

## Critical Factors affecting Human Resource Development in the Arab World

Niveen M. Al-Sayyed

The University of Jordan, Amman-Jordan 11942

Email: [n.alsayed@ju.edu.jo](mailto:n.alsayed@ju.edu.jo)

**Abstract:** Human resource development has long-been a subject of interest to management scholars, and, has therefore been prioritized in academic discourse in the management domain. Although research on human resource development in the world has been quiet intensive in the past decades, only little has been done in the Arab World. This paper has identified the critical factors that may affect human resources development in the Arab world. These factors were investigated through an inductive research, and the results show that the most important internal and external factors affecting the human resource development are leadership style, employee commitments and motivation, demographic characteristics, labour unions, and governmental laws and regulations. The limitation for this paper is the lack of articles about the human resources development in the Arab world. The findings may serve as a road map of the human resources development in Arab world organizations.

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### Introduction

Nowadays globalization has increased the competitiveness of the firms in the market, which lead the companies to search for more sustainable resource which could help them to compete in the market. This can be met only if they have the necessary human resources and competencies (Nobarie et al, 2014; Arash et al, 2013; Durkovic, 2009).

Human resources of an organization consist of all people who perform its activities. (Bernardin, 2010). Subsequently, human resource management as part of an organization must be prepared to deal with changing dynamic environment. This means understanding the effects of globalization, work force diversity, changing skill requirements, the contingent workforce, employee involvement and also technology changes (Decenzo & Robbins, 2007).

The contemporary trends and challenges in the business environment necessitate that even greater attention be given to human resources of the organization. The most significant trend is rowing globalization of the economy and a growing competitiveness in the business environment (Bernardin, 2010).

In strategic human resource management, the human resources department plays a key role and has a strong influence on strategic decisions of the organization. It is very important to integrate all human resources policies and programs in the organization's overall strategy. Therefore, businesses need a strategic approach to human resource management. This requires that those in charge of the organization learn more about HR issues and activities to acquire some knowledge about economic

transactions, business contracts, the company's products, market outlets and the financial situation of the organization. Success or failure of an organization is probably not entirely due to its practices of strategic human resource management, but these practices are likely to be critical (Anca-Ioana, 2013).

In Arab countries, macro-contextual elements such as culture, history, economy, political issues, local policies such as nationalization, as well as religion, all influence the management of people. Therefore, most companies are now required to understand how to manage their people according to local and global understandings. Human Resource responsibilities have become broader and more strategic over time in response to a number of trends. Changes are occurring today that are requiring HR managers to play an increasing central role in managing companies. These changes or trends include globalization, changes in the nature of work, and technology. Globalization is increasingly evident in the Arab world. More globalization means more competition, and more competition means more pressure to lower costs, make employees more productive, and do things better and less expensively. Human Resources play a key role in helping companies meet the challenges of global competition and strategic objectives to lower costs, improve productivity and increase organizational effectiveness (Desseler, Al Riss, 2012).

(Afiouni, et al 2014) provided a better understanding of the challenging issues facing both employees and organizations in the region, point to important new developments in theory and practice and open up avenues for further debate particularly in

the areas of employment nationalization policies, self-initiated expatriation, local employee's view on expatriate managers, female talent retention, knowledge transfer from multinational corporations to local subsidiaries, high performance work systems, and employee and leaders' behaviours. This paper aims to identify the factors impeding HRD in Arab world in order to help organization to leverage their performance by developing their HR.

### Theoretical Framework

#### Human Resource (HR) and Human Resource Development (HRD)

The quality of an organization is, to a large degree, dependent upon the quality of the people it hires and retains. Human resources are one of the key ingredients to the success of any organization (Hamed, 2006).

An organization can succeed if it has a *sustainable competitive advantage* (is better than competitors at something, and can hold that advantage over a sustained period of time). Thus, we can conclude that organizations need the kind of resources that will give them such an advantage (Noe, et al, 2011).

