies and commercial government corporations are governed by Saudi Labour Law. According to the labour law in Saudi Arabia, the basis of employment in these firms is the personal contract between the employer and the employee, and collective negotiations about contracts and conditions of work are not guaranteed. As there is little collective negotiation of pay and conditions of work, variety in work relations and conditions of work is prevalent among workers even when they hold the same jobs within the same workplace. Indeed, the question here is how to compare Islamic principles to labour law and other lay principles, and this will be explored further in this research. For instance, the regulations of the Civil Service guard workers against any punishment without enquiry by the appropriate authority. In Saudi Arabia, the only avenue which the employee has to make a complaint against the employer's decision is through the Labour Settlement Dispute Committee, which affiliates the respective labour bureau since there are no specific labour courts effective in the country.

In terms of wage determination, Saudi labour law just started to establish measures to determine the wage rate, such as salary scale or any other form of personal or productivity characteristics such as experience or education, which differs from the case in the public sector in Saudi Arabia, where such characteristics have long been considered. These factors all affect employment security in the private sector and stand in contrast to the situation that prevails in public sector firms.

The public versus private sector in Saudi Arabia is a subject that demands inquiry in light of this research. More specifically, a number of problems exist regarding the process of privatising areas of the public sector of Saudi Arabia (Pomazalová, 2012). Among these problems are those linked to the high amount of bureaucracy that could spell weakness and frailty for private institutions. The Saudi government has attempted to carry out various studies that would allow for a stronger development of the private sector.

The problems of the public sector are based in the fact it is strongly politically biased, as it tries to satisfy people regardless of deficit budgets. The limited accountability of the public sector, however, often leads to a low degree of productivity, which is linked to a general sense of dissatisfaction within society (Pomazalová, 2012). When the government of Saudi Arabia attempted to privatize more of its public sector, the partiality and nepotism fostered within the governmental institutions proved a significant obstacle in achieving a strong and reliable private sector. Efficiency was hard to muster, and to this day some sectors of the country's society are still underproductive.

The private sector, on the other hand, demands encouraging measures for growth, many of which are related to the skills of the workforce. To supplement the private sector with skilled labourers, the Saudi government resorted also to hiring foreign workers, which would help in the growth of the national economy (Pomazalová, 2012). The private sector is therefore heavily dependent on expatriate labour, as most Saudi nationals are drawn to governmental institutions or large companies which offer good payment for less heavy workloads.

An immature private sector and the significant presence of foreign workers within the Saudi workforce means that there are major differences between the private and public sectors, and in the way in which employee relations take place in these two areas. Linking this subject to the thesis of this study, it is important to see the extent to which Islamic principles are reflected in the two sectors, and how the different workforce in each adjusts to Islamic principles accordingly.

The discussion of the divide between the public and the private sector also has to offer a comparison with other countries that exhibit different patterns. In India, for instance, the efforts towards privatisation have been more sustained and more fruitful, after the country's separation from the British rule (Indian Business Environment, 2009). Apart from the basic and heavy industries, which have been reserved to the public sector, the private sector of the country nowadays involves organisations from large-scale industrial units to unorganised production units of a small scale.

The private corporate sector has benefitted from significant support from the government, including measures against foreign competition, political security, and opportunities for Indian private institutions to invest outside the country's borders.

In contrast, the United States is a country focused especially on a well-developed private sector (Mayer, 2014). Since the 1950s, the economy of the USA has increased both its public and its private sector, but the more significant gains were recorded in the private sector. Indeed, the tendency in the United States is that the economy is geared towards fostering private institutions, which means that the adjacent mindset fostered among the population is one of higher reliance on their own independence and power (Mayer, 2014).

2.6. Saudisation of the Labour Market

According to Dyer and Yousef (2007) and the ILO (2012), the entire region of the Middle East is facing an unemployment crisis. This is because countries in that area depend heavily on the use of expatriates to support their booming economies. Foreign labour in the region is 70% of the workforce (Mashood et al., 2009). The severe shortage of skilled workers in Saudi Arabia has several causes. For example, the government is supporting private sector growth, particularly in the areas of power generation, telecommunications, natural gas exploration, and petrochemicals, to reduce Saudi Arabia's dependence on oil exports and to foster more employment opportunities for the growing Saudi population. This seems counterintuitive, that there is a lack of workers at the same time as the population is growing. However, there is a growing problem of unemployment among Saudis as the large youth population generally lacks the education and technical skills needed in the private sector.

The government has had to rely on expatriate labour to execute national development plans because of the shortage of skilled local workers. Saudi Arabia's overwhelming "dependence on an expatriate workforce has serious long-term political, economic and social consequences" (Rees et al., 2007, p. 33). The growing problem of unemployment among Saudis, coupled with concerns over the cultural impact of large number expatriates, has led Saudi Arabia, as well as the other Gulf Cooperation Council countries (Bahrain, the United Arab Emirates, Oman, Qatar, and Kuwait), to introduce policies that are meant to impact the demand and supply of national and non-national workers (Mashood et al., 2009). The 'Saudisation' effort began in the mid-1990s, with specific targets set to reduce the number of expatriate workers to 20% of the total population within ten years, with accelerated Saudisation of the banking sector (Looney, 2004). Saudisation (localisation) can be defined as the replacement of the expatriate workforce with a trained and qualified local workforce in a strategic way so as to ensure the continuity of work (Al-Harbi, 1997). This policy therefore favours indigenous workers and is a form of 'positive discrimination' (Al-Dosary and Rahman, 2005; Mashood et al., 2009). The Saudi government has set out a policy for Saudisation with three primary objectives (Looney, 2004):

1. Greater employment for Saudi nationals in every sector of the local economy;
2. Continuous reduction of the current over-reliance on foreign workers; and
3. Recapturing and reinvesting the income that would otherwise have gone overseas as remittances to foreign workers' home countries.

This policy “seeks to force the private sector to hire more Saudis, to establish a priority for hiring the domestic workforce without relying on market forces and incentives” (Al-Dosary and Rahman, 2005, p. 495). However, while Saudisation aims to promote citizens’ employment, many Saudi workers still target their career efforts on government and public entities and the government remains a major employer (Harry, 2007; Mashood et al., 2009).

One key set of workers who need to be addressed in the Saudi context is women. In the context of work, the state has realised the contribution of women in the working field, as the increasing entry of women into the labour market underpins the state-led ‘Saudisation’ initiative. It has been necessary to motivate women (who heretofore had to remain in the home) into joining the workforce in areas that require women, such as girls’ schools and hospitals.

The very low percentage of Saudi nationals in the private sector can be explained by both demand and supply reasons. There are several reasons why Saudi nationals are not seeking work in the private sector.

First, some argue that nationals view themselves as a “natural middle class,” and therefore will normally only accept work consistent with these expectations (Morris, 2005, p. 7). Saudis mainly expect comfortable white-collar jobs in managerial roles, regardless of whether they have the qualifications and experience for these positions (World Economic Forum, 2008). Therefore, industries such as retail and service “are unlikely to suit the aspirations of nationals” (DBM Arabian Gulf, 2006, p. 4). Thus, one of the main challenges the Saudi government is facing is that of encouraging locals to accept manual and technical jobs and jobs in the private sector (Randeree, 2009; Wilkins, 2001).

Second, Saudi nationals generally find many of the private sector's working conditions unacceptable, such as the long and irregular hours, restrictions on time spent on cultural and religious observance, short periods of leave, and a disciplined approach to employee performance (Abdelkarim and Ibrahim, 2001). On the other hand, the public sector is very attractive because of the salaries and working conditions. Overall, compared to the private sector, the public sector offers higher salaries (Godwin, 2006; Nelson, 2004; Wilkins, 2001), shorter and more flexible working hours (Harry, 2007; Nelson, 2004; Wilkins, 2001), better working conditions (Godwin, 2006), better career development prospects and training and promotion (Al-Ali, 2006), and greater non-monetary benefits (Nelson, 2004).

However, the advantages of the private sector are especially significant when considering the economy of the country as a whole. As specified by Pomazalová (2012), the private sector is characterized by increased productivity and satisfaction, due to the higher degree of accountability involved for institutions and their activity.

Among other advantages, there is the increased focus on authority structures, increased attention towards the needs of the customer base and more accountability. However, private sector employers are not enthusiastic to employ nationals either, for a variety of reasons.

First, private sector firms have long-standing negative perceptions about nationals' levels of productivity, skills, and motivation (Gulf, 2007; Nelson, 2004). Al-Ali (2006, 2008) also reports that low levels of fluency in English and low levels of trust are obstacles to workforce participation. Al-Dosary (2004) presents seventeen factors which are believed to be the main reasons for the low workforce participation of Saudis in the private sector, including language skills, lower wages, and benefits, and inflexibility of relocation.

In this respect, Mellahi and Wood (2004, p. 147) state that “the highly interventionist nature of the Saudi economy has resulted in a large number of locals having less skills and work ethics and, possibly, productivity, than their relatively privileged status would suggest.” Additionally, Mellahi and Wood (2004) argue that there are four interrelated reasons for the private sector’s resistance to the policy; labour cost, negative social and cultural perceptions about private sector work, discipline and control, and the inability to integrate in multicultural workplaces.

Second, employing expatriates is cheaper than hiring nationals because the salary expectations of nationals are higher than those of the immigrant workers and therefore the price of expatriate labour is generally much cheaper than that of national labour (Gulf, 2007; Morris, 2005). Finally, Harry (2007, p. 138) argues that “the formal or informal rights of the nationals compared to alternative candidates cause employers to avoid recruiting them.” Al-Ali (2008, p. 366) sums this situation up as follows:

“Highly flexible and outcome-driven private sector organisations, rapidly expanding, that for decades imported their resources immediately and with impunity, do not readily consider themselves vehicles to nurture citizens of a fledgling state. Public sector organisations which comply to the desires of job-seeking [nationals] with working conditions and nurturing environments are over-staffed and ineffectual in dictating terms to the private sector.”

However, while Saudisation efforts depend heavily on the quota systems, Al-Dosary and Rahman (2005, p. 495) suggest that

“Saudisation should place importance on skill development among Saudi nationals by strengthening educational and vocational training, and providing time-specific incentives rather than relying only on a quota system. Saudisation should be implemented more through market forces and incentives.”

Given the limited way in which Saudisation has been implemented, it is not surprising that “laudable progress has been achieved only in the public sector” (Al-Dosary and Rahman, 2005, p. 499). Private sector organisations are conforming to the quotas to an extent. However, they do this because they fear being sanctioned, not because they think that it is undesirable to not meet the quotas (Mellahi, 2007). Still, “[t]he decision to cut the Saudisation quota from 30% to 20% in certain industries highlights the pressure the government is under to strike the difficult balance between improving stability in the short term and creating jobs for its citizens in the longer term” (Gulf, 2008, p. 2).

2.7. Factors Shaping the Behaviour and Attitudes of Saudi Employees

Research on IR and HRM practices in the Middle East tends to be sparse and much of the research that does exist relates to the region in general rather than to individual countries in it (Mashood et al., 2009). This research focuses on Saudi Arabia, an Islamic country, which means that Islam has a major impact in determining the institutional norms, patterns and structure of the society. This is especially so since Islam is not only a religious ideology but also a way of life (Al Munajjed, 1997; Khan et al., 2010). Mellahi and Wood (2004) argue that spirituality plays a huge role in shaping employee attitudes and behaviour in the workplace. This, as asserted by Warde (2012), determines the thought system consistent with the religious teaching and beliefs to which the employee is affiliated. Irrespective of the religion one is attached to, it is observed that many people apply their religious principles in the workplace, consequently affecting their worldview and methods of resolving employment relationship conflicts.

This is because religion determines values, as well as defining ethics and methods of resolving ethical conflicts, and is defined as particular patterns of worship, belief, and behaviour (Fisher, 2012).

One study conducted by Azim et al. (2014) in a Saudi bank concluded that there is a positive relationship between corporate responsibility practices and employee satisfaction and engagement; however, organizational citizenship behaviour has not been correlated to CSR. The research studied whether involvement in external CSR could keep an enthusiastic and motivated workforce.

Azim et al. (2014) argues based on research in the field of employee relations that behaviour amongst employees has a strong impact on organisational activities and ultimately on the success of the organisation. The author focuses on Social Theory and applies it to an organisational context, stating that social behaviour results from a process of exchange with reciprocal behaviour, meaning that if employees are happy when working, they are more likely to be supportive for their organisation.

Keeping a motivated and engaged workforce may relate to employee-employer relations. As shown by Alkhanbshi and Al-Kandi (2014), positive job attitudes develop in healthy environments in which employees are communicating and sharing experiences that ultimately have a positive effect on the company. One of the most important points made by the author in this regard is that affiliations and positive social contexts are an integrative part of job satisfaction. In this regard, the authors exemplify the characteristics of the conventional banks, which are more concerned with money as opposed to Saudi or Islamic banks that are more

focused on family and social relations, and thus implicitly on positive working environments and prosperous relationships between employees. Another important point elaborated by the authors reflects employee loyalty and attitudes when the organisation provides training and improves skills.

Another factor linking to attitudes of employers is job development, wherein employees who have the possibility for development will be more motivated. As Alkhanbshi and Al-Kandi (2014) report, the employees' perception of fairness within the working context is also highly correlated to positive attitudes. As can be noted from the two studies, Islam is of itself a factor that contributes to the relationships between employees.

A different study (Altrasi, 2014) conducted with employees of the public sector in Saudi Arabia shows that management and leadership are factors that contribute to job satisfaction and engagement and implicitly to employee attitudes and behaviour. As Altrasi (2014) argues, when leadership is positive employees are more likely to perform their tasks better and experience job satisfaction. An important aspect of this factor is managerial commitment, where commitment is defined as the allocation of resources and support for employees. Employee performance and attitude is thus linked to the amount of resources and support that the employee receives from their leader/manager.

While there are differences, this is still a model, as pointed out by Jehanzeb (2012), where job satisfaction and motivation are also strongly correlated with rewards and recognition, and thus a positive working environment and proper leadership is not sufficient to provide a positive employee attitude, as the reward and recognition system is also an important factor shaping employee behaviour.

As rewards are positively connected to motivation, this in return connects to job satisfaction. Moreover, rewards strongly influence job attitudes such as commitment, which is notable in informing work consistency. Additionally, as pointed out by Jehanzeb (2012), job satisfaction has a strong effect upon work attitudes and implicitly on retention, as an employee will remain in a satisfying job but quit a job that brings no satisfaction.

Awadh and Ismail (2012) analyse the impact of employee personality traits on organizational culture and performance. The study hypothesised that work attitudes such as job involvement and commitment and personality traits are factors which directly affect work performance while organisational culture can have a moderating effect on these. In this respect, Awadh and Ismail (2012) used The Big Five Model, comprising extraversion, neuroticism, and openness to experience, agreeableness and conscientiousness. Motivation has been connected with openness and experience, while extraversion and agreeableness are connected to job performance and the neurotic trait has been connected to the incapacity to work alone while possessing autonomy. Based on the literature findings, the authors developed a conceptual framework using the Big Five Model, stating that extraversion has a positive impact on employee work performance, while openness to experience will attain the same effect. Conscientiousness also connects to work performance in a positive relationship while neuroticism impacts negatively on work performance. Organisational culture has a moderating effect between work related attitudes and work performance.

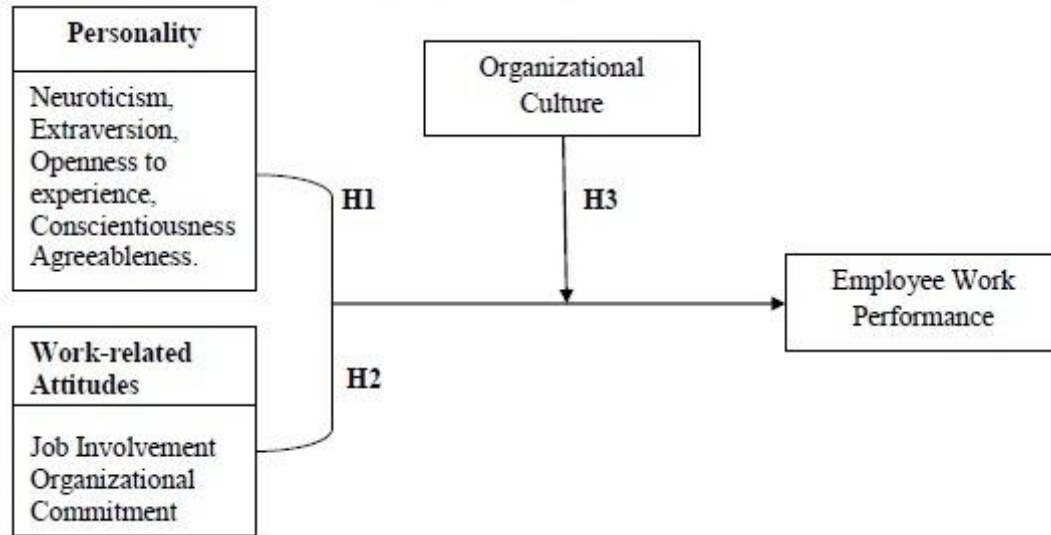


Figure 2.2 Conceptual Framework. Awadh & Ismail (2012)

2.8. Women in the Saudi Labour Market

As indicated earlier in this chapter, gender relations in relation to employment provide a significant variable for understanding the impact of Islam and traditional Arab values and norms on HRM practice in Saudi Arabia (Al-Dehailan, 2007; Al-Mubaraki, 2011). Some of the literature has attributed the dismal labour market positions and opportunities of women in Saudi Arabia to religious dictates which sanction gender separation and relegate women to domestic roles that confine them to the home and limit their career progression regardless of comparable, or even superior educational and professional attainments (Pissarides, 1993; Al-Arababiya, 2012). Comparatively, the participation of female workers in Saudi Arabia's labour markets remains quite insignificant. Detailed exploration of the gender issue and employment within the context of Islam as a religion and Saudi Arabia as a context is significant as it provides an understanding of the Saudi culture and how companies can manage women doing business in the Kingdom of Saudi Arabia.

Dodd and Seaman (1998) report that educational transformations must emphasise the enhancing of equity in the results of the female educational system through lifelong learning and more training while promoting productivity, social inclusion and employability. This is revealed in the wide gender gap observed in employment in the labour markets. Ghonemy (2008) shows that a wide gender gap and great disparity between female and male employment levels in the Kingdom of Saudi Arabia are also reflected in many Arab nations.

An equally important topic related to the impact of Islam on the lower participation of women in the labour force is that of gender relations in the workplace, which are modelled by religious beliefs and institutional pressures.

The literature indicates that women's social and economic status remains subordinate to men's, due to the following factors: 1) women are primarily associated with their maternal role; 2) development programmes are mainly targeted to meet the needs of men; and 3) certain cultural and religious practices are restrictive to women which is prevalent in Muslim and Middle Eastern countries (Ramady, 2010; Al-Dehailan, 2007; Whit, 1978; Yousif, 1978).

In line with this, Samergandi (1992) argues that the most important factors influencing women not to work outside their homes are: 1) the importance of motherhood and the spousal roles; 2) women's motivations for college education for goals other than career; 3) the lack of economic means before the recession in the 1980s; 4) the absence of employment opportunities (women's jobs were saturated); 5) the limited fields of education available for women (education, social work, and recently, medicine); and 6) religious restraints.

Arab values are also practised by the Saudi organisation: hence women are barred from working in public offices (Elamin and Omaid, 2010). However, women working as professionals such as nurses or in private businesses are also constrained. For instance, male customers are forbidden from entering female shops, while women teachers cannot apply to teach in schools located far from their home town (Elamin and Omaid, 2010).

2.9. The Impact of Islam on the Employment Relationship in Saudi Arabia – Conceptual Framework

Saudi Arabia is modelled expressly after Islamic religious ideals, thus impacting on human resource management: especially in Saudi Arabian corporations (Figure 2.3). The core issue is how this influence is now mediated by contemporary HRM techniques which are being diffused into Saudi Arabia.

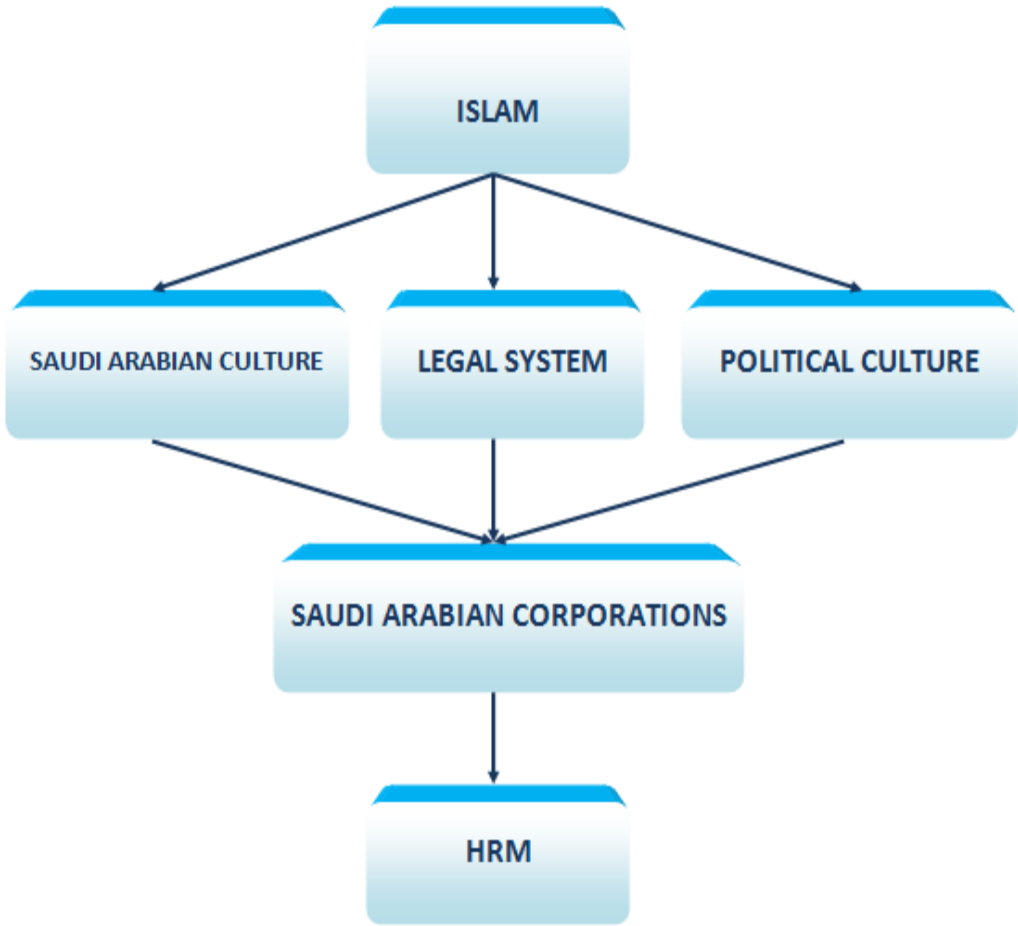


Figure 2.3: Impact of Islam on HRM in Saudi Arabian Corporations

Social institutions and corporations in Saudi Arabia are expected to comply with Islamic instructions and values, which are based on the Quran. The Quran indicates that humans can choose their destiny and will be held responsible for their actions. Compared to other religions, Islam is all-inclusive and governs all aspects in life, private and public, economic and political, thus making it appropriate to business activities and HRM (Mellahi and Budhwar, 2010). Muslim scholars indicate that the conscience and instructions of Allah (SWT) in the Quran guide Muslim managers to act righteously. Consequently, Muslim managers should pay wages that are reasonable and charge their clients fair prices while spending profits in a decently restrained manner.

As noted by Syed and Ali (2010), one of the main principles of employment in Islam is the obligation to the human condition and a necessity to gain equilibrium in social life. Employment is also connected to spiritual fulfilment and is a duty of all people. Yet employment must follow certain rules, wherein people who work must not be lavish, and solely earn their living. Moreover, work is a contribution to society, through which the individual becomes a part of society and at the same time must aim to become the best in performance. Thus, based on Islamic ethics, the management of a business or even state must be conducted on the basis of popular or employee participation. A parallel to democratic principles is drawn as the democratic principle of equality, respect and kindness. Applying this to employment, employers must consult their employees on matters of work and their welfare as they should be transparent in recruiting procedures and employment affairs.

Other important aspects are present in the Islamic culture which deeply influence HR and employee relations. These are ukhuwah, ihsan and 'adl. The first concept (ukhuwah) stands for brotherhood and thus induces behaviours that are closely connected to those of family while 'adl focuses on justice and on the obligations that individuals have towards society and themselves. Individual obligations have a precise purpose and ultimately the alignment of purposes leads to a greater goal in fulfilling the rights of all. Finally, the concept of ihsan exhorts the individual to uphold his rights in favour of others in an act of piety (Akhtar, 1992). According to these Islamic principles, employees and employers are all members of a brotherhood in which everybody is paid equitably and enjoys the same social status. This is an important consideration as fraternity ties create the proper functionality of the labour market, as negative experiences created by selfish acts are a rare occurrence (Akhtar, 1992).

Islamic Human Resource Management plays a significant part in this respect. It has been shown (Rahman et al., 2013) that trust is built on knowledge and Islamic principles and subsequently trust leads to performance. In this scheme, performance appraisal was noted to be significant in the development of trust among employees and among the employees and the organisation. Moreover, the Quranic principles are also present in this case, as considering that concepts of equality and fraternity are basic fundamentals of employee relations, Islam does however strongly prohibit favouritism and nepotism and at the same time enforces the notion that no man should be rewarded more than his actual efforts. In other words, only hard working and competent workers should receive appraisal and reward.

The conceptual framework proposed by Rahman et al. (2013) elaborates that trust within an organisation is built upon appraisal, reward and compensation, but also on knowledge and understanding of Islamic practices, training and recruitment and selection.

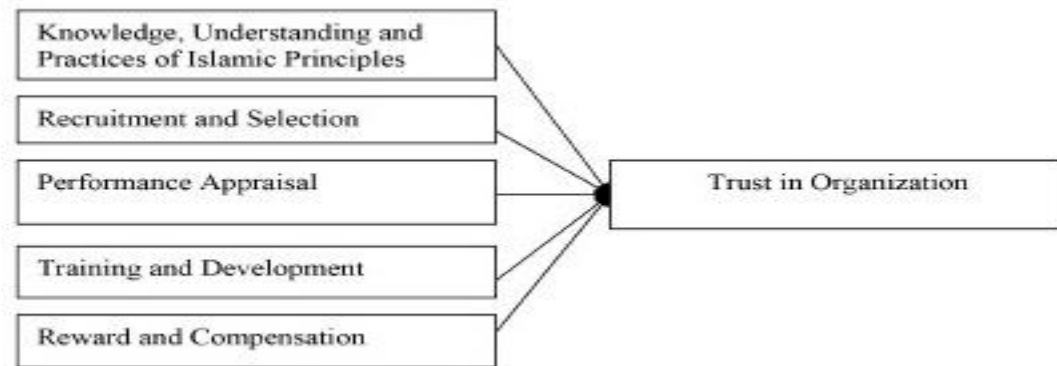


Figure 2.4 Conceptual Framework by Rahman et al. (2013)

Evidence (Warokka et al., 2012) indicates that there is no exact link between organisational justice (OJ) and work performance, yet some influence does exist between the two components wherein OJ affects the appraisal system and therefore the performance altogether. An important aspect to be pointed out is that interactional justice has a strong effect in and during the performance appraisal. In this regard, strategic HRM plays a significant role, as providing hope for better achievement of underpraised personnel can boost their confidence rather than increasing disappointment and failure. Nevertheless, employees who are praised do not gain full satisfaction simply by appraisal from top management. Appraisals are more efficient in increasing motivation when accompanied by a pay rise.

A study (Alhyasat, 2012) conducted within a Jordanian press foundation found that commitment among the company employees was high and most consideration was given to Islamic principles of kindness and respect, but also obedience to people in power and job ethics. At the other end of the line, justice, fairness and teamwork had little impact on citizenship behaviour. In regard to ethics, this seems more of an internal principle than a general principal however, as starting from the concepts of kindness, forgiveness and proficiency, general or organisational ethics at the employee level can be conducted. This aspect is relevant in the Islamic world as in any other culture because ethics seek the welfare of all and most importantly are aimed at providing safety, trust and security, lying at the foundation of human relations.

Organisational citizenship (OC) is a relatively new term in the organisational language, but it concerns the aspect of employee and organisation attitudes and behaviours (Alhyasat, 2012). It has been noted by previous research (Alhyasat, 2012) that OC can actually improve the performance of an organisation, and it is therefore necessary for the proper functioning of a company. The ethical values of Islam are in line with these objectives, wherein people treat one another on principles of ethics, equality and humanhood.

Research seems to indicate that an employment relationship based on traditional Arab and Islamic values would take a unitarist perspective, and this notion will be explored in the fourth chapter. Pay and rewards must be given according to the efforts of each employee in an equitable and fair manner as dictated by Islamic Principles. Ali (2010, p. 692) argues that “Islamic prescriptions view the interests of employees and employers as complementary.”

As with the unitary perspective described above, employees expect to be treated fairly in the workplace and a psychological conception of the human agent is embraced (Budd and Zagelmeyer, 2010). Thus, employees are seen as “the creators of value in the marketplace and by necessity the primary force for economic growth and prosperity” (Ali, 2010, p. 692). Thus, in traditional Arab and Islamic institutions, it is expected that effective application of and adherence to Islamic guidelines and principles in employment relations impact upon the corporate workforce positively in Saudi Arabia. In addition, they also lead to the creation of synergetic commitment, productivity and quality in Saudi Arabian workplaces. Islam therefore focuses on pragmatic life aspects while asserting spiritual and humanistic needs. Despite the fact that the Islamic employment relationship seems to resemble the western employment relationship, there are important differences. All the Islamic employment relationship requirements are derived from Prophet Mohammad’s sayings and the Quran, making them vital for corporations whose activities are adhering to Islamic Shariah. The Saudi Arabian firms that value the trust of customers based on the Islamic promise will therefore differ considerably from the foreign firms in Saudi Arabia.

Hadith and the Quran form norms and Islamic law (Shariah) as a basis for humanity, making them appropriate for use in the Saudi Arabian business environment. Moreover, Hadith and the Holy Quran are points of reference for qualitative and sound moral standards, values, and fundamental and conceptual guidance for strong and good harmonious employee-employer relationships. In Saudi Arabian corporations, the most essential role played by the Islamic point of view on the employment relationship is the promotion of justice and fairness for organisational parties. Moreover, Islam sanctions servant and owner to transact business

with amity, courtesy, mutual co-operation and kindness. The parties therefore, are called upon to wish others their wishes. All rightful claimants are commanded by Islam to be paid their claim and Islam accords protection to labourers' rights, besides a framework comprising guidelines and certain principles. The employment relationship hence is a mutual contract in Saudi Arabian firms.

Islamic texts further indicate on the relationship in the workplace that ideally a workplace should be where equality before Allah (SWT) is emphasised. In addition, Islamic teachings emphasise individual responsibility and cooperation between the employees and the managers. Moreover, the employers in Saudi Arabian firms are expected to treat their employees kindly, just like their sisters and brothers. This implies that in Saudi Arabian firms, consultation between employers and employees is encouraged at various decision making levels and in Saudi Arabia in general. Overall, Randeree (2009) notes that:

“The challenge for the rulers of the [Saudi Arabia] is to engage the national human resource (HR) in education and employment, moving in step with advanced nations whilst respecting Arab and Islamic tradition”.

The preceding accounts suggest that focus of the argument in terms of the nature of Islamic influence on HRM resonate with Tawney's (1937) argument relating to how social and economic developments impact religious doctrine. A similar argument is central to Weber's analysis of the correlation between aspects of Western Christianity and capitalism. Yet, it is not necessary to invoke the “moral self-sufficiency” of the puritan work ethic (Tawney, 1937, p. 229) to make sense of the interface between Islam and contemporary organisation and management ideas and practices in Saudi Arabia. Islamic literature shows that, contrary to notions of a static and anachronistic traditions and principles, there is evidence that Islamic

law and teaching have always considered and embraced social and economic change (Abbasi, 2014; Bouzenite, 2012; Brown, 2015). While Bouzenite (2012) and Brown (2015) focused on the application and adaptation of traditional Islamic doctrine to wider social and political developments, Abbasi (2014) reviewed developments in Islamic law as they adapt to emerging modes of economic and business activity and transaction.

These resonate with and, support Ali's (1996, p.5) argument that HRM can be moulded to fit the Islamic values as a frame of reference, which "calls for developing an [HRM] perspective that is relevant and effective in dealing with particular and peculiar cultural aspirations and problems." In this context, employees' attitudes in Saudi Arabian corporations seem to be based on the fundamentals of Islamic practice that requires people to be kind to one another, respectful and base their actions on fairness. This creates the so called organisational citizenship in which people perform better when their attitudes are positive towards the company but also towards their colleagues.

However, this task of moving in step with advanced nations while not forgetting about Islamic traditions poses difficulties, especially when discussing the theoretical and the practical aspects.

2.10 Summary Point

This chapter essentially constitutes a review of the research context, in terms of the broad historical and geopolitical features of Saudi Arabia as a sovereign entity within the global political, social and economic context. Accordingly, following a brief introduction and account of the geopolitical history of the Kingdom which highlighted its roots in Islamic principles and Arab traditions, the chapter proceeded to account for developments in the Kingdom's macroeconomic policy, emphasising the role of oil revenue and underlying Islamic principles which shape national economic and social policies and institutions. In that regard, Shariah law forms the basis for the Saudi Constitution and, therefore, economic and social policy and institutional arrangements for governance, including, as outlined in the chapter, labour market institutions and policies, such as those relating to employment relations. The chapter concludes with a drive toward a conceptual framework that defines Islam as the overriding influence on relevant factors which are the focus of this study, including culture.

The next chapter will explore the available literature on the subject of religion, national culture, Islam and the impact of these factors on HRM practices. This review will set out a picture of the state of available knowledge in this regard, and form a basis from which the current study can be applied to extend this knowledge, in a Saudi context.

Chapter 3: Religion, Culture and the Workplace

3.1 Introduction

As highlighted in the first chapter, managing people in a global business context involves dealing with differences in cultural, social, and economic systems (Schuler et al., 1993; Brewster et al., 2011; Harzing and Pinnington, 2011; Edwards and Rees, 2011). One of the most obvious and significant elements of culture, whether it is defined as encompassing physical, institutional or psychosocial aspects (Rugman and Collinson, 2012) of a group, country or region, is religion (Callen et al., 2010; Anderson et al., 2000). While the impact of elements of culture on management has received much attention since the 1980s (Hofstede, 1980, 2001; Tronpenaars and Hampden-Turner, 1997), the mutual influence of religion and business practices over each other has been the focus of philosophical discourse since the emergence of Capitalism as a mode of production (Tawney, 1937; Weber, 1905). Saudi Arabia is a theocracy and the Islamic religion has a considerable influence on national culture, legal systems, political culture, and Arab institutions. Consequently, Shariah, Islamic Law based on the Quran and Sunnah (the practices and sayings of the Prophet Mohammad), has considerable impact on Muslim culture and business activities (Khan et al., 2010). This chapter critically discusses and develops arguments to support this view. The researcher defines religion, beliefs, culture and values, with a section focused on the impact of Islam, discussing, the employment relationship through the factors shaping employee attitudes and behaviours at the workplace.

However, the conceptual framework presented in the preceding chapter contrasts with cross-cultural concepts of culture that view religion as an element of culture. Consequently, and by the mere fact of the title of the thesis, it is crucial to define and contrast the two macro influencing factors and concepts at the centre of the study – that is, religion and culture - as distinct concepts. As a result, the chapter begins with a broad discussion of culture and religion.

3.2. Religion and Culture

Most international and comparative studies of organisation and management, including HRM, have tended to rely on conceptual frameworks which do not draw a distinction between culture and cultural influences on the one hand, and religion and religious influences on the other (e.g.: Rugman and Colinson, 2008; Brewster et al., 2011; Budhwar and Mellahi, 2006; Budhwar and Debra, 2005). Instead, almost all international and cross-cultural studies rely on broader anthropological concepts of culture (Kluckhohn, 1954; Kluckhohn and Strodtbeck, 1961) and equally seminal conceptual frameworks that draw from the works of Kluckhohn (1954) and Kluckhohn and Strodtbeck (1961) (e.g.: Hofstede, 1980; Triandis, 1994; Tronpenaars and Hampden-Turner, 1997). According to Kluckhohn (1954), “culture is to society what memory is to individuals” (in Triandis and Suh, 2002, p. 135). Hofstede (1980, 2001) refers to the influence of Kluckhohn (1954) and Kluckhohn and Strodtbeck (1961) on his conception of culture as the software of the mind and Brewster et al. refer to their influence on most recent conceptions of culture for cross-cultural management analysis, including Tronpenaars and Hampden-Turner’s (1997) *Seven Dilemmas of Culture*.

In their analysis of the influence of culture on personality, Triandis and Watsi (2008) refer to Kluckhohn and Strodtbeck's (1961) suggestion that understanding the essential elements of cultures in any society lies in responses in relation to who they are; how they relate to the wider world, what they do as a society, their relations with each other, and their view of time and space. Triandis and Watsi's analysis was following the emerging *new cultural paradigm research tradition* (Early and Mosakowski, 2004; Sparrow, 2006). What is unique and also common within this stream of research is the search for individual HRM preferences which are value-free and those which display the influence of value orientations (Sparrow, 2006). Despite the claims of a 'new cultural research paradigm', these studies do not attempt to draw a distinction between cultural and religious influences. Instead, if anything, they reinforce assertions of religion as one of several elements of culture and, by implication, individual religiosity as cultural influence. From the preceding analysis and conceptions of culture, any society's religious belief and expressions would simply be consequence of subjective and objective views and action that have been passed on from generation to generation – a consequence of reason and forms of social organisation and interactions that are rooted in a people's history.

However, in the analysis and conceptualisation of religious expression in the workplace, Hambler (2015) draws on an exhaustive review of literature and empirical evidence, to, by implication, draw a distinction between religion and culture: 'by implication,' because although he does not specifically refer to 'culture' per se, Hambler's distinction between religious expression and self-expressions does infer a distinction between religion and culture.

In that regard, religion and religious expression are defined by divine obligation and commitment as opposed to reason and historically acquired subjective and objective norms that are based on human reason. Thus, in the context of work and workplace relations and interactions, Hambler (2015) notes that religious expressions are based on stronger loyalties and deeper feelings and, as a result, less accommodating of the views of others. Hambler's conception of self-expression, on the other hand, seems to be reflective of cultural expression in the sense that this varies according to societal and other contextual factors and, because such expression is not generally rooted in divine obligation, it is more accommodating to the self-expressions of others and less problematic for management (ibid).

Hambler's analysis resonates with Fredman's (2011) analysis of religion and belief from the perspectives of social context and legal development in discrimination law. Fredman argues that although religious discrimination is related to forms of discrimination such as racisms, it is, as Fredman puts it; "arguably a good deal more complex" (p. 73). Echoing Hambler, Fredman attributes this to the fact that "religions find source of authority in faith rather than reason, and in some cases, their allegiance is to God and transcendental morality" (ibid). Consequently, and again, echoing Hambler, "this ... makes it difficult to find common ground either between one religion and another or between individual religions and secular regimes" (p. 73).

Religion is considered as an incorporated system of ideas and practices conveyed through actual religions, as in Islam, Buddhism, Hinduism and Christianity (Idinopulos and Wilson, 1998). The approach when studying religion is not to search for its essence, but to research and elaborate the social actions covering the understanding, meaning and significance

of an act in which a person is engaged (Weber, 1905). Thus, the most important influence of religion in society is the fact that it affects the beliefs of people; however, the extent to which religion affects these beliefs varies from area to area, from country to country, and from social class to social class, which means that there are numerous difficulties in the task of pinpointing the exact influences religion has on a people's lifestyle and culture. Nevertheless, the general accepted idea of belief describes it as a state of mind that covers trust and confidence in something, but often in a manner devoid of solid proof; this means that religious beliefs and convictions are prone to change within an individual's lifetime, as well as under various external elements such as non-religious traditions or political influences (Douglas and Wykowski, 2010).

Beliefs are the fundamental influence on the national culture, and thus one identifies the impact of religion on culture. As Williams (1961) states, there are three different categories that define culture: first, the "ideal" culture is outlined as human perfection; the "documentary" category elaborates the culture as body of intellectual and imaginative work; and the third, "social" definition, describes the culture as a particular way of living, expressing certain meanings and values.

Culture is thus built in several time frames and it can evolve in different directions. This is only observable through historical studies upon a civilisation. This is also referred to as the recorded culture, which can be studied. The selective culture continues to contribute to human growth as a branch of historical culture, while the lived culture contributes only in limited ways to the line of human growth (Williams, 1961). Culture influences not only the human population in general but also the human individual. A person becomes who she/he is with the influence of the culture that he/she is raised in.

This influences the value system of a person, the clothes worn, the language and the landscapes surrounding the person, but also the architectural surroundings. This is added to genetic inheritance to constitute the individual (Bragg, 2005).

The main features that define culture cover systems of morals and values, the need for moral culture within society, and changes as a result of cultural evolution. As a word, “culture” is most often used in two main ways: (1) popular usage, which covers interests and activities such as music, literature and art; and (2) as a technical term, which is most often used by anthropologists and sociologists to describe the particularities that define a people, particularities that evolve over time and have an influence on every aspect of the daily activities that take place within a given environment (Lawton, 2011).

Cultures affect the values of people living in a specific social context. Esteban (1990) argues that there are two kinds of values; (1) objective and (2) subjective. Objective are “those which originate from without, from Truth itself- those absolute moral values which are ethically and socially binding to all men at all times and in all places”, while subjective are “those which emanate from within, the behavioural values which are either the personal views of an individual or the collective concepts of a cultural group”.

Thus, religious beliefs affect culture, creating subjective values through the collective concepts of the group. Having discussed the nature of religion and culture in general, the following section discusses the nature of Islam and the impact of Islam on social and economic behaviour, action and relations.

3.3 Islam and its Impact

Islam was introduced to the Arabian Peninsula in early 7th century, by the Prophet Mohammad Ibn Abdullah (PBUH), who was born in the city of Mecca around 570 AD. At the time of His birth, the central temple of the Kaba in Mecca housed many idols. At the age of 40, Prophet Mohammad (PBUH) received his first revelation and instructions from Allah (SWT) while He was in the Hira Cave on Mount Nour. Soon thereafter, He proclaimed the Oneness of Allah and condemned idol worship. Gradually, He began to gain a growing number of followers and as He became more vocal and firm in his condemnation of the idols that were the source of faith for most of Arab tribes, so did the hostility of many towards Him and his small group of early followers (Sahaabas). This hostility became more intense after the death of His uncle Abu Talib. (Truthnet, 2016). Subsequently, Mohammad and his followers left Mecca for Medina, in 622 (known as the Hejira), which is also the starting date of the Muslim calendar (ibid). Prophet Mohammad (PBUH) and his followers re-entered Mecca in 630, and declared Islam as the true and only religion.

The true meaning of Islam is Peace and this is defined by five core beliefs and principles, which, as indicated in preceding chapter, are further elaborated in laws and practices that derive from the Quran and the teachings of the Holy Prophet Mohammad (PBUH). Some of the defining principles are outlined in the table at the start of the thesis; in particular, the five fundamental pillars, which one must confess and manifest, evidence one's affiliation to Islam. On the whole, Islam is a way of life that is defined by principles outlined in the Quran and emphasised by the teachings, proclamations, behaviour and actions of the Prophet Mohammad (PBUH), which are codified in Hadith.

It is these principles, teachings and practices that define one as a Muslim and which also provide the foundation of the Muslim community as guidance for individual and collective behaviour and actions.

Saudi Arabia is an Islamic theocracy, which was founded and is governed on the principles of Sunni Islam (Commins, 2006). A constitution that is based on Shariah (Quranic law) and the Sunnah (the teachings and pronouncement of the Prophet, Mohammad (pbuh)) therefore governs the country. Islam, is described as essentially a way of life and, therefore, as an Islamic theocracy, every aspect of individual and collective behaviour and action is expected to conform to the principles of Islam as outlined in the Quran and the Hadith.

Consequently, work and work-related relationships, formal or informal, are defined and governed accordingly. The Quran is invoked on a wide range of social and economic issues including; politics and public governance (Bouzenita, 2012; Brown, 2015), environmental conservation (Mangunjaya, 2011), legal and moral issues relating to economic and business activity (Abassi, 2014). In all these aspects of individual and collective life, Islam also lays out the need for emotional intelligence – conscience, self-awareness and awareness of the rights of others (Leigh and Hambler, 2014). On the specific issue of labour and employment relations, Azid (2005) outlines the position of Islam in both worldly and eternal contexts.

As Lacey (2009) points out, indirectly invoking Tawney (1937), there is evidence of the increasing influence of modernity on Saudi life. Yet, in Saudi Arabia, a selected influential class (the clerics) also closely guards the observation of behaviour and action that is sanctioned by the Shariah Law (Lacey, 2009).

As one can see from the critical literature presented in the preceding sections, the current literature on the impact of religion on HRM policies and practices in organisations is predominantly developed through theory and empirical research covering the practices in the countries belonging to the Western (Anglo American) world and culture. Thus, little research has been undertaken in exploring the impact of Islam on HRM practices. Existing literature and research provides a good base for developing assumptions, and can be divided into the following sub-sections: (1) the impact of Islam on employee behaviour and attitudes; and the (2) impact of Islam on the workplace.

Hambler (2015) informs us that the “workplace is a key area where the issue of religion and its position in the public sphere is under debate”. He goes further, to remind us that “employees who hold religious convictions will, by definition, bring these to the workplace at the most fundamental level of holding a belief” (ibid; p13). The interaction between religion and the workplace has been explored in other cultural backgrounds as well. Thomas Aquinas is frequently quoted as a source of inspiration for workplace spirituality for Christians, and Catholics in particular. In his texts, moral solidarity is emphasized, as the human spirit in its capacity to relate to all things is the source of business ethics and behaviour. The main argument that can be drawn from Thomas Aquinas is that the spiritual paradigm leads to unity and thus creates cohesiveness within the working community (cited in Barry and Hansen, 2008).

The Catholic heritage specifies the dignity of work, from both a Benedictine and Franciscan heritage, as can be seen in proverbs such as “To work is to pray”. Thomas Aquinas stated in his teachings that every individual has the duty to work and that society and justice cannot

exist without work. Working environments have to be focused on harmony and creativity, following common visions and goals. Furthermore, workers are offered an absolute right to just rewards for the efforts they make (Aquinas, cited in Barry and Hansen, 2008).

Hambler (2015, p. 18) provides very useful examples of Christian and Muslim beliefs in his recent book, as he notes that “There are legitimate expressions of the Christian belief in the workplace and yet do not require any overt public identification with Christianity - Jesus Christ need not be mentioned by an employee who helps his co-worker – or who adheres strictly to the time limits ‘during breaks’. For Muslims, similarly, a strong workplace ethic is a requirement for Islam”.

As we can see, these religious beliefs are similar to Islamic beliefs as regards the working environment. However, in Islam, working is not seen as a matter of pride, but a matter of necessity and a moral duty to the civic society which every individual has to take. Moreover, working in Islam is seen as a mandatory condition of existence. When not working, a person becomes a burden to society and for others who have to sustain this individual (Akhtar, 1992). As such, there is a strong similarity between Islamic and Christian belief in regard to the work place.

Both of these religions consider that the work place should be a place of fairness and just reward but at the same time there is also a moral duty to civic society. Similar to Islam, Christians believe that the individual who is not working becomes a burden to society and to the family; hence work is a fulfilling action in society (Barry and Hansen, 2008).

3.3.1. Employee Behaviour and Attitudes

Islam, considered as a religion that encompasses every aspect of human life including work, has teachings that have helped shape employee attitudes (Khan et al., 2010). It denotes religion as a social organisation and manner of life that has its major objective grounded on the principle of bringing up a peculiar personality and a societal tradition that is distinct. Islamic scholars have long campaigned for the observance and practice of the principles and procedures of Islam in the workplace, arguing that this would strengthen the employees and yield a tremendous productivity, commitment and quality in the workplace (Ali, 2010; Hashim, 2009; Azid, 2005). First, Islam views all people as equal before Allah (SWT), including employers and workers, and states that those with authority should be kind to their subordinates, treating them as brothers and sisters. Second, the employment relationship is perceived as people helping each other for mutual benefit, while the employer and employee exchange honest service for payment (Ali, 2010).

Within this understanding on the impact of Islam, behaviour is defined as the manner in which persons conduct themselves, while attitude refers to the orientation of the mind, the self-motivated influence on a person's reaction to all matters and circumstances related to it (Azjen, 2005).

Attitude and behaviour are related in that reference to someone's attitude is similar to giving an explanation for their behaviour. They are a multifaceted blend of personality, behaviours, beliefs, motivations, and values. Both attitude and behaviour are acquired depending on the environment and are shaped by both internal and external factors which include social and religious factors within a specific setting (Huselid, 2005).

Islam advocates for all its faithful to be responsible in structures of collaboration with other workers. Islamic law is against discrimination, and pushes for justice and fairness in all human dealings regardless of status of either party in the contracts (Ali, 2010). Thus, its principles advocate for both employment parties to honour their part of the contract (Ali, 2010). It helps employees to have the goal of delivering despite the prevailing circumstances reflected in higher levels of hard work. In turn, managers are required to appreciate the hard work exhibited by the employee by remunerating them with respect to their workload as well as that which has been pledged by the organisation and that which meets market standards. When workers are satisfied with their payment package, they may exhibit motivation and an urge to be more fruitful.

Forgiveness is a fundamental principle in Islam, and has influence in workplace relations. Since at each point the employer or the employee may be wrong, letting go of each other's faults as taught in Islam helps foster the employment relationship, hence improving the wellbeing of the employee. In such an environment, employment security is guaranteed. Scholars have found that the enhancement of job security favours employee satisfaction and reduces the internal conflicts exhibited in a friendly and peaceful workplace environment (Ali, 1988).

Nevertheless, the situation in real life might differ to various extents from the theoretical precepts of the Islamic faith; however promising and reassuring Islam can be; it is more challenging to successfully apply all its religious precepts in present day institutions. Since Islam does not separate the worldly and spiritual perspective of life, the Quran directs the faithful to be involved and committed and does not permit unethical conduct such as time wasting and involvement in activities that are not fruitful. Work is perceived as supreme

worship, only approved when performed to the highest capability, and has significance, a social element and benefit to the person (Fisher, 2012). As such, the Muslim faithful are taught principles that encourage commitment to work (Elamin and Omair, 2010). It is therefore clear that religion plays a role in shaping the attitudes and behaviour of workers in companies which operate in Islamic countries (Ali, 1988; Katou et al., 2010; Mellahi and Budhwar, 2010).

3.3.2. The Impact of Islam on the Workplace

Since the beginning, Islam has placed considerable importance on work by perceiving it as a necessity for achieving balance in life. As Ahmad (1976) states, hard work, aside from being a duty for competent individuals, provides a spiritual fulfilment. According to Islam, work is treated as obligation and necessity if one wants to achieve balance in individual and social life (Ali, 2010).

“No one eats better food than that which he eats out of his work”
(Prophet Mohammad’ statements: cited in Ali, 2010, p.10)

Therefore, Islam as a religious system of beliefs has elevated labour, and those who engage in economic activities, by providing *work* with a religious, social, and economic dimension and by motivating followers to pursue economic activities for their own welfare and the welfare of the community. These spiritual and practical aspects of work, as Ali (2010) argues, can be found in the philosophical foundation called *Ehsan* - goodness and generosity in interaction and conduct and the inclusiveness and equal treatment of all, regardless of their backgrounds. The Prophet Muhammad said:

“O people! Your God is one and your forefather (Adam) is one. An Arab is not better than a non-Arab and a non-Arab is not better than an Arab, and a red (i.e. white tinged with red) person is not better than a black person and a black person is not better than a red person, except in piety”. (Narrated in Mosnad Ahmad, 22978)

The cultural values and beliefs in the Muslim countries were created as a result of the Islamic teachings and principles, which experience labour as crucial in human relations. The feeling for what is right and what is wrong has been developed by individuals as a result of the influence and power of religion. As it states in the Quran (49:13):

“O mankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted.”

This is emphasized by the Prophet while defining the responsibilities considering the relationship with others and the obligations when a man asked the Messenger of Allah (may peace and blessings be upon the Prophet) “which of the merits (is superior) in Islam. He (the Holy Prophet) remarked: That you provide food and extend greetings to one whom you know or do not know.” (Hadith No. 63 vol 1, Sahih Muslim in Al-Khattab, 2007). Thus, there is an assumption for both the employer and the employee that they will treat each other with kindness, sincerity, and responsibility beyond what is specified in the contract and the boundaries of work. Human considerations, therefore, in the workplace, take priority on matters related to treatment of employees, justice, and equality in hiring and promotion. The impact of Islam on the workplace reflects through the principles of the Islamic Work Ethic (IWE) and its pillars outlined next.

Latiti (1997, cited in Khan, 2014) has listed a number of characteristics and specifications for the workplace under Islam: equality before Allah (SWT), responsibility, always working in cooperation with others, the respectful and kind treatment of subordinates by leaders, and consultation on all levels regarding work-related problems and issues. These ideas, in many ways, link with Alhabshi and Ghazili’s (1994) underlying core Islamic principles that influence managerial behaviours in Saudi Arabia, as well as concepts of

fairness, absence of exploitation and humanity, with the expectation of eternal rewards that Azid (2005) associates with labour under Islam.

