THE UNIVERSITY OF HULL

**Motivation of Bank Employees and Effects of Culture in the
Islamic Banking Sector
A Case Study of Al Rajhi Bank**

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ABSTRACT

Motivation has been thoroughly explored by researchers in many social science disciplines, including business studies in general and human resources management in particular. The primary purpose of the research reported here is to investigate how culture affects motivation within the context of Saudi Arabia and its Islamic banking sector, with reference to workers at branches of Al Rajhi Bank in Riyadh. This research adopts an epistemological interpretive perspective. Epistemology is primarily concerned with how we understand the world and our interpretation of what is happening. Thus this research is that of a practical epistemology as it looks at how workers at the bank interpret their lives through daily practice. Thus it has an ultimately practical aim: to make recommendations as to ways in which the Al Rajhi management could improve the motivation and thus the performance of its workforce.

A qualitative approach is adopted, drawing on semi-structured interviews and focus group discussions with managers, supervisors and employees of the bank. The study examines motivational theories in a practical context with particular reference to major cultural dimensions, especially religion, which is found to play a very important role in the Saudi context. It explores the complex relationship between Islam, culture and gender relations in the workplace. Among the many constraints on this project were that it was impossible for the male researcher to interview female employees face to face, as he did with male respondents.

The notion of culture is difficult to integrate within the context of motivation, since they are two separate phenomena that are studied and researched by distinct groups of writers and scholars. The study is nonetheless able to conclude that culture appears to affect motivation at work quite differently in the present context from that to which Western motivational theories apply, largely because culture in Saudi Arabia is closely bound up with religion. Islam influences and defines Saudi culture much more strongly and directly than is accounted for in most Western motivational theories. Indeed, Saudi culture cannot be defined without reference to Islam. Management theories have been developed in the West through empirical studies that have shaped Western notions of

motivation and which cannot therefore be straightforwardly applied in the Middle East. This thesis argues that such theories may nonetheless be partially and validly applicable to the Saudi context, in spite of the fact that its culture and society are dominated by Islamic values.

This research contributes to existing work in the management field on motivation and culture. An extensive body of knowledge relating to these two topics has been identified and coordinated in the process. This, it is envisaged, will inform organisational policies in the Saudi banking system. It is anticipated that the study will help to achieve a degree of understanding of motivation at work that are applicable to the Saudi Islamic banking sector.

DEDICATION

This thesis is dedicated to the memory of my mother

Thanks for all your love and sacrifices for us. Your deep love of your children imbued

in us a strong sense of intimacy and brotherhood.

May Allah have mercy on you and place your souls among those of believers.

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ABBREVIATIONS

CB	Conventional Bank
HR	Human Resource(S)
HRD	Human Resource Development
HRM	Human Resource Management
IB	Islamic Bank
IFI	Islamic Financial Institution
IHRM	International Human Resource Management
LTO	Long-Term Orientation
MAS	Masculinity
PD	Power Distance
PM	Personnel Management
PDi	Power Distance Index
SAMA	Saudi Arabian Monetary Agency
UA	Uncertainty Avoidance
uwbp	Upon Whom Be Peace

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1:

INTRODUCTION

1.1 Focus of study

This research looks at the relationship between motivation and culture in the banking industry in Saudi Arabia, with particular reference to the Riyadh-based Al Rajhi bank. Within the field of organisational behaviour, motivation and culture are two phenomena which have been addressed in the literature as specific topics of study. The field of business is dynamic, with people who work in organisations being part of that process. As humans we live in a global village with technology and communication at its heart. In the global economy, companies are continuously being challenged, and while human resource management (HRM) may look at issues such as work situations, the contention of this thesis is that motivation and culture are equally significant elements that are of interest to researchers. Western theories of motivation have roots in early 19th-century American and European history. Amongst the many theories that address motivation is Maslow's (1954) hierarchy of needs, but this thesis questions the appropriateness of Western models to non-Western work environments and further contends that motivation in Islamic societies is both different and complex.