Human resources have the following **necessary** qualities:

- Human resources are *valuable*. High-quality employees provide a needed service as they perform many critical functions.

- Human resources are *rare* in the sense that a person with high levels of the needed skills and knowledge is not common. An organization may spend months looking for a talented and experienced manager or technician.

- Human resources *cannot be imitated*. To imitate resources at a high-performing competitor, you would have to figure out which employees are providing the advantage and how.

- Human resources have *no good substitutes*. When people are well trained and highly motivated, they learn, develop their abilities, and care about customers.

These qualities imply that human resources have enormous potential. An organization realizes this potential through the ways it practices human resource management (Noe, et al, 2011).

Human resource management is focused not only on getting financial performance; human resource management is focused on transfer relationship between employees and the organization (Paauwe and Boselie, 2004).

Boxall and Purcell (2003) argue that both streams – best practice and best-fit– might be right each in their own way. Some basic principles like employee development, employee

Involvement and high rewards are universally

successful, but the actual design of the HR practice depends to some degree on unique organizational contexts.

A single definition for HRD has been suggested by Watkins (1991), which focuses on learning, whilst Swanson (1995) focuses on performance. However, disagreement arises, with some authors arguing that it is not possible or feasible to provide a single definition of this concept. This lack of agreement has been further aggravated by the ontological perspectives of individual stakeholders, commentators and scholars in the field of HRD.

The components of HRD as identified by Thomson and Mabey (1994) provided a theoretical model from which HRD related undergraduate course content could be mapped to HRD disciplines. They identified three components of HRD: (a) organizational development (OD), (b) career development (CD) and (c) training a development (TD).

The central factor in HRD is the human resources or the human capital in an organisation (Abdullah, 2009). They are viewed as the driving force for the success of organisations because of their skills, competencies, knowledge and experience (Becker, 1975; Schmidt & Lines, 2002; Harrison & Kessels, 2004). Therefore in order to keep HR and get all the possible advantage the organization need to continuously develop HR to fit in the dynamic environment and the globalization situation.

The purpose of (HRD) is to improve individual performances involved with knowledge, skills, and attitudes (Swanson & Arnold, 1996; Mathis & Jackson, 2003; Yamnill & Mclean, 2005).

Development of the employees' skills takes much more time than structural and process interventions. Development of employees is a continuous process that includes formal education, working experience, relationships with other people and personal and skill evaluation (Przulj, 2002). Furthermore, using different developmental approaches enables the dynamics within the organization, better understanding of existing potentials, motivation of employees to gain new knowledge and skills, and creation of organizational climate and culture that stimulate changes (Durkovic, 2009).

In the context of HRD professionals, the literature has indicated that there is a shortage of HRD professionals who are skilled and experienced systems thinkers (Bing et al, 2003), and who have the ability to manage the vast and specialised functions of HRD across organisations (Eidgahy, 1995; Buyens et al, 2001; Garavan, et al, 2002). Budhwar et al (2002) reported that the lack of HRD professionals is a major obstacle to the nation's human resource

development efforts. Kerr & McDougall (1999) argued that problems also arise due to a lack of experience and understanding of human resource training and development on the part of managers. Indeed, some writers have claimed that HRD professionals have an important role, as they possess expertise in learning and in developing others to become experts (Wright et al, 1999; Chermack et al, 2003).

Organizations rely on human resource development in order to set and implement their strategic goals (Miles & Snow, 1984; Boxall, 1998; Grattan & Truss, 2003; Chatman, O'Reilly & Chang, 2005).

### Literature Review

#### Factors affecting human resource development

This section will investigate the different internal and external factors that may affect the Human resource Development.