The emphasis of eternal reward and conception of the employer/employee relationship – responsibilities and obligations in terms of individual redemption and security, underpin the linkage between the concept of labour under Islam and self-reliance. Within organisations, loyalty to leaders is essential for ensuring the adequate working of the entire company (Khan, 2014). In these terms, Islamic principles about labour and the employee/employer relationship suggest a neoliberal focus on individual self-reliance and a unitarist perspective of the employment relationship in the form of loyalty and commitment to management and the organisation above all else (Fox, 1966).

Furthermore, Islam supports values and traits such as patience, discipline, problem solving, sincerity, truth, abstinence, nobility, and servitude within the workplace. Hard work leads to independence, self-fulfillment, satisfaction and personal growth (Albashi and Ghazili, 1994, Azid, 2005). Commitment is specified under Islam, as is dedication, creativity, cooperation and competitiveness, whereas greed and hoarding material wealth is discouraged (Yousef, 2001, cited in Khan, 2014). Work and faith are connected, as both are elements of the human life and necessary conditions for better eternal life. They are, therefore, deemed to be interdependent, and lead to overall well-being through competitiveness and striving for perfection.

Such values have been universal since the time of ancient Greek philosophers, being present in both Western and Eastern thinking (Martin, 2011). The moral philosophical framework of the world's major religions, however, is often applied at abstract levels and, often, the impact of developments in secular domain in real life situations including organisational life, which are often not simple to deal with, are either marginalised or deemed irrelevant to the divine.

The fact that the ethical and divine aspects of real organisational phenomena are sometimes difficult to discern and manage means that the discussion on workplace values is confined to the fields of the abstract and the ideal.

Nevertheless, as human beings cannot be confined to simple knowledge and logic, philosophy and ethics are never far from any interaction or process in the workplace, and at this moment the dynamics of human interactions are to be discussed with relation to the values that lead to an efficient, but also ethical, working environment.

Thus, one might speak about the antagonism between ethical values and the tendency of economic organisations to strive towards profit and lucrativeness. On the one hand, there are universal ethical norms such as trust, respect, the recognition of value, truth and sincerity, integrity, openness to change, the willingness for risk towards improvement, or the inclination towards innovation and new ideas, which are also key tenants of Islam. On the other hand however, business organisation exist to make profit and in certain situations, thinking, behaviours and actions that are required for profitability may conflict with some, if not all, ethical principles and values. Consequently, choices have to be made between financial profit making and observation of religious and ethical principles and values (Goodall et al., 2009; Weldy, 2011).

The Islamic Faith

To reiterate, Islam is founded on the principle of *Tawhid* - belief in oneness of Allah (SWT) as the creator of heaven and earth and all that resides/exists in them; and belief the prophet Mohammad (PBUH) as *Rasul* – messenger of Allah and fore deliverer of His Commands to human kind through the Quran. The Quran, then, is the word of Allah (SWT) and the values, norms, obligations, etc. which are contained in it are *Fard*, obligations that must be observed by all who profess belief in Islam.

These are different to *Sunnah*, which describes the teachings and pronouncements of the Prophet. Together, these two sets of principles and edicts are expected to define and sanction individual and collective behaviour, actions and social as well as economic relations and interactions of Muslims.

According to Islam, the behaviour and values of individuals are never based only on one's perception of the situation, but rather on the Prophet Mohammad's teachings and beliefs, covered both in the Quran and in Sunnah. The followers of Islam believe that when making decisions, consulting with others is the true approach. Thus, Islam as a religion supports both individual and collective thinking, which in addition supports the belief that each person is responsible for their own actions:

“One day every soul will come up struggling for itself, every soul will be recompensed (fully) for all its actions, and none will be unjustly dealt with.”
(Verses 16:111 in Beidas, 2009)

Islam favours the principles of distributive justice which state that every individual has the right to own property; however, the poor are entitled to part of the wealth accumulated by the rich until the basic needs of each person in the society are met.

On the other hand, when it comes to the wealth of the rich, as the Prophet explains, if the wealth is acquired in an immoral way, then regardless of charitable giving -“the burden of sin remains” (Beidas, 2009). As discussed by Beidas (ibid):

“the key parameters of the Islamic ethical system have been uncovered and can be summarized as follows: Actions and decisions are judged ethical depending on the intention of the individual, Allah is Omniscient and knows our intention completely and perfectly, good intentions followed by good actions are considered acts of worship, Islam allows an individual the freedom to believe and act however he/she desires, but not at the expenses of accountability and justice, and belief in Allah endows”.

The Muslim’s fundamental faith is assembled in the Holy Quran, believing that those are the words Allah (SWT) revealed to the Prophet Mohammad, which is further illustrated and explained by the Sunnah and the Hadith. Where the Quran is considered as guidance of spiritual and moral values, the Sunnah presents rules, subtracted from the practices established by the Prophet, and the Hadith is “the narrative by individual companions of the normative practices of the Prophet” (ILO 2012).

As it is stated in the ILO (ibid) report, there are “five pillars of Islam that Muslims are expected to follow: 1) testimony; 2) prayer; 3) fasting; 4) almsgiving (*Zakat*); 5) pilgrimage to Mecca at least once in a lifetime (if one can afford it). These, as indicated at the start of this section, comprise the core *Fards* of Islam. The observance of these is the fundamental obligation and constitutes acts of worship for all Muslims. Consequently, no other forms of social obligations and norms take precedence over them.

Testimony refers to declaration of *Tawhid* – belief in the oneness of Allah (SWT) as the creator and Mohammad as Allah’s Rasul (Messenger) to humankind. Prayer in the context of *Fard* refers to the obligatory five daily prayers and Fasting concerns the observation of fast

(restrain from eating, drinking and worldly pleasures) during the day in the month of Ramadan. Almsgiving – *Zakat*, is compulsory, requiring the giving to charity of a specific percentage of one’s annual earning and, finally, the Pilgrimage – *Hajj*.

The meaning of work in Islam

The daily presence of work in one’s life, and the type of relation the individual has while at work, directly influences all other aspects of daily life including: dignity, solidarities, behaviour at home, and involvement as part of the community. In Islam, the Arabic equivalent of “work” is the word “*amal*”, which refers to a form of worship. Furthermore, it states that in Islam, worship, aside from praying, fasting and pilgrimage, is obtained by work as well. This is stated in the Quran as: “Indeed, those who have believed and done righteous deeds - the Most Merciful will appoint for them affection.” (19/96 in ILO, 2012). Islam highly encourages believers to maintain working activities, even when it is to worship Allah (SWT), which is supported by the Prophet’s statement that “it is better for anyone of you to take a rope and bring a bundle of wood over his back and sell it, rather than asking people who may or may not give” (Hadith No. 1471, Book of Zakat, Sahih Bukhari, Vol. 2)

Another equivalent word to “work” in Islam is “*herfa*”. The term embraces the creation and production of arts and crafts. Muslims consider that every human act is based on transformation and it is motivated by reward/wages (ILO, 2012). In Islam, work is considered as “positive load” rather than a “negative burden”, which is credited by the fact that faithful Muslims consider work in every action that is purposeful, guided by intent and taken lawfully.

Labour's dignity and worker's rights in Islam

Universally, human dignity is guaranteed by full and productive labour, while the respect for workers and labour is of great importance (ILO, 2012). The basic labour requirements as described by the Preamble of the Declaration include

“...regulation of the hours of work including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of equal remuneration for work of equal value, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures.” (ILO, 2012, p.21)

In Islam, the Arabic word for “dignity” is “*Karamah*”. According to the Quran and the Prophet’s teachings, work has to be implemented in surroundings and conditions that protect human dignity. In addition to this, Islam forbids menial or degrading labour which dehumanizes workers for efficiency and profit. When it comes to dignity in labour and workers’ rights in Islam, the Prophet says:

“You servants are your brothers. Allah has put them in your case, so feed them with what you eat, clothe them in what you wear, and do not assign tasks s/he cannot bear, if you do so, help them in their hard job” (Al-Bukhari in ILO, 2012, p.22)

Therefore, one can conclude that maintaining decent work conditions and respecting human dignity are an obligation for employers and employees in the Islam religion.

Solidarity and Security

Solidarity is expressed through the social dimension that makes individuals cooperate in order to complete the work assigned. The right for workers and employers to organize themselves improves the strength of their collective stand regarding the protection of their rights. The right to freedom to create associations was first covered in the ILO Constitution, later to be endorsed in the Declaration of Philadelphia where it is stated as “essential to sustained progress” (ILO, 2012, p24).

Security, on the other hand, cannot be ensured if the cooperation and solidarity between nations is not provided. In addition to this, ILO supports government, workers and employers by developing and establishing international labour standards through which they contribute to the solidarity and security of people and nations.

When it comes to Islam as a religion, “*haqq*” is the word that binds rights and duty into one. Here it is important to mention “*zakat*” - one of the five pillars of Islam- this covers donating a certain amount of money to charity on an annual basis. This is an obligation for Muslims through which they spiritually purify the additional wealth earned that exceeds their needs. As stated in ILO (2012), “Zakat helps promote a more balanced relationship between the rich and poor and demonstrates how equity, mutual respect and consideration for others are inherent in the moral teachings of Islam”.

Social Justice

As one of the negative results from globalization, the inequalities around the world increased to an alarming level, which emphasised the need for ILO to create a Declaration for Social Justice for a Fair Globalization. This Declaration defines globalization as:

“the diffusion of new technologies, the flow of ideas, the exchange of goods and services, the increase in capital and financial flows, the internalization of business and business processes and dialogue as well as the movement of persons, especially working women and men” (ILO, 2012, p.8)

The main goal of the recommendation covered within the Declaration is to help improve the lives of the workers, the poor, the unemployed, and their families. Social justice in the Islamic tradition presents the evaluation of work and workers’ protection. The Arabic word for duty is “*wajib*”. As the Quran states,

“whoever does righteousness, whether male or female, while he is a believer - We will surely cause him to live a good life, and We will surely give them their reward [in the Hereafter] according to the best of what they used to do” (16:97 in ILO, 2012, p.19).

In addition to this, the Prophet Mohammad said, “Give to the worker his wages before his sweat dries” (Ibn Majah, in ILO, 2012, p.29) and “I myself shall be the prosecutor of the employer who does not give the worker his dues” (ibid). The Islamic religion is committed to ensuring workers’ and employers’ rights in order to accomplish well-being in society through peaceful coexistence, economic and social prosperity and good governance.

“The Islamic faith encourages everyone to promote justice, even if that means going against family, the rich or powerful” (ILO, 2012, p.30).

The necessity of work

One of the main pillars in the Decent Work Agenda is the creation and promotion of workplaces. This can be analysed on two levels: at individual and at national level. When it comes to the individual, the institutionally and economically stable working environment improves knowledge and skills and enables workers to achieve personal fulfilment. On the

other hand, when it comes to nations, the promotion of employees helps society to achieve its goals; improve the living standards in the country and support social improvement.

The Islamic principles occupy the position that if one is capable and has the opportunity to work, they should do so instead of relying on private or public assistance. As the Prophet states,

“the best food man eats is what he earns working with his own hands”
(Al-Bukhari, in ILO, 2012, p.33).

The “rule” that every Muslim should learn a profession and be trained for a craft emerges from the fact that even the Prophet had professions, first as a shepherd, later as a trader and as a businessmen, while still obtaining his divine mission.

Social Protection

Social protection is a social dimension, which includes health care, labour protection and safety at work. It consists of policies and programmes developed for reducing poverty, operational safety, and managing social risks such as unemployment (which still remains high in KSA), sickness, disability and old age (Peccoud, 2004).

This dimension delivers social justice by promoting economic development. Social protection has three dimensions: social security at work, labour protection, work condition, wages, working time, health safety; and working groups and dedicated programmes that protect vulnerable groups, as for example migrants and their families (Peccoud, 2004).

According to the Islamic view, every human being on earth is carrier and recipient of Allah’s (SWT) will. Honour, pride and dignity are at the heart of Islam. Every Muslim is expected to be honest and socially protected (no undue advantage). In Islam, every individual

should work in order to earn income, so creating employment and income opportunities are the main goals of Islam. Regarding social protection, Islam supports both workers and employers.

The Quran outlines a thorough view of social protection, stating that:

“Worship Allah and associate nothing with Him, and to parents do good, and to relatives, orphans, the needy, the near neighbour, the neighbour farther away, the companion at your side, the traveller, and those whom your right hands possess.”
(4:36 in ILO, 2012, p.36)

According to Islam, people should be reasonable and modest, they should avoid wasting resources, and they need to learn how to balance social and economic stability and security.

Social Dialogue

Social dialogue includes promotion of the “advancing opportunities for woman and man to obtain decent and productive work in conditions of freedom, equality, security and human dignity” which includes “negotiation, consultation and exchange of information between, or among, the representatives of governments, employers and workers on issues of common interest” (ILO, 2014, p. 36).

Social dialogue in the workplace represents the participation of employees in decision making together with their employers. Social dialogue represents the participation and activities of both sides (employees and employers) in managing the company, decision making, improving work conditions, efficiency at work and increasing the benefits for workers. Islamic history shows that, besides for prayer, the mosque, or house of worship, serves for court of justice, educational institute and cultural institute, as well as for meeting point.

Muslims everywhere in the world gather every Friday in the mosque and aside from prayer, they discuss the issues in the community. One can draw the conclusion that social dialogue is in the heart of the Islamic religion, and that it is consistent with the social dialogue between workers and legislative bodies when it comes to rights and values (ILO, 2012, p.36).

Fundamental Rights at work

The fundamental rights at work (ILO, 2014) cover: (1) Freedom of association and the effective recognition of the right to collective bargaining; (2) Elimination of forces or compulsory labour; (3) Abolition of child labour; and (4) Elimination of discrimination in respect of employment and occupation.

Islamic ideas and perceptions about the fundamental rights at work are mainly based on the traditional teachings of Islam. The concept of rights at work arises from the Islamic jurisprudence and it is based on three concepts, the Quran, The Sunnah, and the Hadith. The Hadith represents the interpretation of the rights and laws from the Quran and the Sunnah. The Islamic Law (*Shariah*) is systematized through analogy and associations. The Shariah is a product that results from the process of understanding (*fiqh*), giving rise to consensus (*ijma*) and thereby to useful common law. It is very important to point that the Islamic jurisprudence produces and creates law (Peccoud, 2004).

Based on these teachings, Islam is clearly against forced labour, and according to the Quran, freeing a slave is the greatest thing that a person can do. The Cairo Declaration confirms all of the basic principles of Islam which are defined by the Quran. Abolition of forced labour, preventing discrimination, the rights of justice and social security are the main

fundamental rights of individuals (Peccoud, 2004, p.144). According to Islam, work is neither penance nor punishment. As the Prophet stated:

“Works are by intention and everyone shall have what s/he intended”
(Al-Bukhari and Muslim, in ILO, 2012, p.40).

The Islam tradition supports the fact that every individual has rights that should be respected, and every violation of these rights (work which is forced or overburdening) goes against the Islamic values. As it is written in the Quran, “Allah does not charge a soul except [with that within] its capacity” (2:286 in ILO, 2012, p.40).

Child Labour

“Considerable differences exist between the many kinds of work children do. Some are difficult and demanding, others are more hazardous and even morally reprehensive. Children carry out a very wide range of tasks and activities when they work”.
(ILO, 2014)

Child labour does not apply if the child’s participation in work is not interfering with the schooling, personal, and psychological development of the child. In Islam, child labour is strongly forbidden. Article (1) from the Cairo Declaration, clearly defines the child’s place in the school, not at work.

By law, a worker must enter into an agreement with the employer. In Islam, children are not entitled to enter into any type of legal agreement until a certain age, from which point one can reach the conclusion that any kind of child labour is unlawful. As the Prophet argues, “Every one of you is a shepherd and everyone is responsible for whatever falls under his responsibility. A man is like a shepherd of his own family and he is responsible for them” (Al-Bukhari and Muslim, in ILO, 2012).

Freedom of Association

Freedom of association is “the right to form societies, clubs, and other groups of people and to meet with people individually, without interference by the government” (Dictionary 2014). Freedom of association is a part of the principles of fundamental rights of the ILO Declaration on Fundamental Principles and Rights at Work, “freedom of association and collective bargaining ” (Peccoud, 2004).

Islam as a tradition allows individuals to choose any type of lawful profession or occupation as long as they respect several key principles. First, the contracts should always be clear, and preferably written. Second, whether the contract is oral or written, it must be transparent and lawful. Summarizing these principles, one can conclude that workers have the right to freedom of association as long as this is for establishing their rights, increasing bargaining power and/or justified compensation (ILO, 2012).

Discrimination

“Discrimination occurs when someone, or a group of people, is treated less favourably than another person or group because of their race, colour, national or ethnical origin; sex, pregnancy or marital status; age, disability; religion, sexual preferences; trade union activity or some other characteristic specified under anti-discrimination or human rights legislation” (Human Rights, 2014).

The Cairo Declaration refers to discrimination with Article 1(b), where it states the principles of “abolition of forced labour, preventing discrimination at work, and ensuring that children go to school and not to work”. With this article, discrimination is covered in its wider meaning, but in Article 11(a), the Cairo Declaration continues to further determine “discrimination”, where it states that, “human beings are born free, and no one has the right to

enslave, humiliate, oppress or exploit them, and there can be no subjugation but to God the Most-High”. Article (1), Article (6), Article (13) and Article (19) from the Cairo Declaration further declare that all human beings, man and woman are equal of human dignity, and there should not be any discrimination based on gender. Even in the Surah (30:20), Mohammad (s.a) refers to the principle that there are no differences in language and colours, and “Unto us our works and unto you your works; no argument between us and you”.

According to Islam all individuals are equal before Allah (SWT), and this confirms the fact that Islam denies any kind of discrimination (class, race, colour, gender). As it is argued in the Quran,

“O mankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted.”
(49:13 in ILO, 2012, p.46).

Muslims are to celebrate different work, and never prioritize one work over another based on whether it is intellectual, manual, skilled or domestic. Finally, Islam forbids discriminatory treatment of workers (ILO, 2012). Problematic gender relations and the unequal, unfair treatment of the female gender is neither new nor unique to any national or social context. Fredman (2011) provides a revealing historical account of unequal status and treatment of women in the UK that is grounded in tradition and reinforced by law. Accordingly, other than parochial stereotypes of women as physically and emotionally unsuited for leadership and underserving of equal pay, historically, the law has served to legitimise and entrench these stereotypes by legally condemning certain categories of women – married women - to the status of “perpetual legal minors” (Fredman, 2011, p. 39).

Although there have been significant developments both politically and legally, against gender inequality and discrimination, Fredman notes that the “panoply of legal protection has not..., eradicated the deep-seated inequalities between men and women” (2011, p. 45). This suggests, therefore, that the problems of gender inequality are not particularly unique to any national or social context. What is different between the West and countries like Saudi Arabia, is that the problem of gender inequality and particularly the cause of it, is viewed differently. While analyses of gender discrimination within Western contexts define the problem in historically cultural terms (Fredman, 2011; Kirton and Greene, 2006), Gender issues in countries like Saudi Arabia are generally viewed from a religious – Islamic prism (Boz & Co., 2010). To some extent, some of these analyses are based on a lack of conceptual clarity in distinguishing between religion and culture and, therefore, what constitutes cultural expression as opposed to religious expression. The fact is, as indicated earlier, in the preceding chapter and elsewhere in the thesis, Islam neither teaches, nor allows for practices of gender inequality and discrimination. That fact is evident in the historically significant roles women have played in the history of Islam and the governance of Islamic entities and communities – for example, Al-Shifa' bint Abdullah was appointed Market Inspector in Madina al-Munawwarah at the time of Omar Ibn Al-Khattab's caliphate.

These collective concepts of culture and values influenced by religious beliefs hold the potential of affecting (1) the job related attitudes and behaviour of individuals at work, along with (2) the HRM practices present in companies operating in that cultural context, and (3) the wider national regulation of employment and work in the nation concerned. In simple words, values hold strong potential for affecting the employment relationship.

3.4 Summary Point

This chapter has explored the concepts of religion and culture, but first attempting a conceptual distinction between Islam and culture, before providing a brief history of Islam and the core principles that define Islam as a religious belief and expression. The brief account of Islam then set the context for discussing Islam and its impact in Saudi Arabia as a theocratic monarchy. In that regard, the chapter focused on the influencing factors of Islam on both individual and collective behaviour and actions in general, but especially in the context of employment. In discussing the latter, it is argued that in general, the problems of gender relations that are associated with Saudi Arabia are not unique to Saudi Arabia but rather, what makes the Saudi context different is that most Western analysis attributes these to religion, without any conceptual understanding of what constitutes religious as opposed to cultural expression in the Saudi Arabian context.

The next chapter will focus on discussing employment relations, and in doing so will address important themes such as; pay, motivation and workplace relations. It will also consider important areas of human resources management, where issues such as welfare, R&S, L&D and management resources are considered.

Chapter 4: Employment relations and HRM Practices

4.1 Introduction

The focus of this study is the assessment of Islam and Saudi Arabian culture on employment relations and HRM practice. The analysis of how contextual factors impact management behaviour and practice is not new. It has been the focus and concern of cross-cultural management research and, more specifically in relation to the current study, international and comparative HRM research including studies of HRM in Saudi Arabia.

What makes this study unique, however, is that it seeks to distinguish the impact of Islam and culture in a set of practices and ideas that relate to employment relations and HRM. The purpose of this chapter is to explore the literature in relation to these ideas and practices, starting with employment relations, which is explored in terms of the interests of the parties and actors as well as the perspectives that define the institutions and practices of employment relations. The second section focuses on the concept of HRM before exploring and discussing the literature with respect to individual ideas and practices on which the influences of religion and culture are assessed. These include practices of pay, motivation, recruitment etc. In order to situate these in the comparative context between Saudi Arabia and Western contexts, where most HRM literature is developed, the chapter also looks at issues of globalisation, bearing in mind that these may have implications on the extent to which Islam and Saudi culture impact on organisational practices.

4.2 The Employment Relationship

The impact of values on organisations and, therefore, employment relations has been extensively discussed (e.g. Edwards et al., 2014; Fox, 1985; Dunlop, 1958). Dunlop's (1958) theory rests on the influence of wider social and political context (institutions and laws) on the behaviour of the actors. And, following Fox's (1985) argument that individuals bring into an organisation beliefs and behaviours which are shaped by values outside that organisation, Edwards et al. (2014) argue that no credible theory of employment relations can ignore the influence of wider social and economic context on workplace relations and interactions. In order to explore the influence of values on employment relations this section is further divided into three sub-sections: defining the employment relationship, and discussing the various interests of each of the main parties to the employment relationship (employees, employer, and the state).

4.2.1 Defining Employment Relations

The first sub-section defines employment relations and the employment relationship from various perspectives, giving an idea of the contested nature of these terms. From a human resource management (HRM) perspective, Gospel (1992, p. 3) argues that employment relations are the "arrangements governing such aspects of employment as recruiting, training, job tenure and promotion, and the reward of workers." Similarly, Armstrong (2012a, p. 215) argues that "[t]he term employment relationship describes the interconnections that exist between employers and employees in the workplace." From an industrial relations (IR) perspective, Rose (2008, p. 8) defines employment relations as

“...the study of the regulation of the employment relationship between employer and employee, both collectively and individually, and the determination of substantive and procedural issues at industrial, organisational, and workplace levels.”

The name itself (employment relations), as Edwards (2003) argues, is simply a more recent way of referring to ‘industrial relations,’ a term rooted in literature and related to the relations between employer and employee in all aspects of economic activity. In a similar way, Budd and Bhave (2008, p. 92) present ‘industrial relations’ and ‘employment relations’ as interchangeable terms, both referring to “a multidisciplinary field studying all aspects of work and the employment relationship.” The interchangeable use of the terms is apparent based on their definitions. For instance, Rose’s definition of the employment relationship presented above is in line with the majority of definitions of industrial relations found in literature such as the ones presented by Gospel (1992, p. 3), who argues that industrial relations are “concerned with the representational systems, which may exist within an enterprise.”

Similarly, Dunlop (1958) views industrial relations as the system that produces the rules of the workplace, rules that are the product of interaction between three key actors; (1) employers/unions, (2) employers and associated organisations, and (3) the state. In this research, employment relations and industrial relations are used interchangeably, although the term Employment Relations is most frequently used.

Researchers of industrial relations see the employment relationship as an important element in the management of employment because it brings together the sources of power and legitimacy, rights, and obligations that employers and employees want for themselves and apply to others (Blyton and Turnbull, 1998, p. 2).

The employment relationship is composed of two elements; (1) market relations and (2) managerial relations (Fox, 1974). The former relates to the price of labour (wage, hours of work, holidays, and pension rights), which can be seen as a commodity, while the latter relates to relationships that define how this process is undertaken, as it relates to determination of work performance, the right to delineate job tasks, and any disciplinary action (Edwards, 2003). The main parties in the employment relationship are the employer/management, management organisation, employee, employee organisation, and the state and state agencies (Edwards, 2003), although not everyone agrees that all these parties have a legitimate place in the employment relationship. Moreover, there are a range of management organisations represented in the industrial relations literature, including employers' associations, the Confederation of British Industry (CBI), and the Union of Industrial and Employment's Confederations (UNICE) (European Foundation for the Living and Working Conditions, 1996).

How is the employment relationship regulated? Essentially and despite its very obviously indeterminate nature (Edwards, 2003), the employment relationship is defined through a legal contract in the form of the employment contract, which, Kahn-Freund (1977) describes as a contract between unequal powers. Any expectations which employers and employees have of each other regarding the state of employment are articulated in the basic terms and conditions and the same, if needed, will be legally enforced. Legally, the existence of such a contract means that both parties have important obligations and also gives employees substantial rights under the law that cannot be obtained by people working under different contractual arrangements (Armstrong, 2012a).

This indicates that the employment contract is not just a document that is presented to employees on appointment, but is really a multifaceted set of formal and informal rules governing the whole employment relationship (Wedderburn, 1986; Clark, 2007). This contract structures employment relations, which include an economic component – the exchange of work for payment – as well as a sociological component centred on power and authority. It, as Kahn-Freund (1977) powerfully states; is a legal invention that tries to conceal what is really a relationship between parties of unequal power involving subservience and control. This is because beyond the formal contract, the employment relationship is subject to a range of other processes, such as management competence and efficiency, work group control, management and employee motivation, and possible workplace conflict and disagreement (Bacon and Storey, 1993). These factors make the seemingly rational process of economic exchange much more complicated, and indeterminate to a degree.

It indicates that the precise details of the employment relationship are open to negotiation and change (Hyman, 1975; Nolan and Brown, 1983). In negotiating this employment relationship, the three main parties in the relationship may have some complementary and some competing interests. The next sub-sections outline several key interests of each party highlighted in the literature.

4.2.2 Interests of Employees, Employers, and the State

As highlighted above, employment relations is a multidisciplinary field, which “means that competing values and assumptions underlie the analyses, policies, and practices of employment relations scholars, practitioners, and policymakers” (Budd and Bhava, 2008, p.

92). This section focuses on the competing interests of the three main parties in the employment relationship: employees, employers, and the state.

Interests of Employees in the Employment Relationship

Employees have a range of interests and the theories of employment relations stress four employee goals; (1) survival and income, (2) equity and voice, (3) fulfilment and social identity, and (4) power and control (Budd and Bhave, 2008). Vassiliev (2011) maintains that the need to survive comes first before other needs in the workplace environment. In more recent research, as a purely income generating activity, work can be seen as any other good and is transacted through arms-length exchanges controlled by demand and supply (Kaufman, 2005). This is one of the primary bases of mainstream neoclassical economics, which argues that employees are rational in seeking to maximise income (Kaufman, 1999).

A second interest is the one which employees have related to fairness, also known as equity in the literature (Philips and Gully, 2013, p.306). In addition to being interested in monetary rewards, there is extensive literature in the fields of HRM and industrial-organisational psychology that presents organisational justice (employee perceptions of and reactions to fairness) as an important construct in understanding employee behaviour at work (Fischer and Smith, 2006; Folger and Cropanzano, 1998). According to Budd (2004), employees are interested in equity, which he argues relates to fair employment standards as it relates to both material outcomes (such as income and safety) and individual treatment (particularly non-discrimination), as well as voice, which is shorthand in the IR literature for participation in decision-making in the workplace (Johnston and Ackers, 2014; Cotton et al. 1988; Marchington et al., 1992; Wilkinson et al., 2004).

A third perspective on employee interests is based on the idea that people work to gain psychological fulfilment and social identity. This idea is clearly revealed in the extensive literature in the field of psychology on work motivation which highlights the importance of intrinsic work, rewards over income, and other extrinsic rewards (Herzberg, 1965, 1968). Taylor (2001) states that contemporary research into what employees want to achieve from the employment relationship consistently reports a desire, for: an interesting job, employment security, a feeling of positive accomplishment, and influence over how their job gets done.

Finally, several researchers have argued that employees seek power and control in the workplace. For example, Hyman (1975, p. 26) argues that power and control are necessary for workers to achieve dignity in their workplace, and he defines this power as “the ability of an individual or group to control his (their) physical and social environment; and, as part of this process, the ability to influence the decisions which are and are not taken by others.”

A particular contribution in this regard comes from the work of Kelly (2012), who offers an adjusted Marxist approach to the political economy of Industrial Relations. Kelly (2012) combines two specific theories – the social-psychological mobilization theory and the economic long-wave theory, and argues in favour of the equity principle; however, he approaches the same through the concept of injustice. At the heart of the analysis is the premise that exploitation and domination make the basis of the employment relationship, which if perceived by the employees to be that, can mobilize them in identifying and protecting their interests. According to Kelly, mobilization is closely related to the economic wave theory because whenever there is a downturn in the economic cycle, the pressure for mobilization is high as the perceived injustice increases.

Interests of Employers in the Employment Relationship

Employer's interest is defined as the firm's interests, and for this discussion, is assumed to be in line with those of executives, shareholders, and managers (although this is not always the case: see the literature on agency theory such as Jensen and Meckling, 1976 and Gugler, 2001). The interests of the employers can be seen from three perspectives; (1) profit maximisation, (2) maximisation of stakeholder interests, and (3) seeking power and control over employees. In terms of profit maximisation, neoclassical economic thought describes firms as profit maximisers, reflected in the shareholder model of corporate governance (Friedman, 1962, 1970). In this model, shareholder value and profit maximisation go hand in hand (Budd and Bhave, 2008). Several characteristics of the modern employment relationship are a result of the firm's profit maximisation motive.

For example, Taylor's development of Scientific Management (Taylor, 1911) (discussed in the preceding section) was motivated by the quest for greater efficiency, and thus profitability (Budd and Bhave, 2008). Similarly, the relatively recent shift away from the narrowly defined tasks of Taylorism is based on an effort to increase profits through more flexible employment practices (Applebaum and Batt, 1994; Legge, 2000a). Further, outsourcing, downsizing, delaying, lean production, and reducing employee benefits, have all been undertaken so that profitability can be increased for the benefit of the shareholders (Legge, 2000b).

In terms of maximisation of stakeholder's interests, the stakeholder theory argues that the firm's primary stakeholder groups – defined by Hillman and Keim (2001) as employees and shareholders, customers, suppliers, local communities, and government – are sufficiently

affected by the firm's actions to deserve the right to be taken account of in the firm's decision-making (without one group being favoured at the expense of another) (Donaldson and Preston, 1995). From this perspective, wealth and value are not defined only in terms of increased share price, dividends, or profits, while the economic and social purpose of the corporation is to create and distribute increased wealth and value to all its primary stakeholder groups (Clarkson, 1995). A principal – agent problem, however, may arise in these situations. It describes a relationship in which one party (the Principal) contracts another party (the Agent) with the expectation that the Agent will work on the behalf of the Principal and protect his interests (Arrow, 1963).

The problem arises when the goods of the Agent are incompatible with those of the Principal, while the Agent pursues his own interests (McEachern 2012). Every employer-employee relationship is a possible principle-agent problem, where the Principal is the Employer and the Agent is the Employee.

Furthermore, as in large corporations, the principle-agent issue is more complex, with two sets of possible situations: (1) Owner (shareholder) *versus* Manager and (2) Manager *versus* Employee. In particular the first principle-agent problem is very controversial nowadays. As Berle and Means (1932) warned in their book *The Modern Corporation and Private Property*, the concentration of economic power in a powerful class of professional managers elevates them above the pressure of stockholders, and the larger public (Galbraith, 1967). Recent events with the crisis in 2007/2008 proved these concerns.

Thus, the principle-agent problem in the Owner (shareholder) *versus* Manager Relationship holds the potential of severely affecting the employer *versus* employee relationship, and possibly jeopardizing the interests of both.

In terms of power and control, several researchers argue that employers seek power and control over workers, not just profit maximisation or increasing stakeholder value (Storey, 1983). In describing this perspective Budd and Bhawe (2008, p. 99) argue that “[t]his dominance serves not only to boost profits, but to promote capital accumulation, the amassing of wealth, and socio-political control (including, in the extreme, preventing a workers’ revolution) by the owners of capital.” A key example is Marx’s view on the relationship between employers and labour in the capitalist system, where this dominance is a fundamental characteristic of the relationship. From the Marxist perspective, owners of capital are seen as interested in extracting the surplus from workers, but this is not a purely economic relationship since the manner of the extraction of this surplus will determine more than just the economic relationship between the owner and the worker (Kahn-Freund, 1983).

From this perspective, the employers are argued to be in a position to control and dominate workers through their greater economic and socio-political power (Hyman, 1971). For instance, the deskilling and division of labour that go along with Taylorism are not seen as beneficial to employees as well as employers, but instead as managerial strategies to reduce skilled occupations into simplified, routine, low-skilled jobs so as to control the workplace more (Braverman, 1974). Thus, a critical aspect of the labour process under capitalism is deskilling, which can be seen as the transference of knowledge from skilled employees into the digitised ‘organisational memory’ system (Boje, 1999).

This process gives the firm control over this knowledge, which the firm can then provide to less skilled and less expensive employees as it chooses (Drahos and Braithwaite, 2002).

Similarly, bureaucracy is not viewed as just an efficient structure for managing complexity; instead, the bureaucratic organisation is seen as the implement used to extract surplus value from workers and transfer it to the owners of capital (Boje, 1999). Firms are thus able to extract maximum surplus value by using automation, the replacement of skilled labour with cheap labour, the division of labour, and direct supervision (Edwards, 1979). In addition to using their economic power to their advantage, employers are argued to use their socio-political power to promote their own interests: for example, gaining government subsidies or shaping legislation in ways that benefit employers at the expense of employees (Domhoff, 1990). These are examples in which it is argued the employer is interested in power and control beyond that required to simply maximise profits or shareholder value. Moreover, by combining the Marxist view with the economic long-wave theory, Kelly (2012) argues that in many cases the actions and reactions of employers in protecting their interests will depend on the point of economic development in the long-wave theory. In downturn, when there are strong pressures for worker mobilization, the employers will engage in contra mobilization to protect their interests and power, resulting in a period of intensified class struggle.

Interests of the State in the Employment Relationship

From a general perspective, there are competing views about the nature of the capitalist state (Dahl, 1972; Miliband, 1973). In the ‘polyarchy’ concept of the state, Dahl views power as contested among the different stakeholders – employers, employees, consumers and all the other interest groups. As such, he argues that no individual interest group will be able to have

a monopoly of power over the rest. Miliband (1973), however, disagrees with this theory of the state and argues that contrary to the suggestion that employers constitute a distinct and competing influence from the political elite, they actually constitute a single dominant group that has a monopoly of power. In any case, in a broader context, the state has the monopoly over the use of force within its territorial boundaries (Weber, 1946) and, as the definer of the territory and membership of a community and regulator of its internal affairs (Jordan, 1983 in Williams, 2014), is the most influential party in the employment relationship.

Accordingly, Traxler (1999) notes that the state has three key roles in industrial relations: (1) an employer in the public sector; (2) an interventionist in private sector wage bargaining; and (3) the procedural role in which the state defines a legal framework for industrial relations.

More recently, Godard (2005) outlined five roles that the state plays in the employment relationship: (1) regulative, (2) facilitative, (3) as employer, (4) constitutive, and (5) structural. The regulative role is similar to Traxler's (1999) procedural role in which the state adopts laws to regulate workers, unions, and employers. This role is supported by the state's facilitative role in which social norms are established by the state and support services for the employment relationship are provided. In the structural role, the state develops economic policies that shape the economic environment, while in its constitutive role; the state decides how the employment relationship is made, based on the type of economic system to which the state adheres (Godard, 2005).

How the state plays these roles will determine and be determined by the interests of the state, which Budd and Bhave (2008, p. 100) argue can be one of the three alternatives: “a focus on freedom and the rule of law, an interest in promoting equitable outcomes, and an objective to support the domination of the elite.”

In terms of freedom and rule of law, the liberal market paradigm sees the interest of the state as being to protect freedom and the rule of law and thus within the employment relationship, the role of the state would be to support and protect the functioning of the free market, with voluntary exchange among actors (Faulks, 1999). In terms of promoting equitable outcomes, the pluralist political paradigm sees the interest of the state as enforcing laws while ensuring fair outcomes among competing interest groups (Dunleavy and O’Leary, 1987). That line of thinking, however, is in stark contradiction to free market fundamentalists like Hayek (1988). For Hayek and those who subscribe to a purist view of the free market, the idea that state intervention will bring about social justice is an illusion (ibid).

Nevertheless, from the pluralist perspective, state intervention in the employment relationship in order to minimise market imperfections, to balance bargaining power between actors through unionisation and social safety nets, and to give employees greater voice through various mechanisms, is seen as legitimate. Finally, in terms of support for the dominant elite, several researchers (most clearly articulated in Marxist thought) argue that the interest of the (capitalist) state in the employment relationship is to perpetuate the dominance of the ruling class.

For example, Faulks (1999) and Pierson (1996), among others, argue that the state is an instrument of the capitalists (employers, owners of private wealth) and it is these people who make up the ruling class and drive social change. So even though the state may seem to be behaving autonomously and without favour, given its role of protection of property ownership, its actions are in effect entwined with specific economic interests.

The remainder of this section discusses three key perspectives on employment relations found in the literature; (1) the unitary perspective, (2) the pluralist perspective, and (3) the Marxist or radical perspective.

4.2.3 The three perspectives on Employment Relations

Unitary perspective

The origin of the debate on the different perspectives on the employment relationship was the distinction made by Fox (1966) between the unitary and pluralist approaches. From the unitary perspective, it is argued that “[a]lthough labour markets might not be perfect, employers and employees share a unity of interests, especially in that treating employees well improves the company’s bottom line and vice versa” (Fox, 1966).

Thus, the unitary view of the employment relationship is one which argues that the employer and the employee have the same interests and goals and each person in the organisation accepts their function gladly and follows the leadership of whoever is appointed to lead (Fox, 1966). While the direct relationship between the employer and the employee may be mediated by other key institutions (such as the trade union and the state), the unitary view presents management as the single source to which workers must be loyal (Fox, 1966).

Since there are no antagonistic groups (internally or externally), there are accordingly no challenges to management's prerogative (right to rule) (Fox, 1966) and thus from this perspective any conflict is viewed as the result of either 'misunderstanding or mischief' (Crouch, 1982, p. 18) stemming from poor employment practices.

The unitary perspective on the employment relationship presents the firm as an integrated and amicable system that has only one authority and loyalty structure, set of values, interests, and objectives, which are shared among all parties (Fox, 1966; Salamon, 2000). Since employers and employees are deemed to have an identity of interest, trade unions are considered unnecessary and conflict is seen as disruptive (Crouch, 1982). Unitarism can be seen as a paternalistic approach to employment relations in which management prerogative is legitimate, rational, and accepted and thus any resistance to this from the inside (employees and trade unions) or the outside (the state) is seen as irrational (Edwards, 2003). Thus from this perspective,

“If companies are following the human resource management school's ideas of effective management, then workers will be satisfied and will not support a union nor need mandated labour standards... The role of the state is limited... seen as promoting the rule of law and economic transactions because this serves organisational performance disruptive” (Budd and Bhawe, 2008, p. 103).

From this perspective, workers and managers are seen to have mutual interest in the continued existence of their firm and therefore there is low probability of pursuing a conflict to the extent of rendering the organisation insolvent (Mellahi and Wood, 2004). However, the unitarist model is unlike the egoist model in that it does not see labour as simply a commodity, but rather generally adheres to a psychological conception of the human agent (Budd and Zagelmeyer, 2010).

Thus, while efficiency is also very important in the unitarist model, efficiency, equity, and voice reinforce each other since employer-employee interests are presented as being the same (Budd and Zagelmeyer, 2010).

The unitarist perspective has its basis in three employment relationship theories: Scientific Management, Human Relations, and Human Resource Management (although the view that HRM is exclusively unitarist is a contested one: see Kochan (2000) and Strauss (2001)). According to the theory of Scientific Management, the management of an organisation must assume that workers are not mature, keep away from work whenever they have the opportunity, have restricted, egotistical ambitions, and face time limits. As a result, this theory holds that express and extremely inflexible control of activities carried out by the workers, has to be exercised to prevent the expression of inner tensions. Scientific Management was developed out of early problems with worker motivation (Taylor, 1947). Also called Taylorism, Scientific Management is a theory of worker motivation and a philosophy of management, primarily concerned with avoiding poor workers output, later referred to as restriction of output (Fox, 1966).

One of the main principles of Scientific Management is the deliberate collection of traditional knowledge present in the heads of workers, which was then reduced to laws, rules, and mathematical formulas, replacing the rule of thumb (usually referred to as a work study, or time and motion study) (Taylor, 1911; Knight and Joseph, 1999). It also called for the 'scientific' selection, development, and motivation of workers and the division of work between management and workers.

The core idea is that there is 'one best way' to achieve efficiency in output (Fox, 1966). Scientific Management, still widespread, has been criticised for a number of reasons, such as the idea that 'a fair day's work' can be measured scientifically, that workers are only motivated by economic reward, and that managers will not cut the high wages of workers even when these are earned by very hard work. The alternative, yet also unitarist theory to Scientific Management is the Human Relations theory, which is crucial to the aims of the study in the sense that it focuses on the social dimensions of the production process in relation to motivation (Herzberg, 1968; Maslow, 1943)

The Human Relations theory emanates from the human relations discipline and holds that decrease of tension in the firm relies on the capability of persons to obtain self-fulfilment in the work environment. Therefore, the main duty of the manager is to control relations in the workplace so as to give the employees a feeling of individual satisfaction in their engagement with the organisation (Turner, 2008). Child (1969) argues that Human Relations dominated British management until the mid-1950s and incorporated a number of assumptions, including the unitary view of organisations, the importance of non-monetary 'social' reward from work, the idea that workers' attitudes and behaviours were largely determined by the quality of supervision, and the necessity of trade unionism.

Overall, the Human Relations School served as a new social legitimation for management. Scientific Management sees the organisation as an aggregation of individuals and concentrates on the 'rational' individual, while Human Relations sees organisation as a set of complex social structures concerned with groups made up of 'irrational' workers.

Nonetheless, there is an overlap in the ideologies underpinning both Scientific Management and Human Relations as both are clearly based on the unitary view that workers must accept management authority, and stress the importance of leadership in an organisation.

Subsequent, Neo-Human Relations approaches served to support management prerogative. Overall, Neo-Human Relations scholars argue that “people in work organisations will work more efficiently if they are allowed to participate more in their own management” (Fox, 1974). Apart from Fox, Hall Turnbull and Blyton (2004) argue that employee participation in management is an important aspect of any organisation. This is particularly obvious in current times with the agenda of social rights practised by several world governments (Nickson, 2007).

For example, McGregor’s (1960) ‘Theory Y’ argues that some people will exercise self-direction and self-control when they strive for goals to which they are committed. Commitment to various goals is related to the rewards associated with the achievement of these goals. Under suitable conditions the average person learns to accept and even to seek responsibility. The capacity to exercise creativity is widely dispersed across the population but under modern industrial conditions, people’s intellectual potential is only partially utilised. This can be seen in the changes in corporate control strategies over time (Lo, 2000), as many large corporations’ strategy evolved from the simple forms of control (based on price/wage) to technical and progressively bureaucratic administration, because of the increasing need for efficiency and productivity (Barley and Kunda, 1992; Edwards, 1979). Organisations are again evolving and adopting new forms of control as firms become more focussed on knowledge creation, while economic and organisational theories demonstrate that price and authority are

comparatively ineffective mechanisms for dealing with assets that are based on knowledge compared to trust (Adler, 2001), suggesting the need for non-instrument control strategies, such as psychological and culture factors (Heath, 1998).

Finally, HRM theory, by privileging the idea of commitment over compliance (Beer et al., 1984; Guest, 1987; Storey, 1995, 2007), holds to the belief that the organisation's conflicts can be settled by fostering a psychological agreement based on collaboration. That is, management makes the collaboration between the employer and the employee possible by putting into place conditions such as strong and influential leadership, unifying traditions, and having a clear vision of organisational goals and objectives. This is useful in fostering the autonomy of all workers and enabling them to work cooperatively for the good of the organisation. Consequently, the objective of employee relations is to resolve inner tensions by improving the communication among all stakeholders and doing away with social classes to encourage mutual understanding (Shihab, 2010). It is difficult to pinpoint any dominant ideology of HRM; in broad terms, HRM seeks the interests of workers and management to be aligned, which means that unitary assumptions are upheld (Boxall and Purcell, 2003; Delaney and Godard, 2001).

This is supported by Budd and Bhave (2008, p. 103), who argue that the unitarist perspective “underlies contemporary human resource management, which focuses on creating policies that simultaneously benefit employers (through their interest in profit maximisation) and employees (through their interest in fulfilment)” (*cf.* Pfeffer, 1998; Ulrich, 1998; Ulrich and Brockbank, 2005).

In line with this, it has been argued that HRM practices such as high-commitment management (HCM), lean organisation, just-in-time (JIT), and total quality management (TQM), are in place to make employees feel obligated to contribute to the organisation's economic performance (Delbridge, 1995; Legge, 2000b).

The unitarist assumptions underlying these high-commitment' policies, for example, are clarified by Edwards (2003, p. 15), who argues that these policies were foreshadowed by a "sophisticated paternalist" style that generally involves a rejection of unions and the intensive encouragement of a sense of commitment to the firm. In any case, employers have to understand how employees think and how they are motivated and so it is not surprising that psychology is perhaps the foremost disciplinary influence in the unitarist perspective, as reflected by the emphasis on employees' interest in fulfilment (Budd and Bhava, 2008).

Pluralist Perspective on Employment Relations

The pluralist perspective superseded the unitary view of the employment relationship for at least two decades (Guest, 1991). From the pluralist perspective, "[e]mployers and employees interact as unequals with some shared and some conflicting interests, but these conflicts are economic in nature and limited to the employment relationship" (Budd and Bhava, 2008, p. 101).

Applying a similar argument to EU directives, Dundon et al. (2014) observe that EU regulation has enabled employers to take over greater control of the process and reinforced the kind of "voluntarism that marginalizes rather than shares decision-making power with workers".

The theoretical standpoint of the Donovan Commission established in the 1970s to consider relations between managements and employees has been described as 'liberal pluralist' and stands out as an epitome of the influence of the pluralist theory (Guest, 1991). According to the pluralist perspective, the firm is composed of powerful and divergent actors of which management is only one, and all of these internal sub-groups (as well as external groups such as the state) have legitimate input in determining the rules of employment (Kelly 2012, Hyman 1992). The pluralist perspective therefore sees the organisation as "competitive in terms of groupings, leadership, authority, and loyalty" (Salamon, 2000, p. 7). Thus, conflicts of interest are a normal and inevitable part of the employment relationship since various (legitimate) groups contribute to the determination of the rules of employment (Edwards, 2003).

Despite the fact that conflict is seen as normal and inevitable, pluralism also acknowledges the need for all parties to work towards achieving consensus since the groups are mutually dependent and so, have a common interest in the survival of the whole of which they are a part (Clegg, 1975; Fox, 1974; Kochan, 1998). As a result, the role of management is less likely to involve enforcing and controlling employees, but more likely to involve persuasion and co-ordination. Like unitarism, pluralism also rejects the idea that labour is simply a commodity (Kaufman, 2005), and thus labour is seen as having a right to equity and voice in the employment relationship (Budd, 2004). Nonetheless, the pluralist perspective goes beyond the unitarist perspective and views employees as human beings with rights in a democratic society, meaning that in the former view "equity goes beyond perceptions of individual fairness to include minimum standards such as living wages that all human beings

should be entitled to; voice goes beyond narrow task-related input to include...the right of human beings to widely participate in informed decision-making” (Budd and Zagelmeyer, 2010, p. 478).

While it has been argued that pluralism has overtaken unitarism, this does not seem to be the case at the moment. According to Guest (1991, p. 149), “[d]ebates on pluralism, tripartitism and trade union power, debates that reflect the Donovan tradition, no longer dominate our thinking and research. Instead it is possible to detect a new orthodoxy under the optimistic but ambiguous label of human resource management.” This is supported by Edwards (2003, p. 10), who notes that:

“Unitarism was often used as a straw man representing old-fashioned and unrealistic ideas, but surveys found that many managers continued to believe in a harmony of interest, and, as should already be clear, a resurgence of managerial self-confidence and a reassertion of market individualism underpinned a revival of unitarism from the 1980s.”

The empirical evidence seems to bear this out. Of the three perspectives, research has found that managers (and many workers) tend to see their organisation as being unitary.

For example:

“During the 1990s, HRM often implied that management was the sole or at least key authority. HRM practice is likely to have a strong unitary aspect, as reflected in the finding of the 1998 Workplace Employee Relations Survey that 72 percent of workplace managers responsible for personnel matters prefer to consult directly with employees rather than with trade unions... Managers without these responsibilities are likely to be even more strongly ‘unitarist’ (Edwards, 2003, p. 10-11).

More recently, Geare et al. (2006) found that 62% of managers interviewed see employment relationships in their organisation as unitary. Overall, Rose (2008, p. 27) has concluded that “the unitary perspective remains an essential theoretical device for examining the attitudes and perceptions of managers in some organisational contexts.”

Marxist Perspective on Employment Relations

While it was developed as a critique of several pluralist assumptions, the radical approach to employment relations, which has its basis in Marxist theory, also sees conflict within organisations as ‘natural’ rather than aberrant. While sharing the view that labour is not just a commodity, in contrast to the pluralist view that sees employer-employee conflict as being restricted to the employment relationship, the radical perspective sees employment relations conflict as only one aspect of a wider societal conflict between competing groups (Gall, 2003; Salamon, 2000). From the radical perspective, “[e]mployers and employees interact as unequals with significant power differentials that are pervasive through all social relations” (Budd and Bhava, 2008, p. 101).

This perspective thus concentrates on the nature of capitalist society and social change and has its basis in the power and control interests of employers and employees, and thus views the employment relationship as a power struggle (Gall, 2003; Hyman, 1975, 2006).

As briefly discussed previously, according to Marx, owners of capital live on the surplus extracted from the worker; however, the way in which this surplus extraction is undertaken affects both social and economic relationships (Marginson, 2012, Martinez Lucio and Stewart, 1997). This argument is based on Marx’s thesis that there is a fundamental

division of interest between capitalists/managers (to make profits in order to accumulate capital) and labour (to increase wages and improve working conditions), and thus employment relations must be seen against this background. Therefore, the radical view sees the employment relationship as the outcome of the (unequal) struggle between capital and labour over the rate of exploitation of labour (Gintis, 1978) since the employment relationship is at its root, a power relationship (Wedderburn, 1986).

There is an overlap in the pluralist and radical conceptions of the employment relationship, Clegg (1979, p. 452) notes that “[b]oth Marxists and pluralists are concerned with conflict, and both are concerned with stability. Both regard conflict as inevitable in industrial relations as in other aspects of social life.” however, the radical perspective criticises the pluralist assumption that the end result of a resolved conflict could be in the interests of all parties. According to Edwards (2003, p. 11),

“Pluralists assumed, first, that reform could be in the interests of all, thus neglecting major differences of interest between workers and managers, and, second, that institutional tinkering could meet the goals of a reformist management, thus failing to acknowledge that ‘disorder’ ran much deeper than a weakness of institutions.”

From this perspective, Hyman (1975, p. 31) posits the view that employers and employees ‘enjoy’ a “continuous relationship of conflict... stemming from a conflict of interests in industry and society which is closely linked with the operation of contradictory tendencies in the capitalist economic system.” This position has its basis in the argument forwarded by radicalism that conflict in the employment relationship is only a reflection of the structure and nature of society, something that Edwards (2003, p. 17) calls “structured antagonism.”

For example, Braverman (1974, p. 39) argues that “having been forced to sell their labour power to another, the workers also surrender their interest in the labour process, which has now been ‘alienated’ ... [leading to a] setting of antagonistic relations of production.” From a Marxist perspective, Hyman (1975) thus argues that all organisational conflict is derived from the fundamental conflict of interest that exists between capital and labour.

HRM practices (which often side-line unions and collective bargaining) are not seen as neutral tools to matching employer and employee interests, but are seen instead as hidden rhetoric that silently undermines labour power while perpetuating the dominance of capital (Francis and Keegan, 2006; Legge, 1995, 2000). From this understanding, the radical view sees ‘disorder’ as inevitable and trade unions, for example, as an instinctive response of labour to its exploitation by capital. This is necessary since the employment relationship is a contested exchange (Bowles and Gintis, 1990). Ultimately, however, relying on collective bargaining to achieve employees’ interests is insufficient because of the structural inequalities that permeate the workplace and the greater socio-political context (Budd and Bhawe, 2008). The radical perspective sees the state as perpetuating the interest of the ruling class and thus unlike the pluralist perspective in which state intervention can balance efficiency, equity, and voice because employer-employee conflict is limited to the employment relationship, the radical perspective sees the state as being unable, or unwilling to advance employees’ interests (Kelly, 2012).