As a complex field of study, motivation is a driving force that defines how employees work within an organisation. This thesis argues that the way employees are treated in the UK context is different from how they are dealt with in Saudi Arabia and the Middle East region as a whole. The interesting element is that cultural differences cannot be disregarded, because they shape work ethics in organisations. If companies are to succeed, then their most important asset, which is their rich human resources, must be

carefully studied in terms of levels of productivity and performance. Elements of the external and internal environments are also worthy of consideration for the ways in which they affect behaviour in organisations. Examples of such elements are politics, government policies, relations with other companies, competition from existing competitors and markets.

Globally, maximising employees' productivity is a crucial task for the management of many companies. While part of the human resource (HR) department's role is to offer appropriate training of staff to undertake their allotted tasks responsibly, motivating staff to reform their jobs and be part of the company is equally challenging.

Motivation is a topic of study which has been explored in many disciplines within the social science field. Researchers have investigated with keen interest its role in business management and how it relates to employee behaviour in the workplace. The contention of writers such as Green (2010:1-9) for example, is that if managers can understand what motivates employees then the workforce will be more productive. Writers such as Green (2010) and Halepota (2005) also suggest that there are several theories which attempt to explain the nature of motivation as it relates to organisational behaviour. These theories seem to suggest that humans as rational animals work towards goals that they can achieve.

Approaches to motivation come from two sources within the social sciences: (1) Sociological perspectives and (2) Psychological perspectives. Sociological perspectives look at the impact of the social environment on employees; sociologists hold that societal forces influence human behaviour in social surroundings. Psychological

theorists, on the other hand, look at the nature of motivation as intrinsic within the individual.

The role of culture in organisations has been addressed in the literature. However, it should be noted that culture does not only refer specifically to organisations, but also has wider connotations, such as for example, a national or regional culture, or a religious and ethnic culture. Organisational culture refers to the work ethic within companies which binds employees together and in many respects functions together with motivation. In many instances, it is argued that factors such as family values, beliefs, gender, culture and socio-demographic variables all play significant roles and can affect employees' notion of HR as it pertains to motivation in the workplace (Khalil, 2006).

1.2 Research approach

The notion of adopting an epistemological approach involves that of rethinking the manner in which people perform important tasks in society. Epistemology makes basic assumptions about how humans as individuals internalise reality and what the connection is between that reality and knowledge. The ontological approach of interpretivism argues that social reality is made up of how individuals interact in different contexts that are within the real world. Individuals, as human beings, make up society which can be described as a commulation of inhabitants with different capabilities. In societies, as individuals carry about their daily lives, there is tremendous interaction with the use of language and physical behaviour during the couse of everyday social life. Within this dichotomy, however, there are also limitations of human capabilities while recognising there are different spheres of engagement such as

interaction and relationships. Thus the interpretivism hold that humans behave in ways based on decisions that they make which is about freedom and having a sense of autonomy to choose a path.

Epistemology takes into account how these approaches come together. The researcher is interested in how the participants of the bank take on their roles as both members of the Saudi society as well as being dedicated employees of the bank. The ontological/epsitemological argument is that there is recognition of the different aspects of life for individuals in society. For example, in this resesasrch, how people interact within the structure of a formal organisation: the Al Rajhi bank has been very interesting to observe. There is an urgent need to understand how partipants show a commitment to what they hold to be valuable i.e. their jobs as citizenship in the Kingdom. An ontological approach is about the reality of nature. While the positivist stand within the ontological debate argues that there are laws, the interprevistm approach holds that there is an ever ongoing shift in patterns of behaviour. In addition, hence, there are demands in terms of the value commitment of participants which are reflected in the economics of life. The ontological/epsitemological approach helps to think of society as being a comination of individuals within society. Park and Lee (2010) contend that the interprevist approach is to identify with the particpants' in the research from their experiences. Since behaviour, it can be argued, is open to interpretation, then the perspectives and experiences of participants are valuable. An interpretivist approach argues that knowledge is important since people behave differently across time and space due their experiences. Therefore both knowledge and

experiences are internalised. While the positivist approach argues for the world on a physical level or 'as is' interpretivism is based on the approach of an interpretation within particular times.