Following is a brief description of each of these factors:

- **Motivation** is the process by which a person's efforts are energized, directed, and sustained towards attaining a goal (Ellemers et al, 2004). *Energy* is a measure of intensity or drive. High levels of energy are unlikely to lead to favourable job performance unless the energy is channelled in a direction that benefits the organization (Robbins, 2011). Higher motivation for an international assignment was associated with greater willingness to accept an international assignment and to communicate in a different or foreign language, expected challenges and difficulties associated with an international assignment, and comparable reactions to organizational support (Haines et al., 2008). Research shows that individuals driven by motivation engage in seeking and conquering optimal challenges and typically have high levels of interest, excitement, and confidence (Ryan and Deci, 2000).

- **Leadership style**

Zineldin and Hytter (2012), suggested that there is a need for a better understanding of how contextual factors might intervene in the relation between leadership styles, leaders' negative emotions, and subordinates' well-being.

- **Transformational leaders** inspire followers to achieve extraordinary outcomes by providing both meaning and understanding. They align the objectives and goals of individual followers and the larger organization, on the contrary, transactional leadership is primarily based on an economic exchange (Boerner et al, 2007).

- **Transactional leaders** are leaders who lead primarily by using social exchanges (or transactions). **Transformational leaders** are leaders who stimulate and inspire (transform) followers to achieve

extraordinary outcomes. Evidence supporting the superiority of transformational leadership over transactional leadership is overwhelmingly impressive (Robbins, 2011).

- **Organizational commitment:** Commitment is a linkage that individuals may develop towards multiple aspects of their work environment. It can be enacted either as an attitude, behaviours (or behavioural intentions), or as a binding force. Commitment can be analyzed in relation to group or team work, work itself, career, and unions, among others (Scheible and Bastos, 2013).

Organizational commitment refers to an individual's feelings about the organization as a whole. It is the psychological bond that an employee has with an organization and has been found to be related to goal and value congruence, behavioural investments in the organization, and likelihood to stay with the organization (Mowday et al., 1982).

Employee commitment is the degree to which an employee identifies with the organization and wants to continue actively participating in it. Commitment is one of the important consequences of human resource maintenance. Employees' maintenance has wider dimensions than wage, welfare and safety plans in workplace (Beheshtifar and Safarian, 2013).

- **Health and safety dimensions:** Health refers to the employee's freedom from physical or emotional illness. These aspects of the job are important because employees who work in a safe environment and enjoy good health are more likely to be productive and yield long-term benefits to the organization. Information derived from job analysis is also valuable in identifying safety and health considerations (Fahed-Sreih, 2012).

Safety and accident prevention is of concern to managers at least partly because of the staggering number of deaths and accidents occurring at work. The three basic causes of accidents are chance occurrences, unsafe conditions, and unsafe acts by employees. There are also legal and economic reasons for implementing safety programs in Arab companies (Dessler and Alriss, 2012).

The health committees could improve employees' safety and health (Syedjavadin, 2004); consequently leading to increased commitment to the organization

- **Creativity and innovation:** Innovation is a function of individual efforts and organizational system that facilitates creativity, which in turn can be acquired and improved (Bharadwaj and Menon 2000). **Creativity** is the ability to combine ideas in a unique way or to make unusual associations between ideas. **Innovation** is taking creative ideas and turning them into useful products or work methods (Boulder,

1996).

In various companies, the organizational culture has a negative impact on innovation. This happens when the structures are rigid and too much emphasis is put on how things are done. When employees have the possibility to be creative, they can share their new developed ideas with the entire organization which leads to innovation (Glasberg and Ouerghemi, 2011).

Robbins (2011) argued that three sets of variables have been found to stimulate innovation.

1. Structural variables can be summarized as follows: (Organic structures positively influence innovation; the easy availability of organizational resources provides a critical building block for innovation, frequent communication among work units helps to break down barriers to innovation, minimize time pressures on creative activities, provide explicit support for creating work and non-work sources).

2. Cultural variables show that an innovative culture is likely to have the following characteristics: (Acceptance of ambiguity, Tolerance of the impractical, Low external controls, Tolerance of risk, Tolerance of conflict, Focus on ends rather than means, an open systems focus and Positive feedback).