The examination of employment relations given above leads to the identification of the principle aspects of this relation; being pay, motivation and workplace relations. These are crucial not only as functions and issues that are central to the employment relations in terms of pay/effort bargain, but more importantly, because their manifestation suggests the standard of the relationship and the influencing factors that shape it. Accordingly, views about pay, and especially motivation and the general state of the relationship, can also give some indication of the mutuality of the values that drive the parties, but also, the sources and nature of those values. Consequently, these are considered in more detail in the sections which follow, as they will form the thematic structure for the analysis of study data in Chapter Six.

Pay

The issue of pay, not only in terms of rates, but also how these are determined, is, arguably, the core issue of the employment relationship. Evidence shows that pay is the single biggest contributor to collective industrial action, accounting for 73% of working days lost and 68% of all stoppages in 2006 (Rose, 2008). This is not necessarily surprising bearing in mind that, for most employees, income from pay constitutes the greatest, if not the only, means of survival.

For employers, pay constitutes the biggest recurrent cost and, therefore, controlling the pay bill is one of the most basic efficiency seeking strategies for management (Lipsey and Chrystal, 2015; ACAS, 2012). Furthermore, despite the claims of the regulatory capabilities of the market, the preponderance of evidence shows persistent existence pay differentials that cannot be explained and/or corrected by the market (Kessler, 2000).

As a result, the State intervenes both in its capacity as an arbiter and as an employer, and employees insist on having a role in the pay determination process (Seifert, 1992).

Critically, there are suggested links between social values and inequality (Halpern, 2001; Benabou, 2000). While Halpern (2001) draws on data from different national context to make a convincing case for how social values influence a propensity for crime, Benabou (2000) makes a direct link between social inequality and income distribution. The latter argues that the explanation for difference in “social insurance and fiscal redistribution” between countries of similar economic and political fundamentals can only be attributed to differences in how they value equality/inequality (2000, p. 96). These arguments clearly suggest that national belief and value system could influence HRM practice in relation to pay and pay determination.

In employee relations, the central linking element between the employer and the employee is the payment which the former offers the latter in exchange for a quantity and quality of labour. The contract of employment is different from the contract of service, as the latter is made between independent contractors and the contractors that buy their specialist labour services. The main criteria by which a worker has the legal status of employee are the kind of work he or she performs, the nature of the orders received from the employer, the type of understanding between employee and employer, and the frequency of payment received by the employee (Farnham, 2000). Nolan and Brown (1983) note that “wages levels vary significant between firms within spatially well-defined labour market ... and that intra occupational wage differentials tend to persist over long periods”, with some firms offering higher wages than others even while they draw from the same occupational labour market (p. 269).

They argue that neoclassical theories which attempt to explain these persistent phenomena base on arguments about perfect markets and equilibrium theories have not proven convincing and, instead, citing for example Dunlop (1957) and Brown and Sisson (1975), they reflect on the institutional factors of wage determination.

The arrangements regarding payment are determined by a number of separate factors: a) the arrangements by which the decisions regarding employment are made; b) the structure of the sector of the industry or organisation where the employment relationship takes place; c) various external elements such as the economy, the political environment, legal demands, or social/cultural norms and factors that affect the employment relationship; and d) the values that underpin the activity of the employee and employer (Lipsey and Chrystal, 2015). Further, just as pay systems vary in their basis and may include multiple elements, the evidence also shows that employee preferences in terms of pay system are highly variable and demographic variables and cultural context seem to influence this (Mamman, Sulaiman and Fadel, 1996).

Thus, the dynamics of payment is a major theme in this study and one of the main factors that dictates employee relations. The interaction of the parties to the employee relation is also determined by a number of factors grouped into four categories, as explained by Farhnam (2000): a) the interest of sellers or buyers towards labour or human resources; b) the agreement between buyers and sellers; c) the processes by which conflict is managed and resolved (which is an important point for this study); and d) all the external factors that affect employment decisions (e.g. legal considerations or political elements).

Payment as the crucial binding element of the employment relationship is implicitly linked to all the activities and elements of the environment; and, as this current study will discuss, payment also reflects various cultural elements, discussed accordingly across the entirety of this study. In that regard, a brief reflection on Islamic teaching and dictates on pay in relation to labour is necessary. Citing the Hadith – teaching and pronouncement of the Prophet (PBUH), Azid (2005), asserts that reward must be equivalent to labour that is done and “should be paid before the sweat of the labour dries out” (p. 93). However, although Azid devotes considerable attention to the virtues of labour, like most of those who look at labour from an Islamic perspective (e.g. Tabakoglu, 1983, in Azid, 2005); this author is less explicit in terms of how and who determines the rate of pay for labour. The general tendency is to leave that to the conscience of the employer and sanction of punishment in the eternal life (ibid). This makes the exploration of the influence that Islam has on pay and pay determination both an interesting and relevant pursuit.

Motivation

Historical developments in the techniques of management of capitalist organisations suggest that the biggest challenge to owners and manager has always been how to motivate workers to do what managers desire (Herbason and Mayers, 1958). The link between motivation and productivity was the enterprise of Taylor’s (1912) scientific management, as well as human and neo-human relations theories (Mayo, 1932; Maslow, 1943; Herzberg, 1968; Adams, 1968). In the contemporary context, the same objective is at the centre of HRM ideology, which, more than anything else, seeks the objective of securing employee commitment to organisational goals (Beer et al. 1984; Guest, 1987; Storey, 1995).

In the context of the HRM practices of organisations, employee relations cannot be adequately understood without a good grasp of the psychology of motivation, which is a pivotal element in performance regulation and in maintaining the efficiency of the working environment (Millward, 2005). Motivation, according to Kanfer and Ackerman (2000, cited in Millward, 2005), regards the intensity, direction and persistence of the work behaviour, which determine the dynamic nature of motivation as a complex issue. Indeed, motivation can be explored from a variety of viewpoints, the most accessible one relating to payment (first theme).

One way of focusing on motivation is by resorting to the question of what triggers workplace motivation, while another focuses on how motivational behaviour comes out. There are theories which define motivation with regard to constructs such as expectations, basic needs, the evaluation of work outcomes and results, personality/individual traits. Generally, the theories can be grouped into two categories: distal behavioural influence on motivation (or indirect) and proximal influence (direct). Distal theories focus on how the individual makes his or her choices, while proximal theories focus on volitional concepts instead.

More specifically, distal theories can be split into “need” theories, which focus on individual needs which are linked to equilibrium and tensions, and also “disposition” theories, which focus on the individual’s traits of personality and how these shape his or her performance in the workplace. There are also instrumentality theories, which argue that desires are put into practice whenever a benefit is perceived to take place in the near future, which is linked to motivation for focusing one’s time and energy into tasks (Vroom, 1995, cited in Millward, 2005).

The complex way in which motivation can be explored shows that there is much to discuss regarding the role this theme plays in the context of employment relationship and HRM. Within the thesis of this paper, motivational attitudes also reflect cultural backgrounds as well as the dynamics of organisations. Consequently, some of the feedback and conclusions from interviews and analyses conducted for this study will be linked to the issue of motivation and how it connects to the Saudi cultural background.

Exploration of literature indicates that motivation techniques have initially and continue to focus on the individual and her/his economic being (Taylor, 1911). However subsequent theoretical developments, including human relations and HRM, show an interrelated theoretical concern for values (collective as well as individual) as the basis for motivating employees. Implicit (if not explicit) in both human relations and HRM theories regarding motivation, is an inferential link to Schwartz's (1992) value theory of value as cause for action. The assumption of value is seen here as beliefs that would motivate one to action and that people will act collectively to achieve shared values.

In relation to the current study, as indicated elsewhere, the people of Saudi Arabia claim and manifest common value and beliefs in Islam. The question that this research seeks to answer is whether and to what extent these shared values translate into motivation and shared commitment to their employer organisations

Workplace relations

A recent study of Britain's productivity problem (Sisson, 2014) points to the workplace and workplace relations as the missing ingredient to addressing this issue. Arguments about the role of good employee relations in individual and organisational performance pervade the both the academic and professional literature on HRM. The CIPD's Employee Outlook survey (2014) shows a significant lack of employee engagement and, therefore, high levels of negative perceptions of management and low levels of trust between employees and management. The ACAS paper suggests a management that is obsessed with control and that despite the rhetoric of strategic HRM (people as strategic assets), British organisations largely practise a transactional approach which sees people as any other resource (Sisson, 2014).

This approach sees human resources as akin to capital and raw material. Yet, unlike other resources, HR has values and beliefs that can drive motivation and/or be employed for purposes of protest and resistance (Braverman, 1974). That suggests, as Fox (1985) argues, that people who work in an organisation come to it with values and beliefs which are shaped outside it. If that is indeed the case, bearing in mind the pervasive influence of Islam in Saudi Arabia, it may be both interesting and insightful to explore the implications for workplace relations and interactions.

A third important theme for this study, therefore, is that of workplace relations, which concerns the adequate understanding and managing of the workplace and of the interactions between employees or between employees and their superiors. There are many tools and methods that can be used in stimulating employee engagement, with two goals playing a central part in this issue: equality and diversity. Experts have discussed workplace relations and their consequences for the workforce and the economy at length.

Legislative measures have been issued in many parts of the world regarding the manner in which workplace diversity is to be managed. Apart from these external influencing elements, there are also internal measures to be taken within organisations. From monitoring the recruitment process and the subsequent selections that take place, to promoting various employee characteristics and emphasizing on them within the company, to reviewing the pay rates and how they link to various traits among employees, there are many means through which workplace relations are controlled (Wanrooy et al., 2011).

Overall, workplace relations are a major part of how organisational culture and cultural, social, moral and religious norms are reflected within the working environment of a country. With regard to the case of Saudi Arabia, it is important to determine and evaluate how cultural and religious influences determine and shape workplace relations, especially when comparing indigenous working environments to mixed, international ones, where clashes between cultures may sometimes occur (Wanrooy et al., 2011).

The institutional theories of pay determination (Nolan and Brown, 1983; Lipsey and Chrystal, 2015); the emphasis on equity (Adams, 1965) and value in terms of individual expectation and satisfaction (Vroom, 1964) that are central in ne--human relations theories of motivation, and the political and social nature of the employment relation (Fox, 1966, 1985) all indicate that contemporary, capitalist production is as much, if not much more, a social process as it is also an economic relation. What is evident from the analysis is that social processes and relationships are the determinants of economic relations and outcomes in the capitalist production process.

Consequently, linking all these theoretical assumptions and analyses to the real-life environment of Saudi Arabia, one can tell that the dynamics of an idealised business environment sometimes differs from how things actually work. In discussing the impact of an Islamic background on HRM and on the dynamics of Saudi institutions, all the aforementioned observations need to be dissected and discussed in detail, with a view to determining which state of affairs reflects the Saudi cultural business scene the most.

4.3 Human Resources Management

4.3.1 The Emergence of HRM

As one can see from the discussion developed in the preceding sections, the management of people at work has always been a central challenge for employers due to a mixture of factors such as interests, control, and power, while the way such management has been approached has evolved over time into what has come to be known as Human Resource Management (HRM) (Gospel, 1992). Issues arising from employee management focus around employee relations especially, since these relations are bound by legal terms (Sisson, 2000).

HR Management is a specific discipline whose origins can be traced back to the Industrial Revolution. In its development, HR researchers identify two streams that influenced its current form: (1) the influence of Scientific Management of Taylor; and (2) the influence of the Human Relations Movement of Mayo (Ivancevich 2008, Storey 1995). It resulted in two approaches towards HR function, the “hard” and the “soft” version. As Storey (1995) notes, the hard version is interested in the application of quantitative, calculative and business aspects of headcount, while the soft version is focussed on communication, motivation and management.

Thus in literature, HRM tends to be presented as being much wider in scope than personnel management, which is seen as its precursor and a representative of the hard approaches. According to Mahoney and Deckop (1986), personnel management is also called personnel administration, and includes administrative tasks often focused on employment contracts, disciplinary issues, and compensation. Human resource management thus encompasses the management of people as the management of work (Boxall & Purcell, 2011). For this reason, personnel management is generally seen as reactive, responding as and when demands and concerns present themselves (Armstrong, 2012b). According to Lundy (1994, p. 687), “the function is confined in a reactive, fire-fighting and administrative position in which it fails to be relevant to the aims of the organisation.” Finally, personnel management is generally considered to be an independent function of an organisation and is characteristically the sole responsibility of the organisation’s personnel department.

In contrast, HRM sees employees as organisational resources and therefore includes ongoing strategies to manage and develop these resources (Mahoney and Deckop, 1986). As such, HRM is presented in a proactive way to manage people, since it involves the continuous development of functions and policies that serve to improve the firm’s workforce, and so HRM is presented as an essential aspect of the way in which the organisation functions (Price, 2007). According to Lundy (1994), HRM has been given a different meaning by being associated with specific management activities and values that have gained more attention in recent times.

The roots of personnel management can be traced to the Industrial Revolution (Kaufman, 2007, 1993; Torrington et al. 2014, Lundy, 1994). Although Lundy (1994) characterises the period as defined by a commodity philosophy of labour (labour as a factor of production), the introduction of Scientific Management through Henry Ford's assembly lines and Frederick Taylor's time and motion studies, and *laissez-faire* government, in various editions of their text, Torrington et al. (ibid) also refer to the emergence of welfare officers under the influence of industrialist social reformers and 'acolytes of benevolence', like Robert Owens and Cadbury, who were concerned with and determined about improving the condition of workers. Although there is little account of individuals such as Owens in the United States, Kaufman's account of the origins and developments IR in the US suggests similarity in the deteriorating state of work and welfare of workers. Kaufman (2007, p. 20) claims "the visible roots of HRM as practiced today in modern business organisations in late 19th century, more or less contemporaneously in England, France, Germany and the United states".

However, Kaufman (1993) suggests that "the term industrial relations entered the American lexicon in 1912" when, following the bombing of the Los Angeles Times building by two leaders of the Structural Ironworkers Union in 1910, Congress agreed to the request of President Taft and set up a Commission on Industrial Relations to "determine the conditions for conflict between employers and employees and possible remedies for such conflict" (p. 3).

Although the wartime Minister for Aircraft Production, Sir Stafford Cripps (1943), emphasized the importance of Personnel Management as an essential aspect of organizational management that requires significant detailed understanding of the role and problems relating to labour, it can be argued that Taylor's (1911) Scientific Management theory has been the most significant theoretical influence on the function since the early 20th century. Thus, as a specialised management function under the influence of Scientific Management specifically, personnel management became a function of managerial practice as workers were seen as factors of production just like machines and so the aim of 'people management' was to improve worker's productivity by paying attention to how work was designed, suggesting practices such as greater subdivision of labour and piece-rate pay (Mahoney and Deckop, 1986). This changed as the views on how workers should be treated changed. As Scientific Management ceded to the Human Relations School, personnel management became dominated by concepts of Human Relations. Under the influence of the Human Relations School, personnel management started seeing employee morale and job satisfaction as desirable outcomes.

As noted previously, the Human Relations School has now ceded to the HRM School and the objective of both practices in people management has increasingly changed and focused on organisational effectiveness and competitive advantage (Beer et al. 1984; Guest, 1987; Storey, 1995, 2007). Developing from these original seminal works, a stream of literature that seeks to draw a more explicit conceptual distinction between PM and HRM has emerged. While some of this early literature has cast the difference in vague terms as signifying "a shift from a human relations focus on people as such (although also as employees) to people as resources

in an employing organisation” (Mahoney and Deckop, 1986, p. 227). Others, like Torrington et al., (2014), Armstrong (2006, 2010), suggest that the differences is focus in terms of category of organisational functions. In that regard, PM is focused on employees and the management of their relationship with the organisation, while HRM is about managers and their people management competences. This argument resonates with Beer et al. (1984), whose work begins with the simple sentence that “this book is for managers” (ibid, i).

Since the early 1990s, theoretical debate has shifted from concerns about the descriptions of HRM as replacement for personnel management to conceptions that are more nuanced (if unclear) by focusing on what are described as “changes in the function’s boundaries, substance and objectives” (Lundy 1994, p. 698-99). These relatively recent conceptual developments and debates are described by Bach (2005) as representing “the shift in emphasis from a focus on the meaning of HRM towards a concentration on the link between HR practice and organisational performance” (p. 4). This change in focus has been conceptualised as Strategic HRM (Storey, 1989; Salaman et al., 2005; Purcell, 2006; Boxall and Purcell, 2011).

The idea of HRM as involving strategic integration of HR and business goals and strategies is a central element of both Guest’s (1987) *Policy goals* theory and Storey’s (1995, 2007) *Beliefs and assumptions, Strategic qualities, Critical management role and Key levers* theory of HRM. Strategic HRM draws on the resource based theory of the firm, which argues that a firm’s competitive advantage depends on its ability to acquire a valuable, irreplaceable and inimitable resource (Barney, 1991 in Redman and Wilkinson, 2013).

The theory of Strategic HRM rests on the suggestion that only human resources meet these criteria and, therefore, integrating HRM policies and practices with business goals and other resources is strategic competitive strategy (Gest, 1987; Salaman et al, 2005; Armstrong, 2010). For advocates, the emphasis on integrating human resource planning with the overall strategy of the organisation represents a radical departure from the old, traditional model of Taylorism characterised by “control, efficiency, low cost, and the containment of conflict” (Mahoney and Deckop, 1986, p. 227; Armstrong, 2010).

Other have argued that this change might be a better approach for managing human resources for organisations operating in today’s business environment. Globalisation opened many global markets for companies, enabling them to grow and expand, while at the same it created an intensive competitive rivalry and an external environment where the changes in one subsystem, no matter how far away, can impact everything else in a domino effect (Bold, 2011; Martinez Lucio, 2013). In order to survive in such an environment, companies need tangible and intangible resources to follow their strategy of growth and transformation, and internal capabilities which will allow them either to be flexible and adaptive in changing circumstances (change-capable), or strong enough to introduce changes themselves, redefining markets and industries (capacity for innovation). Therefore, Briscoe et al. (2008:20) have a point when they identify the attraction, engagement and retention of thousands of employees across many business units and subsidies, to be the new elevated role of HRM.

In a similar way, the changing definitions of International HRM outlined in Brewster et al. (2011, p. 11) reflect the changing focus of HRM in response to globalisation and greater pressures to increase competitiveness as manager's focus on how human resources are organised and managed to add to competitive advantage (Gospel, 1992; Ulrich, 1997).

Yet there is strong evidence to give credibility to Legge's (2005) historic argument that the rhetoric of HRM is not consistent with its practice. As Sisson (2014) points out, while "overall reading of contemporary HR texts might suggest that the 'resource-based' view of the organisation holds sway in current management thinking – people are human resources, the organisation's greatest asset, the key to success etc." (p. 6), there is also dominant, almost puritanical concern for "efficient markets". As a result, though the theory emphasises a strategic view of employees as valuable resource, the reality of HRM practice much more a "transactional model" - a "doctrine of the firm as a 'nexus of contracts' - firm as a 'contracting site' and the employment contract as no different from other contracts – as essentially a 'market' or 'transactional' relationship" (Parkinson, 2003, 485 in Sisson, 2014, p. 7). In these terms, the employment relationship, for example, is externalised such that the user of labour is the one paying for it (ibid).

Exploring how different religious beliefs and cultural values affect the new workplace, and thus HRM practices, emerges as a new important frontier, especially when employee relations are discussed in lights of the two directions that can be discussed regarding HR practices (convergence and divergence). Theorists state that the tendency towards convergence in the HR practices of institutions can be seen in the increasingly global environment of today, while

on the other hand the tendency towards divergence (that is, institutions within a given environment creating or adopting their own approaches based on a number of factors) can also be encountered in certain geo-socio-economic spaces. Employee relations are most often dictated by the cultural perspective of the organisation or/and of the cultural background of employees which constitutes divergence with global perspectives of employee relations.

The discussion between divergence and convergence in the institutional business practice of Saudi Arabia is paramount, and strongly linked with the religious component of this country. With regard to this thesis, the influence of globalisation is to be discussed as an external factor, while on the inside, Saudi traditions and the beliefs of Saudi people are to be analysed towards revealing either the convergent or divergent trends of the dynamics of the Saudi business scene.

4.3.2 Globalisation

Although the concept of globalisation and the extent to which the world can be described as globalised is contested (Dicken, 2011), there is little doubt that the world is integrated and in a way that is fundamentally different to the nature of integration in the colonial context. The increase and dominance of multinational corporations and the facilitating role of technology have brought about a new form of global integration that, like colonialism, is unequal but, unlike colonialism, is generally not coerced. The perception of inequality in globalisation is not only framed in terms of economic benefit flowing to Western or richer countries, but also, and importantly for this study, encompasses the variable ability of different societies to export their particular model of economic and business approach, with its specific

cultural origins (Mamman et al., 2013). However, regardless of our views about globalisation, its impact is undeniable. Mellahi and Wood (2000) and Alhabshi and Ghazali's (1994) analyses of HRM in Saudi Arabia allude to the continuing influence of Islam and Islamic principles on management thinking and behaviour.

In an examination of the impact of Islamic principles on HRM practice in Arab countries, Branine and Pollard (2010) made the profound finding and conclusion that “management in Arab countries is informed and heavily influenced by non-Islamic traditional and national cultural values and norms of different countries and by Western management thinking rather than Islamic principles derived from the Holy *Quran* (words of God) and the *Hadith* (words of the Prophet Mohamed)” (p. 172).

This section first defines globalisation, and then discusses the impact of globalisation on the employment relationship. More importantly, these discussions are intended to set the context for exploration of the implications of the influence of globalisation for the values that define Islam in general and, more specifically, for the extent to which Islamic principles continue to hold sway over managerial thinking and behaviour in relation to HRM practices.

Defining Globalization

Since the 1980s, the term globalisation has generally been used to explain technological advances that have enhanced worldwide transactions, both in financial flows and trade. The term became prominent in the 1990s and is generally used as a way of describing “the integration of spatially separate locations into a single international market” (Blyton and Turnbull, 2004, p. 38).

While the word ‘globalisation’ is often used as though it has a single meaning, Scholte (2005) argues that as a term, globalisation is contested, and it is also a collection of economic, political, and cultural processes which have both their proponents and critics.

At economic and political level, Wood (2000) argues that globalisation involves denationalisation of markets, legal systems, and political systems. Consequently, he seems to suggest that globalisation involves trade beyond national boundaries. This implies that financial markets and international trade are becoming more integrated. Clawson (2003) focuses on the economic perspective and refers to globalisation as a neoliberal project because he sees globalisation as very much a process in which the contemporary ideology of free markets is highlighted as well as being a range of practices which try to reduce the state’s ability to impose social controls on firms or support the demands of labour for a fairer distribution of the societal wealth. This view of neoliberal globalisation is supported by Traxler’s (1999) argument that the rationale behind neoliberalism is to expose both employers and unions to market forces to a degree that makes them internalise economic externalities. Therefore, even though globalisation is not a new phenomenon as highlighted before, the neoliberal phase of the phenomenon is new and has a different impact on how the world market is being reconstructed and capital internationalised.

Unsurprisingly, these changes are most visible as they relate to finances and economics (Scholte, 2005): for example, the striking, but unequal liberalisation (to the detriment of the ‘developing’ countries in the global South) of capital movements and trade, the large number of large national and international mergers and acquisitions, and the extension of the areas in which competition, deregulation, and privatisation have become normal (Clawson, 2003; Cooke, 2005).

In addition to globalisation at the economic and political levels, Bisley (2007) argues that globalisation can be viewed from a sociological perspective. He views globalisation mainly from the latter perspective, arguing that globalisation is “the set of social consequences which derive from the increasing rate and speed of interactions of knowledge, people, goods, and capital between states and societies” (Bisley, 2007, p. 6). Congruent with this, Giddens (2003) defines globalisation as an intensification of social affairs in the world, brought on by economic integration (which is promoted through political integration). Similarly Lindsey (2002, p. 275) argues that globalisation is operating in three separate but interconnected ways:

“...first, to describe the economic phenomenon of increasing integration of markets across political boundaries (whether due to political or technological causes); second, to describe the strictly political phenomenon of falling government-imposed barriers to international flows of goods, services, and capital; and finally, to describe the much broader political phenomenon of the global spread of market-oriented policies in both the domestic and international spheres [emphasis added].”

Castles (2008) highlights the fundamental change brought about by globalization in economic, social, political realms as well as changes in military affairs, particularly after the Cold War. Supporters of globalisation argue for the positive theoretical benefits, such as greater economic growth, employment, and wages (Bhagwati, 2005), while its detractors have argued that globalisation in practice has not fulfilled its promise, but rather it has led to even more uneven distribution of benefits among and within countries (if any benefits are gained at all) (Castles, 2008; Milanovic, 2007; Scholte, 2005). The next section discusses how globalisation has affected the employment relationship in both ‘developed’ and ‘developing’ countries.

The Impact of Globalisation

As alluded to in the previous section, the impact of globalisation on the global ‘North’ (‘developed’ countries) and its impact on the global ‘South’ (‘developing’ countries) has not been the same (Griffen, 2003; Kofman, 2003; Rudra, 2002) and this is apparent in its impact on the employment relationship as in other areas. For example, Williams and Adam-Smith (2010, p. 41) argue that:

“Changes in the economic context, by altering the power held by the parties, exercise a profound influence on the character and conduct of employment relations, particularly as organisations come under pressure to reduce labour costs, and increase the output of their staff, in order to maintain their competitiveness.”

One of the most apparent impacts of globalisation is the mobility of capital, which has been increased with the rapid spread of multinational corporations across the globe (Meardi, 2008). This has led to a sweeping transformation in the global economy, which has in turn led to a range of social and political changes (Friedman, 2005 in Dicken, 2011; Reich, 1991) and had a substantial impact on the creation of a new and hybrid HRM and industrial relations practice across the globe (Bamba et al., 2004; Barry and Wilkinson, 2011; Innes and Morris, 1995; Munck, 2000).

Under the umbrella of globalisation, a sequence of innovations in information technology is making it increasingly possible for the financial capital to be transferred across the globe while still being in the control of its owners. These technologies also allow for effective managerial control over manufacturing and other operations from great distances. This process started in the 1980s and developed more quickly in the 1990s allowing capital to have greater power as a result of the freedom of movement that could in no way be matched

by labour or the state (Crouch, 2003). As Krugman (1986) observed, “issues that are traditionally viewed to be domestic nature” now have trade policy implication and market power, increasing desire for excessive returns on investment and technology are leveraged to influence international trade policy (p. 1-2). While cataloguing what he considered to be the successes of globalisation, Joseph Stiglitz, who, as President of World Bank at the height of the globalisation drive, with its neo-liberal assumptions, highlighted the failures of globalisation and chastised proponents for dogmatic view that “globalization (which, typically, is associated with triumphant Capitalism – American style), is progress; developing countries must accept it if they are to grow and fight poverty effectively”. Yet, he argues; “to many in developing countries globalisation has not brought the promised economic benefits” both in terms of economic and social development (Stiglitz, pp. 4-5).

What it has done is led to a greater global competition, which has pushed employers to seek reductions in labour costs along with more labour market flexibility (Waddington, 2001), both of which have made labour markets more dynamic and heterogeneous (Nolan and Slater, 2003) and placed new pressures on national industrial relations regimes (Hyman, 1999).

Among the other institutions that stimulate and encourage the spread of globalisation there are the United Nations, the World Health Organisation (WHO) and the International Labour Organisation (ILO). The latter promotes an international agenda of goals that advertises opportunities for “decent work” (Van Horn and Schnaffer, 2003), whereas the WHO aims at achieving better health-related conditions for underdeveloped and developing countries (Gawande, 2014).

The international economic system also involves a number of other institutions, from regional banks, other banks that resemble the World Bank, and numerous UN organisations (e.g. the UN Conference on Trade and Development or the United Nations Development Program). Although all these organisations support globalisation, some of their views may not coincide entirely (Van Horn and Schnaffer, 2003).

In 'developed' countries, social transformation has led to the decline of mature industries, the restructuring of the workforce, the erosion of welfare states, and the erosion of communities (Castles, 2008). On the other hand, the social changes caused by globalisation in 'developing' countries has brought about to the intensification of agriculture, devastation of rural livelihoods, erosion of communities, rural-urban migration, and the rise of huge slums in new mega-cities (Chan, 2003; Rudra, 2002). These changes have affected the employment relationship directly (Munck, 2000). One of the most apparent effects of globalisation is the movement of production facilities across the globe in search of cheaper labour. On one hand, the effect of de-localisation has enabled multinationals to export jobs from developed countries to developing countries, by producing in special economic zones and increasing the participation of foreign investments.

On the other hand, trade liberalisation has enabled governments in 'developed' economies to substitute goods produced domestically with foreign produced items. This often means that workers in some countries lose out as firms move their operations to other countries.

The increased competition experienced from low-wage economies displaces developed economies' workers from well-paying jobs and reduces demand for unskilled workers in these countries (Baird and Meshoulam, 2008). Work has also changed in many ways, with employees in 'developed' countries experiencing the proliferation of fixed-term contracts and part-time jobs (ACAS, 2013; Rubery and Grimshaw, 2003). This is because there have been changes in how work is structured in many industries, and the same has affected the occupational distribution of employment in these countries, including fewer jobs available in many traditional manufacturing and associated industries, traditional manual occupations, and formerly core industries, while more jobs are available in the growing service sector, there are more 'white-collar' jobs, and small and medium-sized enterprises are employing more of the workforce (Hyman, 1999; Littlewood et al., 2004). This results in a state termed de-industrialisation, which Rowthorn and Coutts (2004, p. 767) argue "has been a widespread feature of economic growth in advanced economies." Altogether these changes have "de-industrialised many Western economies" (Nolan and Slater, 2003, p. 58) as these 'developed' economies have moved from high-volume to high-value production (Reich 1991).

4.3.3 Institutional theory

A very key aspect of the cross-cultural/cross-national debate concerns what constitutes culture as the determinant of variation in ideas and practice. Consequently, comparative and international differences have variously been framed in terms of the impact of 'culture' either as subject or objective elements (Tiandis, 1972 in Brewster et al 2011), psycho-social and institutional elements (Rugman and Collinson, 2012). Institutional arrangements (both formal in terms of state institutions and legal frameworks and informal social institutions and organisations) are central to comparative and international theories

about management in general and HRM in particular. As a result, globalisation, as a phenomenon happening at the macro-economic level, inevitably has effects on and is also affected by each and every institution within a country. Thus, as functioning elements of the global economy, institutions have to be discussed as separate environments with their own dynamics and particularities.

According to Scott (2001 p. 49), institutions are defined as ‘multifaceted, durable social structures, made up of symbolic elements, social activities and material resources’. Institutions either enable or impose limitations on the scope of humans and companies (human agents) “by creating legal, moral and cultural boundaries” (Delbridge and Edwards, 2007, p.192). Institutions are known to be of great importance in shaping industrial relations for a number of reasons. The majority of literature on management practices has ascribed variation in practices to differences in organisations’ task characteristics and competitive strategies (*cf.* Adler and Cole, 1993; Arthur, 1992; Purcell, 1995; Youndt, 1996). Researchers in the field of comparative political economy and industrial relations have put forward the competing perspective that national-level and firm-level institutions have strong and persistent effects on management decisions.

This is in line with the view of institutional theorists, who have long argued that economic activity is embedded in complex sets of rules and resources at the level of the business community, region, or nation state, which influence both organisational goals and the adoption and success of different management practices (*cf.* Boyer and Hollingsworth, 1997; Ichniowski and Shaw, 1999).

The literature provides an array of different interpretations about the origin, context and scope of institutional theory. Although some of the developed views may be similar, they differ in the details. In general, according to Scott (1987, pp.493-501), there are four different views on the theory.

1. The earliest institutional approach, where institutional pressures are viewed as a process of instilling value in the organisational structures, creating adaptive media shaped both by the characteristics of participants and by external influences from the environment (Scott, 1987, p.494);
2. The second view, focused on the creation of reality described in the work of Berger (Ibid, p.497), where the concept of social order is related to the concept of shared social reality in which organisations operate;
3. The third view, which views institutionalisation as a system in relation to a distinctive set of elements important for the existence and justification of organisational structures (Ibid, p.497); and
4. The fourth view, which supports the idea of diversity of belief systems and their linkage with the traditional view of social institutions as symbolic and behavioural systems (Ibid, p.499).

As a result of the emergence of institutional theory, the view of the organisation as a simple production system changed, while institutional theorists have focussed on the importance of the symbolic aspects of organisations and their environments and the fact that all organisations exist in a social environment which defines and delimits social reality (Scott (1987, 2001).

Thus, from an institutional perspective, Doellgast argues that (2008, p. 287):

“... organisations do not respond solely to market pressures when developing a business strategy or deciding on appropriate management practices to complement this strategy. They also respond to institutional pressures from regulatory agencies, business associations, and leading organisations; and draw on institutional resources, such as available workforce skills and business relationships that promote learning across organisations.”

Scott (2001:51-69) developed a consistent institutional framework with three institutional pressures that restrict organisational choices – regulative, normative and cognitive. The regulative forces represent the organisations’ rules, regulatory constraints (forced by regulatory bodies) and penalties for violations. The normative forces identify the values and the social behavioural norms, which define how things should be done within the organisation, and the cognitive forces, which represent the actors’ social-cognitive perspective, their formulation about what they are and their logical frame of action in different circumstances.

Islamic influences on Saudi institutions and their choices can be encountered at all three levels of pressure, but in various instances. At the regulatory level, as the basis for the Constitution and all laws, Islam has a direct influence as the basis for defining individual and collective behaviour and, in many ways, directly influences employment and employment relations. For example, weekends and public holidays are directly based on major events and days of the Muslim Calendar. Crucially, legal resolution of all disputes, including employment dispute are based on the Quran and the Hadith. At the normative level, Islamic principles and laws are the definers of what constitutes normal behaviour. To that end, for example, acceptable norms of behaviour that define the relationship between parent and child, wife and husband, etc., are all defined by Islamic principle as laid out in the Quran and the Hadith.

Finally, at the cognitive level, the concept of *Niyat* ‘intention’ is central to how Muslims must pursue every endeavour.

Abahashi and Ghazali (1994) specifically referenced the influence of Islam on management in very specific terms as requiring both employers and employees to have good and show good intention (*Niyat*), be conscientious (*Itqan*), proficient (*Ihsan*), sincere (*Ikhlas*), aim for excellence (*Al falah*), have emotional intelligence by way of self-awareness and awareness of the limitations of others (*Taqwa*), fairness (*Iadl*), honesty (*Amanah*) and patience (*Sabar*). These suggest that discussions about the impact of Islam on practice need to focus both on individual and on group decision-making in order to highlight the connection with this study’s thesis in an effective manner.

From the perspective of Hall and Soskice (2001), national political economies can be compared by examining how firms within these countries resolve the coordination problems central to their core competencies. They highlight five areas in which firms must develop relationships to resolve institutional pressures; (1) the internal structure of the firm, (2) industrial relations, (3) vocational training and education, (4) corporate governance, and (5) inter-firm relations. These are similar to those identified by Jackson (2002); industrial relations, skill creation, corporate governance, inter-firm relations, and the financial system. Using these, Hall and Soskice (2001) distinguish between countries based on whether the country is a LME or a CME. This typology has its foundation in the contention that the incidence of different types of firm relationships differs systematically from country to

country. Among the OECD countries, the US and UK can be classified as LMEs, while Germany and Japan are classified as CMEs.³

Hall and Soskice (2001) argue that in each major area of firm undertaking in LMEs such as the US, competitive markets are more robust and there is less institutional support for non-market forms of coordination. On the other hand, in CMEs such as Germany, non-market coordination is achieved in these principal areas of firm undertaking. They also highlight four other distinctions:

1. The role of institutions and organisations, differentiated by “the presence of facilities for deliberation as well as institutions that provide for the exchange of information ... monitoring, and the enforcement of agreements” (Ibid, p. 11).
2. Informal rules and understandings, which stem from a shared culture and history.
3. Systematic differences in corporate strategy across nations, broad differences that are in line with the overarching institutional structures of the political economy.
4. The presence of institutional complementarities that reinforce the differences between CMEs and LMEs.

Using the examples of American and (continental) European HRM, it appears that the USA is characterised by the existence of a significant amount of independence to take personnel decisions and a close association between corporate strategic orientation and HRM activity (Brewster, et. Al., 2011).⁴

³ LMEs: US, UK, Australia, Canada, New Zealand, and Ireland; CMEs: Germany, Japan, Switzerland, the Netherlands, Belgium, Sweden, Norway, Denmark, Finland, and Austria. Six are considered ‘ambiguous’: France, Italy, Spain, Portugal, Greece, and Turkey (Hall and Soskice, 2001: 20-21).

⁴ As an LME, the UK behaves more like the US in its HR practices than continental European countries like Germany (Doellgast, 2008). Interestingly, new regulations from the European Union (EU) relating to employee involvement and participation, among other factors, may be pushing the UK model closer to other continental European countries (Dundon et al., 2006).

Central to the idea of HRM in the USA is the notion of organisational independence and autonomy (ibid). From the legal-institutional viewpoint, this “frontier mentality” is revealed by the comparatively low levels of support, subsidy, and control provided by the State. There is also a stronger emphasis on individualism and so management practices in highly individualistic cultures need to support individual initiative and personal achievement (Hofstede, 1980 in Harzing and Pinnington, 2011; Pieper, 1990). This interacts with the high level of emphasis on stereotypically masculine goals, such as achievement in Anglo-American culture (Hofstede, 1983) where HR practices support achievement oriented employees.

In contrast, both state and European supranational agencies are more involved in European organisations, and extensive organisational and managerial responsibility towards employees is also usual (Batt and Darbishire, 1997; Doellgast, 2008). High state involvement means that European organisations have a narrower scope of choice with regard to employee management practices than in the USA. Additionally, trade unions have more social legitimacy in Europe than in the USA (Appelbaum and Hunter, 2003; Ichniowski and Shaw, 1999). And while the ‘integration’ of business strategy and HRM exists in Europe, it occurs in a different manner than that expected in the US literature (Brewster et al., 2011). Thus, in the European model, the reward system and personal appraisals are both team and group based, and common goals are shared among suppliers, customers, and employees (Batt and Doellgast, 2006). This model values consultative arrangements and long term relationships with employees and suppliers (Hofstede, 1983).

Overall, Pieper (1990, p.11) observes: “the industrialised nations of the Western world have developed characteristic approaches to HRM which do show some similarities, but are different, often contradictory, in many aspects” and this can be attributed to a range of institutional differences.

4.3.4 HR Management in Public versus Private Institutions

The convergence *versus* divergence debate is based on a widely accepted assumption that difference in culture, legal and political systems of nations impact HR management and practices in organisations. Alongside this institutional theory explains how cultural expectations, legal and regulatory framework impact the localisation of HR practices to host nations. Together they form part of the overall framework, but there is one more topic in the literature which needs to be explored in more depth to gain a comprehensive understanding of the impact of religion on the HR practices of organisations – HR management in public *vs* private institutions. The discussion is even more significant if it explores the differences between public institutions within different countries.

There has been extensive research on the HR management practices of private companies; yet, there are relatively fewer studies that explore the topic in the public sector. Farnham and Horton’s (1996) research in the UK private sector describes the development of the traditional pattern of people management’ in public services alongside the growth of the state during the twentieth century. Their research identifies several important characteristics of HR management in the public sector which can extend to other nations and cultures. First, HR management in the public sector is characterised by a paternalistic style of management with a goal of protecting and promoting the wellbeing of the workforce.

They argue that “whilst there was a concern for staff efficiency and the effective use of manpower, increasing attention was also paid to the health, safety and welfare of staff” (ibid, p.85). Second, standardised employment practices were adopted in each part of the public sector (for example civil service, local government, health service). This implied that workers performing the same task had the same terms and conditions, (ibid, p. 85). Third, industrial relations were collectivized – there was extensive scope for staff participation and consultation, and a strong role for trades unions in pay negotiations, which in turn reflected higher levels of union density in the public sector. Fourth, public organizations aspired to be ‘model employers’ and thereby set standards for private organisations to follow, for example in areas such as staff training and equality of opportunity in the workplace (ibid, p. 83). Their findings imply that these four characteristics of HR management in public institutions are the ones which account for much of the attraction of public sector jobs for large numbers of employees across the world. Nonetheless, with the growth and rapid intensification of globalisation, these elements are changing and countries are more and more introducing the private management practices in order to be more efficient with the allocated resources and attain a higher level of client satisfaction.

Boyne et al. (1999), in their empirical research on the differences between the public and private approach towards GHR management, argue that all of these four characteristics of the public HR management were significantly weakened when private HR practices were introduced into the UK public sector. The job for life was lost on the basis of allowing flexibility and differentiation.

The focus was placed on customer satisfaction and financial results derogating the power of line managers and emphasising the insecurity of the job position. A more detailed comparison of public and private sectors in this regard for Saudi Arabia is given in Chapter Two.

Following from Bach and Kessler's (2012) analysis about control and boundaries in public service delivery, but especially how these define and impact HRM practice and particularly employment relations, this section has revealed three central thematic elements in relation to HRM, namely welfare, recruitment & selection – learning & development, and resource management. These elements will form the thematic structure for analyses of data presented in Chapter Seven.

Welfare at work

The literature on the comparative nature of the emergence of HRM in the United States and Britain references the concept and practice of Welfare Capitalism as one of the major theoretical antecedents to HRM in the US (Jacoby, 1997 in Torrington et al. (2014) and a lack of such theoretical precedence in the UK. Although Jacoby (1997) draws on 1950s management practices, Kaufman (2008) draws on an older historical reference: 1920s, pre-new deal management practices. Thus, while Kaufman focuses on the anti-union aspects of Welfare Capitalism, Jacoby notes that the ideological opposition to union was supported by efficiency wages and incentives as well as benevolence that socialises employees more to the values and ideals of the employer organisation than a union. Accordingly, Jacoby draws a direct line between the commitment goal of HRM and socialisation strategies and goals of Welfare Capitalism.

If follows, therefore, that the provision of welfare at work constitutes a significant element to achieving that core goal – commitment, which is central to all credible theories of HRM (Beer et al., 1984; Guest, 1987; Storey, 1995, 2007; Henry and Pettigrew, 1996). Within human resource management, welfare means the provision of policies which have the purpose of ensuring the well-being of the employees. There are many provisions which come as part of the welfare package, such as holidays, access to training and education, sick leave pay, job satisfaction and so on. Through these measures, the goal of HR is to ensure the physical and emotional health of its employees (Goss, 1993).

The role of welfare as a major theme of HRM has sometimes been underestimated among specialized literature. This dismissive approach to welfare sometimes lacks an authentic business focus, but specialised literature has established three welfare rationales which are pivotal for any organisational culture: a) the legalistic rationale, which is linked to a country's safety legislation and how it demands welfare measures; b) the corporate conscience rationale, which emphasizes on the need of companies to establish welfare measures in order to ensure a social cohesion among employees, especially in potentially alienating environments; c) company paternalism, which is strongly linked to company identity, and has its roots in the Quaker manufacturers of the 19th century, which offered rewards for their employees in order to enforce certain religious or moral conducts (Goss, 1993).

Successful welfare services encompass a very large palette of products, services and measures, and therefore may help the improvement of employee relations by fostering a strong sense of caring and concerns on the company's behalf. Essentially, this underpins that the provision of efficiency wages and additional incentives, that deemed to be useful for excluding alternative sources of authority and focus of loyalty to management and the organisation, support

motivation (Jacoby, 1997; Fox, 1966). Thus, welfare may ensure a good morale among employees, which in turn fosters efficiency and loyalty (Rao, 2004). However, the welfare packages available within organisations vary not only from organisation to organisation, but also from one country to another.

Furthermore, the types of welfare available within an organisation have to hold onto the desires and needs of the people – if in one country, people desire, for instance, time off for special holidays, either religious or not, then companies are required to take measures for ensuring those holidays. Or, as another example, the effects of the climate are another aspect that imposes welfare measures, so as to mitigate the negative effects of climatic particularities and ensure the wellbeing and productivity of the employees. It is in areas such as these that this paper tries to determine how welfare and the Islamic background of Saudis intertwine (Rao, 2004).

However, from an Islamic perspective, the concept of welfare in relation to work is relatively much more complicated because work/labour is also a major form of worship, welfare in relation to work is both present and eternal (Azid, 2005). Accordingly, labour is “part of *Ibadah* – a cause for esteem. At the end of it is a gift – *ni’ama*, from Allah” (ibid., p. 94). According to Azid (2005), Islam requires a humane working environment that is free of exploitation and sanctions that the profits be distributed between employer and employee and that both bear the losses (Citing Tabakoglu, 1983; Khan, 1968; Quresh, 1960 in Azid, 2005, p. 99). Therefore, from an Islamic perspective, welfare at work has a ‘here and now’ aspect to it, which sanctions that an employee must earn enough for himself, his family and to pay all his debts (ibid.). Exploring the extent to which these principles are observed and complied with in the Saudi context is relevant to the current study.

Recruitment and Selection

Recruitment and selection (R&S) and the evaluation of future employees are processes which are intended to ensure the future place and duties of employees in order to render the practices of the company in a better condition. However, as Iles (2001) argues in arguing for the social process model of employee resourcing, recruitment and selection processes are essentially social processes and the management strategies and techniques involved take place in the context of an unequal power and control relationship. So essentially, they involve value judgements and are, therefore, subject to wider social factors which influence behaviour and action and, for that reason, whether and how Islamic principles impact ideas and practice is central to the aims of the current study.

There are three main criteria by which the R&S process should consider to take place:

- a) Cost – value for money is very important in how R&S procedures occur, as they require administrative effort (Arnold et al., 2004, cited in Wilton, 2010). Cost relates to selection tools, labour turnover, and third-party fees.
- b) Effectiveness – evaluation and assessment are aimed at estimating the reliability of future employees and their adequacy for a certain job. The measures for evaluating the candidate are established based on the number of applicants, on the candidates selected and retained, on their performances based on the selection criteria and on their individual specifications. All these measures come together in order to allow for fair discrimination between all the candidates and to reflect the qualitative and qualitative profiles of the job description and of the job itself. However, it must also be borne in mind that the process is essentially a subjective exercise and whatever so-call scientific

methods may be involved, the potential for both unreliability and lack of validity always exists (Iles, 2001).

- c) Fairness – fairness ensures that bias against groups or candidates is eliminated and that the participants are not evaluated unfairly; this means that discrimination or unfounded judgments must not intervene in the selection process, the recruiting authority focusing on the traits that are required for the respective position (Wilton, 2010).

Learning and development (L&D) is an aspect linked to the theme of recruitment and selection, as the two complement each other. L&D is about managing performance and improvement within an organisation, one of the key means by which the competitive edge is maintained. L&D contributes to the strategy planning of the company, and also plays a role as a remedial measure for addressing problems and obstacles. The HRM strategy of any company needs to identify the training requirements for employees and to attempt to address obstacles in the path of development (ibid).

The needs for training and improvement are ensured through personal development plans (PDP), which encompass the actions needed for perfecting the work of various parties, sectors or individual employees, reflecting their aspirations and potential. However, the focus of training and who is trained, like all aspects of resourcing, is subject to power and control relations. Consequently, like all aspects of the employment relationship, training decisions tend to be managerial prerogatives and, therefore, despite the idealism of the learning organisation theory (Collin in Beardwell 2014), PDP is determined by management and for managerial and organisational goals rather than for the purpose of upskilling individual employees (Keep, 2005).

Yet, on the one hand, the PDPs have to focus on individual needs and desires, and on the needs of the organisation on the other hand. Key performance indicators are required for establishing the L&D strategy of the company, in order to compare and assess individual as well as overall performance, and to consequently contribute to achieving the desired performance standards and goals set for future development (Wilton, 2010).

Management of Resources

The fact that HR is becoming a vital strategic partner for companies, greatly increasing resources are being included within this specific sector of the business world, with various approaches emerging to achieving competitive advantage for firms (Rao, 2007). HRM gained significant value in organizations and quickly replaced the Personnel Department that had only limited abilities such as keeping records and other paper pushing attributes. By contrast, the HR department became a strategic means of action for organisations where human resources were valued as the firm's main capital and represented a top priority in an organisation. Thus, HR policy and programmes became an integrative part of some companies' strategic view. Managing the human resource became an obvious asset for corporations as people were the ones who operated physical resources and logic dictates that an optimal level of operation of physical resources cannot be achieved in the absence of HR (Aswathappa, 2005).

Although the need for a HR department in companies has been debated, a consensus exists that human resources are an important and valuable asset for a company (Leatherbarrow, 2014). However, managers were faced with the difficult task of quantifying this value, which they found nearly impossible: particularly in the presence of old policy that did not elaborate a

particular quantifiable frame-work for HR. Another important aspect of HR began to emerge in the socialisation spectrum of the corporation. This challenged HR managers to increase employee socialisation within a corporate environment and hence provide positive behaviours in a rich knowledge environment (Sims, 2007).

Thus, the main challenge for HR is not only to exploit human resources, but to develop dynamically in the face of emerging issues, to continue optimal exploitation of this resource and therefore competitive advantage. This aspect of HR has become the starting point of today's trend among organisations of developing long term objectives relating to the human resources of the company, which encompass aspects such as anticipating employee needs and training requirements, which in return provides retention for employees and high levels of success for the organisation (Sims, 2007).

4.4 Summary Point

From the description of Islamic teachings and the way in which they affect employee behaviour and attitudes on one hand, and the workplace from the other, one can assume that Islamic teachings affect the HRM practices of organisations through their impact on culture. This is of no surprise as the literature on the impact of religion in general in the workplace, described in the preceding sections, defines exactly the same path. At the same time, the teachings of Islam are aligned with the general premises of human rights, which exist on a global level (ILO) when it comes to the protection of labour. Apart from this general assumption however, it is important to acknowledge that existing theory on the subject reflects only the knowledge developed from the Anglo-American world, and may not be adequate for the countries where Islam is the dominant religion. Having in mind the preceding discussion on Islamic beliefs and values, one may conclude that looking only at the impact of Islam on the workplace through the intermediary of culture might provide a limited view and poor understanding of the development of HRM processes in Islamic countries. In order to develop a comprehensive overview of this subject, the methodological approach of the research needs to be carefully devised. In the following chapter, the methodology will be discussed from specialist sources in the field.

CHAPTER 5: METHODOLOGY

5.1 Introduction

The fifth chapter of the dissertation describes the research methodology, justifying the selection of the research philosophy, design and strategy found most suitable to objectively answer the research questions. The main purpose of this research is to explore the impact of the values and principles of Islam on HRM and employment relations in the Kingdom of Saudi Arabia, by focusing on employee attitudes towards each other and the organisations which employ them. Thus, the research methodology consists of many elements, which define the steps undertaken by the researcher towards ensuring reliable conclusions. This chapter will cover the broad philosophical debates on research regarding ontology and epistemology - knowledge and how it is (or should be) created. Crucially, the various elements that make up the research process (design, methods, sample) are covered by the need to justify the methodology as suitable for accessing both the familiar and unfamiliar phenomena that are critical to achieving the research. Consequently, the research methodology requires consideration of whether and how it can help access the nature and views of HRM practices, but, and even more importantly, whether it is capable of capturing phenomena that represent the manifestation of Islamic principles such as; *Niyat* (intention), *Amanah* (trust), *Ajr* (rewards) and *Wafaa* (commitment), and how they influence managerial and employee behaviour and, therefore, HRM policies and practices. The literature provides many definitions of what research methodology is. According to Asutay (2007, p.2), a “research methodology is the methods and principles and their application in a given field of academic inquiry.”

Critical realism is a central part of research, and one that often goes against the typical human craving for security, due to its natural but improvable and partial character (Popper, 1972, cited in Wettersten, 1992). Murray and Lawrence (2000, p.218) go further, arguing that ‘methodology’ refers to “techniques that are an abstraction of reality and which are used in an orderly manner to reveal the dimensions of reality”. The term methodology may be taken to be inclusive of the research design, theoretical frameworks, the selection and analysis of literature relevant to the nominated topic, and justified preferences for particular types of data gathering activities. These definitions make it clear that the research methodology constitutes the cornerstone of any research study because of the major role it plays in the process of data acquisition and data analysis to achieve the research objectives.

The research methodology thus needs to be outlined thoroughly. The chapter is divided into six main sections. Following the introduction, Section 5.2 covers philosophical discussion about what constitutes knowledge and its creation. Accordingly, the section presents the theoretical debates about ontology and epistemology and how, at least theoretically, a researcher’s ontological and epistemological positions inform their research methodology, which includes what Wilson (2014) describes as the ‘honeycomb’ of elements and processes, including design and methods, that guide any research undertaking. Section 5.3 covers the theories about research strategy and design in order to establish a credible, evidenced basis for choice of research design. In that regard, the discussions particularly focus on description and evaluation of Cooper and Schinlender’s (2006) framework of research descriptors and Yin’s (2003) alternative research design strategies, including what is a broad ethnographic paradigm as the context for data collection.

Section 5.4 starts by covering the methods, being a mixed methods approach to data collection including; survey questionnaire, semi-structured interviews, focus group discussions and mini-delphi interviews. Then, it informs the choice of design, as multiple-case study design. Section 5.5 covers the critical issues of research validity and reliability. Section 5.6 addresses the issues related to this research, followed by summary of the chapter in Section 5.7.