This study adopts a qualitative approach in gathering primary data, using focus groups and individual interviews. This approach allows the researcher to discover how participants have interpreted their actions within the environment that is being studied.

The research adopts an epistemological perspective in examining the Al Rajhi bank as a leading organisation in the banking industry with the aim of investigating the relationship between motivation and culture. The use of the particular data-gathering instruments is addressed in the methodology chapter. The research questions were formulated consequent to the reading of the literature on banking and HRM which would help to understand motivation in the banking industry of Saudi Arabia. Therefore, motivation is analysed vis-à-vis culture in Saudi Arabia's banking system provides an important route in this regard.

The main argument put forward by this research is that motivation and culture are factors which co-exist and are influenced by religious beliefs that run deep within the Saudi work environment. People are motivated to work in the Saudi system, as the interviews indicate, because of their affiliation to the Kingdom and because they feel comfortable working in an Islamic environment along with others who adhere to a similar belief system. This research therefore focuses on looking at the interpretation of participants' understanding of how their culture is linked to motivation in their jobs as well as how they view the influence of culture from a social fact perspective. The participants have been able to offer pertinent information about what affects them in in

two respects. Firstly, their daily lives and secondly, how they go about their work in the bank. Therefore the researcher has been able to 'tap' into this extremely valuable resource from an interpretivist position. It is the contention of this paper that culture is an important aspect of an individual that cannot be ignored. Therefore the participants in this study, it is argued, have a three-fold relationship, the first being as an individual and the second as a citizen and the third as an employee. The researcher feels that participants's contributions have offered an insight into the nature of culture that has not been previously explored from an ontological/epistemological approach.

This research adopts an interpretive position, as the responses given by interviewees are interpreted according to their worldview, which is dominated by belief systems that they hold about their culture, religion and family. The researcher is interested in understanding the impact of these factors as they influence the lives of workers and the ways in which they have shaped their perspectives on what it means to be an employee. An ontological/epistemological philosophy advocates that knowledge and the conceptualisation of entities such as objects are important in understanding the world (Mauricio and Barbosa, 2009; Lehrer, 2000). Therefore, this research seeks to investigate from an epistemological perspective the knowledge that participants hold about the world around them and what has shaped that world. It is interesting to note from participants' responses that their world seemed to be shaped by material and physical considerations. As this study takes an epistemological approach, it is important to examine the changes taking place in the Al Rajhi bank in parallel to the cultural environment within Saudi society. The argument that the thesis advocates is that workers' perceptions of what motivates them are closely related to the prevailing Saudi culture.

The role of epistemology as it applies to the study from a business perspective concerns the function or role of employees who are employed by the Al Rajhi bank. Employees were cooperative during the interviews. However, there were many concerns that employees had in terms of their duties, motivation and work roles. Although many were 'very grateful' of being at such a prestigious bank, nevertheless had concerns about certain issues which were open to interpretation in many ways. Those employees who were employed with the bank for many years felt that in the present economic climate there was a sense of uncertainty in spite of being promised the security of their jobs. This however was interpreted as being exaggerated by on the part of the bank.

The adoption of an epistemological approach to the present study is consistent with an organisation paradigm. Many employees spoke of their interpretation of motivation and the connection to culture. The perception of many workers, firstly is that there is unfair treatment in certain areas and secondly as well as issues related to employment of expats whom it was felt were taking over the industry and jobs of the Saudi citizens. Hence many of the employees were interpreted this to mean that their jobs are only for a short time until a foreign employee comes along to take the job away.

This is particularly interesting when businesses face periods of economic unrest, as Ghosh et al (2009) contend that with the growth unemployment and downward economic trends have brought fundamental changes to the global labour markets which has tremendous implications for organisations. This makes the external as well as the internal environment of organisations as being dynamic in the present unstable global circumstances.