3. Human resource variables indicate the important role that people play in innovative organizations. Innovative organizations actively promote the training and development of their employees so that their knowledge will be current. They also offer employees high Job security and encourage individuals to become idea champions—that is, individuals who actively and enthusiastically support new ideas, build support, overcome resistance, and ensure that the innovations are implemented.

Rosli and Mahmood (2013) concluded that there is clear evidence that training of both employees and entrepreneurs had a strong interaction with innovation, which in turn positively impacts firm performance. Although training involves high costs and risks, organizations have no choice, but to invest in this critical area of human and entrepreneurial capital, so that their performance could be improved, which in turn would consolidate their competitive position in the marketplaces.

- **Education:** Training and education are the primary systems by which the human capital of a nation is preserved and increased. From an economic stand point, higher standards in the schools are the equivalent of competitiveness internationally (Silva, 1997).

Some studies found that education affected a learner's perceived understanding of the way in which ethical knowledge and skills were learnt (Krongchan, 2003). Gow and Kamber (1990) and

Nakayama et al. (2007) stated that the benefits of individual characteristics, particularly education, could be an important key for promoting student' success in learning. Brown (2001) stated that education of employees could predict knowledge gained (learning) in training.

- **Competitiveness:** The concept of competitive advantage was formulated by Michael Porter. Competitive advantage, Porter asserts, arises out of a firm creating value for its customers (Porter, 1985). Porter emphasized the importance of differentiation, which consists of offering a product or service 'that is perceived industry-wide as being unique', and focus – seeing a particular buyer group or product market 'more effectively or efficiently than competitors who compete more broadly'. He then developed his well-known framework of three generic strategies, "cost leadership, differentiation, focus" that organizations can use to gain competitive advantage. Porter's widely accepted view suggests that the industry – environmental determinants-affects a firm's performance (Caliskan, 2010).

The competitive position of any enterprise in the present-day highly competitive market requires a well-developed basis of employees on which all the work and strategy, both of growth and development, are founded. Development of human resources is becoming a daily and eternal challenge that any business system has to face sooner or later (Durkovic, 2009).

The resource-based view suggests that human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific (Lado, 1994). The sustained superior performance of many companies has been attributed to unique capabilities for managing human resources to gain competitive advantage.

- **Demographic trends** will continue to play an important role in the Human Resource function as the pool of workers change (Robbins, 2011). Demographic change has been addressed by many companies as a strategic human resource management challenge, this change include the fewer young workers that can be employed and the increased average age of the workforce, in addition to the mandatory retirement age that has been increased in the past years (Mitlacher, 2011).

- **Labor unions, and governmental laws and regulations.** A labor union is an organization that represents workers and seeks to protect their interests through collective bargaining. Good labor-management relations, the formal interactions between unions and an organization's management, are important. Governmental laws and regulations greatly expand government's influence over HRM.

Governments may want to motivate companies to recruit nationals, and so require a specific minimum percentage of employees to be recruited from the local population (Robbins, 2011).

### **Factors affecting the development of human resource in the Arab world**

There are several challenges facing human resources management and development in the world. Arab states, as part of the system of global management, are affected by those challenges in general. Moreover, Arab countries suffer from modest performance in the field of HRD as a result of facing some of the external and internal constraints which impacted negatively and contributed to reducing opportunities for advancement. A strong argument can be made in favour of the following challenges facing HRD in the Arab countries from an institutional perspective:

1. Strategies of recruitment and exclusion do not serve the goals of institutional development (developing national cadre) (Khoury, 2013).

2. Labor unions in Qatar, Saudi Arabia, and UAE do not have a tradition of labor unions. However, this is not the case in Lebanon, Syria, Kuwait, Egypt, and Jordan, where employees are authorized to join labor unions. In many of these countries, labor unions are very active (Bureau of Labor Statistics, 2008).