5.2 Research Philosophy

This section discusses ontology and epistemology in anticipation of the next section that focuses more specifically on the methodological approach of the research. The choice of the research philosophy is important as it provides an answer as to what will be accepted as new knowledge and how to create it. In that respect, the discussion centres on theoretical debates on ontology, epistemology and, therefore, the methodology as the basis for justifying and clarifying the research design, data collection and analysis methods adopted for this study.

5.2.1 Ontology, Epistemology, and Methodology

The research philosophy relates to the “development of knowledge and the nature of that knowledge” (Saunders et al., 2012, p. 101). It is important because, theoretically, it reflects (or should reflect) the researcher’s essential assumptions about the world, and how it should be understood and, consequently, it influences the research strategy and the methods selected as part of it (Krauss, 2005; Morgan and Smircich, 1980). Ontology concerns “the nature of social phenomena as entities that are to be admitted to a knowledge system” (Saunders et al., 2012: 605) and inclines the researcher “to see and interpret the world from

one perspective rather than another” (Morgan, 1983, p.21). Thus, ontology describes what is accepted as true knowledge. Epistemology refers to the aspect of philosophy that tries to understand the nature and scope of knowledge and is concerned with assumptions about how knowledge is acquired or developed (Tadajewski, 2004; Whitley, 1984). Epistemology thus deals with the issue of what can be seen as knowledge and what can be accepted as evidence (Remenyi et al., 1998).

Whether explicitly articulated or not, the researcher’s ontological and epistemological perspectives determine what are the ‘proper’ research activities for developing knowledge and the questions that need to be addressed and how, in order to create such knowledge (Boddewyn, Toyne, and Martinez, 2004; Ding and Foo, 2002). Thus, Krauss (2005, pp.758-9) argues that researchers should articulate their ontological and epistemological positions because:

“Epistemology is intimately related to ontology and methodology; ontology involves the philosophy of reality, epistemology addresses how we come to know that reality, while methodology identifies the particular practices used to attain knowledge of [reality].”

There are two primary research philosophies or paradigms that researchers generally use in the research process: positivism and interpretivism (Burrell and Morgan, 1979). Thus, social sciences distinguish between positivist (objectivist, empiricist) and interpretivist (subjectivist, phenomenological, social constructivist) epistemologies (Hatch and Cunliffe, 2012; Morgan and Smircich, 1980) as the two major paradigms used in generating management theory (Botterill, 2001; Tadajewski, 2004; Marsden and Littler, 1996, 1998). As shown in Figure 5.1, these two research paradigms can be distinguished by their contrasting core philosophical assumptions, metaphors, and methods.

Jankowicz (2005, p.220) describes research methods as “a systematic and orderly approach taken towards the collection and analysis of data so that information can be obtained from those data.” In contrast, the research methodology is “the strategy, plan of action, process, or design lying behind the choice and use of particular methods and linking the choice and methods to the desired outcomes” (Crotty, 2003, p.3). The research methodology is thus concerned with explaining the rationale behind the adoption of certain methods, and hence it provides an overall framework in which the research is located. However, this is not a simple question, because as Karami, Rowley, and Analoui (2006, p.43) note; “[p]hilosophers of science and methodologists have been engaged in a long standing epistemological debate about how best to conduct research.” This debate “has centered on the relative value of two fundamentally different and competing schools of thought or paradigms respectively, the positivist and the phenomenological [interpretivist] approaches” (Karami et al., 2006, p.43), which are, in turn, linked to two broad methodologies: quantitative and qualitative research methodologies, respectively (Patton, 2001). These two approaches are discussed in more detail below.

5.2.2. Positivist Research and Quantitative Methodology

The positivist perspective, which usually recommends quantitative methods, is founded on the ontology of an objective physical and social world that exists independent of our knowledge of it and which can be “discovered”, studied and characterised fairly unproblematically if the “right” tools are used (Darke, Shanks, and Broadbent, 1998). Positivism is an ‘objective’ philosophy that generally takes on the philosophical viewpoint of a natural scientist, mainly uses quantitative data and, subject to the correct research tools and processes, considers research findings to be “true” (Weber, 2004; Saunders et al., 2012).

In this perspective, “truth” exists as an unquestioned object that corresponds in an uncomplicated way with empirical evidence and truth is thus “found” (not made or socially constructed) (Lowe, 2002). Lee (1991) notes that positivism has found widespread application in social science and has been explicitly acknowledged as the “natural science model” of conducting social science research.

From a positivist perspective, quantitative research methods, utilising highly structured methodology that can aid replication, are generally recommended (Saunders et al., 2012). Quantitative methods are recommended, because they are considered more likely to assist in the search for general laws and are reductionist, helping the researcher to break the phenomenon of interest into component parts and analyse it (Tadajewski, 2004). Thus, based on their ontological and epistemological assumptions, positivist researchers generally utilise quantitative (statistical) and experimental methods to test hypothetical deductive generalisations (Remenyi et al., 1998). Case quantification rests on the principle of rationality: the argument that a systematic, “objective” process using numerical data (Burns and Grove, 2005) allows “a value-free framework” (Denzin and Lincoln, 2000, p.8) and, consequently, established facts about subject of inquiry.

However, Guba and Lincoln reservedly note that “the (over)emphasis on quantification in the social sciences (a “soft” science) is likely to stem from the fact that “[s]cientific maturity is commonly believed to emerge as the degree of quantification found within a given field increases” (1994, p.106). The alternative philosophy to the positivist, quantitative paradigm is the interpretivist paradigm, which rests on predominantly qualitative analysis and a subjective, constructionist view of reality.

5.2.3 Interpretivist Research and Qualitative Methodology

The interpretivist perspective is based on a subjective ontology of reality: that is, reality is the outcome of social interaction and can thus be constructed and interpreted by us as social actors based on our beliefs and value systems (Darke et al., 1998). Thus epistemologically, interpretivism sees all knowledge as filtered through the knower and can only be created and understood from the perspective of those involved in the research (Tadajewski, 2004). Thus, social research informed by interpretivism rebuffs the positivist idea that researchers can gain objective and value-free knowledge of the social world; rather interpretivism puts the focus on attitudes, perceptions and meanings that research participants apply. In line with this, Johnson and Onwuegbuzie (2006, p.14) argue that researchers wedded to the interpretivist perspective,

“...contend that multiple-constructed realities abound, that time- and context-free generalisations are neither desirable nor possible, that research is value-bound, that it is impossible to differentiate fully causes and effects, that logic flows from specific to general...and that knower and known cannot be separated because the subjective knower is the only source of reality.”

As such, “finding truth” is not a key concern: instead they are interested in how the outcome of a research investigation can ever be judged as truthful, in other words, in accordance with reality (Tadajewski, 2004). As represented in Figure 5.1, the interpretivist philosophy largely uses qualitative and naturalistic approaches, with the aim of inductively and holistically understand the human experience. In that regard, explaining qualitative research, Denzin and Lincoln (2000: 8) argue that:

“Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the research and what is studied, and the situational constraints that shape inquiry. Such researchers emphasise the value-laden nature of inquiry. They seek answers to questions that stress how social experience is created and given meaning.”

Qualitative research approaches try to understand and explain a phenomenon, rather than search for fundamental laws (Amaratunga et al., 2002). Thus, from an interpretivist perspective, qualitative research is most often recommended because qualitative research involves “an integrative, naturalistic approach to its subject matter”, studying ‘things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them” (Denzin and Lincoln, 1994, p.2). As highlighted at the beginning of this subsection, qualitative researchers “argue for the superiority of constructivism, idealism, relativism, humanism, hermeneutics, and, sometimes, postmodernism” (Johnson and Onwuegbuzie, 2006, p. 14). Within these research strategies, a range of methods can be employed, including semi-structured and unstructured interviews and observations.

Following from the preceding description and evaluation of the two methodological approaches, quantitative and qualitative approaches refer to and stem from different epistemologies (often also related to different ontologies). This discussion has highlighted the way in which epistemology and methodology are connected. However, this link is almost always used to emphasise the point that there is a strict dichotomy between qualitative and quantitative research. Against this implicit argument for paradigm incommensurability, recent approaches invite researchers to adopt more pragmatic attitudes to social inquiry (cf. Bryman, 2008 and Soin and Scheytt, 2006). From this rather pragmatic viewpoint, the next section sets out and attempts to justify the philosophical position taken by the current research.

5.2.4. Choice of Research Philosophy - Positivism

Despite the strict theoretical dichotomy in research philosophies, the literature provides no strict provision when it comes to the application of qualitative and quantitative methodologies. One of them, or a combination of both, can be used within each of the research philosophies (Saunders et al., 2012; Descombe, 2008). Thus, and within this understanding and, more importantly, bearing in mind the objectives outlined in the introduction of the chapter, to not merely access, analyse and make sense of organisational HRM policies and practices, but to identify the manifestation of Arab traditions and Islamic principles and how they impact on policy and practice, the following paragraphs set out to justify the philosophical position of this study.

Two specific issues determine the choice of the research philosophy and the wider research context for the research questions of the dissertation. First is the existence of previous theory and research in the area of religion and its link to HRM, and the employment relationship. Previous studies have underlined how factors such as national culture, economic environments, legal systems or governmental ideologies impact HRM policies within organisations. The level to which all these factors affect it, however, varies from place to place. In Iran, for instance, all social institutions are invariably required to conform to Islamic values. In Saudi Arabia, studies have underlined the presence of some Islamic influences in the work environment of the country, such as equality before Allah (SWT), fatalism, stimulating consultations, the kindly treatment of subordinates, or individual responsibility (Tayeb, 1997). The fact that there is theory and empirical research on the subject which enabled the researcher to customise the impact to Islam and the Saudi Arabian context resulted in the development of the conceptual framework, as shown in Figure 2.3 in Chapter Two.

The existence of this framework implies the existence of a model which guides the research process through the deductive logic characteristic of the positivist research philosophy. Whenever researchers are testing a model developed from theory and previous empirical research, a deductive approach is applied. Contrary to the deductive approach meanwhile, inductive logic is present when researchers are generating a new model from primary research (Sanders et al., 2012, Kane, 1985). “The deductive approach, thus is often considered as quantitative and purely scientific research, part of the positivist research philosophy, while the inductive, exploratory, approach is associated with qualitative research and the interpretive philosophy” (Saunders et al., 2012; Blaxter, p.64).

The second issue concerns the structure of the research questions as they are defined in Chapter One. The provided context of the questions implies not only exploration of the way in which Islam impacts HRM and the employment relationship, but more an explanation of the impact within the conceptual framework defined by Figure 2.3 in Chapter Two. While exploration as a process is frequently related to interpretivism as a research philosophy, explanation is always associated with the deductive logic of the positivist approach.

Having these two specific issues in mind, one may conclude that the most appropriate choice of a research philosophy for the dissertation is the philosophy of positivism (Ayer, 1959; Popper, 1972). This choice, as well, reflects the researcher’s preferences of what is considered to be accepted as true knowledge.

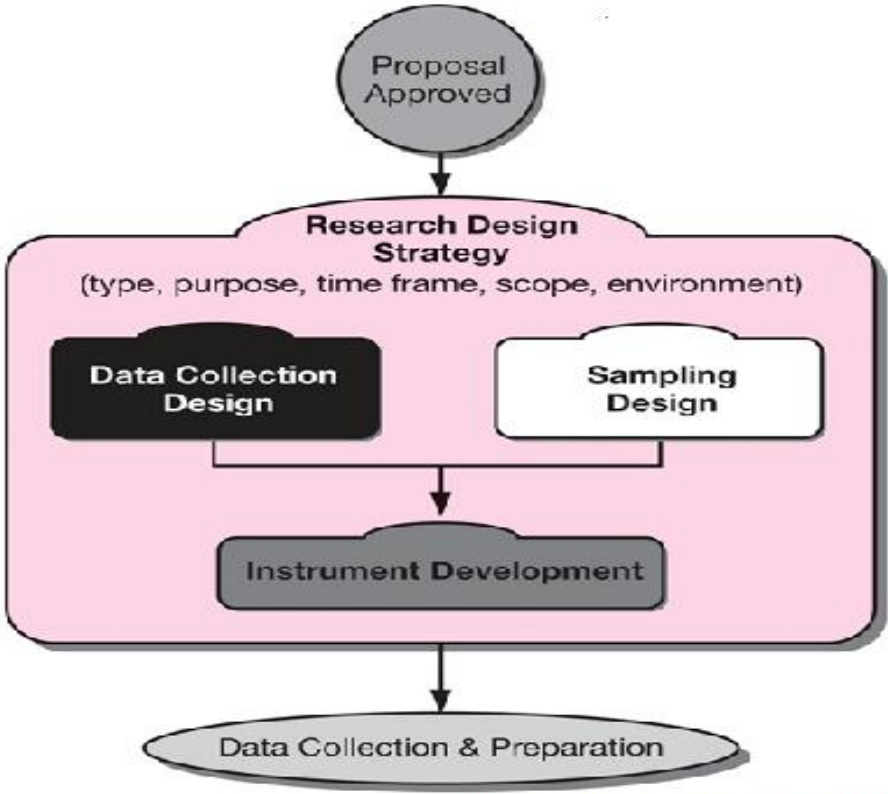
5.3. Research Design and Strategy

This section discusses the research strategy, which is defined as “the general plan of how the researcher will go about answering the research questions” (Saunders et al., 2012, p. 600). Accordingly, the appropriate research strategy has to be chosen based on the study’s aims and objectives, the extent of extant knowledge on the phenomena being investigated, the amount of time and resources available, and the researcher’s philosophical perspective. Yin (2011) recommends that a specific research strategy has to be chosen on the basis of three conditions: (1) the research question; (2) the extent of control the researcher has over actual behavioural events; and (3) the level of focus on contemporary or historical events. With respect to choices available to researchers, Saunders et al. (2012) and Yin (2011) outline a range of research strategies with a good degree of overlap. Thus, the central concern for researchers is to choose the ‘best’ strategy for a particular research undertaking. In addition to experiments, case studies, and surveys, other common research strategies used in business and management are ethnography, archival research, quasi-experiments, action research, grounded theory, participative enquiry, cross-sectional studies, and longitudinal studies (Easterby-Smith et al., 2008; Collis and Hussey, 2009).

The choice of the research strategy for this dissertation exploring the impact of Islam on HRM and employment relations in the Kingdom of Saudi Arabia depends on the chosen research design. According to Yin (2003), Cooper and Schindler (2006) and Saunders et al. (2012), the widest definition on the research design describes the same as the blueprint, which provides the map for developing the research answers. Yin (2003) defines it as the logic that links the collected data, information and generated knowledge to the initial questions of the

study. As a result, the research design is a logical plan for getting from here to there, where ‘here’ defines the initial set of questions, and ‘there’ is the set of conclusions (answers). Kerlinger (1986) describes the research design as a plan which guides the investigator in the process of collecting, analysing and interpreting observations.

However, a definition of research design has no actual value unless the process is described and made operational for those who use it, the researchers. Cooper and Schindler (2006) offer an excellent illustration of the process, which provides a clear view on the type of decisions one must make when developing the research methodology (see Figure 5.2). Moreover, Cooper and Schindler’s (2006) operationalization of research design is one of the most advanced one can find in literature on research methods.



Source: Cooper and Schindler (2006, p.138)

Figure 5.2: The Process of Delivering a Research Design

In the current study, the research design is *explicit*. An explicit design is based on the previous use of theory which guides the research process, compared to the implicit, which is related to generating knowledge through an inductive process: grounded theory (ibid). Thus, the research strategy of grounded theory is not suitable for this dissertation. The choice of an explicit design is a result of the chosen research philosophy of positivism, of the existence of theory on the subject, which provides data for the conceptual framework, and the clearly identified research questions, which provide a good starting point for the design.

In choosing the research strategy, the data collection methods and the instruments, Cooper and Schindler (2006) propose a checklist of several design descriptors, as shown in Table 5.1 below. The columns and rows with a yellow background show how Cooper and Schindler’s (2006) framework applies to the current study.

ID	Category	Options
1.	The degree to which the research question has been crystallized	<ul style="list-style-type: none"> • Exploratory study • Formal study
2.	The purpose of the study	<ul style="list-style-type: none"> • Reporting • Descriptive • Causal-Explanatory • Causal-Predictive
3.	The time dimension	<ul style="list-style-type: none"> • <i>Cross-sectional</i> • Longitudinal
4.	The power of the researcher to produce effects in the variables under study (control over the researched variables)	<ul style="list-style-type: none"> • Experimental • <i>Ex post facto</i>
5.	The research environment	<ul style="list-style-type: none"> • <i>Field setting</i> • Laboratory research • Simulation
6.	The topical scope—breadth and depth—of the study	<ul style="list-style-type: none"> • Case • Statistical study
7.	The method of data collection	<ul style="list-style-type: none"> • Monitoring • Communication Study

Table 5.1: Descriptors of the Research Design (Cooper and Schindler, 2006, p.139)

The first and most important descriptor is the level of crystallisation of the research questions, which are outlined in Chapter One as follows:

1. Are there any major differences in the HRM practices of indigenous Saudi Arabian owned and operated corporations and foreign owned and managed multinational corporations in Saudi Arabia?
2. If so, to what extent are these differences attributable to the influences of Islamic principles and traditional Arab customs and values as factors shaping HRM practice in Saudi Arabian organisations?

The predominance of “what” questions implies that the research questions are of investigative nature, i.e. trying to identify and explain certain phenomena. The degree of their crystallisation further helps in choosing the type of the study, which according to Cooper and Schindler (2006) can be either exploratory, or formal. In the same manner, “What” and “Are there?” questions are usually associated with a deductive formal study. Explorative research questions usually begin with “How?” In the current case however, the use of the “what” question might also aim at exploring the topic before answering the research questions. Therefore, this particular descriptor from the research design is not entirely clear and conclusive at this stage of the development of the design.

Bearing in mind the nature of the research questions, the dilemma as to whether they are clearly investigative or exploratory is further implied in the second descriptor, which describes the purpose of the study – *descriptive and causal-explanatory* at the same time. The study is descriptive as it aims to record actual practice in HRM and employment relations in Saudi Arabia, while at the same time it aims to explore and explain the impact of Islam on workplace

policies and practices - *causal-explanatory*. Taking into account the nature of the research questions, the research strategy of action research (reporting study) is not compatible with the aim of the dissertation.

The third descriptor of the research design as argued by Cooper and Schindler (2006) describes the required time frame of the research. The research questions presented in the preceding paragraph can be answered through a cross-sectional study involving the perceptions and opinions of employers and employees in Saudi Arabia on the impact of Islam on the workplace in the time frame of the current research. Observing the development of HRM practice in companies in Saudi Arabia could also be an option, which describes the concept of a longitudinal study. However, the same may not provide conclusive answers to all research questions posed with the dissertation and, besides, there is a preponderance of extant literature on HRM in Saudi Arabia or other very similar contexts. Thus, evidence supports the choice of the second descriptor for the current dissertation to be *a cross-sectional study*.

Researchers have no control over the researched variables, indicating that the study should have an *ex post facto* design, which concerns the fourth descriptor of the research design (Cooper and Schindler, 2006). This means that the researcher can only report on the perceptions of employees, employers, managers and other perceived credible informants on the impact of Islam on HRM practices and employment relations in Saudi Arabia. The researcher has no power in shaping these perceptions, and neither is this required, having in mind the descriptive nature of the study.

The fifth descriptor of the research design provides further description of the research environment, indicating that the research needs to occur in the actual environmental conditions: in the field setting. The same is the usual context of social science research. Therefore, similar to action research, a true experiment cannot be used as a research strategy in the current dissertation. However, there is a possibility to use *a quasi-experiment* in a situation where the opinions and perceptions of a test group of employees and employers from companies of non-Saudi origin are compared to a control group of employees and employers who represent genuine Saudi companies by origin (Cooper and Schindler, 2006; Babbie, 2010). A quasi-experiment is also performed in the actual environmental conditions, in the field setting; therefore, the choice of the fifth descriptor is clear, despite the fact that it opens the door for an additional research strategy to be considered in the research design: quasi-experiment.

In terms of the topical case (sixth descriptor), the research can be a case study, or a statistical study. Statistical studies are designed for breadth, rather than depth, and they rely on the use of a population's characteristics through investigating a sample. Case studies on the other hand provide more depth than breadth, as they focus on a full contextual analysis of the research question and in depth analysis. Analysis indicates that both research strategies (case study vs. survey) can be used for answering the research question.

The last research design descriptor applicable to this dissertation is the method of data collection, which can either be through monitoring (observable), or a communication study involving direct contact and communication with the researched group either through interviews, focus groups, surveys and/or similar data collection methods.

Having in mind the discussion presented in the preceding sections, and the exclusion of experiment as a research strategy which is usually associated with a monitoring study, the choice for the last descriptor is clear, *a communication study*, wherein the data collection methods for the dissertation should either be interviews, focus groups or survey, or any combination of these (multi-methods).

The discussion shows that with the exception of indicators one, six and seven, the majority of the descriptors are less clear on the dimensions of the research design for the research concerns and questions of the current study. The degree to which the research questions are crystallized in relation to the research method for data collection, and the topical scope – breadth and depth – of the study, provide an opportunity for a number of alternative research designs. According to Yin (2003), the type of research questions in combination with the time dimension of the research study and the control over the researched variables results in different research strategies, which may guide the research design. In this case, and keeping in mind the applicability of Cooper and Schindler's (2006) framework of descriptors, the research design used can either be a case study, quasi-experiment, or survey (as a strategy, not as a data collection method): i.e. a statistical study. A comparison of the identified research designs is provided on the next page (in Table 5.2).

A survey research strategy is associated with the deductive approach (formal study), while case study design reflects a combination of deductive and inductive approaches. In either case, the research design is based on prior theoretical developments and prior empirical research (Saunders et al., 2012).

Category	Research design Alternative 1- Case study (research strategy)	Research design Alternative 2- Survey (research strategy)	Quasi-experiment
The degree to which the research question has been crystallized	Exploratory study	Formal study	Formal study
The method of data collection	Communication Study involving a combination of qualitative data collection methods- interviews, surveys and focus groups.	Communication Study involving a quantitative collection method – a survey	Monitoring study
The power of the researcher to produce effects in the variables under study (control over the researched variables)	Ex post facto	Ex post facto	Ex post facto
The purpose of the study	Descriptive and Causal-Explanatory	Descriptive and Causal-Explanatory	Causal-Explanatory and Causal-Predictive
The time dimension	Cross-sectional	Cross-sectional	Cross-sectional
The topical scope—breadth and depth—of the study	Case	Statistical study	Case
The research environment	Field setting	Field setting	Field setting
The participants' perceptual awareness of the research activity	Actual routine	Actual routine	Actual routine

Table 5.2: Descriptors of the Research Design (Yin, 2003, p. 17)

The next section addresses discussions on the critical issues of access and ethical considerations; followed by a section describing and evaluating the alternative designs strategies focusing on their respective strengths and weaknesses. The extent of the discussions on any alternative depends on its relative utility to the study. Consequently, because the choice of strategy for this study is multiple, comparative case study, the discussions give priority to case study and, to a lesser extent, survey design and, because *Quasi-experiment* design is not particularly relevant, the description provided in Table 5.2 (above) suffice for description and evaluation of this research design strategy.

5.3.1. Access and Ethics

Best practice in research methods, along with ethics, laws and regulations around the world, argues in favour of informing the researched organisation and asking for consent to conduct the research from senior managers. In the case concerned, the management of both the companies and the authorities on Shariah law were formally informed about the research study in general, its aims and objectives and the significance of the same in academic and practical terms which could also be of benefit to the researched organisation. With this step, the researcher ensured transparency and developed trust and confidence among the management team. Formal consent was asked for, with assurances of confidentiality, and the same was given with specific conditions that the organisation's identity would not be disclosed, and that the data acquired should be used solely for the purposes of this academic research work. For this reason, the two companies have been identified as Indigenous Saudi Corporation (ISC) and Foreign Multinational Corporation (FMNC); these two acronyms are used solely to identify the case study companies in this research. Consent was indicated in each case through the participant's signature on the form.

Once approval was received from the two companies; an Indigenous Saudi Corporation (ISC) and a Foreign Multinational Corporation (FMNC), the questionnaire was distributed to 300 employees: 150 from each company. In terms of ethics, the nature of the questionnaire (self-administrated) ensured the privacy of the respondents as they could not have been identified from their answers. In this manner, the second ethical issue, along with access, was resolved in the most appropriate manner. The use of statistical methods such as the t-test is the last ethical principle which the researcher applied.

The *t-test* method will be further developed in the Validity and Reliability section. It ensured objective conclusions from the collected data and avoidance of researcher bias.

At the same time, the subjective approach in the collection of participant's perceptions (Likert scale) and the aggregate presentation of the findings ensured confidentiality of data when it comes to the concerned organisation.

All four ethical issues discussed in the preceding paragraphs (access, privacy, confidentiality of data, and objectivity) are approached in line with recommendations from Saunders et al. (2012) and Cooper and Schindler (2006).

The guidelines for the framework of this research will bear resemblance to the WERS study, which has been conducted in Britain over a span of several decades (nationalarchives.gov.uk). The WERS survey aims to collect information in the most essential areas of employee relations, which makes it a worthy source of inspiration for this current study.

According to a study conducted by van Drew et al. (2013), aimed at exploring the relationships established in the workplace, and which focuses on the management of human resources and industrial relationships established at the workplace in Great Britain, industrial relations seem to be heavily influenced by the 2008 recession. Reporting on the WERS 2011 study, Drew et al. (2013) show how the working environment has changed over the past years.

According to Saunders et al. (2012), the issue of ethics in the research interview describes the appropriateness of the researcher's behaviour in relation to those who are the subject of the research. In this case, the subjects are the managers and organisations which participate in the study. Bearing this in mind, there are several open ethical issues. First is access to the required data and information and the potential challenges associated with it.

Second are the ethical issues surrounding the data collection stage, and third are the ethical issues in the analysis and presentation stage. Each requires a different approach and strategy, so it can be dealt with in the most appropriate and correct way.

First, it is important to acknowledge the existence of issues which penetrate all three phases of the research design: the privacy of the participants, and the confidentiality of data they provide. Bearing in mind the voluntary nature of the interview, the subjects (managers) were informed they could withdraw from the research at any stage of its development, and they were not in any possible way lured or deceived to participate in it. In the current research, as the researcher is external to the organisations, there were no major ethical issues recognised in the possibility for pressure and intimidation associated with the access to data. Further, the researcher truthfully informed all subjects about the research objectives, process and the data collection method at the beginning of the contact, and their consent was ethically received.

The researcher ensured objectivity in the analysis by practising ethical behaviour. He avoided being selective in the data analysis and all data collected with the interviews were analysed in the findings.

5.3.2. Case study Research Design

A case study is defined by Yin (2013, p.13) as “an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.” Arguing that this definition does not capture one of the characteristics that makes case study research distinct from other research methods, Dul and Hak (2008, p.4) present the case study as “a study in which (a) one case (single case study) or a small number of cases (comparative case study) in their real life context are selected and (b) scores obtained from these case are

analysed in a qualitative manner.” In line with this, Eisenhardt (1989, p.534) defines the case study as “a *research strategy, which* focuses on understanding the dynamics present within single settings” [emphasis added].

Important in these definitions is the idea that the case study is not a method but a research strategy that can be executed using different methods. Thus, the case study does not entail the use of a specific type of research evidence, and indeed case studies rely on multiple sources of evidence. Knowledge management has been a subject studied intensely over the last several decades, and this scientific inquiry has led to numerous tools and processes for measuring and evaluating knowledge, many of which in the HR and IR domains (Collison and Parcell, 2004, cited in Canary and McPhee, 2010).

Information systems in HR also play a significant role, as the organisational learning process is used for achieving better degrees of control, with the aid of both human and machine resources. Data management is very important in the fields of IR and HR, as information/knowledge management is a field of utmost importance for a dynamic business environment (Nolan, 1984, cited in Hinton, 2006).

The questionnaires devised for the present study had to be designed in a manner that would allow them to reflect HR practices and attitudes in the most precise way possible. This means that the questions and the possibilities of answering needed to allow the respondents to reveal their views on HR-related subject issues in a clear and comprehensive manner. In order to do so, the questionnaire sought the previous guidelines and models specified by special sources in the literature.

HR questionnaires need first of all to be focused directly on the desired issues related to human resource management, and not to go astray onto other, unrelated subjects.

On one hand, the questions have to avoid being ambiguous, but also to allow a certain degree of freedom to the respondent in their answers. On the other hand, the answers of the respondents have to be focused on the desired subjects, and therefore, giving them too much freedom might limit the reliability of the questionnaire (Edwards et al., 2007).

This means that the questionnaire should be designed so as to allow the respondent to answer all questions in a pre-designated time span (for instance, thirty minutes).

Unlike questionnaires in other areas (for instance, engineering), HRM does imply a certain degree of flexibility and the personalization of answers, together with the possibility of the respondent to have certain attitudes, opinions and approaches to the subject under discussion (Warwick University, 2004).

Processing the answers towards obtaining results therefore implies a careful scrutiny of these opinions and attitudes, in order for the questionnaire to yield relevant feedback and conclusions. However, the main focus should be on gathering factual data and personal views and opinions should be adjacent and secondary to this data. This allows for a more objective perspective on cultural and linguistic interference in the study, and also allows for a more precise evaluation and processing stage (McCarthy, 1994). This means that the design phase should also focus on how the answers will be processed from raw data to trends and patterns that would allow the reaching of useful conclusions.

A well-structured questionnaire also has to have a certain structure; namely one that would allow the exploration of key issues beginning from a more general perspective and carrying on to more detailed specific issues. Consequently, keeping in mind the HR domain required in the survey, the questions have to be structured so as to allow differentiation between the main trends, while further on, the discussion would move to

more specific issues. This approach to HR will isolate the key areas from the more general ones, so that the researcher may devise the most comprehensive and relevant overview of the subject matter as a whole.

With the aid of these guidelines, the questionnaire for this survey has been devised in a manner aimed at obtaining the highest amount of relevant data while avoiding irrelevant ballast data and unrelated information.

While some researchers assume that the case study is a qualitative method, case study research can be used within the positivist or the interpretivist epistemology (Darke et al., 1998) and is generally known either as quantitative or qualitative case study, respectively. Thus, case studies can be undertaken with either qualitative or quantitative evidence or both, and therefore this is a research strategy that can easily accommodate triangulation and other forms of multiple data collection methods. For case studies, the evidence can come from observations, surveys, interviews, archival records, verbal reports, or any combination of these, and indeed case studies usually combine many data collection methods. Thus, in terms of methods, case study invites pluralism and “the choice of method should clearly depend on the problem under study and its circumstances” (Flyvbjerg, 2006, p.226). Further,

“In case study, data from these multiple sources are then converged in the analysis process rather than handled individually. Each data source is one piece of the ‘puzzle,’ with each piece contributing to the researcher’s understanding of the whole phenomenon. This convergence adds strength to the findings as the various strands of data are braided together to promote a greater understanding of the case” (Baxter and Jack, 2008, p.554).

The methods used to collect data in the case study depend on several variables, including whether the case study is being used for description, theory testing, or theory generation (Eisenhardt, 1989). In this research the case study is used for theory testing. While case studies can be exploratory or confirmatory as needed, the use of case studies to

test theory requires that the researcher specify theoretical propositions derived from existing theory, and the results of the case study data collection and analysis are then used to compare the case study findings with the outcomes predicted by the theoretical propositions (Cavaye, 1996; Darke et al., 1998). In this case, a multiple case study research design is recommended, where the constructed model from theory is replicated on several cases (companies in this case) to learn on the validity of its assumptions.

In designing multiple-case study research it is very important that the strategy is built on prior development of theoretical propositions which will guide the data collection, processing and analysis – two stage design (Cooper and Schindler 2006). Prior development of the theoretical frame covers the use of secondary data coming from known theoretical models or prior empirical research. Use of a theoretical frame to guide the cases has been debated for a long period among researchers; however Yin (2003) argues that the same theoretical frame which assisted in identifying the research question always proves relevant for the further research process.

The use of case study is highly pertinent in the course of this research because it allows the researcher to “focus only on those aspects that are relevant to the objectives of the study” (Mlyn, 1995, p.16). In the case concerned, the research design is an explorative and explanatory research in an ex post facto and cross-sectional setting. Thus, the case study research strategy needs to be that of field research combining several communication methods for data collection – surveys, interviews and a focus group, based on the actual participants’ routine (Cooper and Schindler, 2006). The choice of the data collection methods ensures depth in examining the issue being explored.

The greatest criticism of case studies comes from the general critique found in the literature regarding the lack of rigour defining case study research.

According to Yin (2003), this is a result of the few methodological texts providing researchers with specific procedures to be followed in case study design. Another similar problem comes from the possible researcher bias in reporting the evidence clearly and construct validity (Saunders et al., 2009). In this study, construct validity is protected by using several sources of evidence in addition to the use of several data collection methods and through pattern matching. A second limitation of the case study is the fact that it provides little basis for scientific generalisation. However, one must keep in mind that case studies in general provide generalisations to theoretical positions, not to populations or universes.

The main aim of case study research is to expand and generalise theories, not to enumerate frequencies. Therefore, the external validity in case studies is protected through the use of theory in the research design. The third criticism comes from the large size of the research, which can generate many documents and materials and become difficult for processing.

These weaknesses imply that good case study research is difficult to achieve in an accurate way, emphasising the role and competence of the researcher in developing and implementing the research design.

Strengths	Weaknesses/Criticism
Provides a new view on the research question, enrichment of existing theory or a proof to the already established theoretical concepts on the topic.	Less rigor compared to the other research approaches regarding the information produced. Data can be contaminated.
It is flexible. It can be used with a wide range of topics, individuals, and settings.	Relatively chaotic data collection which makes data difficult to be analysed, and expensive to collect and process.
It has high face validity due to participant's interaction (interviews and questionnaires).	It requires skilful researcher competent in case study research design.
Large set of information can be gathered in short time.	Challenging external validity. The aim is not to generalise the findings, rather to increase the available theory.
Especially accurate in studies where the 'boundaries between the research question and the context are not clearly evident'.	
Source: Yin (2003, Cooper and Schindler 2006).	

Table 5.3: Case Study Research

5.3.3. Survey Research Design

A survey is defined, according to Saunders et al. (2012, p.144), as a strategy “based on the collection of a large amount of data from a sizeable population in a highly economical way”. According to Copper and Schindler (2006), apart from the explorative “What?” questions covered with a case study research design, the “What” questions whose aim is to provide answers in descriptive and explanatory terms are covered better through the use of a survey as a research strategy.

In this case, the conceptual framework provided in Chapter Two describes the impact of Islam on HRM practices and the employment relationship in Saudi Arabia. The existing theory and empirical models provide data for identifying the variables in the framework and the way in which the researcher should approach their measurement.

Once the variables are properly identified, the researcher develops the data collection instrument, i.e. the questionnaire.

Sekaran et al. (2003) defines the questionnaire as a pre formulated written set of questions in which the respondents record their answers. The literature recognizes many different types of questionnaires as categorised by delivery method; however, in general all types are grouped in two categories: self-administered and interviewer administered (Saunders et al., 2009; Babbie, 2010). The designation of self-administered questionnaire implies that the respondents answer the questionnaire without the presence of a researcher. For the interviewer-administered questionnaire (telephone questionnaire and structured interviews), a surveyor guides the respondent through the questions.

It is most frequently used when the questionnaire is long or complicated and valuable data will be lost, or contaminated, if the respondent fills in the form alone. The strengths and criticisms of survey as a research strategy are presented in Table 5.4.

The main advantages of survey as a strategy for the current research, on the impact of Islam on HRM practices and the employment relationship in Saudi Arabia, is the fact that the use of survey will provide strong internal validity and external reliability, while the representation will provide generalizability of the findings. Its main weaknesses however are associated with the fact that the questionnaire might be too long to be self-administrated, and thus it may be costly to ensure representativeness, keeping in mind the variables in the conceptual framework, which for the purpose of the survey need to be defined to the last statement. Thus, width replaces the depth of the research, in a context where there is a need to learn in more detail the ways in which Islam actually impacts the workplace in Saudi Arabia. Learning that it does impact the workplace, which would be a result from the survey, provides little insight into “how”.

Strengths	Weaknesses/Criticism
Strong internal validity as the research instrument actually measures what is made to measure.	It has low face validity due to low participant interaction.
Strong content validity as there is a representative sample for the universe.	It may result in low response rate.
Large set of information can be gathered in short time.	
Efficient and less costly	

Table 5.4: Survey as a Research tool (Cooper and Schindler, 2006)

Having provided detailed descriptions and evaluation of the alternative strategies identified by Yin (2003), the following section presents the ethnographic approach.

5.3.4. The Ethnographic approach

Defined by Reeves et al. (2008) as “the study of social interactions, behaviours and perceptions that occur within groups, organisations and communities” (p.1), ethnography, as a methodological research tool is directed at providing an exhaustive insight into the views and opinions directing people’s actions, investigating, at the same time, the environment in which these people conduct their daily routines, by means of gathering minute observations and conducting interviews. As posited by Hammersley (1992), “the task [of ethnographers] is to document the culture, the perspectives and practices of the people in these settings. The aim is to ‘get inside’ the way in which each group of people sees the world” (p 89). Furthermore, as shown by Parker (2012), the ethnographic methodology places a strong emphasis on investigating the nature and peculiarities of a given social phenomenon. As such, it does not simply test pre-established hypotheses on that phenomenon. Furthermore, the ethnological approach relies primarily on “unstructured data”. In other words, it makes use of data which was not coded during the data collection stage. It is directed at analysing a smaller amount of information and cases: sometimes, the

analysis can even focus on a single case. This allows for a more in-depth analysis and more reliable results. The investigations conducted take the form of explicit explanations and interpretations of the actions analysed, in terms of their function and meanings, mainly through description.

As equally mentioned by Reeves et al. (2008), in general, ethnographers make use of observation, which involves direct contact and engagement with the environment they are investigating. Therefore, they have to account for a variety of aspects, and are required to faithfully record all the elements encountered during their investigations.

Additionally, as further discussed by Hammersley and Atkinson (1995), the type of interview commonly used by ethnographers is conversational (that is, informal). This fosters a more ‘casual’ relationship with the participants and, implicitly, it may elicit accounts and answers from the interviewees that are more personal and candid. The scholars also mention, among the data gathered by ethnographers, in-depth interviews, minutes of meetings and gatherings, photographs or even diaries.

As regards the analysis of the data obtained, Parker (2014) points to the inductive nature of the endeavour. In other words, the data is analysed with a view to identifying and classifying the emerging issues and themes. This inductive approach enables ethnographers to put forward hypotheses from the empirical material generated.

The methods relied upon by the ethnographers allow them to fully understand the contexts they are exploring, particularly due to the immersion phenomenon that is occasioned. In order to increase the quality of their research, ethnographers equally rely on triangulation (a method consisting in comparing and contrasting) with regards to the methods used: interviews and observation. This allows them to compare the individuals’ behaviour with what they say during the interviews.

5.4. Methods of Data Collection – Mixed Methods

This research uses a mixed data collection method. The data come from secondary and primary sources, and are a combination of quantitative and qualitative origin. As already discussed under the section describing the research philosophy, while there is a clear distinction in the philosophies of positivism and interpretivism regarding what constitutes knowledge, there is no severe difference in methods for data collection and data collection sources related to a specific philosophy. The choice of methods may vary depending on many factors which define the research process: research questions, existence of previous theory and empirical studies on the subject, along with the preferences of the researcher. In line with the points above, Lee (1991, p.350) notes that

“The positivist approach makes the claim that its methods – the methods of natural science – are the only truly scientific ones, while the interpretive approach makes the counterclaim that the study of people and their institutions calls for methods that are altogether foreign to those of natural science. Thus, the positivist and interpretive approaches would appear to be in opposition.”

However, qualitative and quantitative research are simply different ways of undertaking research, each of which may be appropriate based on the research agenda (cf. Bryman, 2008; Franklin-Nachmias and Nachmias, 2007; Remenyi et al., 1998). From this perspective, Guba and Lincoln (1994) argue that researchers should not be bound to using only one methodology and instead “both qualitative and quantitative methods may be used appropriately by any research paradigm ... [as] [q]uestions of method are secondary to questions of paradigm” (Guba and Lincoln, 1994, p. 15). This type of pluralism is significant because robust knowledge construction is the outcome of choosing a suitable combination of research techniques for the particular research context and the relative rigour with which each research method is used (Cavaye, 1996). For example, Attewell and Rule (1991, p.314) argue for the “complementarity between survey and fieldwork approaches,” stating that “each is incomplete without the other.” Congruent with this,

Danziger and Kraemer (1991, p.367) argue that survey research and fieldwork have always been alternative and not competing sources of evidence and ideas. For instance, any given objective in management research may necessitate multiple research approaches, often in sequence (cf. Hughes et al., 1997).

This can be achieved using mixed methods research. Mixed methods research, particularly the integration of quantitative and qualitative techniques, has become widely used and increasingly popular in several fields of social science (Creswell, 1995). Bikson (1991) suggests that a mixed methods approach to research is desirable in most areas of social research, because both quantitative and qualitative research (methodology and methods) are important and useful. However, the objective of undertaking mixed methods research is not to replace either of these approaches, but instead the objective is to draw on the strengths and reduce the weaknesses of the other approaches (Johnson and Onwuegbuzie, 2006).

One of several rationales for mixed methods research is triangulation (Bryman, 2002). According to Jick (1983), there is a clear tradition in social science research methods that supports the use of multiple research methods. This type of research strategy is often described as one of convergent validation, convergent methodology, multi-method/multi-trait research (Campbell and Fiske, 1959), or triangulation (Webb et al., 1972). The basic idea behind these is that qualitative and quantitative methods should be seen as complementary instead of being seen as competing with each other. Jick (1983) emphasises the desirability of combining research methods given the strengths and weaknesses found in single method designs. Overall, triangulation refers to the use of more than one approach to undertaking the research investigation so as to answer the underlying research questions (Mason, 2002; Patton, 2001; Neuman, 2003; Yin, 2013; Denzin, 1978).

Since each paradigm and method has its own specific strengths and weaknesses (Denscombe, 1998), combining methods is meant to increase confidence in the resultant research findings.

Moreover, since a great deal of social science research is based on the use of a single research method and as such is likely to have the limitations associated with the use of a specific method, or, from the particular application of that method, triangulation offers the possibility of greater confidence in research results (Bryman, 2002).

There are four types of triangulation, which eventually contribute to the verification and validation of research analysis (Denzin, 1978; Patton, 2001):

1. Methodological triangulation is done using more than one method to gather data with the purpose of checking the consistency of different data collection methods,
2. Investigator triangulation of sources, which involves using multiple researchers in undertaking the research study,
3. Data triangulation, which involves gathering data using different sampling strategies, so that data is collected from different people, at different times, and in different social situations, and
4. Theoretical triangulation, which combines theories for purposes of data interpretation.

In-depth analysis is the essence of case study research. The study cannot rely on a single method of data collection, as the same may not be adequate or sufficiently reliable to provide accurate research results.

For this reason, methodological triangulation is the essence of case study research strategies. This triangulation involves a combination of methods with different strengths and weaknesses for the collection of data. In addition to trading off weaknesses against each other, Denzin (1978) points out that this type of approach tends to add a new dimension to research design, and could provide adequate results in cases where single methods might possibly fail to do so. It should be noted that triangulation is always worthwhile, as a method, for the validation and verification of research findings. In this regard, triangulation is used to ensure the reliability and validity of the findings.

As a result, the primary research undertaken for the purpose of this dissertation makes use of four separate sources of information collected through three methods of data collection, namely: (1) a quantitative questionnaire survey applied to 198 employees of FMNC and ISC; (2) detailed one-to-one qualitative interviews with four judges and eight Islamic professors; (3) semi-structured interviews with fourteen managers of ISC and five managers of FMNC and (4) a group interview-cum-discussion with three managers of FMNC. The researcher has summarised these sources of Primary Qualitative Information by creating Figure 5.3.

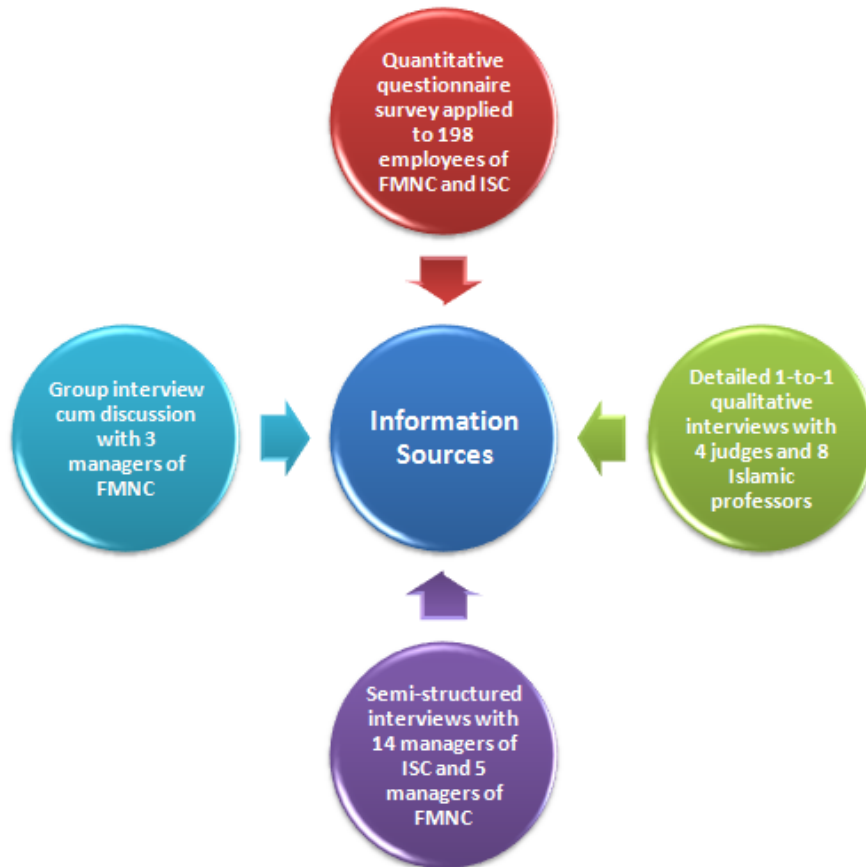


Figure 5.3: Sources of Primary Qualitative Information

Such a multidimensional primary research approach enables the researcher to synthesize and assess the benefits of both quantitative and qualitative research techniques while ensuring cross verification and cross validation of information (Bryman and Bell, 2007). It eliminates the risk one often finds in social research, namely where the use of a particular information source or method of obtaining primary information results in the generation of skewed, inadequate or biased data. The use of diverse information sources, as such, removes such biases and inadequacies and allows for the generation of rounded and multiple perspective information for the purposes of this research. Each of these methods is described in detail in the following sections.

5.4.1 Multiple Case Study approach

Examining the alternative research strategies, their strengths and weaknesses as outlined in the preceding sections from one side, and the aim of the dissertation and its objectives from another, the researcher believes that the choice of case study as a research strategy is the most suitable approach through which to provide in depth knowledge on the research topic.

According to Yin (2003), a multiple case research strategy is associated with the positivist research methodology and the deductive approach. A conceptual framework developed from theory is applied in several cases, exploring its applicability and deviations. That said, Yin (2003) argues that the existence of more cases to which the framework is applied is never a sampling issue. These cases do not represent a specific population, but rather are chosen for the research due to other attributes, which hold the promise of providing an in-depth insight for the research model explored.

For the purpose of this dissertation, the multi-case research study involves an in-depth analysis of two companies operating in Saudi Arabia, one of which is a subsidiary to a multinational corporation, and one of purely Saudi origin. Both are large companies in terms of size and have distinctive HR practices, which make them a good choice for the research study. Thus, the strengths coming from the quasi-experiment research strategy as outlined in the preceding section are preserved (comparison of two environments), while the use of the multi methods for data collection characteristic of the case study enables depth in the research analysis by providing an explanation of the possible differences, which can be attributed to the role of Islam.

The chosen case companies are: Indigenous Saudi Corporation (ISC) and Foreign Multinational Corporation (FMNC).

5.4.2. Case Company I: Indigenous Saudi Corporation

The Indigenous Saudi Corporation (ISC) is a Saudi company with its headquarters in Riyadh, and is involved in the manufacture of a range of products including chemicals, plastics and other basic materials, polymers, thermoplastic resins, specialty compounds, metals, and fertilizers (ISC website).

ISC was founded in 1976 when the Saudi Arabian Government decided to use the hydrocarbon gases associated with its oil production as the principal feedstock for production of chemicals, polymers and fertilizers. The Saudi Arabian Government owns 70 percent of ISC shares with the remaining 30% held by private investors in Saudi Arabia and other Gulf Cooperation Council (GCC) countries.

ISC is the second largest diversified chemicals company in the world and the 88th largest public company overall. Additionally, according to the ISC website, the company is one of the top petrochemicals companies in the world, one of the world's market leaders in the manufacture of polyethylene, polypropylene and advanced thermoplastics, glycols, methanol, and fertilizers, and is among the largest producers of steel in the Middle East. With 40,000 employees and operations in more than 40 countries around the world, ISC has US\$89 billion in total assets and annual revenues of more than US\$50 billion.

Core HRM Philosophy

In terms of Human Resources, ISC's Annual Report for 2011 (p. 41) notes:

“Through a cycle of continual feedback and focused development combined with advancement processes based on results rather than tenure, we are building a performance culture and ensuring that it becomes embedded in the fabric of the organisation. Toward this end, we are harmonising our compensation and benefit programmes to support a common global platform which will help us attract, retain and make the best possible use of the best available talent.”

This is reflected in third party reports, which place ISC as one of the most popular employers in Saudi Arabia. According to Gulf Talent (2011), ISC was the second most popular career choice for Saudi graduates, beating many other international firms such as consumer goods company Proctor & Gamble, industrial conglomerate General Electric, accountants KPMG, and software company Microsoft. The main aspects of a company's HR system most attractive to the graduates who took part in Gulf Talent's (2011) survey were the quality of a company's training and development programme, the chance to do interesting and challenging work, the company's public image and reputation, and the salary offered. ISC seems to be high on these factors, making it one of the top employers in the country.

5.4.3. Case Company II: Foreign Multinational Corporation

The Foreign Multinational Corporation (FMNC) is a Saudi Joint Stock Company that was established by Royal Decree No. M/4 in 21 January 1978 and formally commenced business in July 1978 after taking over of the operations of The British Bank of the Middle East in Saudi Arabia. FMNC is a commercial bank that has a network of seventy-nine branches across the Kingdom, including eighteen exclusive women's sections, employing 3,049 staff as at 31 December 2012 (of which 87% were Saudi nationals). FMNC was established to provide a range of banking services, including private banking, commercial banking, and investment banking as well as providing Shariah approved banking products (otherwise known as Islamic banking), which are approved and supervised by an independent Shariah Board set up by FMNC. Saudi Joint-Stock companies are traded on the Saudi Stock Exchange.

The FMNC is part of the HSBC group and has a London branch (HSBC, 2014). Headquartered in London, HSBC is one of the largest banking and financial services organisation in the world. Its international network comprises over 10,000 properties in eighty-two countries and territories in Europe, Hong Kong and, the rest of Asia-Pacific, the Middle East, Africa, North America, and Latin America (HSBC, 2014). In terms of assets, HSBC bank is known to be the fourth largest corporation worldwide, and at the end of 2005, was the largest banking group in the world by Tier 1 capital. The bank was also ranked the third largest company in the world in Forbes Global 2000.

Core HRM Philosophy

The FMNC HR Department aims to work together in a strategic partnership with line managers, creating the best possible working environment to attract, develop, motivate and retain the highest calibre staff in pursuit of the achievement of FMNC's goals and initiatives. According to Gulf Talent (2011), FMNC was ranked fourteen out of fifty as a career choice for Saudi graduates, outranking many local and international companies such as oil company Chevron, consumer goods company Unilever, accountants Price Waterhouse Coopers, and telecommunications company Siemens.

5.4.4. Survey of Employees of the Case Companies

In the dissertation, a survey is used to collect data on employee perceptions about the impact of Islam on various aspects of the HRM strategies (Nolan and Slater, 2003, Edwards, 2003), policies, practices, and processes at ISC and FMNC, and compare these findings, exploring the differences and similarities between the companies.

Some researchers (Edwards, 2003; Nolan & Salter, 2003) argue based on the conceptions of Lord McCarthy that surveys regarding employees account for the vast

majority of the research studies conducted in this field and at some point these may be flawed due to internal perceptions of employees, which thus for calls for other research methods that would provide an objective view, such as case studies.

As Saunders et al. (2009) argue that survey as a data collection method is “based on the collection of a large amount of data from a sizeable population in a highly economical way”. Survey strategy is usually used for collecting large amount of quantitative data through exploratory and descriptive research. According to Cooper and Schindler (2006, p.244), the design of the survey consists of the following steps:

- “Identification, selection and/or creation of measurement variables used for measuring the impact of the researched question;
- Instrument design – questionnaire, which incorporates attempts to reduce error;
- Sampling issues driving the communication approach;
- Data collection processes;
- Access issues; and
- Ethical issues.”

Each of these steps is explored in the further development of the section.

Operationalization of the Conceptual Framework

The conceptual framework provided in Chapter Two, Figure 2.3. provides general assumptions on the impact of Islam on HRM practices and employment relationship in Saudi Arabia, defined through the indirect impact of Islam on the culture, legal system and the political context of the country. This means that Islamic practices and norms can be felt in even the most minor issues of this country, at least in theory. The framework however, needs to be operationalised, i.e. made into an empirical model with variables, the way they will be measured and the way data will be collected.