1.3 Brief introduction to HRM and Saudi society

Saudi Arabian society is composed of strong family ties, deeply rooted in cultural as well as religious beliefs, all of which influence motivation and behaviour of individuals. Thus, this research argues that employees who work in religious societies like Saudi Arabia work with those who share a similar belief system and common cultural bonds. While its economy is based on oil, Saudi Arabia has experienced a boom in the services industry. Large capital investments have been made by the government in setting up the banking system in accordance with the Islamic legal framework. One such example is the Shariah-compliant banking system, which operates on the *murabaha* rules, or interest-free guidelines (Usmani, 2002). At the same time, there are foreign influences, as many foreign companies operate within the region; over twenty-five thousand expatriates work in the various regions of the country, in professions that range from engineering in oil fields to teaching in primary and secondary school and colleges. Moreover, under reforms of the investment laws in the Kingdom, foreign nationals are allowed to invest in Islamic banks. In this context, it is of interest to discover how HR departments are performing with regard to employees' motivation in this new and exponentially expanding industry.

The work that has been done in the field of HRM as it relates to the Islamic workplace is minimal (Budhwar and Mellahi, 2007; Hashim, 2009). Indeed, despite the fact that the religious foundation of HRM is an important topic, as Hashim (2009) observes, the subject is almost never highlighted in the relevant literature. Therefore, it is envisaged that this thesis may become a catalyst for future work on similar projects in the banking and other business environments.

The first step is to examine the literature relating to the topic. Using this as a foundation, the argument is developed that Muslim employees work in an Islamic atmosphere and are surrounded by a culture that is specific to that environment. Therefore, there are certain writers such as Hashim (2009: 252) who argued that HR managers who work in Islamic organisations are obliged to apply the Shariah. The extent to which it is applied in practice, however, remains largely untested. However, it appears that there is some measure of obligation upon managers to obey such rulings and to apply and adopt an Islamic approach to the management of workers.

Organisations have been transformed over the years as a result of global factors. Amos et al (2008) argue that in a highly global business context, the concentration has shifted from technology to the recognition of employees as a vital human resource which is acknowledged by managers themselves. While technology contributes to continuing growth, without manpower in the form of employees there would be no success. In addressing the ethics and business, researchers such as Smith and Dubbink (2011:205-231) have addressed issues of the moral philosophy of business ethics. These writers stress the role of a moral perspective in the business world as well as moral principles and judgements.

Managers work through and with people, but human behaviour is complex, irrational and often unpredictable. Individual behaviour is influenced by many different factors, which complicates the task of the manager. This task is made easier if employees are well motivated. However, in practice, this seldom happens and most managers find themselves in situations where their subordinates are extremely unmotivated and unproductive. To be an effective motivator, a manager needs to be aware of the existing

body of knowledge on motivation (Blau, 1993). Amos et al (2008:1) refer to 'intellectual capital', which is the ability to transform employees' abilities and skills to benefit the organisation in terms of wealth creation.

Organisations have in recent decades realised the importance of HR for achieving the goals of their shareholders. HR is increasingly perceived as the most important asset of any organisation and has become the core of organisational strategies (Mueller, 1996; Becker et al, 1997). Many leading organisations worldwide have initiated their own HRM strategies.

Motivation and culture have been recognised in the literature as vital and significant elements of HRM in organisations. Mueller (1996) and Becker et al (1997), for example, hold that human resources have increasingly been perceived as the core of organisations and that they remain the core of strategic management issues in many companies. The field of international human resource management (IHRM), for example, has been researched extensively in recent times in line with the growth of globalisation, whereby many companies are opening branches in parts of the developing world. Mellahi (2007) argues that HRM is a relatively new field of study in Saudi Arabia, which has outdated laws dating from 1969. He cites Atiyyah (1996) as stating that an absence of appropriate laws and regulations allows discrimination against foreign workers.

All schools of thought view employees as constituting an important asset that play an important role in organisations (Amos et al, 2008). However, as noted above, motivating them is a complex task. Buchanan and Huczynski (2004:263) cite work on pay-related schemes done by Kohn (1993), who argues that people may not necessarily

be motivated by wages and bonuses. Managers have used the potential motivating score, which indicates how motivating a job is for an employee based on factors such as skills, variety of tasks, significance of job given, autonomy of the task and feedback on performance. The shift in perception, whereby people are now seen as 'soft assets', as opposed to physical structures, which are considered to be 'hard assets', has been commented on by several writers.