2. Governmental laws and regulations: Nationalization programs were implemented in most of the GCC countries, although there are differences in the extent of governmental interference in the nationalization goals. Nationalization programs pose significant opportunities for the local working population, but they also represent significant challenges for HR managers, who need to balance the need to fill positions in their organization with the need to meet regulatory requirements (known as Saudization in Saudi Arabia, Omanization in Oman, Kuwaitization in Kuwait, and so on. (<http://lweb2.loc.gov/frd/cs/profiles/UAE.pdf>).

3. Culture influences employee attitudes toward creativity and innovation, as these may require taking risks, something that many Arabs are not comfortable doing. Arab managers are not particularly comfortable with uncertainty, and upper management may not be tolerant of failures (Robbins, 2011).

4. Innovation: A study about barriers to creativity in the Arab context uncovered several factors. Those included low commitment to the organization, lack of management support, lack of adequate organizational communication, lack of involvement, authoritative styles of management, risk aversion, time pressures, intolerance for developmental mistakes, and an obsession about enforcement of rules and policies that hinder

creativity (Mostafa, 2005).

5. Demographic trends and HR policies in the Middle East region:

- A major obstacle confronting Middle Eastern women in the pursuit of global work is a lack of awareness of the potential opportunities available. While Middle Eastern women are increasingly being represented in international agencies, a lack of public education about international work prevented women from recognizing the wide range of global work available, including long-term international assignments as well as short sojourns and flexpatriate work. Arguably, as more Middle Eastern women receive an education in Western countries, however, their knowledge of the range of global possibilities will expand (Hutchings et al, 2012).

- Reports on Arab human development indicate that there have been significant improvements pertaining to women's development in the region. Improvements in Arab female education were the fastest compared to any region, and female literacy rates have grown threefold in the last 30 years. However, women in the Arab world, and in some countries more than others, continue to suffer from severe limitations on their participation in political, economic, and social life, limited access to employment opportunities, high illiteracy, and wage discrimination (Chang and Tharenou, 2004)

- Suggestions for HR managers include implementing equal employment opportunity policies, supporting working women through organizational initiatives, such as child-care, providing training to working women equal to the training given to their male counterparts, working on bridging the pay gap through aggressive pay equity initiatives, providing educational and training opportunities, and offering serious career development plans for women (Nicholls et al, 1999).

- Arab countries have labour issues that differ from one country to another. Some countries, such as Egypt and Lebanon, suffer from migration of labour to neighbouring and more affluent Arab countries. The Arab Gulf countries suffer from an under-representation of local citizens in the labour force (Washington D.C: The World Bank, 2004)).

6. Health and Safety dimensions: The International Labour Organization Occupational Safety and Health (ILO-OSH) – issues a set of guidelines to ensure that all workers are protected from sickness and injury in the workplace (Dessler and Alriss, 2012).

In a report titled “The Arab World Human Resource Challenge”, Ataya (2009) is Chief Executive Officer and Chairman of Bayt.com, one of the Middle East's leading e-recruiting companies, addresses HR challenges in the Arab world.

Ataya (2009) identifies several dimensions of the HR challenge. These are limited access to information on employment opportunities and talent, labor integration and mobility issues, and the extent to which workers are able to adapt to the changing needs of a volatile environment. What adds to the complexity of the situation are the high unemployment rates and the need of governments to create new work opportunities which are estimated to be 100 million new jobs in 2020. Such challenges pose formidable problems and opportunities for governments and businesses alike. Solutions, according to Ataya include more investment in technology and internet capabilities, eliminating discrimination practices, and advancing training and educational opportunities to develop workers' skills. The public sector should work hand-in-hand with the private sector to adequately meet those challenges.

It might be worth mentioning here that over 7 years ago, a remedy to overcome HRD challenges in the Arab world was prescribed by Hamed, (2006):

1 - Adopting a new philosophy for the implementation of activities. Through the transformation of the concept of human resource management to the concept of management with human resource considering that human resource is a partner in the organization and not an external component.