In this regard, the HRM practices are operationalised through their main processes as defined in literature: recruitment, selection, training and development, assessment, pay and reward, along with the tacit concept of motivation (Nolan and Slater, 2003). The employment relationship on the other hand defines concepts such as the conditions of the working relationship and workplace relations, welfare and work-life balance (Edwards, 2003). All these concepts are the main variables in the empirical study.

Design and Processing of the Instrument – Questionnaire

There is only one type of research instrument which can be used for collecting data through a survey: the questionnaire. The questionnaire as a tool consists of a series of questions to which people (participants/respondents) respond in a determined order (Saunders et al., 2012; Mitchell and Jolley, 2012). There are two general types of questionnaire which can be used in surveys: (1) self-administrated; and (2) interviewer administrated.

The first type, as the name implies, is disseminated to the sample of the population group, with an expectation that the respondents will answer the questions by themselves in a time and/or space most convenient to them. This type of questionnaire is the least expensive, can reach a large group of the population, and obtain the most accurate data. Its main weaknesses are associated with the length and complexity of the questions. If the questionnaire is too long or complex, there is a risk that the respondents may not answer all questions, and/or fail to understand them as intended by the researcher. In such a case, the best practice in research methods recommends the use of an interviewer-administrated questionnaire. Its main methodological weaknesses however, are associated with loss of privacy, which may incline the respondents to provide inaccurate data, or even provide

data to please. The practical shortcomings are associated with its cost, as this type of survey requires time and people to administer it (Saunders et al., 2012).

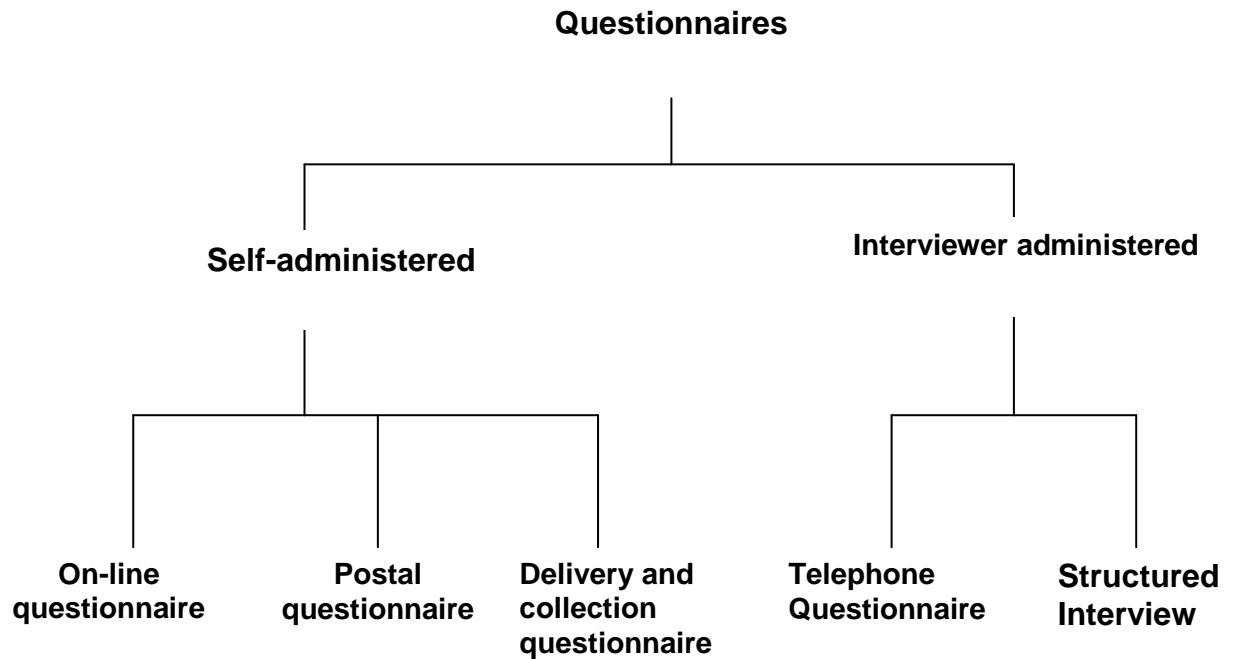


Figure 5.4: Types of Questionnaires (after Saunders et al., 2012)

As the purpose of the survey is to measure the perceptions of employees about the impact of Islamic beliefs and traditions on HRM practices and the employment relationship in their respective organisations, the most suitable measurement for the variables is the use of subjective scale statements, in an environment which assures employee privacy and confidentiality and thus protects the accuracy of their answers. Therefore, the questionnaire is self-administrated.

When it comes to the content of the same, the researcher draws the development of the sections from the variables defining HRM practice and employee relationship, not forgetting demographic variables. Thus, the questionnaire consists of two sections. The first part determines the demographic attributes of the respondents along with their position

and experience in the organisation of interest, while the second part collects data on their perceptions (beliefs) on the impact of Islam on HRM practices and the employment relationship in their organisation. Ethnography, as explained earlier in the chapter, in this case is of high relevance as it will demonstrate the differences in cultures between Islam for employees and other western models previously mentioned.

The nature of the collected data determines the type of questions used. The first part of the questionnaire uses list questions, where the respondents can choose their answer from a list of defined options, while the second part is based on the use of the Likert-style rating scale in which the respondents are asked to rank how strongly they agree or disagree with a statement or series of statements (Losby and Wetmore, 2014). The use of a five-point Likert-style rating scale is a standard measurement tool for measuring subjective perceptions which ensures strong internal validity of the findings (Cooper and Schindler, 2006). The section two of the questionnaire contains 25 questions that provided data to the six themes: four questions on Pay and Conditions, three questions on Motivation, nine questions on Workplace Relations, three questions on Welfare and Work-Life Balance, four questions on Recruitment and Selection – Learning and Development, and two questions on Management of Resources. The questionnaire is provided in Appendix 1.

Sampling strategy

All employees working for the case companies FMNC and ISC make up the target population. FMNC has 3,050 employees, while ISC has more than 40,000 employees worldwide with fewer than 17,000 working in Saudi Arabia. Thus, it was costly to reach all members of the target population. In such a case, the best practice in research methods recommends the use of sampling strategies (Saunders et al., 2012; Cooper and Schindler, 2006).

A sample is defined as a portion of the target population, whose choice and size provide statistically significant data attributed to the population (Saunders et al. 2012; Cooper and Schindler, 2006). There are many sampling strategies used in research practice, and they are usually divided in two groups: (1) probability – representative sampling; and (2) non-probability or judgmental sampling. A probability sample is an umbrella term that is used to describe sampling techniques where respondents have a known (nonzero) chance of being chosen. Non-probability samples on the other hand are arbitrary sampling techniques where respondents have an unknown or zero chance of being chosen for the sample (Saunders et al., 2012). For the purpose of this research, random sampling was introduced, reflecting respondents' own will and voluntary choice to participate in the survey. With the support of senior managers who provided me access to the companies' employees, the survey was distributed through an online survey system, as a self administrated questionnaire to 300 participants (150 for each company) working in the two case companies. The researcher chose this method as it appeared to be the most cost-effective way to obtain fast responses. 198 responded, 102 from FMNC and 96 from ISC, representing respectively 68% and 64% of the respondent which shows a significant response rate. Once data were collected, the answers of respondents were coded and processed through the use of the statistical functions of the MS Excel program and t-test analysis which is explained in details in the Validity and Reliability section.

5.4.5 Semi-structured Interviews with Managers of the Case Companies

Being large organisations, both, FMNC and ISC apply the general areas of HRM practice (processes) as recommended by literature and practice (recruitment, selection, training, performance appraisal). However, as both operate in Saudi Arabia's legal and political context, there is a need to develop a deeper understanding of the companies'

internal processes and provide additional data to explain the employee perceptions. Therefore, managers' opinion on whether and how Islam's teachings and traditions impact the workplace and whether there is a convergence with the Western traditions which are the base of HRM social science emerged as an important source of additional data for the research. Interviews were chosen as a data collection method, as the purpose is to collect in-depth data on the existing processes in the organisation and determine whether they are impacted by Islam's teachings and the traditions of Saudi Arabia.

An “[i]nterview refers to a face to face verbal interchange, in which one person, the interviewer, attempts to elicit information or expression of opinion or belief from another person or persons” (Maccoby and Maccoby, 1954, p.449). It is a specific and frequently used method for data collection in social sciences as it provides “a specialized pattern of verbal interaction- initiated for a specific purpose, and focused on some specific content area, with consequent elimination of extraneous materials” (Kahn and Cannel, 1957, p.16). The interviewees presumably are representative of the population of interest, or the target population (Smith et al., 2002).

According to Saunders et al. (2012), structured interviews use questionnaires based on a pre-defined set of questions usually used in explanatory and descriptive study and/or for statistical purposes. The structured interview is similar to an interviewer-administrated survey. Semi-structured interviews use a list of topics to be covered with varying questions; usually used for explanatory or exploratory purposes. It is imperative that the questionnaires follow a field specific topic. In the model developed by researchers at the Warwick University, the analysis of HR processes has five major components focusing on inner context, outer context, business strategy, human resource management context and human resource management content (Batton & Gold, 1999).

Last, but not least important, unstructured interviews are informal conversations on a certain topic without a pre-defined list of questions, and almost always associated with an exploratory study (Robson, 2002).

Keeping in mind that the general areas of interest for this dissertation have already been defined as the general processes of HRM and the aspects of the employment relationship, the researcher chose a semi-structured interview for the managers of both organisations. Semi-structured interviews are commonly used in social research to elicit information in an informal manner, allowing researchers to stick to predetermined formats but at the same time providing leeway to respondents to be flexible about their responses (Gray, 2004). Comprising mainly open-ended questions that prompt discussion and enable interviewers to explore specific themes. Further, such interviews allow respondents to raise and discuss issues which may not have been considered by the researcher (Gray, 2004).

Design and Processing of the Instrument – Questionnaire

Similar to the survey as a method for data collection, the semi-structured interview uses a questionnaire as a research instrument. The only difference is the fact that the interview questionnaire uses open ended questions (Saunders et al., 2012).

The semi structured interview for the purpose of this dissertation comprised twenty questions that included five questions on the personal profile of the respondents, seven questions on the recruitment selection and gender relations of their organisation, and eight on the remuneration and reward strategies and policies practised by their organisations (Creswell, 2003). These interviews were conducted face-to-face with fourteen managers from ISC and five managers from FMNC. The researcher recorded the sessions on audio tape, from where the answers were transcribed in Arabic then translated in English. The questionnaire is provided in Appendix 2.

5.4.6. Focus Group Interview

Having conducted semi-structured interviews with the managers, the initial findings from the interviews with the FMNC managers were blurred and unspecific, which limited the understanding of the processes in the organization and could have jeopardized the conclusions. It became obvious that the participants either had poor knowledge of organizational processes, or were afraid to discuss the issues freely due to privacy and confidentiality issues.

As a result, the researcher decided to include a focus group as a method for additional data collection in the dissertation. Focus groups are group discussions which involve organized exchanges of ideas within selected groups of individuals and help researchers to gain important information about the views of group members on specific issues (Bryman and Bell, 2007). The conducting of group discussions enables different people who are interested in the same topic to come together and put forward their views and opinions upon specific issues on a common platform (Bryman and Bell, 2007). It furthermore allows the participants to discuss issues among themselves and share their understanding of specific situations (Bryman and Bell, 2007). Such discussions play an extremely important role in obtaining multiple perspective information on specific topics (Bryman and Bell, 2007).

In the case of FMNC, three technical managers were brought together to participate to the focus group interview, using the same questions submitted for the semi-structured interviews, which allowed significant improvement in the clarity with which organizational HRM processes were understood, and the perception of interviewees on how Islam affects the same. This interview was recorded on audio tape, and then transcribed before translating into English.

5.4.7. Mini- Delphi Interviews with Experts (Judges and Islamic Teachers)

A Delphi technique is a type of structured group interview where the main task is seeking agreement among a group of people regarding an idea or a goal (Jonassen et al., 1998). Despite being a group interview, the technique can be used in one-to-one interviews with experts on a specific subject. In such a case it is called a mini-Delphi technique.

The researcher felt that there was a clear need to use the mini-Delphi technique as one of the methods for collecting data in this dissertation, because there was a lack of data from secondary sources on what actually constitutes Islamic teaching when it comes to the workplace in Saudi Arabia, and how the same affects the legal system of the country when it comes to employment relationships. As a result, face-to-face mini-Delphi interviews were conducted with Saudi Arabian judges and Islamic professors. In the process, the researcher interviewed four judges and eight Islamic professors representing scholars. The details of the persons interviewed for the purpose of the research are not mentioned, to comply with ethical and confidence purposes. The interviews were transcribed and then translated into English.

As discussed in detail in Chapter Two, the review of literature, the legal system of Saudi Arabia is based upon and governed by the Shariah and the Sunnah. The Shariah, i.e. the Islamic law, is derived from the Quran; Hadith; from the Islamic scholarly consensus that came into being after the death of the Prophet Mohammad; and the process of deductive analogy, wherein the teachings of the Hadith, are compared and used in conjunction with the Quran for applying a known injunction to new situations (Graeme, 2010). The Sunnah, the normative way of life for Muslims, is based upon the teachings of the Prophet and interpretations of the Quran (Graeme, 2010).

The existing legal system in Saudi Arabia, which was first established in 1932 and developed in the next few decades, is largely governed and administered by single judges, who primarily rely upon the Shariah law for resolving civil, criminal, commercial and contractual issues (Graeme, 2010). The judicial establishment in the country is composed of Qadis, namely judges who rule in accordance with the Shariah, Muftis, Islamic scholars, who interpret or expound Islamic laws, and other participants of the Ulema, the educated class of Islamic legal scholars, who issue legal opinions which are considered with great care by others. There are approximately 700 Qadis, or judges, in Saudi Arabia today (Graeme, 2010).

Michiel (2010) states that judges in Saudi Arabia have graduate and post-graduate qualifications in law that are primarily based upon religious instruction, as expounded in the Quran, and reference to contemporary commercial issues is practically absent in their education. Issues concerning business and commerce in Saudi Arabia are governed, determined, judged and resolved in accordance with the tenets of the Shariah (Michiel, 2010).

It is important in this context to appreciate that the Shariah, as used in Saudi Arabian courts, is not codified and that judges are furthermore not restricted by judicial precedent (Michiel, 2010).

The role and power of judges in the commercial life and regulation of the country can clearly be perceived to be extremely substantial (Michiel, 2010). Whilst all employment related issues with foreign nationals are governed by the terms of their employment contracts, issues concerning Saudi nationals and HR disputes of greater importance are decided upon by courts that function in accordance with the Shariah and the Sunnah (Michiel, 2010).

The opinions of judges on various HRM related issues, based upon the contents of the Shariah and their interpretation of religious law, are thus extremely important for the purposes of this dissertation.

There are non-Shariah courts that deal with various specialised areas of the law. The foremost among them is the Board of Grievances, originally founded for dealing with various complaints against governments, but also against commercial issues or issues such as forgery or bribery. It also acts as a court of appeal for various non-Shariah government tribunals (“committees”) (Otto, 2010). The judges of Qadis usually have degrees in Shariah law from Islamic universities validated by the country’s government, with additional qualifications from the Riyadh Institute of Higher Judiciary. Their training is based on the Quran and on other religious texts, but modern commercial issues are not covered by these texts. This is why issues related to the business environment are dealt with in various ways, according to the Quadi’s judgment (Baamir, 2010; Vogel, 1999).

The Ulema comprises of Muslim legal scholars who are engaged in Islamic study and familiar with jurisprudence; they are considered to be the arbiters of the Shariah (Sikand, 2004). Many members of the Ulema are judges, lawyers and prayer leaders (Sikand, 2004). Whilst the Ulema does not have formal control over policy making, it influences Saudi Arabian society in many ways and plays extremely important roles in policy making (Sikand, 2004). The members of the Ulema influence the following governmental activities and processes (SAMIRAD, 2013).

- The evolution of the judicial system of Saudi Arabia;
- The accomplishment of the rules of the Islamic Shariah;
- The conduct of religious guidance groups all over the Kingdom;

- Religious education, namely Islamic legal education and theology at all levels in Saudi Arabia;
- Religious jurisprudence;
- Preaching and guidance throughout the nation;
- Supervision of the education of girls;
- Religious supervision of all Mosques in Saudi Arabia;
- Preaching of Islam abroad;
- Continuous scientific and Islamic research;
- Notaries public; and
- The handling of legal cases in courts according to Islamic law (SAMIRAD, 2013).

Each of the experts interviewed gave official consent for participating in the survey. All quotations and analysis is anonymised in line with ethical guidance discussed previously, and each judge will be assigned a letter with which their quotations will be marked, while for professors, numbers will be used for the same purpose. The interviews were transcribed, summarized and coded in order to develop a wider understanding of what the expected impact of Islam should be on the workplace as perceived from the ones who are its voice and practice in Saudi Arabia.

5.5. Validity and reliability

Reliability (external) and validity (internal and external) are significant elements of every method of data collection, survey included (Saunders et al. 2012, Cooper and Schindler 2006). As a term, external reliability refers to the extent to which the chosen method ends with reliable consistent findings (Easterby-Smith et al., 2008, p.109).

In the survey concerned, the external reliability is approached through the use of variables as provided with the conceptual framework in Chapter Two.

Validity is a process which is concerned with whether the findings are actually what they appear to be (Saunders et al., 2012). In the survey, the internal validity of data is ensured through the use of data triangulation. For this purpose, the researcher pilot tested the questionnaire by distributing its content to a number of professors at a university in Saudi Arabia, who provided valuable feedback. The researcher then tested the questionnaire's validity through distribution of ten copies to ten people working in the two corporations in Saudi Arabia. The respondents did not encounter any difficulties in understanding the questions and answered accordingly.

The process validity of the data is ensured through the use of statistical analysis. In the case concerned, the researcher explores the extent of Islam's influence on the HRM processes and the employment relationship of two companies which differ by origin, as ISC is an indigenous company while FMNC is a foreign company, and thus they are assumed to be different in their approach to managing Human Resources. The differences reside not only in the cultural context but also in HRM strategies and thus an ample view of this can be observed.

In order to ensure that the samples of employees from both organisations have independent means, a situation which will provide statistical significance for all discovered similarities, or differences in the findings of both surveys, the researcher performed a t-test paired analysis of the samples.

A t-test is aimed at verifying whether a null hypothesis is supported, in order to determine whether two sets of data are different from each other. T-tests are applied in cases where the test statistics follow a normal distribution when the scaling term of the statistics is known; if the scaling term is not known, and an estimate based on the data

replaces it, then the test statistic follows a student's distribution. The t-test therefore aims to determine whether two populations are equal and multiple types of t-tests exist. The data can be paired or not, for instance. Paired data means that there is one-on-one correspondence between all the values of the samples (Snedecor and Cochran, 1989).

While there is a perspective which states that t-tests are to be used only where there are relatively larger sample sizes, this is not necessarily the case, and Student (1908) argues that not only are boundaries of 'larger' or 'smaller' samplers unclear, but that it is not probable that the mean of a small sample will be greatly different from the mean of the wider population where a normal distribution curve is seen. More recently, De Winter (2013) concludes that studies with samples consisting of fewer than five individuals or occurrences may effectively use t-testing, even where there are only two sample subjects. On this basis, the use of t-tests is justifiable for the current study.

In terms of means of calculation, there are certain expressions that follow or approximate a t-distribution when a null hypothesis is offered. When a t value is obtained, a p-value can be determined with the aid of a table of values from the t-distribution. If the p-value is lower than the statistical significance threshold (e.g. 0.10), then the null hypothesis can be discarded, and a separate hypothesis is adopted (Zimmerman, 1997).

When testing the null hypothesis, the population mean equals a specified value μ_0 and the following statistic is used:

$$t = \frac{\bar{x} - \mu_0}{s/\sqrt{n}}$$

in which \bar{x} is the sample mean and s is the sample standard deviation, whereas n is the size of the sample. The parent population may not be normally distributed, but it is required to have a normal distribution for the sample mean \bar{x} .

Using the central limit theorem, when the parent population's sampling is independent, then the sample means will be next to normal (Mankiewicz, 2004).

In the t-test of independent means, the null hypothesis states that there are no specific differences in the means of the both samples, which for the research undertaken here means that all discovered differences and similarities in the findings from both samples cannot be attributed to the tested variable alone, and thus cannot be attributed to the impact of Islam. If the probability of sample mean equality is less than 0.05 (p value), the null hypothesis is rejected, and an alternative hypothesis is accepted, stating that there is a difference in the means of the sample, which means all discovered differences and similarities of the respondents from both surveys can be attributed to the variable examined: in this case the impact of Islam on the workplace.

Validity and reliability are difficult concepts to explore in a semi-structured interview. The research questions are open-ended and allow a variance of interpretations and answers. Nonetheless, in order to ensure validity and reliability of the research instrument, the researcher pilot-tested the same by reviewing the questions with people from the same environment as the interviewees, and verified the clarity and objectivity of the questions, along with the actual need for their existence: i.e. whether the supplementary questions derived from each question provide the researcher with the data necessary for the purposes of the research, and that they are not just a waste of the interviewee's time (Gillham, 2004).

In order to ensure validity, reliability and accuracy of the interview questions, the researcher conducted a test with two corporate employees outside the scope of the sample. Both agreed on the way in which the questions had been formulated, arguing that the format and the essence were meaningful to the subjects.

The research design presented in the chapter takes into account all open validity and reliability issues that result from the chosen research strategy – multiple design case study (Saunders et al., 2012, Yin, 2003). The construct validity, described as the correct scope of the topic of the research, is approached through the use of multiple sources of evidence, i.e. data collected with various methods and from various sources – triangulation. In the process, the researcher ensured the existence of a chain of evidence in line with the recommendations from Yin (2003). The use of methodological triangulation: i.e. different methods of data collection, ensures the reliability of the findings. The internal validity, or the establishment of the casual relationships in the findings, has been protected by pattern-matching and explanation-building. These steps are in line with the recommendations of Yin (2003) and are enabled through the conceptual framework designed specifically for this research in Chapter Two. The conceptual framework protects the external validity, as it provides theory to guide the boundaries of the research (Yin, 2003).

5.6 Issues related to the thesis

One of the major practical difficulties related to the completion of this doctoral project and field research was the necessity to translate the questionnaire forms from English into Arabic and vice versa. Given that the mother tongue of the respondents was Arabic, all questions needed to be presented in a comprehensible form to avoid further misunderstanding, biased responses and other inaccuracies. Similarly, the responses obtained in Arabic needed to be translated into English to be presented in the body of this dissertation. This translation was a challenge for the researcher because the content of questions and the overall direction of this investigation differed from business English or Arabic. Besides generally accepted HRM terms and concepts, the researcher had to translate and explain more specific cultural and spiritual phenomena (Metcalf, 2007;

Weir, 2000). However, it should be admitted that such difficulties are typical to ethnographic research (Hammersley and Atkinson, 1995).

Another serious challenge which could influence the overall success of this project is getting access to the target companies. The context of Saudi Arabia is different from the Western context where formal applications and letters are enough to start a survey in an organisation. It was necessary for the researcher to find useful contacts and meet influential people to organise the process of data gathering. One of the core issues is that some Saudi officials and top managers do not fully recognise the value of field research and do not believe that its results can contribute to organisational growth and better performance. For this reason, the researcher had to explain the purpose and value of this project each time. It was essential to get permission and approval of some influential persons in Saudi Arabia who could convince other organisational stakeholders to take part in the survey and this ethnographic research. The completion of this research project was possible only because the researcher has good personal contacts and knows people who know other influential people in this field.

It should be admitted that obtaining access to the judges and professors in Shariah Law was even more challenging and problematic than contacting company leaders. These experts were keen to share their knowledge and information about the benefits of Islam; however, some of them were reluctant to participate in the research because it seemed that they underestimated the contribution and effectiveness of this thesis. As in the case with the target companies, the researcher had to rely on personal contacts to contact experts in Shariah Law and receive their permission to use the material obtained in this investigation. The process of gaining their consent was arduous and involved convincing them by exposing the benefits of the research for the country and Islam; the researcher showed them how their input was necessary and valued for the effectiveness of the thesis.

5.7. Summary point

The credibility of any research undertaking rests, to a significant extent, on the methodology – the honeycomb of elements and processes, which together, constitute the strategies, processes and practices around the collection, refinement, interpretation and presentation of the findings and the conclusions that are drawn from them (Wilson, 2014). This is so because the methodology not only entails the process of gathering and analysing information, but is also the bridge from extant theory to its empirical origins. In doing so, research can either entrench or give credibility to existing theory or, alternatively, research may question the credibility and remit of theory and, therefore, suggest alternative theory.

It is for these reasons that researchers are asked to go beyond the mere statement of their choice of methodology, but to robustly justify how the choice represents a credible, reliable and valid framework for addressing the research questions and achieving the research aims and objectives. In this respect, some insist that researchers must be upfront and unequivocal about their perspective on what constitutes knowledge (ontology) and how it is created (epistemology) and to show how these positions inform their methodology. This chapter started with engagement on this philosophical debate, and whilst it make significant reference to various theories that define competing ontological and epistemological arguments, the chapter concludes that there are alternative considerations which suggest a more pragmatic approach to research philosophy and, by extension, choice of methodology.

From that pragmatic position, and drawing on Cooper and Schienler's (2006) descriptor framework of research strategy and Yin's (2003) theory of alternative research design, the chapter outlined and argues the case for multiple case study design and mixed methods of data collection within the broad paradigm of organisational ethnography.

From the practical considerations of the study, the chapter identified the case study organisations and the rationale for their choice as well as the sampling. These are all discussed with reference to critical research issues of access, ethics, validity and research reliability.

Chapters Six and Seven will present the findings gained through the research process for the current study. First, the sixth chapter considers results within the following thematic areas; pay, motivation and workplace relations. Following this, Chapter Seven presents analysis of findings via the thematic areas of welfare, recruitment and selection-learning and development and finally management of resources.

Chapter 6: Research findings in relation to Employment Relations

6.1. Introduction

The preceding chapter presented and justified the research methodology, including the case study design and data collection methods. As pointed out throughout that chapter, the underlying rationale is that these represent the best approaches and techniques for assessing and evaluating information regarding the influence of Islamic principles and teachings in HRM and employment relations policies and practices in Saudi Arabia. The current chapter and the following chapter Seven present the findings from the two principal data collection methods used in the study - the survey and interviews. The findings chapters present the demographics of the survey and interview participants, and describe the data around six main themes which have emerged from the study findings. These are; (i) Pay and Conditions, (ii) Motivation, (iii) Workplace Relations, (iv) Welfare and Work-life Balance, (v) Recruitment and Selection, and, Learning and Development, and (vi) Management of Resources. The first three themes are discussed in this chapter under the broader topic of employee relations and the remaining three are covered in Chapter Seven under the topic of HRM.

Each of these themes are discussed in relation to the findings, but also with reference to relevant concepts that underpin related Islamic values such as: *Adaa*, the idea of pay not merely as obligation of the employer for work done, but pay as a debt that must be paid in accordance to Shariah (Islamic law); *Husn al-Khuluq*, morality in relation to the obligation on the part of the employer to provide fair pay and working conditions and on the part of the employee to perform honestly and sincerely.

Also, *Imaan* and *Hifz al-lisaan* are relevant in reference to trust and harmonious relations as the basis for good workplace relationships with peers and between subordinates and superiors. For motivation, loyalty and commitment, reference is made to the value of work in terms of *Ibadah*, and *ni'ama and Ajr*, external redemption and reward that Allah (SWT) promises in return for work, as a basis for motivation and performance; *wafaa* as the basis for loyalty and commitment to organisation; and, *Haqq al-insaan*, the concept of human rights, which extend to the right of individuals to participate in decision-making on matters that affect their livelihood. In addition to these, reference will be made to the Quran and the Hadith of the Prophet (PBUH) in relation to themes and issues that arise from the findings. In this regard, for example, reference is made to the Suratul Iqraa (the first instruction to the Prophet “to read in the name of the One who created you”) as an indication of the emphasis on learning, training and development.

The findings from the present study are made from a compilation of data coming from four different sources of information, namely: (1) a quantitative questionnaire survey applied to 198 employees of FMNC and ISC; (2) detailed one-to-one qualitative interviews with four judges and eight Islamic professors; (3) semi-structured interviews with fourteen managers of ISC and five managers of FMNC; and (4) a group interview-cum-discussion with three managers of FMNC.

The FMNC is a Saudi joint stock company, while ISC is the state owned Saudi Arabian Basic Industries Corporation, which was established by royal decree in 1976, and has since become the Middle East’s largest industrial group. This research explores the extent to which the practices, and in particular HRM and employment relations, of organisations in Saudi Arabia are influenced by, in the Saudi context, Islam and traditional Arab values.

As highlighted, this research is guided by two questions:

1. Are there any major differences between the HRM practices of indigenous Saudi Arabian owned and operated corporations, and foreign owned and managed multinational corporations in Saudi Arabia?
2. If so, to what extent are these differences attributable to the influences of Islamic principles and traditional Arab customs and values in shaping HRM practices in Saudi Arabian organisations?

In the context of these questions, some broad conclusions can be drawn from the findings that are discussed in Chapters Six and Seven. Generally speaking, the findings indicate that Islam has a pervasive impact on the employment relationship as the basis for the protection of employees' rights and employer obligations. However, whilst that may be the case, a conclusion can be drawn that Islam is so embedded in the institutional set up of Saudi Arabia that its specific influences on workplace relationships and interactions are hardly obvious. Consequently, it is typical for companies to introduce Anglo-American business practices without much resistance as to how these may conflict with Islamic principles and teachings. On the specific issues of the influence of Islam on policy and practice in relation to pay and employee motivations, general conclusions drawn indicate that while Islamic principles and teaching may have some general influence on the principles of pay and reward for labour, there does not appear to be a strong religious influence in practice.

On the matter of employee motivation, the findings reveal that Islamic teachings contribute to attitudes relating to responsibility and cooperation, which in turn have a positive effect on motivation. The findings also suggest that employees tend to recognise the link between religion and loyalty to the employer. Although generally Islam has a positive influence in

terms of respectful relationships and more effective conflict resolution, the data also indicates that, increasingly, Saudi Arabian organisations are gradually switching to Western practices of reward determination and motivation. The conclusions, therefore, are much more consistent with Abbasi (2014) and Tawney's (1937) analysis of the mutual impact of religious beliefs and social change, than Azid's (2005) *ni'ama* (the external gift) concept of labour. And, with the exception of respondents' views on learning, training, and development, the hypothesis that the influence of Islam and Saudi tradition will more likely be felt in indigenous as opposed to foreign organizational contexts (Pfeifer, 2001) is not proven.

As indicated in the opening paragraph, the detailed discussions begin with the description and analysis of the survey data in terms of the themes outlined.

6.2. Questionnaire Survey

The questionnaire used for the current study aims to facilitate analysis of data gained from employees from both case companies (FMNC and ISC) on whether they agree or disagree on the consistency of management decisions with Islam and the traditional customs and practices of Saudi Arabia (see Appendix 1 for survey). The main premise on which the questions are based is the argument that Saudi Arabia is modelled expressly, and governed practically, on Islamic religious ideals (Bjerke and Al-Meer, 1993; Moran et al., 2007) and this has implications for the philosophy and management of human resources in the country by both local and international companies (Brotheridge and Lee, 2007; Dean et al., 2003; Lynn et al., 2011). In the process it is assumed that the impact of Islam and traditional customs and practices will be more apparent in indigenous, Saudi Arabian owned corporations and thus, the survey data compares the responses of employees of an

international multinational corporation (FMNC) and a Saudi owned Multinational Corporation (ISC).

As highlighted in Chapter Three, the HRM practices determined by the cultural norms in Islam will thus be defined, towards a better understanding of how Islamic influences influence the dynamics of business in this country.

6.2.1 - Response Rate

With the approval of the companies in question, the questionnaires were disseminated to all employees of ISC and FMNC located in their headquarters in the course of two independent surveys. The surveys lasted two weeks, and approximately 300 employees were reached during this period (150 for each company). Out of the employees reached, a total of 198 respondents took part in the survey: 102 respondents to the survey were from FMNC and 96 were from ISC. Thus the response rate is estimated at 68% for FMNC and 64% for ISC. The main explanation to be offered for the eventual response rate was related to the fact that some of the questionnaires which were received were not completed because of work pressures.

6.2.2. Sample and Demographics

Table 6.1. Presents the demographic variables of the respondents who took part in the survey.

Table 6.1: Demographic Data:

Demographic Variables	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Gender						
Male	96	94.1	92	95.8	188	95.0
Female	6	5.9	4	4.2	10	5.0
Age Group						
20-30	39	38.2	4	4.2	43	21.7
31-40	57	55.9	44	45.8	101	51.0
41-50	6	5.9	40	41.6	46	23.3
51-60	0	---	4	4.2	4	2.0
Over 60	0	---	4	4.2	4	2.0
Education						
High school	3	2.9	0	---	3	1.5
Diploma	33	32.4	16	16.7	49	24.7
Degree	42	41.2	47	48.9	89	45.0
PG Diploma	0	---	4	4.2	4	2.0
Masters	24	23.5	9	9.4	33	16.7
PhD	0	---	20	20.8	20	10.1
Position at Work						
Managerial	72	70.6	47	49.0	119	60.1
Non-managerial	30	29.4	49	51.0	79	39.9
Professional Background						
Accounting & Finance						
Business	6	5.9	7	7.3	13	6.6
Chemist	15	14.8	27	28.1	42	21.2
Economics	0	--	4	4.2	4	2.0
Engineering	3	2.9	0	--	3	1.5
General	3	2.9	23	24.0	26	13.2
Health & Social Care	0	--	4	4.2	4	2.0
Human Resource	0	--	8	8.3	8	4.0
Insurance	45	44.1	10	10.4	55	27.9
Marketing	3	2.9	0	--	3	1.5
Operations	6	5.9	0	--	6	3.0
Sales	21	20.6	0	--	21	10.6
Scientific Research	0	--	4	4.2	4	2.0
Supply Chain	0	--	6	6.2	6	3.0
	0	--	3	3.1	3	1.5
Years at Company						
Less than one year	18	17.7	0	--	18	9.1
2-3 years	24	23.5	4	4.2	28	14.1
4-7 years	27	26.5	4	4.2	31	15.7
8 or more years	33	32.3	88	91.6	121	61.1
Religion						
Christianity	6	5.9	0	--	6	3.1
Islam	96	94.1	96	100	192	96.9

These are presented in terms of gender, age, level of educational attainment, positions held in the respective organisation, professional background and length of period of employment with the current organisation. The rationale for these categorisations is that the demographic variables will have some influence on respondents' views on religion and, more specifically and importantly, on Islam and how it impacts on their perceptions about work and workplace, as well as work related relationships, policies and practices. They are based on the assumption that, for example, gender and levels of education and exposure to other social contexts will inform views about Islam, its manifestation in the formal workplace and relative influence on how an individual views their employment relationship and the HRM policies and practices of their employing organisation.

In term of gender, as indicated in Table 6.1, participants are overwhelmingly male, making up 188 participants, which represents 95% of 198 survey participants. This means that only 5% were female, and the percentage is almost equal for both companies - FMNC and ISC. This is not unexpected because the participation of women in the Saudi Arabian labour market remains quite insignificant (Dodd and Seaman, 1998), and is consistent with the wide gender gap in employment that is reported by other researchers (Elamin and Omair, 2010; Metcalfe, 2007, 2008). It also reflects the persistence of structural and, crucially, cultural (religious) barriers to female labour market access (Rutledge et al., 2011).

With respect to age, all FMNC respondents were in the age groups of between 20 and 50 years old, while in ISC there were respondents who were older than 51. The majority of FMNC respondents were in the age cohorts of 20 to 40 years old (94.1%), with only six respondents (5.9%) over 40 years old. In contrast, the majority of ISC respondents were between 31 and 50 years old (87.4%), with only four respondents (4.2%) under 31

years old and eight respondents (8.4%) over 50 years old. The relatively small percentage of respondents under 30 in the sample from ISC, the local company, could be attributed to the growing problem of unemployment and, therefore, representation of young Saudis in the workplace (Mashood et al., 2009; Rutledge et al., 2011).

When it comes to educational level, very few of the respondents had only high school education (three respondents from FMNC), with most respondents having a diploma or an undergraduate degree. 73.6% of FMNC respondents had a diploma, or an undergraduate degree, while 23.5% had a master's degree. The respondents with master's degrees mainly held Human Resource Management positions (65.2%) while the overwhelming majority occupied managerial positions in general (87%). In comparison, respondents from ISC have higher educational qualifications, as 65.6% of the respondents reported having a diploma or an undergraduate degree, 13.6% had a postgraduate diploma or master's degree, and 20.8% had a PhD degree. The respondents with postgraduate diplomas and PhD degrees (twenty-four respondents) all had science backgrounds, holding positions as scientists, scientific researchers, engineers, and chemists. They also held non-managerial positions, with the exception of two individuals.

These differences in the academic achievements between the employees of FMNC and ISC may be due to the fact that they are in different industries. Unlike FMNC, which is a banking institution, ISC, an oil and gas company, requires employees with higher-level qualifications such as PhDs as it needs scientists and chemists. Cross-tabulation of age with academic achievement identified that all respondents from ISC who had diplomas or postgraduate diplomas were in the 41-50 age group. This finding indicates that the minimum academic achievement may have altered over recent years, in so far as all respondents under 40 have undergraduate or master's degrees or PhDs.

This is not the case in the sample taken from FMNC. Cross-tabulation showed no relationship between age and academic achievement in the organisation.

As shown in Table 6.1, the FMNC sample was skewed towards respondents who held management positions (70.6%), while the ISC sample was almost evenly divided between respondents in management positions (49%) and those in non-management positions (51%). Once again, this is a reflection of the different industrial contexts in which the organisations operate. Many high level positions within ISC cannot be strictly classed as management positions, and are likely to be held by individuals trained in other professions: notably, scientists, scientific researchers, engineers, and chemists.

In terms of professional background, the respondents came from a range of professional backgrounds in both organisations. In FMNC, the majority of respondents were from the Human Resource Management profession (44.1%) and from Operations (20.6%), with the remaining spread over Business, Marketing, Accounting and Finance, Economics, Engineering, and Insurance backgrounds. The emphasis on professionals recruited from finance, economics and accounting reflects the nature of FMNC as a bank. At ISC, the majority of respondents had a professional background in Business (28%) and Engineering (24%), followed by Human Resource Management, Health & Social Care, Accounting & Finance, Scientific research, Chemistry, Administration, Sales, and Supply chain. Overall, scientists and scientific researchers made up 34.4% of the ISC sample, reflecting the nature of the industry in which ISC operates.

With respect to length of employment, 17.7% of respondents from FMNC had been with the company for less than a year, while the rest of the sample was, roughly speaking, evenly distributed across periods of 2-3 years, work for the company, 4-7 years at the company, and over 8 years at the company.

For ISC, the overwhelming majority of the respondents had been with the company for over 8 years (91.6%). None of the respondents had been with the company for less than 2 years. This may indicate the attraction to public sector employment in Saudi Arabia, which, compared to the private section, tends to have “well-remunerated jobs” (Forstenlechner and Rutledge, 2010, p. 38), usually for life.

Given the context (Saudi Arabia), which is viewed as the birthplace of Islam (Moran et al., 2007; Ochsenwald, 1981), the dominant religious orientation of respondents is not surprising. Accordingly, at FMNC, 5.9% of the respondents from FMNC identified as Christian and 94% were Muslim, while 100% of respondents from ISC identified themselves as being Muslim. This not surprising in a country ruled by Shariah (Islamic Law), where Islam is the only recognised religion (Bjerke and Al-Meer, 1993).

Having presented the demographic profile of the survey participants from various variables of categorisation and with some reference to extant literature, the next section focuses on the interviews. Following a brief discussion of the interview instruments, the discussion focuses on the profiles (academic and professional, length of employment and role within the organisation) of the 14 and 5 managers from ISC and FMNC respectively who were interviewed for the study.

6.3. Interviews Conducted

As noted earlier in this chapter, a series of extensive interviews were conducted with twelve individuals in the segment of judges and professors; five interviews were conducted with FMNC managers, and fourteen with managers of ISC. The group interview and discussion with three managers of FMNC were also broad in coverage and

characterised by enthusiastic participation by the interviewers. In light of the fact that the managers interviewed have different roles and duration of experience within the organisations studied, the data obtained reflects a broad spectrum of perspectives and thus can be said to provide a holistic picture.

Interviews which were conducted focused on the key research questions, namely the determination of: (a) significant differences between the HRM practices of indigenous Saudi Arabian corporations and foreign multinational corporations operating in Saudi Arabia; (b) the role of Islamic principles and Arabic traditions and values in shaping of HRM practices in Saudi Arabian corporations and in accentuating these differences, if any; and (c) the possibility of progressive adoption of western HRM practices by Saudi Arabian corporations.

In a wide Delphi study, in-depth interviews were conducted with Saudi Arabian judges and Islamic professors. Whilst such a choice of respondents may appear to be intriguing, the decision to do so has been motivated by the substantial and often critical roles played by judges and Islamic leaders (teachers), i.e. the Ulema, in Saudi Arabian society and businesses, as explained in Chapter Five. The interviewees were four judges and eight Islamic professors.

The qualitative interviews involved asking five questions to the experts. The questions, which are essentially open ended in nature, are detailed in Appendix 3. The analysis of the opinions provided by the judges and experts interviewed are provided in the relevant themes. hereunder.

The researcher also conducted semi-structured interviews with fourteen managers of ISC and five managers of FMNC. The semi structured interviews provided in-depth insight and valuable and contextual information on the case organisations, based upon managerial experiences and allowing for uniformity and comparability of the findings (Creswell, 2003). The details of the questionnaire used for the semi-structured interviews are provided in Appendix 2, while the design of the interview is elaborated in Chapter Five.

The interviews were conducted by the researcher after obtaining appropriate approvals from the organisation in question and in line with the ethical issues discussed in Chapter Five. The interviewees were appropriately informed of the purposes of research and all of them voluntarily participated in the interviews. The interviewer took care to prompt the respondents to provide additional information whenever he sensed the need to do so and felt that the respondent wanted to say something more.

6.3.1. Demographic Analysis of Interviewees

Semi structured interviews, as detailed earlier, were conducted with fourteen managers of ISC and five managers of FMNC. The demographic details of the respondents are tabulated in Tables 6.2a and 6.2b.

Table 6.2a: Demographic Details of Managers of Indigenous Saudi Corporation

Question No Managers	Q1	Q2	Q3	Q4	Q5
1	BS degree in ME	5 years	Manager	3 years	Talent recruitment
2	Masters	22years	Senior Manager	2 years	Run & Improve Department
3	BS	21 years	Sales Manager	6 years	Selling ISC Fertilizers
4	High School	Since 1983	Sr. Manager	5 years	Strategic Workforce Planning
5	Mech. Eng. + MBA	13 Years	Manager	2 years	Creating talents & coaching team to meet company objectives
6	Post graduate	15 Years	Acting manager	3 months	Build change management capabilities across ISC
7	BS graduate	30 Years	Manager	1 Month	C & B
8	My highest qualification is a Bachelor's degree in two fields (HR & MIS)	I have been an employee for 1 year	Employed as a Recruiting specialist	I have held my position for 1 year	My responsibility is to implement the recruitment plan for all corporates and SBU's assigned to me
9	BSc-Chemistry	15 years	Labs manager	7 years	Ensure completion of tasks, maintain chemicals and spare parts
10	MSc-Engineering	13 years	Manager	8 years	Ruling the team to satisfy our customers
11	PhD	22 years	Leader	3 Years	Set plan for staff and monitor the progress against budget and milestone
12	Bachelor's degree from KFUPM	20 years	Director, Global Supply Chain Execution, Chemicals	1 year	Leading the people as the main responsibility
13	PhD	14 Years	Group technical Leader	3 Years	Coaching the team to implement our research work
14	MBA	14years	Processes Excellency Leader	3 years	Quality Management

Table 6.2b: Demographic Details of Managers of Foreign Multinational Corporation

Question No. Managers	Q1	Q2	Q3	Q4	Q5
1	PhD	13 Years	Chief Scientist and Technical Leader	One year	Initiate and lead research and development projects. Generate innovative research ideas that support my company's business. Provide training and guidance to our young scientists and engineers to be able work independently. Improve the work environment to encourage team work and innovation
2	Masters	6 years	Manager	1 year	Resourcing
3	Master	3 years	Recruitment Manager	4 months	Recruitment
4	Bachelor	9 years	Account Manager	9 years	Customer service
5	Masters	6 years	Manager	2 years	Credit Cards operations

It is evident that ISC managers are relatively more highly educated. With the exception of the one high school graduate, who has been with the organisation for 30 years and rose through the ranks based on ability and experience acquired overtime, all of the interviewees have degrees in disciplines such as engineering, management and chemistry, two have PhDs and some have Master's level qualifications.

With regard to FMNC, only one of the five interviewees has a bachelor's degree, and one has a PhD, whilst the other three have Master's level qualifications. The interviewees have been employed by their organisations for varying periods of time, ranging from 5 to 30 years for ISC and 3 to 13 years for FMNC. All the interviewees from ISC are in senior positions, including a director who handles the global supply chain for chemicals.

The periods for which the respondents have held their current positions range from one month to 8 years in ISC and 4 months to 9 years for FMNC. It is also evident from the preceding tables that interviewees have different departmental and functional responsibilities, including; recruitment, accounts, science and technology, and laboratory work. The chosen managers have diverse responsibilities, including; change management, implementing recruitment plans, planning, coaching and quality management. Interviewees from FMNC also have various responsibilities, including; managing research and development projects, recruitment, customer service and credit cards operations.

It is evident from the demographic analysis presented in Tables 6.2a and 6.2b that the interviewees represent a very broad, cross-sectional group of organisational managers in terms of age, experience, specialisation, tenure, and organisational responsibility. It is however important to note that all the respondents are male, which is not a surprise in the Saudi Arabian context, where tradition and Islam define gender boundaries in relation to work (Ramady, 2010; Alhabshi and Ghazali, 1994). Notwithstanding the evident gender bias, interviewees are selected solely on the likelihood that they can provide valuable in-depth information on the issues of inquiry from multiple perspectives.

Group interviews were also employed as part of the research method for obtaining qualitative data in this study. This involved conducting an organised group discussion with three managers from FMNC. The people chosen for the group interviews had technical qualifications, with one having a bachelor's degree and the other two possessing masters' level qualifications. All three had been employed for less than 5 years with FMNC and were working in various areas of HR management, such as recruitment, leadership and management training, and performance and reward. One of the participants was a senior human resources manager. The group interview focused on questions about recruitment, gender relations, pay and reward policy.

Having presented the demographic profiles of the survey and interview participants, the rest of Chapter Six will address the following three themes within the area of employment relations: pay and conditions, motivation, and workplace relations. The sections which follow will encompass analysis of responses to questions included in the survey, which are centred upon the influence of Islam within the workplace context, and these will be correlated with findings from interview. Results are presented according to sample group and discussed around relevant themes. In each case, the relevant question will be shown, before responses are described and analysed. As far as applicable, there will be reference to relevant Islamic terms and concepts as well as relevant extant theory/literature. With respect to each of the issues (pay, conditions, employee relation, etc.), respondents are asked to indicate their degree/disagreement as to whether the issue and related management decisions are consistent with Islam and the traditional customs and practices of Saudi Arabia.

6.4. Findings in Relation to Issues about Employee Relations

6.4.1 Pay and Conditions

As discussed in the literature chapter, pay constitutes a significant element of the employment relations on the fundamental grounds that for most if not all employees pay from their labour is the source of their livelihood and that of their families, while, for employers, it is a major cost of production (Lipsev and Chrystal, 2015). On the core concern of the current study – i.e. the impact of Islam and culture on employment relations and HRM, Azid (2014) outlines the role of the Quran and Hadith (the teaching of the Prophet – PBUH). In the context of Islam, pay goes beyond the wider concept of *Ajr* as wage, reward for work done or service offered, to include the principle of *Adaa* – the idea of pay as debt which the employer must repay the employee.

Since this study aims to consider the influence of Islam within the working context and therefore, the employment relation, its [Islam's] influence on pay and working conditions forms an essential element for exploration. The Quran exhorts Muslims to “withhold not things mostly due to others” (al-Quran, 26: 83) (Chapra, 1983, p. 1). Therefore, Muslim scholars indicate that the instructions of Allah (SWT) in the Quran guide Muslim managers to act with conscience and righteousness. As a part of the legacies of the Islamic teachings, Muslim managers are urged to pay wages that are fair and reasonable (Aziz, 1993; Said, 1972; Siddiqi, 1979). Additionally, an employee is said to deserve a “‘just’ wage for his contributions to the overall output, making it unlawful for a Muslim employer to exploit his employee.” To underline this, the Hadith (the teachings and pronouncement of Prophet Mohammad) even positions enslavement as equal to exploitation of labour (Chapra, 1983, p. 1).

The above values from Islam are identified as relevant in relation to the findings presented below. The first section of the data analysis reviews the results received from the questions on the impact of Islam on the pay and conditions of the employer-employee relationship. This section presents respondents’ summarised opinion on: the general approach to pay determination (Q1); the identification and reward of outstanding employees (Q4); the provision of employees with promotion and salary raise opportunities (Q5); and the work calendar and working hours (Q25). General descriptive statistics with frequencies are used in analysing the findings, accompanied by a paired t-test analysis to ensure the validity of the conclusion.

Q1: To what extent do you agree that your organisation’s general approach to how employees pay is determined is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

With respect to this question, more than one third, or 38.2% of FMNC employees agreed, or strongly agreed with the statement that FMNC’s general approach to pay determination is in line with Islam and the traditional customs and practices of Saudi Arabia. A roughly equal number of respondents (29.4%) were neutral on the question and almost one third (32.4%) disagreed or strongly disagreed with the statement – see Table 6.3a.

Compared to FMNC employees, almost one third of ISC employees (29.2%) agreed or strongly agreed that ISC’s general approach to pay determination is in line with Islam and the traditional customs and practices of Saudi Arabia. A roughly equal number disagreed or strongly disagreed with the statement (25%), while close to half of the respondents (45.8%) were neutral on the question.

Table 6.3a: General approach to how employees pay is determined

Q1 - PAY DETERMINATION	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	6	5.9	8	8.4	14	7.1
Agree (4)	33	32.3	20	20.8	53	26.8
Neutral (3)	30	29.4	44	45.8	74	37.4
Disagree (2)	12	11.8	16	16.6	28	14.1
Strongly Disagree (1)	21	20.6	8	8.4	29	14.6
Total	102		96		198	

Overall, only about a third of the respondents perceived their company's general approach to pay determination to be in line with Islam and traditional Saudi customs and practices, which is either indicative of the increasing diffusion of Western HRM ideas and practices in Saudi Arabia, or a lack of knowledge of what constitutes Islamic and traditional Saudi values and norms and how they apply to the pay determination function of HRM.

Although one can conclude that a relatively significant number of respondents (a third), agree that Islam and Saudi culture have some influence on pay determination, which suggests some support for Azid's (2014) reference to pay in the context of Hadith, and Mamman et al.'s (1996) conclusion regarding differences in preferences for criteria in pay determination based on cultural differences, overall, the findings do not speak in favour of a significant difference between the perceptions of FMNC and ISC employees regarding the consistency of pay determination with Islam and the traditional customs and practices of Saudi Arabia. Consequently, there is not a sufficient basis to argue in favour of the assumption that the impact of Islam and traditional customs and practices are more apparent in indigenous, Saudi Arabian owned corporations. Furthermore, the t-test analysis as presented in Table 6.3e. indicates that the two samples in regard to this question do not have independent means ($p > 0.05$), which suggests that any conclusion arising from the differences or similarity of the opinion between the groups of employees cannot be attributed only to the variable in question.

Q4: To what extent do you agree that how your organisation identifies and rewards outstanding employees is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Survey findings on whether Islam impacts on how outstanding employees are identified and rewarded show that close to half of FMNC employees (47.1%) agreed or strongly agreed with the consistency of FMNC’s manner of identifying and rewarding outstanding employees with Islam and traditional customs and practices in Saudi Arabia. A third of the respondents (32.4%) were neutral on the question, while the remaining 19.6% disagreed or strongly disagreed with the statement.

From the sample of ISC employees, there were no individual ‘strongly agree’ responses with the proposition that ISC’s manner of identifying and rewarding outstanding employees is congruent with Islam and the traditional customs and practices of Saudi Arabia. Only a fifth of the respondents (20.8%) agreed with the statement, while over one third (37.6%) were neutral with closer to half (41.6%) of the respondents disagreeing or strongly disagreeing with the statement. Therefore, the findings indicate that four-fifths of the respondents from ISC do not perceive congruence between the existing company’s reward programme and Islam and traditional Saudi customs and practices.

Table 6.3b: How outstanding employees are identified and rewarded.

Q4 - OUTSTANDING EMPLOYEES	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	6	5.9	0	---	6	3.0
Agree (4)	42	41.2	20	20.8	62	31.3
Neutral (3)	33	32.4	36	37.6	69	34.9
Disagree (2)	12	11.7	20	20.8	32	16.2
Strongly Disagree (1)	9	8.8	20	20.8	29	14.6
Total	102		96		198	

Before analysing the findings in this section in more detail, it is important to explore whether Islam specifically deals with identifying outstanding employees at all. The *Hadith* (teachings and pronouncements of the Prophet PBUH) includes principles that suggest some ambiguity in Islamic teaching in relation to rewarding individuals for exceptional performance. It could be inferred from the principle of *Iadl* (fairness) for example, that justice requires individuals to be rewarded according to their performance. Similarly, the principle of *Haqq al-insaan* (human rights), defined as the right to be recognised for work done, does not preclude such recognition being expressed in the form of identification and special reward.

