

Organizational Behavior in Saudi Arabian Companies: The Invisible Hand of Culture

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The global recession has taken its toll on many countries worldwide, nevertheless the GCC has remained a safe haven for investment capital given its stable financial and political indicators. Saudi Arabia being a leading nation in the GCC and the world's richest oil producing country has attracted a large share of this capital, mainly due to the government's ambitious plans to expand the economy along with the underlying infrastructure. Accordingly, the Saudi investment environment has accelerated during the past 5 years. Foreign investments are projected to increase bringing in the necessary funds for colossal projects and diverse businesses. As such, the Kingdom's work environment needs to be scrutinized to determine whether it can endure the ramifications of increased competition and globalization.

Small businesses that are currently providing a wealth of employment opportunities for Saudis may suffer from competition. Due to religious and cultural traditions, the economy depends mostly on foreign labor in almost all blue and white collar positions. Nevertheless, with the government's plan to augment Saudization initiatives to about 90%, the efficiency of the Saudi workforce will have to be ameliorated to replace current expatriate labor without affecting productivity or quality. Since the issue of Saudi organizational performance has not been tackled, this research provides a preliminary insight into the subject through ethnographic observation and surveys conducted by the researchers at Aramco Oil Company and King Fahd Specialist Hospital, both large Saudi organizations employing a majority of Saudi citizens.

Preliminary results show that the Saudi Arabian national culture, determined by Hofstede, is an impediment to organizational performance. Saudi's high power distance and uncertainty avoidance have created barriers for employees' willingness to learn and advance in their jobs. They have developed a preference for maintaining the status quo and associating any failure or lack of knowledge to others. Their religious culture has rendered them dependant on a higher authority or deity and developing a long-term orientation where there is no need for urgency since everything will take place "inshallah" – if god wills. To reach the required Saudization percentages along with international competitiveness, organizational behavior needs to be revamped!

Field of Research: Organizational Behavior

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