2- Linking human resources management directly with the mission of the organization. Human resources management contributes to the strategic planning and the development of means and methods through which individual could initiate and contribute to achieving the objectives of the organization and this means that human resources management contributes significantly of the achievement of objectives and organizational results, and this requires the commitment of workers in the objectives of the organization and trying to achieve them.

3 - Focusing on organizational culture characterized by democracy and contribution to decision-making through the contribution of workers in decision-making, opportunities of on-going dialogue with employees, open and direct communication, and programs of proposals, interviews and continuous meetings to make decisions more effectively, as well as increasing workers freedom to choose their duties and ways to perform these tasks.

4 - Using stimulus tools and personal achievement. This can be achieved through designing tools that provide opportunities for the continuous development of capabilities. Also develop skills of the employees through improved training and development programs and development among

employees

5 - Flexible policies for the management of human resources, which depends on the needs and wishes of the employees of the organization, through the shift from centralized rules and procedures to designing flexible policies for the management of human resources, which depends on the needs and wishes of the workers.

6 - The complete shift to customer service, both internal and external customers. Through considering the workers of the organization as internal clients who must have their needs and desires satisfied in the organization they work for.

7 - Focusing on knowledge management and intellectual capital. Knowledge has become the most important available resources to the organization, through creating, structuring, developing, dissemination and exchange of knowledge.

## Results and Discussion

Human resource management - like other elements of the development process - faces many challenges with the entry of the third millennium and the rapid trend towards prospects of globalization.

The Arab World is an area of increasing economic significance not only for Western economic interests but also because it comprises a large proportion of the world's Islamic countries. In addition, regions and city-states such as Dubai, Abu Dhabi and Oman, have become key international players and highly successful in a globally competitive market (Iies et al, 2012).

Dubai for example has evolved from a trading enclave to become the leading Middle East business/leisure center, aiming to become a hybrid East/West economic, social and religious model that may act as a catalyst for change (Aldridge, 2006). Bahrain also has a national aspiration, seeking to be the financial capital and "Switzerland of the Middle East," utilizing good educational and health care systems, world-class transportation and telecommunication infrastructures, and a qualified and highly competitive labor force (Iies et al, 2012).

However, many other ME countries have not experienced the economic growth of other "developing" countries; underdeveloped financial markets, trade restrictiveness and inappropriate exchange regimes have combined with slow political reforms and dominant public sectors to slow growth (Abed, 2003). Other factors include growing unemployment, lack of integration into the global economy, over-dominance of the oil sector, and the lack or weakness of privatization programs.

For example, "Saudisation," the replacement of expatriates by Saudi nationals, is intended to protect local employees against global economic forces, but

the absence of career development programs may lead to a preoccupation with avoiding litigation, rather than full utilization of the local workforce, as is often the case with diversity/equal opportunity legislation in the West. Therefore the local preference for public sector employment as a career destination, associated with an arts/humanities education, combines with social/political controls on women's employment and legal controls on the careers of immigrant workers to restrict the available labor force (Iies et al, 2012).

Iies et al (2012) stated that the influence of culture and religion, and the role of social networks in HRM in the Arab World are the most important challenges that affect HRD in The Arab World. HRM policies, practices and regulations in much of the public sector in the ME can therefore often be institutionally deficient:

1. The overall institutional framework, which fails to state and enforce basic ethical/integrity principles in HR strategy.

2. An absence of HR planning and data, a lack of an overall HR policy emphasizing merit and competence.

3. An absence of a fair, equal and transparent recruitment policy which may lead to favoritism, nepotism, and corruption, discriminatory or undeclared criteria, restricted information, and a lack of accountability, lowering the quality of employees and the image of public sector employment.