Going back to the data presented in Table 6.3b, the employees of the international corporation FMNC perceive the practices of their organisation to be more aligned with Islam and Saudi values compared to the Saudi owned corporation (ISC). Therefore, if indeed the idea of identifying and rewarding outstanding performer is unsettled with Islamic teaching, then one may assume that the relative incongruence between Islam and management practices expressed by ISC employees could be a reflection of their superior standard of knowledge and, therefore, critical view compared to the FMNC sample of participants. The t-test analysis on the independence of the means presented in Table 6.3e, supports this conclusion.

The p-value of the test is smaller than 0.05, which implies that the differences and the similarities in the opinion of employees are statistically significant and can be attributed to the variable in question – the impact of Islam.

Q5: To what extent do you agree that your organisation provides employees with promotion and salary raise opportunities in a manner consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam and tradition on provision of employees with promotion and salary raise options, the findings indicate that a third (32.3%) of FMNC respondents agreed or strongly agreed with the alignment of FMNC’s provision of opportunities for employee promotion and salary increases with Islam and the traditional customs and practices of Saudi Arabia. Almost a fifth of the respondents (20.6%) were neutral on the question, while almost half (47.1%) disagreed or strongly disagreed with the statement.

With respect to FMNC employees, one third (33.2%) agreed or strongly agreed that the opportunities which ISC provides to employees for promotion and salary increases is in line with Islam and the traditional customs and practices of Saudi Arabia. Only 8.4% of the respondents were neutral on the question, while more than half (58.4%) disagreed or strongly disagreed with the statement. The statistics for the findings are provided in Table 6.3c.

Table 6.3c: Provide employees with promotion and salary raise opportunities

Q5 - PROMOTION AND RAISE	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	6	5.8	4	4.1	10	5.0
Agree (4)	27	26.5	28	29.1	55	27.8
Neutral (3)	21	20.6	8	8.4	29	14.6
Disagree (2)	27	26.5	40	41.7	67	33.9
Strongly Disagree (1)	21	20.6	16	16.7	37	18.7
Total	102		96		198	

The findings from this study show that the majority of employees from both companies do not agree that promotion and salary increase opportunities are not determined in a manner that is consistent with Islam and the traditional customs and

practices of Saudi Arabia. Indeed, only 32.8% of the respondents agreed with the statement, while the remaining 67.2% were neutral or disagreed with the statement. The t-test analysis as presented in Table 6.3e indicates that the two samples of respondents in regard to the question of pay and promotion do not have independent means ($p > 0.05$), which means that any conclusion arising from the differences or similarities in opinion between both groups of employees is not statistically valid, i.e. it cannot be attributed to the researched variable (the impact of Islam).

This is an important finding of this study, in the sense that it contradicts previous research, which indicates that the general view in Arabic companies is one of high payments for employees. According to empirical research from Pfeifer (2001), for example, Islamic firms (defined based on their method of finance) as a group generally pay higher salaries, have more equitable salary distribution, are more balanced as related to the profit and wage shares of output, and are more likely to share profits with workers.

As discussed in more detail in previous chapters, managers expect loyalty from their employees as individuals (Al-Rasheedi, 2012; At-Twajiri and Al-Muhaiza, 1996); however, this makes individual ability secondary when it comes to earning the favour of the manager. For example, Abdalla and Al-Homoud (2001, p. 15) note that “[i]n general, those who are allowed to establish stronger relationships with the boss are chosen according to the boss’s whims rather than for their willingness to cooperate, their competence, or relevance to the work tasks.” This may not be a good thing, since this can lead to employee resentment: especially among well-educated employees, as “this environment has a negative effect on job involvement, organisation commitment, and has encouraged emigration of many Arab intellectuals to other countries” (ibid).

Q25: To what extent do you agree that the work calendar and working hours of your organisation are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

The answers received regarding the impact of Islam on the work calendar and working hours (Q25) show that almost one half of the respondents from FMNC (41.1%) agreed or strongly agreed on the compliance of FMNC’s work calendar and working hours with Islam and the traditional customs and practices of Saudi Arabia. The next largest percentage of the respondents was neutral on the issue (35.3%), while a minority of the respondents disagreed or strongly disagreed with the statement (23.6%).

These finding are surprising, as the work week and work times in Saudi Arabia in general are based on the Islamic calendar. The interruptions to work rhythm cannot be neglected when Azzen is called for the mid-day and late afternoon prayers. Consequently, the expectation was that there would be strong convergence in the views of employees on these issues - workweek and work times. The same pattern is reflected in the answers of ISC employees, although more respondents were neutral on the issue (45.8%), or disagreed and strongly disagreed with the statement (29.2%) compared to the responses from FMNC. Moreover, fewer respondents from ISC agreed or strongly agreed with the statement (25%) than in the sample from FMNC – Table 6.3d.

Table 6.3d: Work calendar and working hours

Q25 - WORKING HOURS	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	9	8.8	8	8.3	17	8.6
Agree (4)	33	32.3	16	16.7	49	24.7
Neutral (3)	36	35.3	44	45.8	80	40.40
Disagree (2)	12	11.8	24	25.0	36	18.2
Strongly Disagree (1)	12	11.8	4	4.2	16	8.1
Total	102		96		198	

It needs to be noted that the paired t-test analysis as presented in Table 6.3e indicates that the two samples of respondents in regard to the question of work hours and schedule do not have independent means ($p>0.05$), which means that any conclusion arising from the differences, or similarities, in opinion between the two groups of employees is not statistically valid: i.e. it cannot be attributed to the researched variable (the impact of Islam).

If anything, the findings are inconsistent with reality, because as an Islamic kingdom, with a constitution that is based on *Sharia* (Islamic law), Saudi Arabia follows the Islamic calendar instead of the Western workweek (Monday to Friday). Historically, Saudi Arabia had a Saturday to Wednesday workweek, which was recently changed to Sunday to Thursday (Reuters, 2013). The workday itself is interrupted for *Fard Salat* (obligatory daily prayers).

Table 6.3e: Descriptive Statistics and T-Test

Item/Variable	FMNC		ISC		T-test (P value)
	Mean	Standard Deviation	Mean	Standard Deviation	
Q1 - PAY DETERMINATION	2.9117	1.22759	3.0416	1.0251	0.528244
Q4 - OUTSTANDING EMPLOYEES	3.235294	1.035761	2.583333	1.042938	0.000003*
Q5 - PROMOTION AND RAISE	2.705882	1.231503	2.625000	1.189870	0.414754
Q25 - WORKING HOURS	3.147059	1.120441	3.000000	0.962453	0.269479

*Statistically valid with 95% certainty.

Face-to-face interviews were also employed to further explore and gain relevant information on the impact of Islam and tradition on the determination and management of pay and conditions as critical aspects of employment relations. As indicated in Section 6.3, these interviews were carried out with a selection of managerial level employees from the case study organisations – FMNC and ISC.

The managers of both FMNC and ISC stated that their organisations have very clear and transparent policies for remuneration and reward. There was absolute agreement in this respect by both groups of managers. ISC managers stated that the remuneration and reward policy in their organisation was influenced by various factors, such as position, qualifications, years of experience, and performance. They also emphasised the competitiveness of their remuneration policies, which are comparable to the best in the sector. Some of them were very clear that the organisation's policies were amongst the best in the country. Whilst FMNC's managers were clear about the existence of a transparent pay and salary scheme, they did not provide information on its comparability with other organisations in the industry. The managers of both organisations also spoke about the existing bonus scheme. In ISC, the bonus is fixed; however, this differs for separate sets of employees, and whilst some departments have the same bonus for all employees, other departments have bonuses that are fixed for the staff but linked to performance for managers. FMNC managers stated that bonuses in their organisation are determined by the board and related to individual performance.

From focus groups conducted within FMNC, the managers clarified that the organisation has a clear policy for designing attractive packages for remuneration and reward, which include several aspects of pay, like fixed and variable pay, allowances and incentives.

They also stated that whilst they did compare with their remuneration strategies with others, the organisation is steadily moving towards performance-based pay. Bonus payouts are clearly linked to performance and can increase exponentially based on individual achievement. The organisation also has specific ways of determining career progression, which include appraisal of individual performance, the potential of different individuals, and the availability of jobs and assignments.

Discussion

From the findings, the researcher can state that employers consider it to be their obligation to provide employees with reasonable wages. One can deduce from this finding some consistency with several core principles of Islam which relate to the effort/reward concept, such as; *Ikhlās* – the act of performing a good deed and *Husn al-Khuluq* (morality and positive conduct irrespective of consequent) by ensuring *Iādil* (fairness justice and equity) in the determination and level of *Adāa* - pay as debt owed by the employer to the employee. However, these are mere inferences, as the data does not conclusively suggest that Islam significantly impacts upon pay determination policy and practice in either company. The data does suggest, however, that pay determination is based on some of the same criteria that inform pay systems in Anglo-American contexts. In that regard, the research findings are more consistent with Mamman et al. (1996) in the sense that any variation in how pay is determined tends to involve variations in relation to the same set of multiple criteria – level of educational attainment, length of service, performance, etc.

These research outcomes can also be said to be consistent with the observations of Knight and Joseph (1999) and Fox (1966), who argue that employees are motivated predominantly by financial reward. From this point of view, management is not expected to cut the high wages of employees, especially if the latter demonstrate high performance and effort in the

workplace. With regard to HRM, Islam thus advocates the protection and strengthening of the employment relationship by bringing together the rights, obligations and powers of both employers and employees. Allah (SWT) says:

"And to [the people of] Madyan [We sent] their brother Shu'ayb. He said, "O my people, worship Allah ; you have no deity other than Him. There has come to you clear evidence from your Lord. So fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the earth after its reformation. That is better for you, if you should be believers." (7:85) (Muzammil, 2013, p 1)" Quotation from the interview with Judge A

Other findings from the primary research (survey and interviews) emphasize that when it comes to pay and rewards, along with the work conditions of the employment relationship, one may conclude that either there is no strong impact of Islamic beliefs and traditional Saudi customs and practices on the practices of the organizations in Saudi Arabia, or that these traditions are so embedded into the legal system of the country that they are not recognized by organisations as being part of Islam's legacy. For example the work calendar and working hours were not recognised as a thematic part of the employment relationship by the surveyed employees in either organisation, which is an area substantially impacted by Islam's teachings. These findings are similar to what was discovered by Alhabshi and Ghazali (1994). These researchers arrived at the conclusion that even though Islamic law shapes the institutional framework, employment relationships and organisational practices in Saudi Arabia, some managerial approaches and business practices are still consistent with the Anglo-American model (Alhabshi and Ghazali, 1994). In turn, Ichniowski and Shaw (1999) argue that customs and traditions are embedded in a country's economic activities and the link between the two is difficult to identify in practice.

Furthermore, the fact that there was no recorded significant difference between the two case organizations in terms of the actual practice used in pay and rewarding employees, as both used factors such as position, qualifications, years of experience, and performance to determine the pay of the individual, along with the fact that there was no significant difference in the perception of employees about the impact of Islam on their pay and reward, speaks in favour of the latter. However the system does not create a legal obligation for employers to have pay hierarchies and competitive reward schemes. Moreover, the findings clearly indicate that pay in both organisations is based on performance, which includes several aspects of pay, like fixed and variable pay, allowance, and incentives.

The approach reflects the principles of Islam's teachings, which place value on people's intentions along with performance. It is indicated many times in the Quran and Hadith that if the performance is good, the service provider will gain reward equal to the work he has done. So, the principles of Islam urge workers to perform well to gain more reward. In accordance with Kechichian (2013), one of the major priorities of Saudi Arabia is to stimulate performance at both individual and organisational levels. On the one hand, the Quran approves this intention because higher performance is associated with higher reward and remuneration in Islam's teachings. On the other hand, good intentions on the part of employees and organisations are not always reflected in better performance (Fasano and Goyal, 2004). In this case, lower reward seems to be unfair and unjustified.

This is further reflected in the findings about rewards for outstanding performers, a subject not settled with Islamic teaching, where the findings emphasised lack of knowledge on the part of FMNC employees that the same is not specifically approached in Islam's traditions and thus is not reflected in collectivist societies.

Furthermore, even the findings on promotion and salary increase at their respective organisations indicate a lack of alignment with Islam and the traditional customs and practices of Saudi Arabia. Thus, findings in this section clearly indicate that Islamic teachings do not have a significant impact on the payment and reward policies of the organisations studied, apart from the general premises of providing an ‘exchange for the work provided’. Even in this case, experts argue that teachings are not practised by organisations in the Kingdom with the same reverence, with many complaints having been submitted to the Ministry of Labour in the past decade.

From the summarised primary research findings, one may conclude that there is clear support of the convergence theory when it comes to payment and rewards practices in Saudi Arabia.

This next section of data analysis reviews the results received from the questions on Islam’s impact on the overall motivation in the working environment of the subject companies. The questions analysed in this section cover (Q2) employee motivation, (Q8) employee involvement in decision-making, (Q14) expectations of employee loyalty from the survey, and (Q2) from the Delphi interviews.

6.4.2 Motivation

Motivation in employees is understood as the set of forces that lead people to behave in particular ways, and which in conjunction with ability and environment determine their performance (Griffin and Moorhead 2008). The just application of Islamic principles, and especially those that emphasise *Iadl* - justice before Allah (SWT), *Amanah*, which refers to the individual being entrusted to fulfil his work duty, and *Mithaaq/‘Ahd*, the concept of obligation placed upon Muslims to keep to covenants or agreements which are entered

into, have been cited by scholars as bases of any healthy employee/employer relationship, which will result in a motivated workforce (Azid, 2014).

Q2: To what extent do you agree that employee motivation is consistent with Islam, and traditional customs and practices of Saudi Arabia?

Mubarak's (1998) examination of the core concepts underlying Western theories of motivation found surprising similarities between Western and Islamic conceptualisations in relation to the world of work. For example, the practice that has come to be known in the West as 'management by walking about' (Peters and Waterman, 1982), is supported and justified among Gulf Managers by reference to the practice of Caliph Omar Ibn Al-Khattab, who visited his people to get first-hand knowledge of their problems and complaints (Beidas, 2009). Moreover, Muna (1980) suggests that this interpersonal style, which emerged in the early days of Islam, is still used with good effect by some Gulf managers even in today's complex organisations.

On the question regarding the impact of Islam on employee motivation (Q2), more than half of FMNC employees agreed or strongly agreed (58.8%) on the consistency of FMNC's approach to employee motivation with Islam and the traditional customs and practices of Saudi Arabia. Only 14.7% of the respondents disagreed or strongly disagreed with the statement, while around a fourth (26.5%) were neutral. On the other hand, more than one third (37.5%) agreed or strongly agreed that ISC's approach to employee motivation is in line with Islam and the traditional customs and practices of Saudi Arabia, and the same percentage disagreed, or strongly disagreed with the statement. A quarter of the respondents (25%) are neutral on the question (see Table 6.4a).

Table 6.4a: Employee Motivation

Q2 - EMPLOYEE MOTIVATION	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	21	20.6	8	8.3	29	14.6
Agree (4)	39	38.2	28	29.2	67	33.8
Neutral (3)	27	26.5	24	25.0	51	25.8
Disagree (2)	9	8.8	28	29.2	37	18.7
Strongly Disagree (1)	6	5.9	8	8.3	14	7.1
Total	102		96		198	

Close to 60% of FMNC employees however, compared to just 37% respondents from ISC, either agreed or strongly agreed with the statement that their organisation's approach to employee motivation is in line with Islam and the traditional customs and practices of Saudi Arabia. As such, the current findings are interesting and important in that they fail to support the theoretical assumption that the impact of Islam and traditional customs and practices are heightened in, and bear a strong correlation to, the employment practices adopted in indigenous, Saudi Arabian owned corporations (Latifi 1997, 2006). The findings instead suggest that perhaps, at least in the complex context of a workplace, Islam's principles and teachings about motivation are adapting to emerging social and economic developments just as Islamic jurisprudence and business practices have adapted (Bouzenita, 2012; Abbasi, 2014). The t-test analysis on the independence of the means presented in Table 6.4d supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

Q8: To what extent do you agree that the involvement of employees in decision-making is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

As identified in the literature review presented in Chapters Two and Three, there is a paternalistic approach to employment relations found in many Islamic countries (Pfeifer, 2001). In line with this finding, research indicates that an employment relationship based on traditional Arab and Islamic values would take a unitarist perspective, since “Islamic prescriptions view the interests of employees and employers as complementary” (Ali, 2010, p. 692). Further, Islamic teachings emphasise individual responsibility and cooperation between the employees and the managers, which implies that in Saudi Arabian firms, consultation between employers (whose interests are represented by the managers) and the employees are encouraged at various decision-making levels (Abdalla and Al-Homoud, 2001). Indeed, participative decision making involving consultation with those charged with the implementation of decisions is seen as being consistent with underlying Islamic values as well as well as Bedouin tradition (Abdalla and Al-Homoud, 2001; Welsh and Raven, 2006).

On the impact of Islam on employee involvement in decision making, 38.3% of FMNC employees agreed or strongly agreed that FMNC’s approach is in congruence with Islam and the traditional customs and practices of Saudi Arabia. About a third of the respondents (29.4%) were neutral on the question and another third of the sample disagreed or strongly disagreed with the statement (32.3%).

A similar percentage of ISC employees (37.5%) agreed or strongly agreed on the compatibility of ISC’s approach to involving employees in company decision-making with Islam and the traditional customs and practices of Saudi Arabia. Nonetheless, a quarter (25%) of the respondents were neutral on the statement while the same percentage of respondents disagreed or strongly disagreed with the statement as those who agreed or strongly agreed (37.5%) – see Table 6.4b.

Table 6.4b: Involvement of employees in decision-making

Q8 - EMPLOYEE INVOLVEMENT	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	6	5.9	12	12.5	18	9.1
Agree (4)	33	32.4	24	25.0	57	28.8
Neutral (3)	30	29.4	24	25.0	54	27.3
Disagree (2)	18	17.6	20	20.8	38	19.2
Strongly Disagree (1)	15	14.7	16	16.7	31	15.6
Total	102		96		198	

Nevertheless, it needs to be noted that the paired t-test analysis as presented in Table 6.4d indicates that the two samples of respondents in regard to the question of employee involvement in decision making do not have independent means ($p>0.05$), which means that any conclusion arising from the differences, or similarities, in the opinion between both groups of employees is not statistically valid: i.e. it cannot be attributed to the researched variable (the impact of Islam).

It should be noted that these suggestions about participative decision-making with reference to traditions are conclusions that can only be based on assumptions and inferred from the data, as the nature of the method (survey questionnaire) is that it does not enable access to information about the underlying reasons for the views of the respondents (Bryman, 2009). However, although this is not evident from the data that is present, under

the teachings of Islam, employers are 'shepherds' who are entrusted with 'a flock' for whom they are responsible (Denny, 2005).

"Kullu kum ra'in wa' kullu ra'in mas'ool an rai'yatay-hi [...]" meaning "Every one of you is a caretaker, and every caretaker is responsible for what he is caretaker of"(Sahih Muslim).

In exchange for being taken care of, subordinates are expected to obey the orders of their superiors, as long as these orders are in line with the tenets of Islam (Abdalla and Al-Homoud, 2001). Therefore, it is quite possible that Islam is the origin of the more paternalistic managerial style found in Saudi companies (Kalliny, Cruthirds, and Minor, 2006; Pfeifer, 2001). This is also likely to be the reason why junior employees are reluctant to voice their opinions or oppose, even in mild ways, their superiors (Abdalla and Al-Homoud, 2001).

Q14: To what extent do you agree that expectations about loyalty to the organisation are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Dadfar (1993) argues that loyalty is a key feature of the 'ideal' type of management available to organisations in the region and claims that loyalty to tribe and individual should be replaced by loyalty to the organisation. Although the majority of respondents do not express either agreement or disagreement with the statement, more of them agree than disagree that their loyalty to their employer and organisation is dictated by Islamic teachings and traditional expectations. The lack of clear agreement, however, may also suggest that most respondents draw a distinction between loyalty to their clan and kith and kin, and the loyalty that they should demonstrate to the organisation. Therefore, Al-Twajiri and Al-Muhaiza's (1996) finding that Arab managers operate in societies where there is a distinction between the in-group (relatives, clans, and tribes) and others, does not necessarily apply to the employing organisation.

So, although tradition may compel Arab managers to feel an obligation to look after their subordinates, but expect the subordinates' loyalty in exchange, the data suggests that managers must not take employee loyalty for granted solely on the basis of tradition.

Concerning the impact of Islam on the expectation of employee loyalty (Q14), close to half of the respondents from FMNC (47.0%) were neutral as to whether FMNC's expectation of employee loyalty to the organisation is based on assumptions and beliefs that are congruent with Islam and the traditional customs and practices of Saudi Arabia. The next largest percentage of respondents (38.3%) agreed or strongly agreed with the statement, while only a minority of respondents (14.7%) disagreed or strongly disagreed with the statement. This pattern was also reflected in the sample of ISC employees, as relatively close to half of the respondents were neutral on this issue (45.8%), followed by the next largest percentage of respondents (37.5%), who agreed or strongly agreed with the statement, to finish with only a minority of respondents (16.7%) who disagreed or strongly disagreed with the statement.

The findings are presented in Table 6.4c.

Table 6.4c: Expectations of loyalty to the organisation

Q14 - STAFF LOYALTY	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	12	11.8	4	4.2	16	8.1
Agree (4)	27	26.5	32	33.3	59	29.8
Neutral (3)	48	47.0	44	45.8	92	46.5
Disagree (2)	9	8.8	12	12.5	21	10.6
Strongly Disagree (1)	6	5.9	4	4.2	10	5.0
Total	102		96		198	

Nonetheless, it needs to be noted that the paired t-test analysis as presented in Table 6.4d indicates that the two samples of respondents in regard to the question of employee loyalty do not have independent means ($p > 0.05$), which means that any conclusion arising from the differences, or similarities, in the opinion between both groups of employees is not statistically valid, i.e. it cannot be attributed to the researched variable (the impact of Islam).

Table 6.4d: Descriptive Statistics and T-test

Item/Variable	FMNC		ISC		T-test (P value)
	Mean	Standard Deviation	Mean	Standard Deviation	
Q2 - EMPLOYEE MOTIVATION	3.588235	1.093210	3.000000	1.123903	0.000838*
Q8 - EMPLOYEE INVOLVEMENT	2.970588	1.155751	2.958333	1.280762	0.907234
Q14 - STAFF LOYALTY	3.294118	0.990932	3.208333	0.869563	0.527304

*statistically valid with 95% certainty.

The findings are at best inconclusive on the significance of the influence of Islam on employee motivation and involvement in decision-making. The fact that larger numbers of employees have no view on the matters may suggest a lack of knowledge of Islamic teaching on these issues. Alternatively, it may be a reflection of the insignificance of the impact of Islam and tradition in formal organisational policies and practice in Saudi Arabia and suggestive of the impact of wider global managerial practices on Islam and tradition, as implied by Tawney (1937).

As part of efforts to further explore the theme of motivation, the views of the interviewees were sought. They were asked the following question:

Question 2: What do you expect from employees in terms of religious and cultural behaviour and attitudes?

The question focused upon employees, rather than employers, and asked the interviewed Judges and Islamic teachers about their expectations regarding the workplace attitudes and behaviours of employees from a religious and cultural perspective.

The experts were clear in their opinion of the beneficial effects of Islam upon the work attitudes of employees. There is little doubt among the interviewees that Islam requires all employees to be sincere in their work and to think of work as worship. According two of the interviewees;

“Employees should be expected to adhere to the directions of the Quran and the Sunnah in order to achieve satisfaction, happiness and finally success.”
Quotation from the interview with Professor I

“Individuals who have been properly taught Islamic values and beliefs are likely to be honest, sincere, trustworthy and mindful of their contractual obligations.”
Quotation from the interview with Professor II

The equation of work with worship is very obvious in Islam (Azid, 2014). It is regarded as a sacred duty that should be continuously worked upon and perfected. This theoretical perspective is strongly supported by interview data and suggests that employees are not only required to be sincere, hardworking, honest, transparent, and mindful of the confidentiality of the operations of their organisations, but are also expected to make strenuous efforts to improve the quality of their output.

This point is exhaustively made in the following quotation from one of the interviewees:

“Employees should adhere in their religious and cultural behaviour to the Islamic Shariah, which will result in high levels of production and performance, the maintenance of rights and the integration of living. This condition is definitely achievable and the implementation of Islamic teachings to individuals at work is required for this purpose. When a society practises in its work environment the Shariah teaching, harmony, love and compassion will prevail with good production, distinct performance, maintaining of rights and integration of living. This is not impossible or a myth: it happened in the reign of the Prophet, and his predecessors Abu Bakr and Omar, where the society lived by the first Islamic state employed in harmony, where safe-guarded trusts were delivered and work was done to perfection to the extent that Omar said: “Why do I see one fifth of the money: (People who deliver this are trustworthy) ‘This way the society was brought up (trustworthiness) even in female work performance inside the house, and the girl refused to mix the milk with water because Allah sees”
(Quotation from the Interview with Professor III)

“Employees should be expected to adhere to the teachings of Islam, be trustworthy and sincere in their performance and usage of time, and not waste their time on issues that are not related to their work. Work was equivalent to worship and workers with proper Islamic teaching should reflect this in their mastery, perfection, sincerity and commitment”
(Quotation from the interview with Judge B).

This opinion is however, tempered by the realisation and recognition, which is conveyed in the following quotation, that people are not alike and there is bound to be variance in the levels of sincerity, honesty, transparency, and effort between them.

“The expectations from employees in terms of religious and cultural behaviour and attitudes differed in accordance with their backgrounds and experiences. Sincere people followed instructions and were keen to improve their abilities; they were furthermore unlikely to conceal their inadequacies through lies and false statements. As Prophet Mohammad said: "Allah loves the worker who does his work perfectly" (Al Bukhari). Insincere people however were likely to provide misleading information and engage in falsehood even when they had good knowledge about most of their work. You could also find individuals who combined negligence in work with falsehood.”
(Quotation from the interview with Professor IV)

As indicated in the following quotations, experts who were interviewed identified two ways of dealing with such differences in order to improve the attitudes and approaches of employees who appear to be less sincere trustworthy and hardworking in their endeavours. Some experts felt that enhancement in the quality of Islamic teaching would certainly help in improving the attitudes and behaviours of workers. Accordingly:

“Islam[‘s] teachings have a positive impact on the employees and the organisation. The application of Islamic teaching in the workplace will improve individual motivation, reduce laziness and enhance independence and dignity. Ignoring them on the other hand could lead to people losing their motivation for work, becoming unemployed and others. Omar Ibn Al-Khattab said: "When I look at the young man I admire him, when I know that he does not work, my view of him changes completely".

(Quotation extracted from the interview with Professor V)

“Humaid Al-Sa’idi: The Prophet appointed a man from the tribe of Bani Asad called Ibn Al-Utabiyya to collect the Zakat. When he returned (with the money) he said (to the Prophet), "This is for you and this has been given to me as a gift". The Prophet stood up on the pulpit (Sufyan said he ascended the pulpit), and after glorifying and praising Allah, he said, "What is wrong with the employee whom we send (to collect Zakat from the public) that he returns to say, 'This is for you and that is for me?' Why didn't he stay at his father's and mother's house to see whether he will be given gifts or not? By Him in Whose Hand my life is, whoever takes anything illegally will bring it on the Day of Resurrection by carrying it over his neck: if it is a camel, it will be grunting: if it is a cow, it will be mooing: and if it is a sheep it will be bleating!" The Prophet then raised both his hands till we saw the whiteness of his armpits (and he said), "No doubt! Haven't I conveyed Allah's Message?" And he repeated it three times.

Ibn Al-Utabiyya is the Zakat collector and he takes gifts from the Zakat payers. This is no doubt a violation, condemned by law, because it is a path to one's desires, and leads the Zakat collector to seek other people's money and take from the revenue, which is unacceptable, and therefore, the prophet PBUH said: (He should have sat in his father's house and waited [to see] if he would have got any gifts or not). This is an example and there are many others.

Whilst some irregular and disgraceful actions could surface in the best and most religious of societies, these should be viewed as individual aberrations and should not provide reason for the introduction of external British or French laws. It is important, for judges to be very careful in this regard and not be influenced by riches or lustre.”

(Quotation extracted from the interview with Judge A)

Other experts, however, suggest imposition of penalties for employees who fail to demonstrate honesty and sincerity in their work as sanctioned by the Quran and Sunnah of the Holy Prophet (PBUH).

“Whilst employees are required to abide by Islamic regulations and teachings because of their importance in their religion and their utility in reality, it is very possible that some workers would not follow these instructions. It is thus essential to implement penalties for violators.”

(Quotation extracted from the interview with Professor VI)

Conventional HRM, as practised by western organisations, also follows such a ‘carrot and stick’ approach: i.e. a motivation and punishment approach, and modern organisations often combine hard and soft approaches (Storey, 1992) to ensure optimisation of employee behaviour and output. Modern performance management strategies claim to emphasise training, development and motivation for optimising performance, but often also use disciplinary processes for the rectification of underperformance or absenteeism (Bach, 2005). Scientific management principles make specific use of command and control methods and disciplinary processes for ensuring organisational performance (Taylor, 1912). Islam, it appears, provides for an overlap of scientific management and HRM principles through its emphasis on religious teaching as a corrective measure and disciplining of violators as a punitive measure for ensuring proper employee behaviour and attitude.

Discussion

To reiterate, the core aim of the current study is to explore perceptions about the influence of Islam and traditions on the employment relationship and HRM in Saudi Arabia through a comparative study of a foreign private Multinational Corporation (FMNC) and an indigenous Multinational Corporation (ISC). The views of organisational members are sought through mixed methods of data collection involving survey of employees using a questionnaire and interviews and focus group discussions with managerial level staff and non-organisational experts (academics and judges). The latter are selected solely on the basis of their expertise in Islam and Saudi traditions and customs. The current chapter has analysed, presented and discussed the findings in relation to variables relating to pay and conditions, motivation and employee involvement in decision-making.

The findings presented are interesting on two fundamental accounts. First, although they suggests that Islam and tradition have some impact on the variables, they also clearly show that for the majority of research participants, the degree of impact is, at best, minimal and inconsequential. Consequently, although the findings indicate the relevance of some underlying Islamic principles such as *Adaa*, *Ajr* and *Iadl* in relation to pay and conditions for labour and *Amanah*, *Mithaaq*/'*Ahd* and *Wafaa*' in relation to motivation, loyalty and involvement in decision-making, they also show that these are not the most decisive influences on pay determination, employee motivation or loyalty and, therefore, employee relations in Saudi Arabia. Interviews with managers show instead that the policies and practices which relate these variables are significantly consistent with Anglo-American paradigms. The findings show that emerging global social and economic developments are a more decisive influence on managerial and employee behaviour and attitude. In that regard, the findings seem relatively more consistent with Tawney (1937) and Abassi's (2014) argument and analyses about the impact of social change on religious practices.

The second fundamental account concerns not the significant difference in the perceptions of employees in the researched organisations, but rather, the fact that employees of the subsidiary of the MNC, FMNC, consistently report that Islam has a significant impact, compared to those of the indigenous SA organisation, ISC. In this regard, the findings challenge the notion advanced by, for example, Pfeifer (2001), that Arab organisations reward their employees better because of the Islamic influence on HRM practices.

With regard to the differences between the two organisations in relation to motivation, one may argue in favour of seeing these differences as a result of a more transparent and systematic approach towards managing employees in FMNC compared to ISC, despite the fact that the difference in the opinion is statistically attributed to the variable in question, and that is the impact of Islam. The findings from the semi-structured interviews support the argument, as FMNC has specific, transparent and competitive remuneration packages.

Survey findings are inconclusive on the impact of Islam on employee involvement in decision-making, recognised as an important dimension of motivating the workforce. This is a result, despite the fact that there was no specific or statistically significant difference between the organisations. Islamic teachings see employers as ‘shepherds’ who are entrusted with ‘a flock’ for whom they are responsible (Denny, 2005). In exchange for this, subordinates are expected to obey the orders of their superiors, as long as these orders are in line with the tenets of Islam (Abdalla and Al-Homoud, 2001). Therefore, it is quite possible that Islam is the origin of the more paternalistic managerial style found in Saudi companies (Kalliny, Cruthirds, and Minor, 2006; Pfeifer, 2001).

As emphasized with the findings from the Delphi interviews, Islamic teachings favour individual responsibility and cooperation between employees and managers, which implies that in Saudi Arabian firms, consultation between employers (whose interests are represented by the managers) and employees is encouraged at various decision-making levels. These findings are consistent with Latifi (1997, 2006) who mentions responsibility as among the core Islamic values. In addition, the researcher accounted for such implications of responsibility as cooperative teamwork, the necessity for managers to treat their subordinates as family members, and consultative decision-making at all levels (Latifi, 1997, 2006). From the viewpoint of Muna (1980), responsibility is associated with such positive outcomes as discipline, trustworthiness, dedication and in-depth cooperation. The mentioned theoretical links between Islamic values and the factors that add to employee motivation in Saudi Arabia have been confirmed by the findings of this doctoral project.

Another dimension of motivation recognised by experts is the loyalty of employees to the employer. Survey findings identify an acknowledgment of Islamic teachings with the loyalty to the employer. Thus, one may conclude that employees, as similar to the practice in the region, feel loyalty to the organisation in question. Semi-structured and group interviews emphasise this dimension, loyalty to the managers, which does not necessarily mean a loyalty to the employing organisations. The same may again be a result of loyalty to the family, which is aligned with Saudi customs and traditions. In line with SA traditions influenced by Islamic teachings, Arab managers feel an obligation to look after their subordinates, but expect the subordinates' loyalty in exchange. These practical findings are in line with the theoretical observations of Khan (2014), who asserts that Islam views loyalty to leaders as an important part of a successful life. In addition, such employee traits as patience, truth, sincerity and openness are encouraged by Islam's

teachings (Martin, 2011). The mentioned characteristics of workers create a favourable working environment and stimulate individual motivation. The ideas of mutual dependence within Arabic societies were expressed and supported by such researchers as Clegg (1975) and Fox (1974). From this point of view, managers tend to motivate their subordinates through persuasion and coordination demonstrating leadership skills, rather than through strict control and enforcement.

From the summarised primary research findings, one may conclude that there is certain support of the convergence theory when it comes to motivation practices in Saudi Arabia, driven by the knowledge coming from Western organisational practice.

Having presented and discussed the findings in relation to variables of pay and condition, motivation and employee involvement, the next section of analysis focuses on the theme of workplace relations.

6.4.3 Workplace relations

To form an understanding of the ways in which Islam impacts upon the employment relation, it is important to understand the relevant teachings of Islam. As discussed in Chapter Three and Four, these teachings include the need for the worker and employer to afford each other treatment in line with that accorded to siblings, and the view that this will allow relations in the workplace to reach a secure state (Azid, 2014). With this foundation in mind, the results in this section will be considered in terms of how far they reveal the influence of Islamic ideology in the working context by way of impact on relationships among employees and between employees and employers or their representatives.

Accordingly, it will explore perspectives on the impact of Islamic principles and teachings on a range of issues, including peer relations, employee/superior relations, equal opportunities and trust.

This section elaborates respondents' perceptions regarding the impact of Islam on workplace relations, as collected through the following questions: (Q9) relationship with superior, which is aimed at determining the influence that leadership has over employee relations; (Q10) interpersonal relationship with peers; (Q15) communication with senior manager, aimed at determining the implications of senior management in employee relations; and (Q16) views on confidentiality and how it is maintained. Aside from this, the respondents gave their opinion on: (Q17) the enforcement of organisational rules and regulations; (Q18) the disciplinary process; (Q19) collaboration between colleagues; (Q21) equal opportunities policy; and (Q23) gender relations, from the survey, and questions 3 and 5 from the Delphi interviews.

Q9: To what extent do you agree that the relationship with superiors is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Respondents' perceptions regarding the impact of Islam on the relationship with superiors, question 9, show that more than half of the respondents from FMNC (58.8%) agreed or strongly agreed on the compliance of FMNC's approach to relations with supervisors with Islam and the traditional customs and practices of Saudi Arabia. More than a quarter of the respondents (26.5%) were neutral on the question, while only 14.7% disagreed or strongly disagreed with the statement.

The breakdown was different for the ISC respondents, and was roughly even across those who agreed, those who were neutral and those who disagreed with the statement. In this sample, 37.5% of the respondents agreed or strongly agreed that ISC's

approach to supervisory relationships is in line with Islam and the traditional customs and practices of Saudi Arabia and 33.4% were neutral on the question. A little less than a third of the sample (29.2%) disagreed or strongly disagreed with the statement. The findings are presented in Table 6.5a.

Table 6.5a: Relationship with Superiors

Q9 - RELATIONSHIP WITH SUPERIORS	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	12	11.7	8	8.3	20	10.1
Agree (4)	48	47.1	28	29.2	76	38.4
Neutral (3)	27	26.5	32	33.4	59	29.8
Disagree (2)	9	8.8	20	20.8	29	14.6
Strongly Disagree (1)	6	5.9	8	8.3	14	7.1
Total	102		96		198	

The t-test analysis on the independence of the means presented in Table 6.5j supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

These findings, at least with respect to FMNC, may also be a reflection of the nature of power relations in Saudi society, which Hofstede (1980) categorises as being high on ‘power distance.’ Crucially, they may also be a reflection of the Islamic teaching in relation to subordinate/superior relations in the context of employment (Alhaskh, 1994; Azid, 2014). Subordinates are expected to have good relationships with superiors and undertake their orders unquestioningly. This attitude is possibly due to Muslims’ beliefs regarding respect for authority in Islamic societies, as well as Bedouin traditions, whereby Saudi managers do not tolerate behaviour that deviates from these norms (Beidas 2009). Indeed, Arab tribal values reinforce the concept of absolute right and wrong and any act that is not in conformance with acceptable norms is seen as a threat to established authority and organisational stability (Beidas, 2009).

Nonetheless, since the findings cannot identify in what ways the relationships with superiors are consistent or not consistent with Islam and Saudi tradition, these conclusions are far more inferred than explicit from the findings.

Q10: To what extent do you agree that interpersonal relationships with peers are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Atiyyah (1999) argues that Arab and Islamic values lay emphasis on harmony, co-operation and brotherly relationships, and as such, conflicts should be avoided, or suppressed. This question is intended to explore whether and the extent to which respondents see their relationship with their peers in those terms

On the issue of the impact of Islam on interpersonal relationships with peers, more than half of the respondents from FMNC (58.8%) agreed or strongly agreed that interpersonal relationships between peers in FMNC are consistent with Islam and the traditional customs and practices of Saudi Arabia. More than a third of the respondents (35.3%) were neutral on the issue, and only 5.9% disagreed with the statement.

The ISC responses indicate lower positive responses, but nevertheless a significant 41.6% of respondents agreed or strongly agreed that their interpersonal relationship with peers is influenced by Islam and the traditional customs and practices of Saudi Arabia. A similar percentage of respondents were neutral on the statement, while the remaining 16.7% disagreed or strongly disagreed with the statement. The findings are presented in Table 6.5b.

Table 6.5b: Interpersonal Relationships with Peers

Q10 - INTERPERSONAL RELATIONSHIPS	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	12	11.7	16	16.6	28	14.1
Agree (4)	48	47.1	24	25.0	72	36.4
Neutral (3)	36	35.3	40	41.7	76	38.4
Disagree (2)	6	5.9	12	12.5	18	9.1
Strongly Disagree (1)	0	---	4	4.2	4	2.0
Total	102		96		198	

The t-test analysis on the independence of the means presented in Table 6.5j supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

In this case, most of the respondents agreed or were neutral as to whether interpersonal relationships with peers are in congruence with Islam and the traditional customs and practices of Saudi Arabia. Only a small percentage of the respondents (14.1%, or 28 respondents) disagreed with the statement; however, relationships in Saudi Arabia as in most Arab societies are defined by kinship and therefore, the nature of interpersonal relationship also depends on whether they are with members of an in or out-group (Ramadi, 2010; Abhaskh, 1994), The close kinship ties that define social relations in Saudi society may account for results in relation to the question.

Q15: To what extent do you agree that communication with senior management is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Regarding views on the impact of Islam and Saudi tradition on communication between employees and management, close to half of FMNC respondents (44.2%) agreed or strongly agreed that how they communicate with senior management is influenced by Islam and the traditional customs and practices of Saudi Arabia. Almost the same percentage of respondents was neutral (38.2%). The remaining 17.6% disagreed or strongly disagreed with the statement. Contrary to FMNC, while none of the respondents from ISC strongly agreed with the statement, almost a third of the respondents (29.2%) agreed with the statement. However, the same percentage of the respondents disagreed or strongly disagreed with the statement and many more of the respondents (41.7%) were neutral. The findings are presented in Table 6.5c.

Table 6.5c: Communication with Senior Management

Q15 – COMMUNICATION	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	21	20.7	0	---	21	10.6
Agree (4)	24	23.5	28	29.2	52	26.3
Neutral (3)	39	38.2	40	41.7	79	39.9
Disagree (2)	3	2.9	20	20.8	23	11.6
Strongly Disagree (1)	15	14.7	8	8.3	23	11.6
Total	102		96		198	

The t-test analysis on the independence of the means presented in Table 6.5j supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid. Communication is an important issue in the Saudi environment, since it is expected that management should seek to resolve any dispute through negotiations and consensus (Atiyyah, 1999).

Communication, thus, is recognised as an important conflict management tool. Indeed, in this context, one of the key roles of managers in Saudi Arabia is to maintain a conflict free work environment (Atiyyah, 1999). Additionally, since the idea of workers' independent organisations is seen as unnecessary and undesirable in Islam (Pfeifer, 2001), communication is needed to maintain a conflict free work environment.

Islamic practices are seen as an important tool of influence on employee-management interactions. For example, Muslim managers and employees meet and pray together side by side regardless of managerial positions at least twice a day. Although no empirical research has been conducted to examine the effect of such daily interactions, Beidas (2009) argues that this may imply that these interactions would lessen physical and psychological distances between management and employees. Yet the data again contradicts the theoretical assumptions which are the basis of the comparative study. This development suggests that, where ISC employees are concerned, while the congregational prayers may reduce the physical distance, it has a limited impact on the psychological distance between managers and ordinary employees.

Q16: To what extent do you agree that views on confidentiality and how it is maintained are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam on the confidentiality and how this is maintained (question 16), 47.1% of respondents from FMNC agreed or strongly agreed that confidentiality and how it is maintained is consistent with Islam and the traditional customs and practices of Saudi Arabia. Almost half were neutral on the issue (47%), and

no one disagreed; however, a small minority of the respondents (5.9%) strongly disagreed with the statement.

Findings show a similar breakdown in responses among ISC respondents, with 50% agreeing or strongly agreeing that confidentiality and how it is maintained in ISC is consistent with Islam and the traditional customs and practices of Saudi Arabia. Slightly more than one third, or 37.5% of the sample, was neutral on the issue. 12.5% of respondents disagreed or strongly disagreed with the statement, which is twice as many as FMNC employees. The findings are presented in Table 6.5d.

Table 6.5d: Views on confidentiality and how it is maintained

Q16 – CONFIDENTIALITY	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	12	11.8	4	4.2	16	8.1
Agree (4)	36	35.3	44	45.8	80	40.4
Neutral (3)	48	47.0	36	37.5	84	42.4
Disagree (2)	0	---	8	8.3	8	4.0
Strongly Disagree (1)	6	5.9	4	4.2	10	5.1
Total	102		96		198	

Nonetheless, it needs to be noted that the t-test analysis as presented in Table 6.5j indicates that the two samples of responses in regard to the question of employee confidentiality do not have independent means ($p > 0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid.

In any case, due to the nature of the data collection method – questionnaire survey- it is unclear which concepts, if any, of Islam informed the view of those respondents who agreed or strongly agreed with the statement. From an Islamic perspective, confidentiality in dealing with others can be based on a number of principles,

including: *Mithaaq/Ahd*, the obligation to keep to covenants or agreements which are entered into; *Wafaa*’, which means loyalty and principle to keep promises that one make to others; and the fact that *Akhlafa al’ahad*- breaking a promise - is considered an act of *Munaafiq* (hypocrisy), which is considered a major sin. Having analysed the confidentiality aspect, the following question will explore the enforcement of organisational rules.

Q17: To what extent do you agree that the enforcement of organisational rules and regulations is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

For FMNC employees, on the question about the impact of Islam on the enforcement of organisational rules and regulations (question 17), the majority of the respondents (67.7%) agreed or strongly agreed on the compliance of FMNC’s enforcement of organisational rules and regulations with Islam and the traditional customs and practices of Saudi Arabia. Almost a quarter, i.e. 23.5%, were neutral and the remaining 8.8% disagreed on the issue.

The findings show a different breakdown when it comes to the responses of the ISC employees, where only about 38% of respondents agreed or strongly agreed with the statement and, relative to FMNC, a higher number of respondents 37.5% were neutral and likewise, a higher number, 25% compared to 8.8% of FMNC respondents, disagreed or strongly disagreed. The findings are presented in Table 6.5e.

Table 6.5e: Enforcement of organisational rules and regulations

Q17 - RULES AND REGULATIONS	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	18	17.7	4	4.2	22	11.1
Agree (4)	51	50.0	32	33.3	83	41.9
Neutral (3)	24	23.5	36	37.5	60	30.3
Disagree (2)	9	8.8	20	20.8	29	14.7
Strongly Disagree (1)	0	---	4	4.2	4	2.0
Total	102		96		198	

The t-test analysis on the independence of the means presented in Table 6.5j supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid. The relatively large number of ISC respondents who disagree with the statement emphasises the point that the assumption from the underlying theory that the effects of Islam and Saudi tradition are greater in indigenous and Saudi owned organisational contexts (Pfeifer, 2001; Beidas, 2009). However, a larger number agree with the statement therefore recognising the Islamic impact.

Q18: To what extent do you agree that the disciplinary process is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

In terms of the impact of Islam on the disciplinary process – question 18 - close to half of the respondents from FMNC (47.1%), agreed or strongly agreed that FMNC’s disciplinary process conforms to Islam and the traditional customs and practices of Saudi Arabia. Slightly over 38% of respondents were neutral on the question, while only 14.7% disagreed with the statement and no one strongly disagreed.

The findings show a different breakdown for the sample of ISC employees, as the largest portion of the respondents, 45.8%, were neutral on the issue of whether ISC’s disciplinary process is congruent with Islam and the traditional customs and practices of

Saudi Arabia. The next largest portion of respondents (33.3%), agreed or strongly agreed with the issue, while 20.9% disagreed or strongly disagreed with the statement. The findings are presented in Table 6.5f.

Table 6.5f: Disciplinary Process

Q18 - DISCIPLINARY PROCESS	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	9	8.9	8	8.3	17	8.6
Agree (4)	39	38.2	24	25.0	63	31.8
Neutral (3)	39	38.2	44	45.8	83	41.9
Disagree (2)	15	14.7	16	16.7	31	15.7
Strongly Disagree (1)	0	---	4	4.2	4	2.0
Total	102		96		198	

Nonetheless, it needs to be noted that the t-test analysis as presented in Table 6.5j indicates that the two samples of responses in regard to this question do not have independent means ($p > 0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid.

As indicated earlier in this chapter and also in the theory chapter, many Saudi organisations are paternalistic when it comes to managing their employees (Kalliny et al., 2006; Pfeifer, 2001). According to Beidas (2009), these organisations operate like traditional entities, clans or tribes, in which paternalistic authoritarian managers depend heavily on their social leadership skills to get work done. Based on tradition and rules of Islam, managers tend to use informal methods and apply social pressures before turning to disciplinary steps. According to Beidas (2009), this attitude is possibly due to Muslims' belief in respect for authority in Islamic teachings.

This belief is enshrined in the Holy Quran (4:59), which states: “O you who have believed, obey Allah and obey the Messenger and those in authority among you. And if you disagree over anything, refer it to Allah and the Messenger, if you should believe in Allah and the Last Day. That is the best [way] and best in result.” It would not be an unreasonable assumption to suggest that the Islamic injunction to respect authority influences employees to do what managers want them to do (as long as it is lawful), which could account for respondents’ views.

Q19: To what extent do you agree that the mechanism and attitudes to collaboration between colleagues to solve problems in work are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Regarding the impact of Islam on collaboration among colleagues (peers) (question 19) more than half of the respondents in FMNC, 53%, agreed or strongly agreed that the organisation’s mechanisms and attitudes for collaboration among colleagues are in congruence with Islam and the traditional customs and practices of Saudi Arabia. One third of the respondents (35.3%) were neutral on the issue, while only 11.7% of the sample disagreed.

Similar to the FMNC sample, the largest portion of respondents from ISC, i.e. slightly over 40%, agreed or strongly agreed that those mechanisms and attitudes of collaboration among colleagues (peers) at ISC are in congruence with Islam and the traditional customs and practices of Saudi Arabia. However, unlike respondents from FMNC, the remainder of the respondents from ISC were evenly split between those who were neutral on the issue and those who disagreed or strongly disagreed (29.2%). The findings are presented in Table 6.5g.

Table 6.5g: Mechanism and attitudes to collaboration between colleagues to solve problems in work

Q19 – COLLABORATION	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	6	5.9	4	4.2	10	5.1
Agree (4)	48	47.1	36	37.5	84	42.4
Neutral (3)	36	35.3	28	29.1	64	32.3
Disagree (2)	12	11.7	16	16.7	28	14.1
Strongly Disagree (1)	0	---	12	12.5	12	6.1
Total	102		96		198	

The convergence of views between employees from both companies is not surprising and is consistent with Islamic teachings, which call for colleagues to collaborate, such as through co-operation (*ta'awon*) (Beidas, 2009). The t-test analysis of the independence of the means is presented in Table 6.5j. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

Q21: To what extent do you agree that equal opportunity policies are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam on the equal opportunity policy, question 21, respondents were almost evenly split between those who agreed or strongly agreed (38.2%) that FMNC's equal opportunity policy conforms to Islam and the traditional customs and practices of Saudi Arabia and those who were neutral on the issue (35.3%). Fewer respondents (26.5%) disagreed or strongly disagreed with the statement.

Contrary to the FMNC responses, the pattern was different among the respondents from ISC. None of the respondents strongly agreed with the statement and the number of respondents who agreed (20 or 20.8%) that ISC's equal opportunity policy is in congruence with Islam and the traditional customs and practices of Saudi Arabia, was

equal to those who were neutral on the statement (20.8%). Crucially, more than half of the respondents (58.4%), disagreed or strongly disagreed with the statement. The findings are presented in Table 6.5h.

Table 6.5h: Equal Opportunities policy

Q21 - EQUAL OPPORTUNITIES	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	6	5.9	0	---	6	3.0
Agree (4)	33	32.3	20	20.8	53	26.8
Neutral (3)	36	35.3	20	20.8	56	28.3
Disagree (2)	15	14.7	32	33.4	47	23.7
Strongly Disagree (1)	12	11.8	24	25.00	36	18.2
Total	102		96		198	

The reason behind the high rate of disagreement among ISC respondents cannot be deduced from the data, and this is due to the method of data collection. Nonetheless, again, the comparative findings do not support the theoretical assumption about the impact of Islamic principles and traditional norms on HRM in Saudi owned and foreign multinational corporations. The t-test analysis on the independence of the means presented in Table 6.5j supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

Q23: To what extent do you agree that gender relations are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam on gender relations (questions 13), exactly half of the sample from FMNC (50%) was neutral on the issue of whether FMNC's approach to gender relations is congruent with Islam and the traditional customs and practices of Saudi Arabia.

The next largest proportion of respondents agreed or strongly agreed with the statement (38.2%), while the minority of respondents disagreed or strongly disagreed with it (11.8%).

The findings show a different breakdown when it comes to the ISC employees. Little more than half of the respondents were neutral on the issue in this case (58.3%), but a smaller portion of the sample agreed or strongly agreed that ISC’s approach to gender relations is congruent with Islam and the traditional customs and practices of Saudi Arabia (20.8%). A larger portion of the sample disagreed or strongly disagreed with the statement (20.8%) compared to the sample from FMNC. The findings are presented in Table 6.5i.

Table 6.5i: Gender Relations

Q23 - GENDER RELATIONS	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	9	8.8	8	8.3	17	8.6
Agree (4)	30	29.4	12	12.5	42	21.2
Neutral (3)	51	50.0	56	58.3	107	54.0
Disagree (2)	3	3.0	16	16.7	19	9.6
Strongly Disagree (1)	9	8.8	4	4.2	13	6.6
Total	102		96		198	

Nonetheless, it needs to be noted that the t-test analysis as presented in Table 6.5j indicates that the two samples of responses in regard to the question of gender relations do not have independent means ($p>0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid.

The nature of these findings, and especially the fact that significant numbers of respondents have no view on this matter, can, perhaps be attributed to the gender bias of the sample. This calls into question the validity and reliability of the question and findings and one can assume that a different outcome may come about if women were equally

represented in the sample. Notwithstanding this, the literature suggests that Islam impacts on a range of HRM practices, including employee relations. For example, Mellahi and Budhwar (2010) provide some insightful analysis on Islam and HRM.