Adding to the complexity of the issue of dealing with HRD in the Arab world is the variations in labour issues affecting the different Arab countries. According to (Investment Climate Statements, 2013), Arab countries have labour issues that differ from one country to another. This following section explains labour market and Laws in some selected Arab countries:

- **Egypt:** The Unified Labour Law (Law 12 of 2003) provides comprehensive guidelines on labour relations, including hiring, working hours, termination of employees, training, health, and safety. The law grants a qualified right for employees to strike, as well as rules and guidelines governing mediation, arbitration, and collective bargaining between employees and employers. Non-discrimination clauses are also included, and the law complies with labour-related International Labour Organization (ILO) conventions regulating the employment and training of women and eligible children (Egypt ratified ILO Convention 182 on combating the Worst Forms of Child Labour in April 2002). The law also created a national committee to formulate general labour policies and the National Wage Council, which discusses wage-related issues and national minimum-wage policy.

- **Iraq:** Iraqi labor law remains weak. While it provides for workers' rights, including freedom of association and the right to collective bargaining, these rights are not respected in practice. The law also regulates working conditions and prohibits all forms of forced or compulsory labor, but the GOI has not effectively monitored or enforced the law, which has resulted in unacceptable working conditions for many workers. Iraq continues to face a high level of violence and insecurity, high unemployment, a large informal sector, and lack of satisfactory work standards.

-**Lebanon:** Lebanon has a General Labour Confederation (CGTL), recognized by the government, whose membership is limited exclusively to Lebanese workers. The CGTL's activities are mainly limited to demanding cost-of-living increases and other social benefits for workers. The general labour-management relationship remains difficult and the Labour Law is not always properly enforced. Given its own political bias, the CGTL has been sometimes accused of working for its political interests and of being ineffective in fighting for workers' rights.

- **Bahrain:** One of the government's primary initiatives for combating unemployment is "Bahrainization," or the replacement of expatriate workers by national citizens. In 2009, under the initiative of the Crown Prince, the Economic Development Board launched "Bahrain Economic Vision 2030," a long-term plan to raise Bahraini standards of living; reform the government, education, and health sectors; and increase privatization, training and education of the Bahraini work force with a view to the establishment of Bahrain as a regional centre for human capital.

- **Kuwait:** Kuwaiti nationals occupy most of the top management positions in the private and public sectors. Due to a welfare system that includes guarantees for government jobs, unemployment among Kuwaitis is less than five percent, but it is rising as a result of a growing influx of young Kuwaitis entering the labor force (20,000 to 25,000 annually). The new entrants are reluctant to enter the private sector and cannot be absorbed by the government, where underemployment remains a serious problem. Kuwaiti workers have the right to organize and bargain collectively, but Kuwaiti law restricts the right of freedom of association to only one union per occupational trade and permits only one federation, the Kuwait Trade Union Federation (KTUF), which comprises 15 of the 47 licensed unions. Foreign workers, who constitute the vast majority of the work force, are permitted by law to join unions only as non-voting members after five years of work in the particular sector the union

represents. The right to strike is also recognized for private sector workers, although provisions calling for compulsory negotiation and arbitration in the case of disputes limit that right. Kuwaiti labor law prohibits anti-union discrimination.

- **Oman:** The labor law was first published in 1973 and updated only intermittently, without explanation or clarifications. For example, there is no specificity in the law regarding what an employer must pay to an employee who is injured in a workplace accident that is his own fault. Management believes that they should not be held responsible for such accidents, while the law seems to hold that in any accident, no matter how negligent the employee who causes it, the employer is to blame. Another contentious example surrounds bonuses; the law suggests that bonuses must be paid every year, regardless of the company's profit margins. Management argues that companies without a profit should not be forced to pay bonuses. On October 26, 2011, Sultan Qaboos issued Royal Decree No 113/2011 amending provisions in the Labor Law to provide increased protections and rights to the private sector workforce including shorter workweeks, fully paid maternity leave, and increases in overtime pay. The business sector has expressed concern about the increased costs of implementing many of these changes. The changes are expected to primarily affect only Omani citizen workers; expatriate workers are often hesitant to assert their rights out of concern that their employment contracts might be allowed to lapse, requiring them to leave Oman.