Table 6.5j: Descriptive Statistics and T-Test

Item/Variable	FMNC		ISC		T-test (P value)
	Mean	Standard Deviation	Mean	Standard Deviation	
Q9 - RELATIONSHIP WITH SUPERIORS	3.500000	1.012301	3.083333	1.082557	0.013793
Q10 - INTERPERSONAL RELATIONSHIPS	3.647059	0.766205	3.375000	1.038724	0.060550
Q15 – COMMUNICATION	3.323529	1.259905	2.916667	0.913831	0.010666
Q16 – CONFIDENTIALITY	3.470588	0.919598	3.375000	0.861455	0.327760
Q17 - RULES AND REGULATIONS	3.764706	0.846384	3.125000	0.931891	0.000003
Q18 - DISCIPLINARY PROCESS	3.411765	0.848446	3.166667	0.947758	0.074730
Q19 – COLLABORATION	3.470588	0.779767	3.041667	1.104218	0.001676
Q21 - EQUAL OPPORTUNITIES	3.058824	1.088404	2.375000	1.078498	0.000012
Q23 - GENDER RELATIONS	3.264706	0.984297	3.041667	0.893446	0.110889

As in the preceding section, the survey findings in relation to the questions that are covered in this section are also triangulated with data relating to the same or similar questions secured through interviews. The same managers and experts whose views were sought on the influence of Islam and Saudi tradition on pay and conditions, motivation, and loyalty were also interviewed on issues around workplace relations. To this end, the following question was asked:

Question 3: How flexible is the interpretation of religious and cultural rules at work with regard to type of occupation; type of work; type of industry; and type of business owner (state; private; foreign)?

The opinions of the legal and academic experts; judges and Islamic professors, on the interpretation of religious and cultural rules at work with regard to occupations, industries, and ownership reveal that the Saudi Arabian law, which is based on Islam, the Quran and the Sunnah of the Prophet (PBUH), is uniformly applicable to all types of industrial sectors and businesses. As one of the academic experts put it:

“In Saudi Arabia, Islamic teachings are applied to all people, regardless of their work and all workers are called upon to carry out their jobs perfectly. Allah said: "Indeed, the most noble of you in the sight of Allah is the most righteous of you" Hujurat 13. Prophet Mohammad says: "No Arab is better than a non-Arab, and no white is better than black, except in taqwa”
(extracted from the interview with Professor V)

Yet, another noted: “Islamic teachings in Saudi Arabia are applied to all people without exception and everybody is accountable for violations” (Professor VII).

Notwithstanding, the interviewees acknowledged that there are a number of exceptions to this broad premise. Employment issues, they note, are by and large, governed by the employment contract and penalties for infringements, or violations rested in the hands of the employers, who could choose to overlook certain violations, taking account of the types of offence and the track record of the employee, if they felt it fit to do so. Thus, Professor V notes:

“Accountability however differs from one establishment to another and can be low in some organisations if their managements are careless or lenient. Today, religious motivation is weak in many establishments, which in turn results in a lack of proper application of regulations and numerous excuses for regulatory failures”
(Quotation extracted from the interview with Professor V).

Furthermore, experts also pointed out the inconsistency in the application of the law and Islamic teachings across a range of business sectors and social groups:

“While Saudi Arabian law is applicable to all types of businesses, business sectors, and individuals, people differ from each other and the corrupt commit mistakes. Both doctors and cleaners are the same before Islam and have to be penalised when engaged in falsehood and treachery. Regulatory institutions in Saudi Arabia detected a number of dresses of dishonesty and falsehood amongst senior and well established people”

(Quotation extracted from the interview with Professor I).

This point is further reinforced by another expert, who points out:

“The existing system in Saudi Arabia regarding uniform interpretation of religious cultures and rules in the workplace is essentially theoretical. The application can depend on persons in charge, who could interpret the system in accordance with their understanding, which on some occasions contradicts or does not adhere completely to the tenets of Islamic law. For example, the recent decision of allowing men and women to work together in clothing shops for women was followed by a demand for the elimination of female harassment.”

(Quotation extracted from the interview with Professor II)

With regard to the issues of equal opportunities and gender relations in particular, Islamic Law provides special treatment for children, and whilst women are allowed to work by the Shariah, as the following quotation suggests, a number of structural factors hinder their free entry into the workforce.

“The Islamic law provides special treatment for children, even though some rules were common for the young and minors. Islam provides rights to women so they will not be oppressed and treated as commodities. The Shariah allows women to work but only after the imposition of conditions that to protect their dignity and restrain them from attracting men... Islam provides special rights for women, one of them being maternity leave.”

(Quotation from the interview with Professor IV)

Thus, Islam prohibits free mixing between women and men and requires women to control both their clothing and their conversation (Hamdan, 2005): a fact that is not lost on one of the experts who stated: “Islam prohibits mixing between men and women and commands them not to look at each other” (Professor IV).

Furthermore, all women require need permission from their guardians (father or husband) to work and travel. Thus, whilst the Saudi government spends billions of dollars on educating its women and 57% of Saudi women have university degrees, they make up less than 15% of the workforce (Hamdan, 2005). Interviews for the selection of women are difficult because of restrictions to communication between men and women (ibid).

Apart from the very different treatment of women in the workplace, there are also some differences in the treatment of people from different social backgrounds. Equal treatment before the law between people of different religions, nationalities and ethnicities is thus an extremely important issue. This could be explained by the fact that:

“Whilst all individuals could approach the courts, it is important to understand that disputes between people of two religions had to be settled in Saudi Arabia in accordance with Islamic law.”

(Quotation extracted from the interview with Professor IV)

Despite these differences, the general view among the interviewed experts is that Saudi society is based on Islamic principles and tends to provide equitable conditions to all contributing to its development. In that respect; “Saudi society is extremely flexible and open, as could be seen from the treatment of the people of different nationalities with equal respect and equity” (Judge D) and, according another legal expert:

“Islamic law in Saudi Arabia forms the foundation of the governance. The millions of workers and foreign companies are treated with justice and equality, in accordance with international laws and regulations, as well as with respect towards their traditions and customs. The Author of the book *Shadows* (Dhelal), in a statement explaining the meaning of this verse: “and here we see on the pages that contain Islamic tolerance, in dealing with non-Muslims who live in the Muslim community (in Islamic countries), and are bound together by ties of Dhimmis, and the Covenant, from the people of the book. Islam does not only give them their religious freedom then abandon them and [they] become isolated or outcasts in the society: Islam includes them in an atmosphere of social participation and affection, courtesy, and interaction, making their food edible for Muslims, and vice versa, to complete the visitation and interaction, and society as a whole remains under affection and tolerance. And [it] also makes their chaste wives - and here chaste means free chaste - good for Muslims. And paired, mentioning free chaste, Muslims, which is a tolerance felt only by the followers of Islam, among other faiths and nations.”

(Quotation extracted from the interview with Judge C)

It is important in this regard to recognise that western HR management also focuses upon merit and proficiency (Taylor, 1912), and aims to develop equal, diverse and non-discriminatory workplaces across business sectors (EOC, 2008).

Whilst gender separation is very significant in Saudi Arabia and has limited the entry and development of women in the workforce, Islamic law otherwise focuses upon workplace equality and makes efforts to ensure the development of equal workplaces. Consequently, whereas question 3 concerns the issue of equal opportunities in its general context, question 4, the interview data in relation to which is covered in the following section, focuses on equality. In this regard, interviewees’ views were sought on the question below.

Question 5: Do the religious and cultural rules apply to all equally, or are there differences by gender, age, class, and nationality?

Despite the large amount of literature which suggests the prevalence of gender inequality in Saudi Arabia (e.g. Al-Dehailan, 2007; Niblock and Malik, 2007; Ramady, 2010; Mellahi and Budhwar, 2010), there is no doubt in the minds of the interviewed experts about the equality of all people in Saudi Arabia in the eyes of the law. In that regard, several have cited in the Holy Quran (49:13), which states:

“O mankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted”.

Accordingly, one of the academic experts notes:

“In the sight of Allah, all men are equal, but they are not necessarily identical. There are differences of abilities, potentials, ambitions, wealth and so on. Yet none of these differences can by itself establish a status of superiority of one man or race to another. The stock of man, the colour of his skin, the amount of wealth he has, and the degree of prestige he enjoys have no bearing on the character and personality of the individual as far as Allah is concerned. The only distinction, which Allah recognizes, is the distinction in piety, and the only criterion, which Allah applies, is the criterion of goodness and spiritual excellence.”

All respondents are also categorical that all people, regardless of race, religion or nationality, are equal in the eyes of the law. The quote below, from the interview with one of academic experts, captures their collective sentiment:

“Islam” he asserts, “does not differentiate on the basis of race, language, gender, colour or blood. The Prophet had repeatedly emphasised that all men and women are equal and that he would not hesitate to cut off his daughter Fatima’s hand if she engaged in stealing. Muslims are furthermore required to behave equally, justly and kindly with people of all religions.”

(Professor V)

Professor VII further elaborates, noting:

“Legal rules in society have two dimensions. The first one is applied to all, and includes general human rights, respect for the society’s religion and the country’s security. The second concerns individuals, worship, doctrine and family provisions. There should thus be a distinction, based upon religion, because the Muslim state is based upon Islam and is not secular. There is however no doubt that Islam does not differentiate between people and all are equal in the eyes of Allah.”

Whilst there is an agreement amongst the interviewed experts on the equality of all people before the eyes of Allah (SWT), this was mitigated by the acknowledgement of the differences in the positions of men and women in Saudi Arabian society and the workplace, as well as the fact that all people, regardless of their religion, would be provided justice, as applicable under Islamic law. These differences are however viewed by one legal expert as a consequence of ‘laws of custom’ as distinct from laws of religion.

As he notes:

“It is important to differentiate between religious and custom laws. Religious laws require all people, male and female, citizen and expatriate, to be addressed equally. With regard to laws of custom, the custom is a legally applicable path for finding legal laws, subject to it not contradicting legal foundations, existing at the time of process and being consistent. Customs and traditions differ on the basis of age, gender and their unification is a very difficult thing to accomplish”.

(Judge A)

Many countries in the West, including the UK and most of Western Europe, have adopted extremely substantial non-discriminatory laws, which make it unlawful for organisations or their employees to engage in discriminatory actions on the basis of gender, disability, religion, race, or other similar differences (NAT, 2003). The HR strategies in the West also focus upon the development of diverse, equal, and non - discriminatory workplaces with the help of appropriate HR strategies in areas of recruitment, development, reward and remuneration, and career advancement.

While there is some evidence of the Anglo-Americanisation of HRM practice in many areas in Saudi Arabia, including pay determination (Mellahi and Budhwar, 2010, Mellahi and Woods, 2011), Saudi customs and the influencing effects of Islam have shaped the developments in equality and diversity management in Saudi Arabia.

Discussion.

In relation to the research aims, objectives and questions, the findings in relation to the impact of Islam and Saudi traditions and customs on workplace relations are generally conclusive, but challenge the hypothesis that the impact would be greater and obvious on practice in indigenous organisations than foreign ones (Pfeifer, 2001). In that regard, the data consistently shows that the majority of respondents do agree that their organisations' workplace relations practice are generally consistent with Islamic teachings and Saudi tradition and customs. On the crucial issues of equality, the findings betray the limitations of the gender profile of the sample, with the vast majority of the predominantly male sample reporting a neutral view on whether their organisations' gender equality policies and Islam and traditional customs influence practices.

It is noteworthy to explain that what the researcher means by gender equality in this thesis relates to opportunities for both gender in the workplace such as promotion, relations to superiors, salary for work provided, pensions, training and development. The research was conducted on the current workplace; whether women's opportunities to access labour market are the same than their male counterpart is another debate and other researchers have contributed to this area of knowledge. From an Islamic perspective, there is no gender equality in Islam but rather gender fairness. "Islam does not regard men and women as equal in matters where regarding them as equal would result in injustice to one of them, because equality that is inappropriate is a severe form of injustice" (Ibn 'Uthaymeen in Al-Munajjid, 2002).

Therefore, when it comes to the impact of Islam on workplace relations, one can conclude that the primary research findings are consistent. Generally, findings from the interviews with academic and legal experts emphasise the presence and all embracing influence of Islam on Saudi society, survey findings suggest that employees are less certain about the influence of Islam and traditional customs on their organisations' policies and practices relating to the variables that are measured – i.e. pay and conditions, motivation, loyalty, equal opportunities and gender relations. With respect to organisational comparisons, FMNC employees perceive the impact of Islam to be aligned with the relationship with superiors, something that, in line with the findings from the interviews with the experts, defines a paternalistic approach consistent with a high power distance dimension for the SA culture (Hofstede 1980). Indeed, as argued by Latiti (1997, cited in Khan, 2014), Islam requires that all organisational members demonstrate a respectful attitude to each other. Thus, the relationship with superiors is obviously influenced by Islamic teachings. On the other hand, it was claimed by Goodall et al. (2009) and Weldy (2011) that a respectful relationship between superiors and their subordinates is also encouraged in non-Islamic societies, which are guided by general conduct. Similarly ISC employees, with a lower majority, share the same opinion. Again, the findings can be explained through the higher institutional pressures placed on FMNC to comply with the accepted behaviour of Saudi society, along with the impact of the industry, as banks and most other companies everywhere in the world are characterised by a hierarchical organisational structure.

The findings vary when it comes to the impact of Islam on communication with senior management. FMNC employees perceive strong compliance with Islamic principles in the way senior management communicates in the organisation, compared to lesser support on the side of ISC employees.

As senior management's communication is subjectively defined in Islam, apart from the institutional theory, the findings of FMNC employees may also be explained by the Western impact on the workplace, which argues in favour of two-way communication with employees. ISC's response may again reflect a relative power distance in Saudi society.

Similarly, Shihab (2010) confirms that good communication with senior management can resolve organisational conflicts and reduce pressures in the workplace. Nonetheless, the researcher did not manage to measure the impact of Islam and cultural tradition on the interaction with top managers. From this point of view, the findings of this doctoral project are novel and unique.

The impact of Islam on the interpersonal relationship with peers along with collaboration with peers and confidentiality and how this is maintained, is perceived by both sets of employees to be aligned with Islamic teachings and traditional customs in Saudi Arabia, which according to the experts interviewed are defined in Islam as a search for harmony, co-operation and family-like relationships. The results obtained in the course of analysis are in keeping with the findings of Ali (2010), who explains that collaboration with peers is perceived as a practice that leads to mutual benefit in Islam. Treating people as brothers and sisters has expanded into workplace relations in the context of Saudi Arabia.

The impact of institutional pressures on FMNC can be fully seen from the employee perceptions about the compliance with Islamic teaching and the traditional Saudi customs in the enforcement of organisational rules and regulations. While the overwhelming majority of FMNC employees believe that these are aligned, ISC employees share the same view, with a lower majority. The same is supported by the findings from the interviews with experts, who expressed their worries regarding the lack of uniformity in the application of Islamic principles nowadays by some organisations in Saudi Arabia.

Despite the fact that the disciplinary practice was recognised to be aligned with Islam's teachings by both sets of employees, the findings from interviews with experts provide a rather indistinct understanding of what disciplinary action would be in Islam. Experts disagree on the approach towards violators in the workplace: where one recommends disciplinary actions due to the fact that rules and regulations are already known, others insist on the reinforcement of Islamic values in the education of violators prior to disciplinary actions. Thus, in this regard, and keeping in mind the size of both companies along with the survey findings, one may argue that the disciplinary practice supports the convergence theory.

The findings from the survey on the impact of Islam on equal opportunity policy and gender relations do not provide conclusive data, despite the fact that experts clearly pointed out the existence of a strong connection. Findings on the compliance with Islam in workplace relations in Saudi Arabia do not provide an opportunity to make a conclusive remark on whether they are converging with or diverging from the global trends.

This chapter has presented the findings of both quantitative and qualitative data gleaned from the study. In specific terms, it has presented issues around pay and conditions, motivation, and workplace relations. As indicated in the discussion sections, the findings are generally inclusive in the sense that while the qualitative data suggests a significant influence of Islam, survey responses are generally less conclusive. They appear to challenge the pre-conception that the impact mainly applies to indigenous organisation as it showed that foreign ones are also highly impact. Whilst this chapter has focused on general area of employment relations, the following chapter will focus on findings relating to HRM practices as distinct from employment relations.

Chapter 7: Human Resources Management

7.1. Introduction

As outlined in the introduction to Chapter Six, the findings from the empirical study on the impact of Islam and traditional Saudi customs on employment relations and HRM are presented and discussed around six main themes. The first three themes are; pay and conditions, motivation, and workplace relations. These were analysed, presented and discussed in the preceding chapter (Chapter Six) under the broad topic of employment relations. The current chapter analyses, presents and discusses the survey and interview findings in relation to the broad concept and function of HRM, using themes: welfare and work-life balance; recruitment and selection (R&S); and resource management. Each of these variables is measured using a number of specific questions that relate to specific HRM functions. Participant responses are then analysed and discussed with reference to extant literature and relevant Islamic concepts and principles.

The findings on the theme of welfare and work-life balance are derived from participants' responses to questions about the impact of Islam and Saudi traditions on their organisations' policies and practices relating to the provision of stable social security and welfare schemes; employees' work-life balance; family related policy and practices; and Delphi analysis of interview data with academic and legal experts on these issues. The analyses of the findings in relation to these questions are generally very consistent with those around the themes covered in the preceding chapter. In that regard, the findings indicate the pervasive influence of Islam on these practices and are therefore consistent with Abassi et al.'s (2010) analysis of welfare as an aspect of the "five dimensions of welfare in Islamic value system (IVS)" (p. 741).

Accordingly, welfare in the context of employment is a part of employees' *Haqq al – insaan* (human rights) and its provision is an act of *Ihsaan* and *Istiqaamah* (proper conduct and uprightness). Notwithstanding these evident conclusions, as with the findings in the preceding chapter, the conclusiveness of the findings also indicate that, perhaps, the extent of the social and economic embeddedness of Islam in Saudi Arabia makes it relatively difficult for respondents to discern the extent of its influence on HRM policy and practices. Comparatively, the findings are also consistent with the findings covered in Chapter Six in the sense that they do not support the argument that indigenous organisations are more likely to report the impact of Islam on decision-making and practice than foreign owned organisations (Pfeifer, 2001).

The second general theme around which findings are analysed, presented and discussed is that of recruitment and selection (R & S). To understand the extent to which participants agree and/or disagree that Islam and Saudi traditional customs impact their organisations' recruitment and selection policies and practices, their views were sought on impact of Islam and tradition on recruitment and selection policy and practice, employee learning and the provision of development opportunities, and managerial support for employees to improve performance. The analysis of the survey and interview data shows general consistency around some of these variables both in terms of numerical inconclusiveness and organisational comparison: that is, with the exception of the data relating to training and the provision of development opportunities.

As the findings presented Tables 7.2b and 7.2c show, quite apart from the significant numerical agreement among respondents on the impact of Islam and Saudi tradition on these, they also show that, for the first time, a greater number of respondents from ISC than FMNC agreed that Islam and Saudi tradition impact their organisation's policy and

practices in relation to training and provision of development opportunities. As suggested in the relevant discussion section, this finding can be attributed to the importance and priority which Islam accords to learning (ref. Surat 96 of the Quran, Suratul Iqraa, Allah's (SWT) first command to His Messenger, Mohammad (PBUH), to "read"). However, the findings may also reflect the central role of public enterprises in national education and training policy and delivery in Saudi Arabia (Hertog, 2013), which outline, for example, Saudi Aramco's role as a national development agent.

The final general theme, around which the findings on the influence of Islam and Saudi traditions on HRM are presented, is the theme of resource management. The rationale for this choice of theme is that Islam explicitly addresses the issue of resource management in the concept of *mas'ooliyah* (Beidas, 2009) and *Tawhid* (worship). Since Allah (SWT) is the Creator and Owner of all things (al-Quran, 2: 16), the management of resources constitute worship and should be carried out in a manner that is pleasing to Him. While these principles are consistent with the interview data, the survey data is essentially inconclusive.

To access and assess respondents' views on the impact of Islam on management resources, participants were asked to report the extent of their agreement/disagreement with the statements that their organisations' resource management and corporate social responsibility policies and practices are consistent with Islamic principles and traditional Saudi customs. On both counts, the findings are clearly inconclusive, with either a clear majority or significant numbers reporting to have no view on these matters. Again, these findings are consistent with most of the findings that are reported and, because of the data collection method, it is not possible to ascertain the underlying reasons for this outcome.

Accordingly, focusing on the broad research question relating to the impact of Islam and traditional customs on HRM practice in Saudi organisations, the rest of the chapter is structured as follows: Section 7.2 presents, describes and discusses the survey and interviews findings on specific questions relating to theme Welfare and work-life balance. This is followed by Section 7.3, which contains analysis, presentation and discussion on the themes of recruitment and selection and employee learning and development. Section 7.4 covers the findings relating to management of resources, which are analysed, presented and discussed with reference to responses to questions about resource management in general and also corporate social responsibility. Finally, Section 7.5 presents the conclusion of the findings of the research.

7.2 Welfare & Work-life balance

Considering the discussion of Islamic values as presented in earlier chapters of this thesis, individuals following Islam are encouraged to engage in activities with the motivation of benefitting both themselves and the community of which they are a part. Thus, an association is drawn in Islamic teaching between labour and wellbeing, and this is the area which will be the focus of the sections which follow.

In determining the existence of welfare and work-life balance, and whether the same is in line with Islamic tradition and customs, the analysis looks at a distinct group of questions from the survey, which cover: (Q3) - provision of stable social security and welfare schemes; (Q7) - employees' work-life balance; and (Q22) - family related policy and practices; as well as (Q1) from the Delphi interviews. The next section presents the perceptions of respondents regarding their welfare and work-life balance in companies operating in Saudi Arabia.

Q3: To what extent do you agree that the provision of stable social security and welfare schemes is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

As noted previously, the Quran expects Muslims to give others what they are due and this expectation has a powerful impact on employment relations (Chapra, 1983). Indeed, the most essential finding extrapolated from these research findings, at least from the Islamic perspective on the employment relationship, is the promotion of justice and fairness for all organisational parties. Therefore, managers in Saudi Arabian firms (employers) are expected to treat their employees kindly, as if they were their siblings and other familial relations. This imperative compels employers to ensure that all subordinates are supported and well taken care of. One reason for providing employees with prosperity-enhancing social security and welfare schemes is intimately related to the paternalistic approach to employment relations adopted in many Islamic countries. For example, Pfeifer (2001, p. 27) notes that this paternalistic framework calls on employers to regard, and treat, their employees “like family.”

When it comes to the impact of Islam on the provision of stable social security and welfare schemes (Q3), a little over half (52.9%) of the respondents agreed or strongly agreed that FMNC’s approach to providing employees with stable and good social security and welfare schemes was in line with Islam and the traditional customs and practices of Saudi Arabia. Almost a third of the sample (29.4%) was neutral on the question, while 17.7% disagreed or strongly disagreed with the statement.

From the sample of ISC employees, 41.7% agreed or strongly agreed that ISC’s general approach to providing social security and welfare was in line with Islam and the traditional customs and practices of Saudi Arabia.

A third of the sample (33.3%) was neutral on the question, while 25% disagreed or strongly disagreed with the statement. The findings are presented in Table 7.1a.

Table 7.1a: Providing employees with stable and good social security and welfare schemes

Q3 - SOCIAL SECURITY AND WELFARE	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	15	14.7	4	4.2	19	9.6
Agree (4)	39	38.2	36	37.5	75	37.9
Neutral (3)	30	29.4	32	33.3	62	31.3
Disagree (2)	12	11.8	20	20.8	32	16.2
Strongly Disagree (1)	6	5.9	4	4.2	10	5.0
Total	102		96		198	

In terms of the main theoretical assumption which informs and motivates this comparison of the two types of organisations, the findings on the relationship between Islamic principles and traditional Saudi values on the one hand, and organisational social security and welfare provision policies and practices on the other, are consistent with the views about pay and motivation. Therefore, like the former two, the findings in relation to Question 3 also do not sustain the assumption that the impact of Islam and traditional customs and practices will be more apparent in indigenous, Saudi Arabian owned corporations compared to the multinational organisations of foreign origin in Saudi Arabia. The t-test analysis on the independence of the means presented in Table 7.1d supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinions of employees is statistically significant and the conclusion is valid.

Following the analysis of social security and welfare, work-life balance will be explored with the next question.

Q7: To what extent do you agree that caring about employees’ work and life balance is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

On the question regarding the impact of Islam on the employees’ work-life balance, little over half of the respondents from FMNC (55.9%) agreed or strongly agreed on the compliance of FMNC’s care employees’ work-life balance with Islam and the traditional customs and practices of Saudi Arabia. Almost a third of the samples (29.4%) were neutral on the question, while 14.7% disagreed or strongly disagreed with the statement.

In contrast, more ISC employees disagreed with the statement than those who agreed. From the sample of ISC employees, only one quarter (25%) agreed or strongly agreed that ISC’s care regarding employees’ work-life balance was in line with Islam and the traditional customs and practices of Saudi Arabia. A third of the respondents (29.2%) were neutral on the question, while almost half (45.8%) disagreed or strongly disagreed with the statement.

These findings challenge the underlying assumption which is the basis for the comparison. As with most if not all responses to the preceding statements/questions, the findings emphasise the practice of identifying Islam’s impact on organisation’s policies and practices for the employees of FMNC, which is an international multinational, compared to their counterparts at ISC, the indigenous, Saudi-owned multinational.

The findings are presented in Table 7.1b.

Table 7.1b: Care for employees’ work and life balance

Q7 - WORK-LIFE BALANCE	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	12	11.7	12	12.5	24	12.1
Agree (4)	45	44.2	12	12.5	67	33.8
Neutral (3)	30	29.4	28	29.2	58	29.3
Disagree (2)	3	2.9	24	25.0	27	13.6
Strongly Disagree (1)	12	11.8	20	20.8	32	16.2
Total	102		96		198	

The t-test analysis on the independence of the means presented in Table 7.1d. supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid. The nature of the data provides no underlying explanation for this. The following question will concern the findings on family related policies and practices.

Q22: To what extent do you agree that family related policies and practices are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam on family related policy and practices – question 22 - from the sample of FMNC employees, almost half of the respondents (44.1%) agreed or strongly agreed regarding the compliance of FMNC's family related policy and practices with Islam and the traditional customs and practices of Saudi Arabia. A little over one-third of the respondents (35.3%) were neutral on the question, while a fifth of the sample disagreed or strongly disagreed with the statement (20.6%).

The breakdown of responses was different in the sample of ISC employees, as none of them strongly agreed with the statement (although only 2.9% of the FMNC sample strongly agreed with the statement). Additionally, while a third of the sample agreed that ISC's family related policy and practices are in line with Islam and the traditional customs and practices of Saudi Arabia (33.3%), a little more than half of the respondents were neutral on the issue (54.2%). In contrast to the sample from FMNC, only 12.5% of the respondents from ISC disagreed or strongly disagreed with the statement.

Majority of ISC sample had no particular view on this statement, although the second majority agreed to the statement, which underscores a slight difference in the theoretical assumption of the comparative impact of Islam and traditional norms on the two organisational types although both companies tend to agree to the statement.

Nonetheless, it needs to be noted that the t-test analysis as presented in Table 7.1d. indicates that the two samples of respondents in regard to the question of family related policies and practices do not have independent means ($p>0.05$), which means that any conclusion arising from the similarity in the opinion between these groups of employees is not statistically valid.

The method of data collection does not allow for access to the underlying reason behind the views of respondents. The findings are presented in Table 7.1c.

Table 7.1c: Family related policy and practices

Q22 - FAMILY POLICIES	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	3	2.9	0	---	3	1.5
Agree (4)	42	41.2	32	33.3	74	37.4
Neutral (3)	36	35.3	52	54.2	88	44.4
Disagree (2)	15	14.7	4	4.2	19	9.6
Strongly Disagree (1)	6	5.9	8	8.3	14	7.1
Total	102		96		198	

Table 7.1d: Descriptive Statistics and T-Test

Item/Variable	FMNC		ISC		T-test (P value)
	Mean	Standard Deviation	Mean	Standard Deviation	
Q3 - SOCIAL SECURITY AND WELFARE	3.441176	1.067741	3.166667	0.947758	0.023343
Q7 - WORK-LIFE BALANCE	3.411765	1.120051	2.708333	1.280762	0.000131
Q22 - FAMILY POLICIES	3.205882	0.937008	3.125000	0.836660	0.3297777

The views of the interviewees were sought on important areas of welfare, with respect to the importance given by Islam to the dignity and place of labour. The question and feedback from the interviewees are documented below.

Question 1: What do the Quran and Sunnah say about labour and workers?

The importance given by Islam to the dignity and place of labour in the lives of human beings is very clear from the opinions and statements of all of the experts interviewed. Work in Islam appears to be important from two specific dimensions (Abbasi *et al.*, 2010). The lack of opportunity, or unwillingness, to work, for a specific person, can in the first place result in the individual becoming a burden to others, or to society and may furthermore force a person to resort to begging to satisfy his needs. Both begging and burdening others is something with which Islam strongly disagrees (Abbasi *et al.*, 2010). Work is furthermore extolled and praised both in the Quran and the Sunnah for its positive impact upon the self-respect and esteem of individuals (Abbasi *et al.*, 2010). The capacity for work and its engagement not only provides a life, free of humiliation and disrespect, but also enables people to contribute to charity (Abbasi *et al.*, 2010). This is reflected in the statements of the interviewees:

“Quran exhorts people to abjure begging and focus upon work and earning in order to live a happy and humiliation free life. A good example comes from the prophet Mohammad who motivated poor people to earn and become independent of begging.

“The prophet has stated (Hadith No. 1471, Book of Zakat, Sahih Bukhari, Vol. 2) that it is better for anyone of you to take a rope and bring a bundle of wood over his back and sell it (and Allah will save his face because of that) rather than to ask the people who may or may not give”

(Quotation from the Interview with Professor IV)

“Quran and Sunnah urge people to work and they criticise people who depended upon others. Work is as important as worship in Islam and should thus be carried out with as much perfection as possible. Rafe' Ibn Khadeej, Allah bless him, said: Prophet Mohammad was asked: which earning is the best? He answered: it is that which the person achieves from the work of his hand, and each blessed selling" narrated by Ahmed.”

(Quotation from the interview with Professor V)

The experts were also clear that employees had specific financial, physical and social rights. Employers were obliged to provide them with reasonable wages, continue to provide them employment in their old age and ensure that they were not over burdened by excessive workloads. Islam thus called upon both employees and employers to work with transparency and sincerity, ensuring that justice was made available to both. With regard to HRM, Islam thus advocated the protection and strengthening of the employment relationship by bringing together the rights, obligations and powers of both employers and employees.

“Employees should be treated with dignity. They have the right to practice their religion, be protected from excessive workload and stay employed even after reduction of their strength and productive ability. Islam wants employees to be insured.

The holy Quran guides us regarding these rights, and commands us to do so in several texts in Quran, Allah (SWT) said: "And to [the people of] Madyan [We sent] their brother Shu'ayb. He said, "O my people, worship Allah ; you have no deity other than Him. There has come to you clear evidence from your Lord. So fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the earth after its reformation. That is better for you, if you should be believers." (7:85). To deprive is to reduce by fault-finding and underestimation, or deceptive value or fraud. Al Baghwi said regarding the meaning of this verse: "Do not deprive people of their rights and do not reduce their rights".”
(Quotation from the Interview with Professor IV)

“Islamic laws motivated people to work hard rather than depend upon charity, which in turn led to the development of social solidarity and the strengthening of society. For example wages are mentioned 150 times in the Quran.

Allah (SWT) revealed in the Quran: “So they set out, until when they came to the people of a town, they asked its people for food, but they refused to offer them hospitality. And they found therein a wall about to collapse, so [al-Khidhr] restored it. [Moses] said, "If you wished, you could have taken for it a payment.” (18:77) and in another place in Moses’ story with Shu'eyb when He (SWT) said: “Then there came unto him one of the two women, walking shyly. She said: Lo! my father biddeth thee, that he may reward thee with a payment for that thou didst water (the flock) for us. Then, when he came unto him and told him the (whole) story, he said: Fear not! Thou hast escaped from the wrongdoing folk.”(28:25).

The prophet, PBUH, was shepherding, as stated in Sahih Al Bukhari, and he (PBUH) said: "Allah did not send any prophet but shepherded sheep." His companions asked him, "Did you do the same?" The Prophet replied, "Yes, I used to shepherd the sheep of the people of Makkah for some Qirats." (Hadith No. 464, book 37).

[A]nd whilst it is important for employers to pay appropriate wages, they should also take care to recruit suitably qualified and trained people and appoint the right persons for the job. Allah (SWT) says "O my people, worship Allah ; you have no deity other than Him. There has come to you clear evidence from your Lord. So fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the earth after its reformation. That is better for you, if you should be believers.(7: 85)". (Muzammil, 2013, p 1)"
(Quotation from the interview with Judge A)

It was however pointed out that despite the directives of Islam, numerous complaints were being submitted by employees to the Ministry of Labour, implying that employers in Saudi Arabia could do more to protect the rights of employees. Islam in fact linked employers to shepherds, who protect and control their flocks of employees (Judge A citing Quran and Hadith). Despite the importance given in Islam to the need for both employers and employees to work with sincerity, motivation, goodwill and respect for the rights of others, complaints show some tensions between employers and employees in Saudi Arabia.

"A number of complaints were currently being submitted to legal courts, which is unfortunate considering that the Prophet had asked employers to protect the rights of workers and provide them with appropriate wages. Therefore, we find that the prophet PBUH cautioned of this and said: "Pay the worker before his sweat dries" (Ibn Mahah). Also, we find him looking at workers with sympathy and mercy. Abu Dharr narrated that the Messenger of Allah said:"Allah has made some of your brothers as slaves under your care. So whoever has his brother under his care, then let him feed him from his food, and let him clothe him from his clothes. And do not give him a duty that he cannot bear, and if you give him a duty he cannot bear, then assist him with it." (At-Tirmidhi, Hadith No.51, Book 27).
(Quotation from the interview with Judge A)

Discussion

Welfare and work-life balance in the context of the study refer to the growing global trend for addressing the welfare and work-life balance of employees (Crompton and Lyonette, 2006) and mainly relates to those practices which enhance employees' flexibility and autonomy in conducting their paid work with regard to their personal life and health. In the last two decades, the aspect of work-life balance has become extremely important for organisations for not only attracting and retaining a talented workforce but also in enhancing employee performance. Contrary to these popular trends, which represent Western teaching, the findings from the study imply that Islamic teachings hold the potential to consistently impact upon the workplace in Saudi Arabia regarding these issues. Thus, according to the experts (mini-Delphi interviews), they are nothing new for the employment relationship in Saudi Arabia.

Allah (SWT) enjoins Muslims to give others what they are due, and this expectation has a powerful impact on employment relations. Managers in Saudi Arabian firms (employers) are expected to treat their employees kindly, as they would their siblings and other familial relations. This imperative compels employers to ensure that all subordinates are supported and well taken care of.

One reason for providing employees with prosperity-enhancing social security and welfare schemes is intimately related to the paternalistic approach to employment relations adopted in many Islamic countries. These observations are also supported by Rao (2004), who argues that the availability of different types of welfare should be adjusted to specific employees' needs and concerns. The attention to subordinates' needs was presented in chapter Four as an inalienable characteristic of paternalistic leadership (Rao, 2004).

The survey findings favour this argument, as employees believe that the provision of stable social security and welfare schemes in their organisations is affected by Islamic teachings. The similarity in the findings for both groups of employees is statistically significant and thus it does not favour the assumption that there will be a difference in company's approaches based on their origin (Saudi vs. non-Saudi). As emphasised in the theoretical section, Islamic teachings explains that Arabs and non-Arabs should be treated equally, and that neither of these groups is superior to the other. This similarity reflects the legal requirements of the Saudi system, which is shaped by Islamic teachings. It also reflects the expectations of Saudi society (institutional theory) of how an organisation should behave towards employees in Saudi Arabia. In accordance with NDI (2014), the Saudi society expects liberalisation, democratisation and other positive changes in the country. From this point of view, the suggested changes should comply with Islamic teachings to be accepted by most citizens (NDI, 2014). Similarly, employees' perceptions and expectations about work-life balance are adjusted to existing cultural and religious norms. In these conditions, Saudi employers are expected to introduce reasonable work-life balance arrangements to strengthen employee trust (Douglas and Wykowski, 2010). Bearing in mind that FMNC is a bank, it has a strongly customer-oriented focus with an aim of developing trust with its clients and thus one would expect strong institutional pressures placed on the organisation to behave in line with Saudi customs.

When it comes to work-life balance, along with family related policies, the research enters tacit territory, as there are no specific legal requirements apart from the limitation on working time. Actual practice is fully shaped by the choices of individual organisations. FMNC employees perceive a strong compliance of work-life and family related practices and policies with the teachings of Islam and the traditional customs of Saudi Arabia.

Again, as in the case of welfare, the finding can be fully explained with institutional theory and the pressures placed on the behaviour of FMNC by Saudi society. The findings of Fasano and Goyal (2004) indicate that there are different working modes in Saudi Arabia, namely part-time and full-time. These results demonstrate that flexible working arrangements do exist in the analysed context and that they emerge due to the compliance of organisational practices and the principles of Islam (Fasano and Goyal, 2004).

FMNC and ISC employees feel that their organisation's work-life and family related practices and policies reflect the principles of Islam, and the similarities in the opinion of the groups of employees (ISC and FMNC) are statistically relevant and attributable to Islam's impact. These neutrality of ISC findings could be a result of either the impact of the industry in which ISC operates (lower customer contact), or lower specific institutional pressures on the company to behave according to Islamic teachings simply because the company has a Saudi origin and is actually perceived to be acting according to Islamic principles.

In either way, these findings are supported by the findings from the interviews with experts, who emphasise a need for uniformity in the application of Islamic principles by organisations in Saudi Arabia.

From the summarised primary research findings, one may conclude that there is a clear support of the convergence theory when it comes to welfare and work-life and family practices and policies in Saudi Arabia driven by institutional regulatory pressures. The next section considers recruitment, selection, learning and development.

7.3 Recruitment and Selection – Learning and Development

Traditionally, indigenous Saudis would expect to secure employment through family and kinship relationships (Bjerke and Al-Meer, 1993). This is different from the regular process of HR recruitment discussed in Chapter Four, where recruitment and selection is conducted based on value for money and the effectiveness that an employee can have for the company. The analysis presents a closer look at recruitment, selection, learning and development terms and conditions and whether these are in line with the Islamic traditional customs and practices in Saudi Arabia, through interview, and through the following survey questions: (Q6) recruitment and selection of employees; (Q11) employee learning; (Q12) providing employees with development opportunities; and (Q13) managerial support for employees to improve performance. Each is separately analysed in the proceeding sub-sections.

Q6: To what extent do you agree that recruitment and selection of employees is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Insofar as these findings are concerned, Bjerke and Al-Meer's suggestion is validated. As with most of the findings, FMNC respondents, with 47% in strong agreement, view their organisation's recruitment and selection practices to be consistent with Islamic and traditional Saudi principles and practices. These practices constitute principles of fairness and brotherhood discussed in Chapter Two, based upon which employee relationships develop within Saudi organisations. The responses from ISC again reflect agreement to the statement (although with a smaller majority). In that regard, their views suggest that the traditional modes of securing employment and the reciprocal employer/employee obligations that reflect traditional norms of obligations and responsibility have the historical presence that may have influenced Bjerke and Al-Meer's (1993) conclusion.

Almost half of the FMNC respondents (47%) agreed or strongly agreed on the compliance of FMNC’s approach to recruitment and selection with Islam and the traditional customs and practices of Saudi Arabia. A third of respondents (32.4%) were neutral on the question, while one fifth of the sample disagreed or strongly disagreed with the statement (20.6%).

When it comes to ISC employees, around one third of the respondents (29.2%) agreed or strongly agreed on the compliance of ISC’s approach to recruitment and selection with Islam and the traditional customs and practices of Saudi Arabia. A quarter of the respondents disagreed with the statement (25%), while almost half (45.8%) were neutral on the question. The findings are presented in Table 7.2a.

Table 7.2a: Recruitment and selection of employees

Q6 - EMPLOYEE RESOURCING	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	12	11.7	4	4.2	16	8.0
Agree (4)	36	35.3	24	25.0	60	30.3
Neutral (3)	33	32.4	44	45.8	77	38.9
Disagree (2)	15	14.7	24	25.0	39	19.7
Strongly Disagree (1)	6	5.9	0	---	6	3.1
Total	102		96		198	

Nonetheless, it needs to be noted that the t-test analysis as presented in Table 7.2e. indicates that the two samples of respondents in regard to this question do not have independent means ($p>0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid.

Q11: To what extent do you agree that encouraging employees to learn new knowledge is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

A basis in Islamic principles concerning respect for knowledge is presented as justification for the continuing need to study and master up-to-date technology (Dadfar, 1993). However, Ali (1990) is critical of non-innovative management scholarship and the lack of impact which this scholarship and the supporting infrastructures of science have in changing organisational practices in the Arab world.

From the sample of FMNC employees, when it comes to the impact of Islam on employee learning – Question 11- more than half of the respondents (52.9%) agreed or strongly agreed that FMNC’s approach to employee learning is in congruence with Islam and the traditional customs and practices of Saudi Arabia. Almost a third of respondents (26.5%) were neutral on the question, while a fifth of the sample disagreed, or strongly disagreed with the statement (20.6%).

Similar to the FMNC sample, more than half of the respondents in ISC (58.3%) agreed or strongly agreed on the compliance of ISC’s approach to employee learning with Islam and the traditional customs and practices of Saudi Arabia. Only 16.7% were neutral on the question, while a quarter of the respondents (25%) disagreed or strongly disagreed with the statement. The findings are presented in Table 7.2b.

Table 7.2b: Encouraging employees to learn new knowledge

Q11 - EMPLOYEE LEARNING	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	15	14.7	12	12.5	27	13.6
Agree (4)	39	38.2	44	45.8	83	41.9
Neutral (3)	27	26.5	16	16.7	43	21.7
Disagree (2)	9	8.8	20	20.8	29	14.7
Strongly Disagree (1)	12	11.8	4	4.2	16	8.1
Total	102		96		198	

Similarly to table 7.2a, the t-test analysis, as presented in Table 7.2e., indicates that the two samples of respondents in regard to the question of employee learning do not have independent means ($p > 0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid. These findings are not surprising, bearing in mind Islamic principles on knowledge.

Q12: To what extent do you agree that providing employees with development opportunities is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Al-Rasheedi (2012) argues that scholarships to study are approved for employees based on their request rather than on core competency, or the needs of the organization. This is done as a way of incentivizing employees who have served the company for a long period of time.

The similarities in data from the two organisations may reflect the nature of national policy relating to human resource development. The Saudi Vocational and Educational Training (SVET) system can be categorised as developmental, whereby the government has a central role, including the role of a provider of higher education and skills development training for all its citizens who have the ability and willingness to pursue further education and training. In that regard, the response may reflect perceptions about government policy rather than individual organisations.

When it comes to the impact of Islam on providing employees with development opportunities – question 12 - the respondents from FMNC were equally split into thirds. More than a third (38.2%) agreed or strongly agreed on the compliance of FMNC's provision of development opportunities with Islam and the traditional customs and

practices of Saudi Arabia. Another third (35.3%) were neutral on the question, while 26.5% disagreed or strongly disagreed with the statement.

The findings emphasise the point that the responses from ISC mirror those from FMNC, as more than one third (41.7%) of ISC respondents agreed or strongly agreed with the statement, 33.3% were neutral on the issue, and a quarter (25%) disagreed or strongly disagreed with the statement. The findings are presented in Table 7.2c.

Table 7.2c: Provide employees with development opportunities

Q12- EMPLOYEE DEVELOPMENT	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	15	14.7	16	16.7	31	15.7
Agree (4)	24	23.5	24	25.0	28	14.2
Neutral (3)	36	35.3	32	33.3	68	34.3
Disagree (2)	18	17.7	16	16.7	34	17.2
Strongly Disagree (1)	9	8.8	8	8.3	17	8.6
Total	102		96		198	

Nonetheless, it needs to be noted that the t-test analysis as presented in Table 7.2e. indicates that the two samples of respondents in regard to the question of employee development do not have independent means ($p > 0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid. After presenting the findings on employee development, the next question will analyse managerial support for performance improvement.

Q13: To what extent do you agree that managerial support for employees to improve performance is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

Almost half of FMNC employees, (44%) agreed or strongly agreed about the impact of Islam on the managerial support of employees for improving performance (question 13): i.e., 44% perceive FMNC’s management as helpful in improving employees’ performance and in compliance with Islam and the traditional customs and practices of Saudi Arabia. An equal number of respondents neither agreed nor disagreed, while the remaining 11.8% disagreed or strongly disagreed with the statement.

While none of the respondents from ISC strongly agreed with the impact of Islam on the managerial support of employees for improving performance, around half (45.8%) agreed with the statement. Around one third of the respondents from ISC were neutral on the statement (29.2%) and twice as many respondents disagreed or strongly disagreed with the statement (25.0%) compared to employees from FMNC. The findings are presented in Table 7.2d.

Table 7.2d: Managerial Support for employees improve performance

Q13 - MANAGERIAL SUPPORT	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	15	14.6	0	---	15	6.6
Agree (4)	30	29.4	44	45.8	74	37.4
Neutral (3)	45	44.2	28	29.2	73	36.9
Disagree (2)	6	5.9	20	20.8	26	13.1
Strongly Disagree (1)	6	5.9	4	4.2	10	5.0
Total	102		96		198	

The t-test analysis on the independence of the means presented in Table 7.2e. supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

In comparative terms, the findings are largely consistent with the views of the two sets of samples and, therefore, unresponsive of the theoretical assumption that the impact of Islam and traditional Saudi values and norms would be greater in indigenous, Saudi owned enterprises than it would be in foreign multinational corporations. As with most of these surprising findings, the underlying reasons for this cannot be deduced from the data due to the method of data collection.

Table 7.2e: Descriptive Statistics and T-Test

Item/Variable	FMNC		ISC		T-test (P value)
	Mean	Standard Deviation	Mean	Standard Deviation	
Q6 - EMPLOYEE RESOURCING	3.323529	1.054568	3.083333	0.816497	0.083247
Q11 - EMPLOYEE LEARNING	3.352941	1.191114	3.416667	1.082557	0.739664
Q12- EMPLOYEE DEVELOPMENT	3.176471	1.155373	3.250000	1.169795	0.800210
Q13 - MANAGERIAL SUPPORT	3.411765	1.008410	3.166667	0.902239	0.037922

Several questions centre on recruitment and selection, as well as learning and development. The findings from these questions are given in this section, as accompanied by a discussion of the answers gained.

The managers of ISC provided varying perspectives on their organisation's labour market strategy. It is evident from the findings that the organisation is focused on recruiting talented students and employees with good academic qualifications, preferably the best in the market and who could add value to ISC. Recruitment was by and large conducted through careful selection and interview processes.

At organisational level, the strategy is focused on meeting all requirements as prescribed by Saudisation, and ensuring that 80 to 90% of the new recruits are Saudi Arabian nationals.

The managers of FMNC were indirect in their elaboration on recruitment processes, but did mention that recruitment was done through various channels, including advertisement, recruitment agencies, careers fairs, social media, and Internet browsing. The managers of FMNC did not mention Saudisation and thus, it was evident that the recruitment of predominantly local people was not amongst their list of priorities.

Recruitment strategies in ISC appear to differ for diverse categories, with more careful recruitment modes being used by managers. The managers of FMNC however differed on this account, and whilst two managers stated that the strategies vary for various categories, the other two stated that the recruitment strategy was the same. The managers of ISC clarified that the differentiation in recruitment strategies occurs on account of various reasons. Specialised personnel like analysts are recruited carefully with regard to their education and analytical ability, whereas sales people are recruited on the basis of their ability to respond swiftly and take quick action. Whilst recruitment strategies are thus similar for some categories, they obviously have to be different for others, and especially if the job requirements are different.

The managers of FMNC stated that the organisation is likely to make use of headhunting agencies and involve senior managers in the recruitment of specialised or senior level positions.

“For this category we focus on attracting them either through our partnership and relations with HSBC, who have, who own 40% of the bank. Through them we try, through our connections with them to bring some of their experts in certain roles where we cannot find local experts, and they work for a few years as advisors, consultants with us, to help us develop local talent.”

(Quotation extracted from the interview with FMNC interviewee 1)

The responses of the two sets of managers differed significantly with regard to the recruitment of women employees. Whilst the managers of ISC were clear that they recruited only men in many of their units, the managers of FMNC stated that the organisation by and large had the same recruitment policies for both men and women. Only one manager out of five from FMNC stated that his department, i.e. accounts, does not hire women employees.

The managers from ISC further clarified that the structure of their top management team is made up of men only; even as one of them stated that possibly 1% of the top management positions were held by women. The managers of FMNC also stated that their organisation had very few women in the top management ranks. Both sets of managers felt that the appointment of women was extremely difficult in Saudi Arabia because of existing structural and cultural barriers, even though it was very possible that the organisation had women managers in other countries.

During the group interview which was conducted for FMNC, the managers stated that recruitment is one of the most important functions of the HR department, which is why the organisation applies different types of recruitment policies, including selection through career fairs, selection of top performers from the best talent available in the market and from the international pool of experts. Such recruitment is often carried out through the aegis of HSBC, which owns 40% of the bank.

With regard to the recruitment of women, the organisation does not have any different policies for entry level and other management positions. The organisation does however recruit only men in the international expert category, because the culture of the

bank does not at present facilitate bringing women in the expert category. The managers clarified that women make up approximately 16% of senior executives, and the organisation plans to increase this percentage to 20% in future. They further clarified that 5% of the top management positions in FMNC were held by women. The managers also made the point that the percentage of Saudis in the organisation, both men and women, will increase steadily in the forthcoming period.

“The focus for FMNC in the coming three years is to increase the level of Saudis, either male or female, in the top management level, as well as all other levels of the organisation.”

(Quotation Interview with FMNC interviewee 1)

Greater insight into the findings described above can be gained through an exploration of the views put forward by the expert sample, consisting of Islamic scholars and judges. These views are presented below.

Question 4: Would you expect more educated employees, and those who have been educated and trained in western countries, to behave differently?

This question deals with the attitudes and approaches of Saudi Arabian employees who have been educated and trained in the west. The issue is extremely relevant for organisational management and the formulation and implementation of HR strategies, policies and processes because of the ever increasing levels of interaction between Saudi Arabian and western societies. As the country is becoming increasingly affluent on account of its oil production and sales, Saudi Arabian men are more frequently travelling to the West for their education: especially in relation to various business-associated disciplines.

Such travel opens up these individuals to a range of educational, social, and workplace experiences which are new and not a common practice in Saudi Arabia. The experts are fully aware of its influence, but attribute the impact at individual level.

“Higher education in general and the higher education in western countries, will likely result in different behaviour. Whilst some people become aggressive and contentious of their own cultures after exposure to foreign cultures, others become more humble and understanding. Such behaviours very often depend upon the backgrounds of the individual persons.”

(Quotation extracted from the interview with Professor IV)

Whilst the West obviously has much to offer to people from Saudi Arabia in education, science, technology, innovation, enterprise, and work, the very different social context in western countries can also exert profound influence upon these people and disturb their thoughts. Both the judges and the Islamic professors interviewed for the purpose of the research appear to be of the opinion that whilst education abroad is bound to be novel and capable of influencing the minds of people, individuals with a strong foundation in Islamic teachings and faith should find it easy to mitigate such forces and imbibe the experiences that can help them in their workplace.

“Truly faithful Muslims should not have any problems in adjusting to Saudi Arabian society even after being educated in western countries. People with poor faith can however feel strange and disturbed in their homeland after being educated in western countries on account of various conflicts with their doubts and illusions.”

(Quotation extracted from the interview with Professor VII)

Whilst there is an agreement that western education can help individuals to improve their knowledge, quality of work, and work ethos, the majority of respondents appear to be more concerned with the need to resist such influences, and adopt workplace behaviours that are in consonance with Islamic teaching.

“Employees educated in western countries appear to be encouraged, motivated, creative and productive. They find comfort in their work and are ready to work long hours. These people, when adhering to the teachings of Islam, can discipline their souls and do their jobs perfectly.”

(Quotation extracted from the interview with Professor V)

“Individuals educated in the west could be expected to differ to some extent from others because of the influence of western culture. Whilst people with strong grounding and foundation in correct Islamic teachings are likely to understand the true value of things, reject negative influences, and be conservative, others may be impressed by the glamour of western civilisation and return to Saudi Arabia unhappy with Islamic regulations like segregation in education and the workplace. They may also be unhappy with some of the Islamic laws and think them to be suppressive in nature.”

(Quotation extracted from the interview with Professor II)

Some of the interviewees do agree that such education can alter attitudes, approaches and perceptions, but feel that appropriate grounding in the Islamic faith can help them in resisting the negative elements from the western experiences.

These reactions show that the religious leaders of Saudi society, all of whom play important roles in policy decisions and who influence the attitudes and approaches of Saudi nationals, are likely to resist external processes, especially in areas of organisation and HR management, to ensure that Saudi society, including the Saudi workplace, continues to be governed by Islamic approaches and attitudes.

“Foreign education and training is likely to have substantial impact on work associated behaviour but much lesser effect upon personal behavioural attributes associated with ethical values like honesty, sincerity and reward from Allah. Such qualities are expected to appear spontaneously because of their enrichment by the teachings of Islam. There is little evidence to prove the superiority of western teaching, except in some work associated areas. Muslims were distinguished in their work by two types of rewards, the reward for work and the reward given by Allah for doing such work. Workers from non-Islamic backgrounds are not to be expected to have these attributes.”