- **Qatar:** The 2004 labor law and subsequent regulations provide for the right of Qatari citizens to form workers' committees in private enterprises with more than 100 Qatari citizen workers. Non-citizens are not eligible to form worker committees. Those working in the government sector, Qatari and non-Qatari, are prohibited from joining unions. Further, the law and regulations permit only a single national trade union structure and forbid affiliation with groups outside the country. These restrictions mean that, in practice, no labor unions currently exist. Under the labor law, workers are granted the right to bargain collectively and to sign joint agreements, i.e., agreements reached between employer and worker regarding a work-related issue. It is common practice in Qatar for expatriate workers to be provided accommodation, end of service benefits and homeward passage allowance, in addition to salaries. Qatar does not have a minimum wage regulation, though Qatar's labor agreements with some countries stipulate a minimum wage for certain types of work. The Labor Law does not apply to domestic workers or drivers.

- **Saudi Arabia:** Saudi labor law forbids union

activity, strikes, and collective bargaining. However, the government allows companies that employ more than 100 Saudis to form "labor committees." By-laws detailing the functions of the committees were enacted in April 2002. Domestic workers are not covered under the provisions of the latest labor law, issued in 2005. The Saudi Majlis al-Shura, a consultative assembly with a role in the legislative process, has proposed a law covering domestic workers, which is now with the Council of Ministers for review. Overtime is normally compensated at time-and-a-half rates. The minimum age for employment is 14. A July 2004 decree addresses some workers'-rights issues for non-Saudis, and the Ministry of Labor has begun taking employers to the Board of Grievances. Some of these penalties include banning these employers from recruiting foreign and/or domestic workers for a minimum of five years.

- **Jordan:** Labour unions serve primarily as intermediaries between workers and the Ministry of Labour and may engage in collective bargaining on behalf of workers. There are 17 recognized unions in Jordan, and they are all members of the General Federation of Jordanian Trade Unions. Estimates put union membership at less than 10 percent of the labor force. Additionally, there are 40 professional associations active in Jordan, including many that have mandatory membership. According to official figures, about 30 percent of the total labour force, including government workers, belongs to either a union or a professional association. The law does not require employers to include retirement plans in employment packages. However, if the employer agreed to provide retirement benefits when the worker was contracted, the employer must fulfil that commitment.

## Conclusion

Human Resource responsibilities have become broader and more strategic over time in response to a number of trends. Changes are occurring today that are requiring HR managers to play an increasing central role in managing companies. These changes or trends include globalization, changes in the nature of work, and technology.

Human Resources managers must partner with top managers to design and implement company strategies. The focus on operational improvements means that all managers must be more adept at expressing their departmental plans and accomplishments in measurable terms. The emergence of labor unions in many Arab countries has added challenges to the HR department's responsibilities.

Building and maintaining a competitive advantage allows a company to survive and remain



profitable. HR can make a critical contribution to the competitive advantage of a company by building the organizational climate and structure that allows the company to tap its special skills or core competencies and rapidly respond to customers' needs and competitors' moves.

This study sought to investigate questions about Factors Impeding HRD in the Arab World; major findings in this study, based on the literature review, were that the barriers in internal and external environment, ineffective leadership, lack of systematic approaches and planning for the best possible use of human resource are major factor impeding HRD, in addition to the change in demographic characteristics, lack of employee commitments, lack of support of HR initiatives and innovation.

Also lack of spending on training as well as the slow use of modern information technology and Internet technologies, accompanied by the need for motivation and incentives are all factors impeding HRD in Arab world.

Diversity is a relatively new subject in the context of the Arab world, but diversity policies are slowly developing. While this remains a delicate issue, observing and understanding diversity will help in recognizing the importance of this issue in HRM.

#### Corresponding Author:

Niveen M. Al-Sayed  
Department of Business Management  
The University of Jordan  
Amman 11942, Jordan  
E-mail: [n.alsayed@ju.edu.jo](mailto:n.alsayed@ju.edu.jo)

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