(Quotation extracted from the interview with Judge B)

Hofstede finds that the Saudi culture encourages hierarchical organisations which are more comfortable with tradition and orthodoxy (Hofstede, 1994). Such approaches influence diverse HR strategies in areas of recruitment, promotions, career development, and motivation.

It would appear that the judicial and Islamic forces in the country favour a continuation of the status quo rather than systematically incorporating new thoughts from the West, brought in by people who go abroad to learn and study.

Discussion

The primary research findings indicate that common HRM practices of recruitment, selection, learning and development reflect Western principles of approach (semi-structured interviews), but however are modified to a certain extent to reflect the actual context of Saudi society and customs. These research outcomes are in keeping with the conceptual framework that was designed by Rahman et al. (2013). The framework integrated recruitment and selection with knowledge and understanding of Islamic principles, and stated that these factors determine trust in organisations.

Hence, the application of Western-like recruitment and selection practices is possible in the Saudi context on the condition that they have some Islamic underpinning and recognise basic religious principles. However, the mentioned conceptual framework went far beyond recruitment and selection as it also included such factors as training and development, performance appraisal and reward (Rahman et al., 2013). Comparably to the findings in the preceding section, FMNC employees perceive a strong impact of Islamic principles, defined by experts as equality of people before Allah (SWT), on the recruitment processes in their organisation. Similarly, ISC employees expressed alignment of Islamic principles with the practice of the recruitment strategy of their organisation. The similarity of opinions is statically significant and attributable to the researched variable, i.e. the impact of Islam.

Interview findings from the ISC managers on the recruitment strategies of their organisation describe a well organised, planned recruitment strategy fully aligned with the national strategy of Saudization. According to Anderson (2010), the essence of this national strategy is to achieve a higher employment rate among Saudi nationals in each sector of the economy. However, a contrasting and alternative trend among private companies in Saudi Arabia is to employ highly qualified non-Arabic workers or cheap labour force (Looney, 2004). The fact however that the focus of the recruitment strategy at ISC is placed on Saudi nationals reflects the objectives of the national strategy of Saudisation.

There is a difference between the companies in the recruitment of women: while FMNC managers clearly state that their recruitment strategies do not differentiate based on gender, ISC managers clearly acknowledge employment of men only in some of their units due to the industrial nature of the work. One may conclude that these findings represent Islamic teaching on fairness, as supported by the findings from the interviews with experts and their interpretation of Islam in regard to women.

When it comes to the alignment of Islamic teachings with opportunities for learning and development, both sets of employees agreed that their respective organisations reflect Islam's beliefs. As reported by Al-Ali (2006), the public sector of Saudi Arabia offers better working conditions as well as better training and development opportunities in comparison with the private sector. While the FMNC findings can be explained through the impact of the institutional theory only, the ISC findings require deeper analysis, where institutional theory is not the only contributing factor.

Based on the findings from the mini-Delphi interviews with the experts, these findings can be attributed to the paternalistic nature of Saudi society, where employers and thus managers are responsible for the wellbeing and development of their employees.

Indeed, it is declared in Islam's teachings that leaders are expected to treat their subordinates as family members and should take care of them (Latifi, 1997, 2006). The findings can also be attributed to the Islamic principles on knowledge at the individual level, where respect for knowledge is presented as a justification for the continuing need to study and master the area of professional choice. Bearing in mind the high number of Saudi managers educated abroad in both organisations, these findings support the opinion of experts that Western education, although influential in its subject area of management, cannot have a negative impact on the behaviour of the individual if he practices Islamic principles in their original meaning. ISC and FMNC managers are favourably perceived by their employees when it comes to the provision of learning and development opportunities. The findings are similar when it comes to the managerial support of employees in improving their performance. Both sets of employees indicated an alignment of this practice in their organisations with Islamic teaching and traditional customs in Saudi Arabia.

From the summarised primary research findings, one may conclude that there is support for the convergence theory when it comes to the HRM practices of recruitment, selection, learning and development in Saudi Arabia, apart from when it comes to gender and the participation of women in the workforce, simply because these practices are well aligned with the basic teachings of Islam.

7.4 Management of Resources

The final section in reporting the study's findings elaborates the management of resources. The way in which organisational resources are managed is related to accountability, a concept that is specifically mentioned in Islam (*mas'ooliyah*) (Beidas, 2009). Moreover, the systems-oriented theories such as political economy, stakeholder, and legitimacy are in line with the Islamic concept of Unity (*tawhid*), according to which Allah (SWT) is the Creator, Owner and Source of all things (al-Quran, 2: 16) (Ali, 1898; Maali et al., 2003). In view of Allah's (SWT) ownership of everything, Muslims believe that Allah (SWT) has entrusted humans with the use of resources (Ali, 1989) and in return for this, humans are to be accountable for how the universe is used (DeLorenzo, 2002). Like individuals, organisations are accountable to society according to Islam (Beidas, 2009; Farook and Lanis, 2007).

According to Lewis (2001, p.113), the implication for organisations is that "both managers and providers of capital, are accountable for their actions both inside and outside their firms; accountability in this context means accountability to the "community" and the ideal of establishing socio-economic justice according to their own capacity".

The questions addressed in this part of the chapter cover (Q20) management of organisational resources, and (Q24) corporate social responsibility in organisations. The following results provide a clear picture of respondents' stance on management of resources in organisations and whether these are in line with Islam and its traditional customs.

Q20: To what extent do you agree that the management of organisational resources is consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam regarding the management of organisational resources – question 20 - more than half of the respondents from FMNC (58.8%) were neutral as to whether the management of organisational resources at FMNC is in congruence with Islam and the traditional customs and practices of Saudi Arabia. The next largest percentage of respondents, i.e. around one quarter (26.5%), agreed or strongly agreed with the statement, while only a minority of respondents (14.7%) disagreed or strongly disagreed with the statement.

This pattern was also reflected in the findings from the sample of ISC employees, although the split was not as evident there. From the sample of ISC employees, almost half of the respondents were neutral on this issue (41.6%). Around one third of the respondents (33.4%) agreed or strongly agreed with the statement, while a quarter (25%) disagreed or strongly disagreed. The findings are presented in Table 7.3a.

Table 7.3a: Management of organisational resources

Q20 - RESOURCE MANAGEMENT	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	3	2.9	4	4.2	7	3.5
Agree (4)	24	23.6	28	29.2	52	26.3
Neutral (3)	60	58.8	40	41.6	100	50.5
Disagree (2)	12	11.8	12	12.5	24	12.1
Strongly Disagree (1)	3	2.9	12	12.5	15	6.6
Total	102		96		198	

Nonetheless, it needs to be noted that the t-test analysis indicates that the two samples of respondents in regard to the question of resource management do not have independent means ($p > 0.05$), which means that any conclusion arising from the similarity in the opinion between both groups of employees is not statistically valid.

It is not clear from the findings what accounts for the large number of neutral responses to the statement. One can assume, however, that in a high power distance, paternalistic society, how resources are utilised is an exclusive managerial prerogative and therefore employees may not be in a position to form a view on how their decisions and actions in relation to that are consistent or not with Islamic principles and traditional norms.

The following question analyses corporate social responsibilities and their consistency with Islam and traditional customs and practices of Saudi Arabia.

Q24: To what extent do you agree that corporate social responsibilities are consistent with Islam, and the traditional customs and practices of Saudi Arabia?

When it comes to the impact of Islam on corporate social responsibility – question 24 - 41.2% agreed or strongly agreed on the compliance of FMNC's approach to corporate social responsibility (CSR) with Islam and the traditional customs and practices of Saudi Arabia. A larger portion of the respondents (41.2%) however were neutral on the question, while almost a quarter disagreed or strongly disagreed with the statement (23.6%).

The findings emphasise a similar breakdown in the sample of ISC employees. Half of the respondents were neutral as to whether ISC's approach to CSR is in congruence with Islam and the traditional customs and practices of Saudi Arabia, while the other half of the respondents were evenly split between those who agreed or strongly agreed with the statement and those who disagreed or strongly disagreed with the statement (25%). The findings are presented in Table 7.3b.

Table 7.3b: Corporate Social Responsibility

Q24 – CSR	FMNC		ISC		TOTAL	
	Total	%	Total	%	Total	%
Strongly Agree (5)	15	14.7	8	8.3	23	11.6
Agree (4)	27	26.5	16	16.7	43	21.7
Neutral (3)	42	41.2	48	50.0	90	45.5
Disagree (2)	12	11.8	8	8.3	20	10.1
Strongly Disagree (1)	12	11.8	16	16.7	28	14.1
Total	102		96		198	

The t-test analysis on the independence of the means supports the conclusion. Its p-value is smaller than 0.05, which implies that the difference in the opinion of employees is statistically significant and the conclusion is valid.

The basic idea behind Corporate Social Responsibility (CSR) “is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour and outcomes” (Wood, 1991, p. 695). Carroll (1979; 1991) proposed that organisations have four obligations to society: economic, legal, ethical, and discretionary. According to Farook and Lanis (2007, p. 217), Islamic businesses are different from secular businesses because the former are “accountable to fulfil a social and ethical role inherent in their character,” a part of which is their “duty to discharge their accountability through disclosing CSR information consistent with the principles of Islam.” There are a number of ways in which organisations can be socially responsible, as outlined in commandments in the Quran and Hadith, including the creation of philanthropic trusts (*waqf*), giving charity (*sadaqah*), and providing interest free loans (*qard-al-hasan*) (Sadeghzadeh, 1995).

Therefore, the majority of respondents have no opinion on this issue. One reason could be related to the fact that the idea of corporate social responsibility is relatively new and many employees are unable to relate it to either Islamic teaching and principle or traditional Saudi value systems and norms, and all of this is despite inferences in the Quran which underline its importance.

Discussion

Findings from the primary research on the impact of Islam and Saudi tradition on the management of organisational resources provide for no conclusive remarks on the subject, along with the impact on the CSR. This could be a result of the fact that these premises, i.e. the premise of placing responsibility on the organisation similar to that on humans, is one of the main premises of Islamic principles, where, as experts argue in the interview, organisations as individuals are accountable for their actions. Nonetheless, this was impossible to verify through the survey of employees and the interviews with the managers, and thus it is impossible to make a conclusive remark on whether these practices are converging or diverging from the global trends, and whether Islam has an influence on this.

General theory outlined in the second and the fourth chapters of this dissertation suggests that both intangible and tangible resources are necessary for organisations to demonstrate growth (Bold, 2011; Lucio, 2013). These observations indicate that human resources only are not enough for the achievement of organisational objectives. Simultaneously, Saudi Arabian organisations should be flexible and adaptive enough to use their resources effectively (Briscoe et al., 2008). The degree to which Islamic principles determine the use of resources has not been discovered in the course of the interviews in this doctoral project.

The responses obtained were not sufficiently indicative to reach a conclusion about the role of Islam in resource management and resource planning in Saudi Arabia. At the same time, Islamic teachings recognise the fact that organisations have access to resources and are responsible for their wise and appropriate use (Scott, 2001). Resources can be distributed and utilised at different levels addressing national, regional and community needs (Ichniowski and Shaw, 1999).

It is important to note that Islam urges the valuing organisational resources, and effective management of resources can be presented as a type of appropriate treatment (Aswathappa, 2005). These theory-based observations have not been fully confirmed by the interviews because of the fragmentary remarks of the respondents on this subject.

7.5 Summary point on the findings

Compared to the findings on themes of employment relations, generally, the findings in relation to the impact of Islam and traditional Saudi customs on the variables relating to HRM present a more complex conclusion on employees' views. In that regard, although interview data is generally consistent with the findings on the variables which are covered in Chapter Six, comparatively, the survey data from participants in the two organisations is much more complex.

On the matter of 'care for employees' work-life balance'', the findings remain in line with the trend whereby respondents from FMNC and ISC, with a lower majority, tend to report congruence between their organisation's practices and Islamic principles and tradition, although a high level of neutrality was seen amongst ISC employees. However, this trend is reversed in the variables on learning, training and development. On these variables, ISC respondents reported higher levels of consistency between their organisation's policies and practices and Islamic teachings and Saudi tradition. Whilst these may be attributed to the values which Islam attaches to the acquisition of knowledge, as evident from the first command of Allah (SWT) to the Prophet (PBUH) in the Quran to "Read in the name of your Lord who created" (96:1), it may also be a reflection of the level of ISC and its parent company, Saudi ARAMCO's investment in training and development (ARAMCO, 2015).

Overall, it can be summarised from the findings gained that Islam generally contributes to strengthening and supporting the employment relationship by protecting employees' rights and issuing certain obligations for employers in terms of HRM. At the same time, Islam's teachings, Saudi traditions and customs are so embedded in the institutional framework, employment relationship and business activities that they are not recognised as obvious Islamic influence by most organisations.

It is typical for companies to introduce business practices from the Anglo-American model. Finally, general Islamic premises influence the system of payment and reward with limited influence in practice of the two case companies. The findings of this doctoral project have revealed that Islamic teachings contribute to responsibility and cooperation in Saudi organisations. In turn, this has a positive effect on the motivation of organisational members. It has been discovered that most employees recognise the link between religion and loyalty to the employer. As with pay and working conditions, Saudi Arabian organisations are gradually switching to Western practices of motivation. It is valid to conclude that Islam has a positive influence on respectful relationships in the workplace as well as promoting more effective conflict resolution between members.

The outcomes of this doctoral project confirm that Islam's teachings have influenced the types of welfare and work-life balance arrangements which exist in Saudi Arabian organisations. At the same time, it is essential for Saudi leaders to recognise employees' needs and concerns related to welfare and work-life balance as they differ from industry to industry. Summarising the effect of Islam on recruitment and selection and training and development practices in Saudi Arabia, similarities should be noted with Western approaches to HRM, but are aligned with Islam's teachings and principles. The existing recruitment and selection strategies are also guided by the policy of Saudisation. Finally, it is concluded that the influence of Islam and Saudi tradition on resource management in Saudi Arabian organisations has not been identified by this doctoral project because of insufficient evidence obtained in the course of interviews. Further research should be undertaken to examine the role of Islamic teachings in the management of organisational resources.

Chapter 8: Conclusion

8.1. Introduction

This last chapter analyses the results derived from the research, and discusses the meta-meaning of the findings of the research on the wider impact of religion on HRM. To accomplish its purpose, the chapter is organised in several sections, developed with the aim of providing remarks on the findings from the dissertation with regard to the research questions (the impact of Islam on HRM practice and the employment relationship). First, the analysis covers the meaning of the findings on the impact of Islam on HRM practices in Saudi Arabia, while the impact on the employment relationship is discussed in the section which follows that. Within these sections, the researcher also considers the meaning of the findings seen through the convergence and divergence debate of HRM practices for Saudi Arabia.

Once the deeper meaning of the findings has been analysed and discussed, the chapter outlines the limitations of the study in terms of the actual application of the knowledge generated and the situations in which it may be utilised. It also discusses future areas of research which arises as a result of the findings. The chapter ends by providing an understanding of the accomplishments of the current study, its place within the existing knowledge on the subject, and the opportunities which it opens for further development.

The chapter discusses the findings at three levels: (1) for Saudi Arabia as the country explored within the research; (2) Islamic countries in general as states in which policy solutions and culture are influenced by Islam; and (3) the general theory on the impact of religion on HRM practices and the employment relationship.

8.2. Islam and the view of the employment relationship in the KSA

It can be argued that the dissertation's findings support the assumption derived from the literature on the path through which religion impacts on the employment relationship and HRM practices in SA. Some authors have argued that the most important influence of religion in society is the fact that it affects the beliefs of peoples, who are the fundamental influence on national culture, creating values reflecting the collective concepts of the group. These collective concepts of culture and values influenced by religious beliefs hold the potential for affecting: (1) the job related attitudes and behaviour of individuals at work; along with (2) HRM practices present in companies operating in that cultural context; and (3) wider national regulation of employment and work in the nation concerned. In simple terms, the values of people within a specific group hold a strong potential for affecting the employment relationship.

In line with the findings in the literature, the employment relationship is an important element in employment management because it brings together the sources of power and legitimacy, rights, and obligations of employers and employees (Blyton and Turnbull, 1998, p. 2). Composed of two elements, market relations and managerial relations, it regulates the price of labour (wage, hours of work, holidays, and pension rights), along with management of the work performance, the right to delineate job tasks, and all disciplinary action (Edwards, 2003).

In the KSA, it is fundamental to look at the employment relationship through the interests of its main parties; the employees, the employers, and the state, to understand how Islam impacts on the employment relationship. Islamic teachings place considerable importance on the concept of "work" by perceiving it as a necessity for achieving balance

in life and an act of *Ibadah* (worship) which is rewarded with *ni'ama*, Allah's (SWT) eternal reward and redemption (Azid, 2014). Studies as early as the work of Ahmad (1976) identify the influence of Islam, arguing that attitudes towards hard work are that it is a duty for competent individuals and provides for their spiritual fulfilment. There is no doubt among the experts interviewed that Islam treats work as an obligation, and a necessity for achieving balance in individual and social life: thus, Islamic beliefs strongly affect employee attitudes and define how workers view survival and income (Ali, 2010). Accordingly, the Prophet (PBUH) is quoted as saying: "No one eats better food than that which he eats out of his work" (Prophet Mohammad, cited in Ali, 2010, p.10).

However, the association between labour and religion predates Ahmed (1976), and is not by any means unique to Islam. The link between religion and work is the central thesis of Weber's "The Protestant ethic and the spirit of Capitalism" (Weber, 1905). Analysis of this seminal work suggests that it projects a view of work as worship, and, as Tawney (1937) argues, strengthens the theoretical basis for Puritans as 'spiritual aristocrats' to draw on and apply "traditional schemes of Christian virtues to capitalist modes of production and political organisation" (p. 229).

In this regard, the findings from the dissertation support previous literature. As a religious system of beliefs, Islam elevates labour, and those who engage in economic activities, by providing work with a religious, social, and economic dimension, and by motivating followers to pursue economic activities for their own gain and for the welfare of their community. Evidence from the study also shows that Islam has a view of non-Muslims in which they are not seen as in-group but have equal access to and protection of the law in relation to economic activity, including relationships in the context of work and employment. This suggests that non-Muslim participants in labour markets which are governed exclusively by Islamic law will have equal access to the means necessary for

them to pursue economic activities for their individual benefit and the benefit of their alternative religious community. Therefore it could be suggested that Islamic teachings has been a precursor to Western HR strategies for a diverse, equal and non-discriminative workplace. Nevertheless, work in Islam appears to be important from two specific dimensions. First, it is required for the individual's survival - individuals should avoid becoming a burden to others, or to society (Abbasi *et al.*, 2010). Second, it is required for positive impact upon the self-respect and esteem of individuals (Abbasi *et al.*, 2010). Thus, it can be concluded from the findings that Islamic beliefs are recognised as a strong factor in shaping employee attitudes related to fulfilment and social identity along with survival and income.

Employee attitudes towards fairness as a concept, along with their interest for equity, are also shaped by Islam, but are mainly experienced in the relationship with others, as seen in the interaction of employee and employer. In Islam, the Arabic word for "dignity" is *Karamah*. According to the Islamic teachings, work has to be implemented in surroundings and conditions that protect human dignity. In addition to this, Islam forbids menial or degrading labour which dehumanizes workers for efficiency and profit. In relation to dignity in labour and workers' rights in Islam, the Prophet (PBUH) says:

"Your servants are your brothers. Allah has put them in your care, so feed them with what you eat, clothe them in what you wear, and do not assign tasks s/he cannot bear, if you do so, help them in their hard job"
(Al-Bukhari in ILO, 2012, p.22).

KSA experts on Islam and Islamic law clearly stated in the dissertation that employees have specific financial, physical, and social rights which emerge as a result of the impact of Islamic beliefs on the KSA's culture and national system. Employers are obliged to provide employees with reasonable wages, continue to provide them employment in their old age, and ensure that they are not burdened by excessive

workloads. Thus, Islam impacts on the attitudes of employees toward what is perceived as justice in the exchange of their labour, along with the attitudes toward power and control. Islam thus calls upon both employees and employers to work with transparency and sincerity, ensuring that justice is made available to both. With regard to HRM, Islam advocates the protection and strengthening of the employment relationship by bringing together the rights, obligations and powers of both employers and employees in the mutual context of a win-win situation.

When considering the impact of Islam on the employment relationship in general, the findings provide strong support for the unitary view. The unitary approach argues that “[a]lthough labour markets might not be perfect, employers and employees share a unity of interests, especially in that treating employees well improves the company’s bottom line and vice versa” (Budd and Bhawe, 2008, p. 101). Therefore, according to the unitary view, employees and employers share the same interests and goals in a conflict free context, similar to the work context influenced by Islamic beliefs. Moreover, the unitary view presents management as the single source to which workers must be loyal (Fox, 1966), as very similar to the view expressed in Islam when presenting employers as shepherds, who protect and control their flocks of employees. In exchange for this, subordinates are expected to obey the orders of their superiors, as long as these orders are in line with the tenets of Islam (Abdalla and Al-Homoud, 2001).

Islamic beliefs, however, does not blend in the same way into every cultural context. Although Islam has a strong impact on Muslim countries, that influence is subject to strong localisation through the customs and practices of particular peoples. Consequently, for the KSA in particular, the findings emphasise that the reality provides some support for the pluralist view of the employment relationship.

From the pluralist perspective, “[e]mployers and employees interact as unequals with some shared and some conflicting interests, but these conflicts are economic in nature and limited to the employment relationship” (Budd and Bhawe, 2008, p. 101). Based on the philosophy behind the principal-agent problem, the pluralist view recognizes the firm as composed of powerful and divergent actors of which management is only one, while all of these internal sub-groups (as well as external groups such as the state) have legitimate input in determining the rules of employment (Kelly, 2012; Hyman, 1992). The pluralist perspective therefore sees the organisation as “competitive in terms of groupings, leadership, authority, and loyalty” (Salamon, 2000, p. 7). The numerous complaints submitted by employees to the Ministry of Labour imply that possibly employers in Saudi Arabia could do more to protect the rights of employees. The profit maximisation interest may overwhelm the equation, creating conflict between the employees and the employers, the aim of which is to further contribute to the determination of the rules of employment (Edwards, 2003).

Despite contradictory elements, the findings from the study provide stronger support to the argument that Islam has influenced the workplace context towards a unitary view on the employment relationship. The unitary perspective has its grounds in three employment relationship theories; Scientific Management, Human Relations, and Human Resource Management (Kochan, 2000; Strauss, 2001). As the newest theory among them, the theory on HRM holds to the belief that the organisation’s conflicts can be settled by fostering a psychological agreement based on collaboration. That is, management makes the collaboration between the employer and the employee possible by putting into place conditions such as strong and influential leadership, unifying traditions, and having a clear vision of organisational goals and objectives.

Budd and Bhave (2008, p.103) argue that “contemporary human resource management focuses on creating policies that simultaneously benefit employers (through their interest in profit maximisation) and employees (through their interest in fulfilment)”.

Findings from the interviews with experts, the survey of employees and the interviews with managers from both MNCs (ISC and FMNC) operating in Saudi Arabia (SA and non-SA origin) provide strong support for the conclusion that Islamic beliefs and traditional SA customs have influenced the emergence of a unitary view on the employment relationship in Saudi Arabia at a meta level, reflected in the premises and practices as identified by HRM theory being modified to a certain extent to reflect the actual context of Saudi society and customs. Bearing in mind that the practical introduction of the HRM theory in organisations mainly reflects Western models of organising and managing human resources, the question of whether Islamic beliefs have had an influence in the localisation of these practices to the KSA context, or have influenced the emergence of new ones, is an important question and a cornerstone of this dissertation.

8.3. Islam and HRM practices of indigenous Saudi Arabian owned and operated corporations and foreign owned and managed multinational corporations in Saudi Arabia

By looking at whether HRM practices and approaches sustained in theory are applied in a similar way by a Saudi vs. non-Saudi owned company operating in the KSA, the dissertation first and foremost focuses on identification of differences between HRM approaches in the companies explored, and after this, whether these differences in HRM practices can be attributed to the influence of Islamic beliefs.

The findings are grouped in line with HRM practices in six specific thematic areas: (1) pay and conditions of the employer/employee relationship; (2) motivation of employees; (3) welfare and work-life balance; (4) recruitment, selection, learning and development; (5) workplace relations; and (6) management of resources. The main assumption derived from theory and explored within the dissertation argues in favour of higher impact of Islamic teachings and Saudi traditional practices on Saudi owned companies operating in KSA. It is to be noted that while multinational companies within Saudi Arabia are more convergent with global trends in the six identified themes, local companies are more influenced by Islam.

The dissertation's findings do not account for this difference: in most of the six processes listed in the preceding paragraph, the findings provide support for similarities of compliance with Islamic teachings and Saudi customs between the two company types; with slightly higher compliance of foreign owned and managed multinational corporations in Saudi Arabia on some themes. The explanation for this can be found in institutional theory and the regulatory and normative pressures placed on companies. Institutional theory describes the fact that these organisations exist in a social as well as economic environment: a situation which defines and delimits social reality (Scott, 1987, 2001).

Scott (2001, pp.51-69) developed a consistent institutional framework with three institutional pressures that restrict organisational choices; regulative, normative and cognitive. The regulative forces represent the organisations' rules, regulatory constraints (enforced by regulatory bodies) and penalties for violations. The normative forces identify the values and social behavioural norms which define how things should be done within the organisation, and the cognitive forces represent the actors' social-cognitive perspective: their formulation about what they are and their logical frame of action in different circumstances. Foreign owned and managed corporations in the KSA experience normative pressures when it comes to Islamic teachings, which represent the regulatory frame of the country along with the expectations of SA employees, other stakeholders and society.

There are several strategies which organisations may undertake when faced with institutional pressures. The findings indicate that in Saudi Arabia, foreign owned and managed corporations tend to comply with these pressures, adapting to the social context in which they operate; however, this conclusion may depend on the industry in question.

The Saudi Arabian social, political and legal context recently supported the development of indigenous private sector investors and consequently, Saudi owned private sector businesses have just started expanding. Although the dominant public sector eased the development of indigenous private business, foreign multinationals still find it relatively easy to set up and grow.

According to several authors on the subject, as presented in Chapter Four, *pay and conditions* within the employer/ employee relationship are covered under social justice in the Islamic tradition.

The Arabic word for duty is *wajib*. Allah (SWT) said:

"And to [the people of] Madyan [We sent] their brother Shu'ayb. He said, "O my people, worship Allah ; you have no deity other than Him. There has come to you clear evidence from your Lord. So fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the earth after its reformation. That is better for you, if you should be believers." (7:85) (Muzammil, 2013, p 1)".

(Quotation from the interview with Judge A)

Moreover, the Prophet Muhammad (PBUH) has been quoted as saying, "Give to the worker his wages before his sweat dries" (Ibn Majah in ILO, 2012, p.29) and "I myself shall be the prosecutor of the employer, who does not give the worker his dues" (ILO, 2012, p.29). Providing employees with what they are due and promised is an important element of how Islam sees the employee/employer relationship. At the same time, Islamic ideas and perceptions about fundamental rights at work arise from Islamic jurisprudence based on two concepts; the Quran and the Sunnah. Based on these teachings, Islam is clearly against forced labour, and supports the individual's rights, clearly stating that every violation of these rights (work which is forced or overburdening) goes against Islamic values. As is written in the Quran, "Allah does not charge a soul except [with that within] its capacity. It will have [the consequence of] what [good] it has gained, and it will bear [the consequence of] what [evil] it has earned." (2:286 in ILO, 2012, p.40).

In relation to the actual practice of pay, and the conditions of the employer/employee relationship, the dissertation's findings identify no significant difference between indigenous Saudi Arabian owned and operated corporations and foreign owned and managed multinational corporations in Saudi Arabia.

Both seem to use factors such as position, qualifications, years of experience and performance to determine employee pay. Pay in both types of organisation is based on performance measures, and includes several aspects of pay, like fixed and variable pay, allowance, and incentives.

Despite the fact that the similarity cannot be fully attributed to the impact of Islam, the analysis of the KSA context as provided in Chapter Two shows that the KSA is not a secular state and that Islamic Law governs it. Thus, when it comes to pay and rewards, along with working conditions, one may fairly conclude that these traditions as part of Islam's legacy are embedded into the legal system of the country. However, whilst these practices may be governed by and embedded in Islamic law and tradition, evidences from the current study show that from the perspectives of employees and managers in the two case companies, Islamic teachings have a limited impact on pay policies and practices. Even in areas of regulation of the working week and working hours, where religion can be expected to have much more influence, the findings of the study show that Islamic teachings do not always determine policy and practice. This is evident in the fact that many complaints concerning working time have been submitted to the Ministry of Labour in the past decade.

The lack of support from the survey findings for the hypothesis that Islamic teachings and culture impact on pay can be explained by reports that some employers do not fairly remunerate employees: hence the numerous complaints raised (Alriyadh, 2012). This goes against the Islamic teachings on remuneration explained in previous chapters. The government of Saudi Arabia, represented by the Ministry of Labour has been aware of this issue for some time, and, since it follows Shariah law, wanted to protect employees'

rights. The ministry therefore decided to reform the labour market by implementing a new scheme called the “wages protection system” (Saudi Ministry of Labor and Social Development, 2016). Having been implemented since 2013, this scheme ensures that every company pays their employees’ wages on time by sanctioning any delays in payment. The purpose of this scheme is to ensure social protection, social welfare and stability.

According to Griffin and Moorhead (2008), *motivation* of employees is understood as the set of forces that leads people to behave in particular ways, which, in conjunction with ability and environment, partly determine their performance. In management theories, motivation is assumed to influence organisational performance, which is why it is an important element of the employee relationship (Maslow, 1943; Herzberg, 1968). The “just” application of Islamic principles, and especially those which emphasise equality and justice before Allah (SWT), as emphasised by authors and experts, are the basis of any healthy employee/employer relationship which in the end may help develop a motivated workforce.

The findings identify a difference in the perceptions of employees when it comes to the impact of Islamic teachings and SA customs on employee motivation. In Islamic teachings, motivation has been covered through the impact of Islam on the protection and evaluation of employees, along with the expectations of the employee/employer relationship in terms of authority and decision-making. Namely, Islam teaches that the employer views his/her responsibility for the employee akin to a “Shepherd’s responsibility for her/his flock”.

However, Islam also teaches that employers should not view the determination and payment for labour from their vantage point of power over employees, but rather from the principle of *Ajr*, the idea of wage for labour as debt which must be paid and *Husn al-Khuluq*, an act of morality for which they will be judged by Allah (SWT).

The findings of this study show that, comparatively, foreign owned and managed multinational corporations in Saudi Arabia find a significant impact of Islamic teachings and Saudi traditional customs on employee motivation compared to the indigenous SA organisations. Despite the fact that these differences can be attributed to the particularities of the researched organisations and the industries in which they operate, in general, perceptions conveyed in the interview data and less so in the survey, suggests that, in terms of labour market theory, the Saudi context is much more consistent with institutional theory. In that respect, public policy (e.g. Saudisation), industry customs and crucial normative pressures in terms of religious edicts and social (kinship) relations influence the labour market behaviour and practices of organisations and individuals.

The findings emphasise that Islamic teachings, along with SA customs, favour individual responsibility and cooperation between employees and managers, which implies that in Saudi Arabian firms, consultation between employers (whose interests are represented by the managers) and employees is encouraged at various decision making levels. However, Islamic teachings see employers as ‘shepherds’, who are entrusted with ‘a flock’ for whom they are responsible (Denny, 2005). As a result of this view, subordinates are expected to obey the orders of their superiors, as long as these orders are in line with the tenets of Islam (Abdalla and Al-Homoud, 2001).

Thus, Kalliny et al. (2006) and Pfeifer (2001) argue in favour of the existence of a paternalistic managerial style found in Saudi companies, which may not always be found in companies of foreign origin. The findings however are inconclusive regarding this assumption.

As a social dimension covering health care, labour protection, and safety at work, *welfare* covers policies and programmes developed for reducing poverty, operational safety, and managing social risks such as unemployment, sickness, disability and old age (Peccoud 2004). This dimension delivers social justice by promoting economic development. Islam supports both workers and employers. The Quran outlines a thorough view of social protection, stating that:

“Worship Allah and associate nothing with Him, and to parents do good, and to relatives, orphans, the needy, the near neighbour, the neighbour farther away, the companion at your side, the traveller, and those whom your right hands possess. Indeed, Allah does not like those who are self-deluding and boastful.”
(4:36 in ILO, 2012, p.36)

The findings do not provide any proof of differences in the welfare policies programmes in Saudi Arabia between the two types of organisation; indigenous Saudi Arabian owned and operated corporations and foreign owned and managed multinational corporations operating in Saudi Arabia. Both types of organisation have welfare policies shaped by Islamic teachings which reflect the expectations of Saudi society (institutional, regulative, and normative pressures) of how an organisation should behave towards employees in Saudi Arabia. In simple words, the formal welfare policies reflect the legal requirements of the Saudi system, which are shaped by Islamic teachings.

Despite standardisation in welfare arrangements (Mellahi and Budhwar, 2010), the study finds no significant difference regarding the influence of Islam and tradition in the work-life balance and family-friendly related policies and practices in the two companies. The two companies recognised the impact of Islam on welfare and work-life balance. It is noteworthy to mention that apart from the limitations of working time, there are no legal requirements on organisations with respect to work-life balance and family-friendly employment practices. Actual practice is fully shaped by the choices of individual organisations. The dissertation concludes that there are similarities in the work-life policies nowadays in many organisations operating in Saudi Arabia, which are a result of an influence in application of Islamic principles.

This conclusion further suggests that Islam remains an embedded, pervasive influence over all aspects of Saudi society, and the emergence of work-life balance and family-friendly policies suggests that the Islamic influence on how people and organisations think and behave is also maintained even though the social and economic context are changing.

As basic elements of HRM practices, recruitment, selection, learning and developments are a significant part of the HRM strategy in both types of organisation. In this sphere, analysis of the previous debate in the literature implies that in the workplace, equality of people before Allah (SWT) is a fundamental Islamic principle of significance for recruitment and selection processes in organisations. As is argued in the Quran,

“O mankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted.

(49:13 in ILO, 2012, p.46).

Learning and development are also approached through the Quran and seen as an important element of individual improvement towards reaching expertise. The dissertation's findings support the assumption that Saudi Arabian owned and operated corporations have HRM practices which are influenced more by Islamic teachings and Saudi traditional customs, compared to the same practices in foreign owned and managed multinational corporations operating in Saudi Arabia. The findings also imply that due to institutional normative pressures, foreign owned and managed multinational corporations may be aware of respecting Islamic teachings and Saudi traditional customs; however, this conclusion may be heavily influenced by the impact of the industry, and thus it cannot be taken as a valid remark.

In essence, the current cultural, economic and political context may also influence these findings through regulatory and normative pressures. Although Islamic teachings foretell gender fairness, women's access to the workplace and economic opportunities has been overlooked. The high rate of unemployment of Saudi nationals and the fact that some companies in the KSA employ non-nationals for lower wages has caused significant concerns in Saudi society, which is why the government began Saudization in order to reform the labour market and supported women entering the labour market. At the same time, Saudization is not against the fundamental principle of equality, as stipulated in Islamic teachings, because employment opportunity is equally provided to new recruits. And only in cases when recruits are equal in everything does the government urge the employment of KSA nationals.

This is reflected in the findings where both types of companies approach recruitment and selection through well designed practices and see an impact of Islamic teaching in the process, including the impact of Saudization.

Saudi traditional customs have an impact when it comes to women in the workplace, along with the political decision to favour KSA nationals through Saudization. The results of the survey regarding equal opportunity and gender fairness are revealing an ambiguous situation where many respondents claim to have no view on the matter. The gender profile of the samples and the revelations from the expert interviews about variations in the application of law underscore and support the literature on gender differences in labour market access and career opportunities regardless of increasing educational and professional attainment among Saudi women (Ramady, 2010).

In the area of learning and development, findings record the existence of alignment of these practices with Islamic teachings with a higher recognition in the indigenous company. This finding is explained with reference to the paternalistic nature of Saudi society, where employers and thus managers are responsible for the wellbeing and development of their employees. It can also be attributed to Islamic principles on knowledge at the individual level, where respect for knowledge is presented as justification for the continuing need to study and master the area of professional choice.

Considering the impact of Islam on *workplace relations*, experts argue in favour of EU-style social dialogue. Besides being for prayer, the *masjid* – house of worship - serves as a court of justice, educational institute and cultural institute, as well as for a meeting point. Muslims everywhere in the world gather every Friday in the *masjid* and aside from praying, they discuss the issues in the community. One can draw the conclusion that social dialogue is at the heart of the Islamic religion, and this is consistent with the social dialogue between workers and those running legislative bodies when it comes to rights and values (ILO, 2012, p.36).

The dissertation's findings support this notion. The relationship with superiors is recognised as an area of social dialogue which is highly influenced by Islamic principles and Saudi traditional customs in both organisations. It is defined as a paternalistic approach consistent with the high power distance dimension of the SA culture (Hofstede, 1980). These findings can be explained through the impact of the institutional theory and the higher normative pressures which foreign owned companies face in Saudi Arabia, along with the impact of the specific situation in the industry. In terms of the interpersonal relationship with peers, defined as a search for harmony, co-operation and brotherly relationships, the findings provide no difference in the views between Saudi and foreign owned and managed companies in Saudi Arabia, both of which are aligned with Islamic teachings and Saudi customs.

The enforcement of rules and procedures has been a subject of high institutional pressures as the findings infer a possibility of foreign owned and managed corporations perceiving the same alignment than indigenous company with Islamic teachings and Saudi customs.

A similar finding can be inferred in relation to the impact of Islam on disciplinary practice. In that regard, the data from the interviews with academic and legal experts is relevant to the extent that their views about institutional discipline are based on the law as it is. Consequently, to the extent that individual employees will have recourse to legal remedy in the event of what they may consider to be perverse disciplinary action, Islam will impact upon disciplinary practices, because Saudi law is based on Sharia (Islamic law).

The management of resources is the last of the six areas researched within the HRM approach in Saudi Arabia. In Islam, “*haqq*” is the word that binds rights and duty into one. According to Islamic teachings, individuals and organisations are accountable for their deeds. The dissertation has explored whether these aspects of Islamic teachings can be looked at from the perspective of Corporate Social Responsibility (CSR), i.e. whether Islamic teachings affect SA practices in this regard; however, there are no concluding remarks arguing neither in favour of the impact nor in favour of any major difference between the CSR strategies of corporations of different origin.

Once the differences and similarities in HRM approaches of both types of organisations, Saudi and foreign owned and managed corporations in Saudi Arabia, have been identified and assessed, it is very important that the dissertation discusses the issue of whether these practices converge with or diverge from global trends.

From the analysis presented, there is clear support for the convergence theory when it comes to payment and reward practices in Saudi Arabia and the motivation of employees. The convergence theory identifies the emergence of a universal model. The idea of a universal management model is the base of Briscoe et al.’s (2009) global firm, with a dominant headquarters and strong organisational use of a global branding strategy in a one-market global view. From the summarised primary research findings, one may conclude that there is clear support for the divergence theory however when it comes to welfare, work-life and family practices and policies in Saudi Arabia, driven by institutional (regulatory and normative) pressures. The same can be concluded for the HRM practices of recruitment, selection, learning and development in Saudi Arabia: especially because of the impact of gender and Saudization.

Findings on the compliance of Islam with workplace relations in Saudi Arabia provide an opportunity to make a conclusive remark the divergence from the global trends. Thus, it is possible to adopt a final conclusion on HRM practices in SA are adjusting global trends to Islamic influences.

Overall, the dissertation's findings, and especially those regarding the impact of institutional pressures (regulatory and normative), provide strong support for the path through which Islamic teachings affect the workplace in KSA as defined in Figure 2.3: The Conceptual Framework. The regulative forces represent the organisations' rules, regulatory constraints (forced by regulatory bodies) and penalties for violations. They are a result of the SA legal system and its political culture. The normative forces identify the values and social behavioural norms which define how things should be done within the organisation. They are a result of the SA culture.

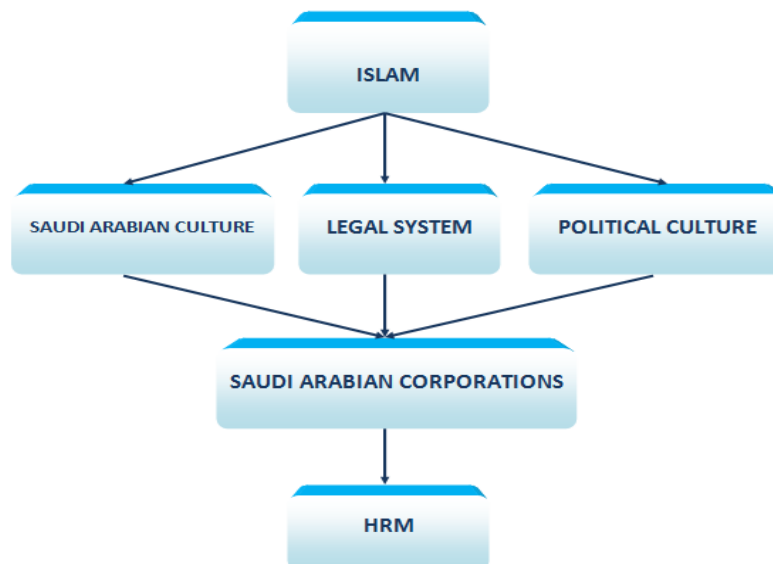


Figure 2.3: The Conceptual Framework

8.4. Contributions of the Study to the General Theory of the Impact of Islam on HRM Practices and the Employment Relationship

Apart from its contribution to the knowledge on Saudi Arabia and the current state of diffusion of Islamic principles in the workplace, the dissertation provides a contribution at two additional levels. First, it contributes to the growing knowledge on the influence of Islamic beliefs in the workplace, and second, it contributes to the enlargement of theory on the subject of religion and its impact in the workplace.

The critical literature review as presented in Chapter Three argues in favour of the existence of two ways in which Islam affects the work place: (1) *the Impact of Islam on Employee Behaviour and Attitudes*; and (2) *the Impact of Islam on the Workplace*.

The case of Saudi Arabia as explored within the current thesis provides support for the impact of Islam on employee behaviour and attitudes. At a summary level, the research argues in favour of this argument as the same has been supported by the findings from both companies which participated in the research. Islam as a religion is seen as a set of teachings which encompasses every aspect of human life, including work. Thus, its teachings shape employee attitudes (Khan et al., 2010).

According to Islam, the behaviour and values of individuals are never based only on one perception of the situation, but rather on the Quran and the Prophet Mohammad's teachings and beliefs, covered in the *Sunnah*. As the dissertation's findings infer, the two most important job-related attitudes, *job satisfaction* and *organisational commitment*, are influenced by Islamic teachings. Experts and employees find Islamic teachings to foster the employment relationship and improve the employee's wellbeing. In such an environment, employment security is guaranteed, which enhances job security and favours employee satisfaction, reducing the internal conflicts exhibited in a friendly and peaceful workplace environment (Ali, 1988).

The findings regarding the influence on organisational commitment are also supportive; they too indicate the influence of Islam on the loyalty of employees and the confidentiality of their work.

The influence of Islam on the workplace has been discussed in detail in the preceding section. The cultural values and beliefs in Muslim countries were created as a result of Islamic teachings and principles, which experience labour as crucial in human relations. The feeling for what is right and what is wrong has been developed by individuals as a result of the influence and power of religion. As it states in the Quran (49:13): “O mankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted”.

There is no doubt from the findings from this study of Saudi Arabia that Islam has a strong impact on the workplace in Islamic countries, which is mainly exercised through institutional, regulatory and normative pressures, reflecting a culture and a legal system designed in line with Islamic law. Thus, as explained by NDI (2014), any changes which the Saudi society wants to implement will only be accepted by Saudi citizens if these comply with Islamic teachings, as these teachings are the basis for their belief and culture. One may conclude that the extent to which Islamic teachings are thus embedded accounts for the instances and level of neutrality that survey respondents sometimes record in their responses. In other words, Islamic teachings are so embedded in practices that individuals do not actually recognize the influence of the teachings on their practice and attitudes.

Thus, one should assume the same type of influence in countries where Islam is a predominant religion and has largely affected the development of national culture and traditions. Therefore, one may conclude that the study not only provides a significant

addition to the literature on HRM practices and approaches in Saudi Arabia, but that it also extends to the countries of the Arab Gulf, holding a strong potential for becoming a source of knowledge and reference for foreign organisations who operate and wish to operate in that region.

8.5 Limitations of the Study and Areas for Future Research

The research design of the dissertation was carefully approached to ensure strong internal validity of the findings. This has been successfully accomplished through the use of methodological triangulation (Saunders et al., 2009). The weak point of the dissertation is its generalizability. The findings cannot be generalised to all Islamic countries. However, they provide significant new insight on the process which could be assumed for other Islamic states. These limitations are a usual *décor* of every case study research done so far. As a research strategy, the case study never provides external validity, but rather its aim is to prove or expand existing theory, which this study does well.

Therefore, the dissertation opens up a large magnitude of future areas for research. In particular, two specific streams open up in this process. First, the impact of Islam should be investigated with a similar conceptual frame in other Islamic countries in order to develop a stronger element of generalizability. By looking at whether Islam affects in a similar way the HRM processes in these countries, the subject area will provide enough data for meta-research on the subject and form a good base for developing a model which will take into account all possible factors which affect the relationship.

The second stream of future research may focus on expanding theory in the subject area by focussing on how institutional theory affects the convergence vs. divergence debate in HRM practices. One of the indirect results of this dissertation is the proof of the

impact of the institutional theory on HRM practices in Saudi Arabia. Empirical studies support the theory in the wider area of management processes across the world. What needs to be explored further is the convergence vs. divergence debate in HRM practices, within a context defined by institutional pressures, in a world of intensified globalisation. Methodologically, the survey has revealed some potentially interesting findings, which are limited in the degree of insight they provide simply due to the method of data collection that is applied. These findings invite a more qualitative methodology and a method of data collection which will enable access to the antecedents that inform the views of the respondents and determine the extent to which their knowledge of Islam in relation to employment and the employment relations has impacted on their responses. Such research must deliberately employ sampling models which will allow for a better balance and, therefore, more holistic and credible data on the critical issue of gender differences and the role of Islam in the workplace and employment related manifestation.

8.6 Contributions of the Study to General Theory on the Impact of Religion

Aside from its contribution towards the knowledge on the impact of Islam on the workplace, the study has significant importance for overall theory regarding the influence of religion. The conceptual framework derived from the critical analysis of the literature presented in Chapter Two summarises the knowledge existing in theory, adjusting it to the situation in Saudi Arabia, and thus one may argue that by proving the validity of the framework in Saudi Arabia through the impact of institutional pressures, the dissertation supports existing theory and expands the same with new insight. In simple words, the impact of religious beliefs cannot only be perceived through a linear path, because beliefs impact on culture, which influences attitudes. In this case, these attitudes are work-related attitudes and affect individuals, while culture is seen as an influence on the employment relationship.

In the case of Islam, religious beliefs impact on the legal system along with culture and the political context of the country, creating institutional, regulatory and normative pressures on organisations and their HRM approaches. As derived from the critical literature review presented in Chapter Three and Four, which mainly reflects the HRM developments in the Anglo-Saxon world, the general theory on the impact of religion on the workplace is seen through the impact of culture reflecting the premises of a secular state. However, in the case of Islam, the framework needs to expand and consider in addition the impact of religion on the legal system and political context. It is argued that the whole framework needs to expand to allow for these factors in the equation, despite the fact that in secular countries the institutional pressures on organisations may only be normative, while in countries where religion impacts the legal system and the political context, they may also be regulative.

Thus, one may fairly conclude that the impact of religion on the HRM practices of MNCs can only be seen through institutional theory as a mediator of the relationship. Delbridge and Edwards (2007, p.192) argue that institutions either enable or impose limitations on the scope of humans and companies (human agents) “by creating legal, moral and cultural boundaries”. Thus, institutional theory provides the scope of the impact of the religion, in line with the view of institutional theorists, who have long argued that economic activity is embedded in complex sets of rules and resources at the level of the business community, region, or nation state, which influence both organisational goals and the adoption and success of different management practices (*cf.* Boyer and Hollingsworth, 1997; Ichniowski and Shaw, 1999).

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Appendices

Appendix 1: Questionnaire Survey

Dear Sir/Madam,

Instructions for completion of questionnaire

The purpose of this questionnaire is to get your views on your company's HRM practices in general and particularly in relation to pay determination, recruitment and selection and employee relations. The questionnaire is divided into two sections. Section A concerns your personal information including; your employment status, age, level of education and religious identity. Section B comprises of statements about some your organisation's HRM policies and practices and you are required the strength of your agreement with these statements and you are free to ignore any statement that you do not wish not to respond.

Please note that respondents are not required to provide any identification details in the survey. Anonymity and confidentiality of all respondents is guaranteed. The information collected will be used only for academic purposes. The return of this questionnaire will be taken as implies consent to participate in this study.

Many thanks in advance for your assistance.

Questionnaire

A. Personal information:

1. Please indicate your gender: (a) Male (b) Female
2. Which age group do you belong to?
(a) 20-30 (b) 31-40 (c) 41-50 (d) 51-60 (e) Over 61
3. Your highest qualification is:
 (a) Degree (c) Masters
 (b) Diploma (d) PG Diploma
 (e) Other (please specify).....
4. What is current position: Managerial Non-managerial
5. Which of the following describes your professional/job background? (Please tick all that apply).
 (a) Engineering (e) Health and social care
 (b) Human resource management (f) Economics
 (c) Business (g) General administration
 Accounting and finance (h) Other sector (please specify)
6. How long have you been employed in this company?
 (a) 0-1 year (b) 2-3 years (c) 4-7 years (d) 8 or more years
7. What is your religion?
..... •

B. Below are some descriptions of organisational practices and expectations. Please select the response that is most representative of the degree to which you agree/disagree that these issues and management decisions in relation to them are consistent, in your view, with Islam and the traditional customs and practices of Saudi Arabia.

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Q1	General approach to how employees pay is determined.	1	2	3	4	5
Q2	Employee motivation	1	2	3	4	5
Q3	Providing employees with stable and good social security and welfare schemes	1	2	3	4	5
Q4	How outstanding employees are identified and rewarded.	1	2	3	4	5
Q5	Provide employees with promotion and salary raise opportunities	1	2	3	4	5
Q6	Recruitment and selection of employees	1	2	3	4	5
Q7	Care about employees' work and life balance	1	2	3	4	5
Q8	Involvement of employees in decision-making	1	2	3	4	5
Q9	Relationship with superiors	1	2	3	4	5
Q10	Interpersonal relationships with peers	1	2	3	4	5
Q11	Encourage employees to learn new knowledge	1	2	3	4	5
Q12	Provide employees with development opportunities	1	2	3	4	5
Q13	Managerial Support for employees improve performance	1	2	3	4	5
Q14	Expectation about loyal to the organisation	1	2	3	4	5
Q15	Communication with senior management	1	2	3	4	5
Q16	Views on confidentiality and how it is maintained	1	2	3	4	5
Q17	Enforcement of organisational rules and regulations	1	2	3	4	5
Q18	Disciplinary process	1	2	3	4	5
Q19	Mechanism and attitudes to collaboration between colleagues to solve problems in work	1	2	3	4	5
Q20	Management of organisational resources	1	2	3	4	5
Q21	Equal opportunity policy	1	2	3	4	5
Q22	Family related policy and practices	1	2	3	4	5
Q23	Gender relations	1	2	3	4	5
Q24	Corporate social responsibility	1	2	3	4	5
Q25	Work calendar and working hours' time	1	2	3	4	5

Appendix 2: Questionnaire for Semi Structured Interviews

Questionnaire	
S. No	Questions
A. Personal profile	
1.	What is your highest academic or professional qualification?
2.	How long have you been employed by this organisation?
3.	What is your current position in the company?
4.	How long have you held your current position?
5.	What do you consider to be your main responsibilities?
B. Recruitment and gender relations	
6.	Can you briefly tell me about the organisation's labour market strategy (what is/are your main method(s) of recruitment)?
7.	Is this the same for all categories of employees or does it differ according to category?
8.	If the strategy does differ, can you please briefly tell me how (ask for example)?
9.	Does the same approach apply regardless of gender or do the methods differ according to gender?
10.	If they differ, can you tell me why?
11.	What is the male/female composition of the top management team?
12.	Do you have any view(s) as to the current composition of the top management?
C. Pay and reward policy/practice determination	
13.	Does the organization have a pay policy?
14.	What is (are) the main way(s) that employee pay is determined?
15.	Do you have any idea about how far your approach to pay determination is consistent with common practice in your sector?
16.	Do you have a bonus scheme?
17.	If so, can you briefly describe how individual bonus rates are determined?
18.	Does the organisation have a career succession plan?
19.	If so, what are the general criteria for career progression and how are these assessed?
20.	If not, how do you identify individuals for promotion?

Appendix 3: Details of Questions asked in the Qualitative Interviews with Judges and Professors

S. No	Details of Questions
1.	What do the Quran and Sunnah say about labour and workers?
2.	What do you expect from workers in terms of religious and cultural behaviour and attitudes?
3.	How flexible is the interpretation of religious and cultural rules at work with regard to type of occupation; type of work; type of industry; and type of business owner (state; private; foreign)?
4.	Would you expect more education workers, and those who have been educated and trained in western countries, to behave differently?
5.	Do the religious and cultural rules apply to all equally, or are their differences by gender, age, class, and nationality?