Herrbach et al (2009:895-915) contend that based on United Nation (2007) figures, industrialised countries have seen demographic shifts in newly educated people who are entering the market. However, this shift has meant that young people are getting employed much later which has put a strain on older workers. Work done by researchers Lee and Saini (2010: 477-500) has look at the religious and cultural diversity in India and how the law has dealt with the social inequalities and complexties. This has meant that there is considerable shift in the psychology of HRM and the operational system to taken into considerations the firm's position. HRM is about dealing with people who have intellectual capacities and offer their services to the productivity of the firm.

Amos et al (2008) argue that people are at the forefront in economies that are service oriented such as the Al Rajhi bank. Therefore, from this standpoint, it is argued that skills and abilities are human resources which are the main targets of the modern organisation for sustaining its success and gaining competitive advantage. It is further contended that workers of any organisation do not operate within a vacumn but are part of a wider culture. Workers bring to the organisation not only their skills but personalities, their learning and experiences all of which tend to give shape to their ideology and thinking which ultimately affect their motivation ot work. Organisations

are constantly challenged to maintain a good workforce. Good use of the mix of abilities, experiences as well as abilities equal to the enhancement and success of the business. The decline in the world economies has meant that there is a renewed focus in terms of human resources and HRM. The impact of HRM on employees has meant a consequent shift from tangible wealth to a better workforce who are productive. HRM is seen as the key to a successful company which has been linked to market economies and with the efficient use of human resources there will be an increase in the value of the organisation.

The assertion of writers such as Amos (ibid) is that skills training seem to be appropriate in the HRM organisation as it help employees to be innovative. The underlying assertion is that human behaviour is a complex mixture of psychological and physical factors, dependent on knowledge and abilities. It is precisely the recognition of this mixture, together with keen acumen, that helps to sustain organisational success and gives businesses a competitive edge in modern societies.

1.4 Research questions

This study seeks primarily to determine how motivation and culture affect employees in the Islamic banking sector of Saudi Arabia, particularly in the Al Rajhi Bank. Specifically, it attempts to answer the following questions:

- How does religious orientation influence the level of motivation of employees of the Al Rajhi Bank?

- Can Western models of motivation be applied to Islamic banks in the Kingdom of Saudi Arabia, with specific reference to employees of the Al Rajhi Bank?

- How are culture and motivation linked in the Islamic banking sector in the Kingdom, as reflected among employees of the Al Rajhi Bank?

- What is the relationship between motivation and personal characteristics such as gender, education and citizenship among employees of the Al Rajhi Bank?

- What is therelationship between motivation and the interpretative approach paradigm?

1.5 Research objectives

The research is intended to achieve the following objectives:

- To identify and explain what factors motivate staff in the Al Rajhi Bank.

- To explore the links between motivation and culture.

- To evaluate the management performance of an Islamic bank regarding the motivation of staff (focusing on religious orientation and motivation of employees).

- To establish a strategy for the motivation of bank staff that will achieve an optimal management of their behaviour.

- To consider what impact modifying the policies and strategies employed may have on human resources.

- To evaluate the extent to which Western models are applicable to Saudi Arabia.

- To investigate the management performance of an Islamic bank regarding motivating staff and what impact modifying the policies and strategies employed will have, to make this new industry more appealing to prospective and current investors.

- To provide a base of comparison between the Middle Eastern and Western management styles, to identify any differences and to relate them to the social aspects of the two cultures.

1.6 Contribution to knowledge

This present work attempts to explore and evaluate how HR departments are performing with regard to employees' motivation in the banking industry in Saudi Arabia, with reference to the Al Rajhi bank. Any study in this respect will make contributions ranging from general ideas applicable to the management of any bank in the world to those more specific to banks in Saudi Arabia.

The study contributes to the existing body of knowledge in terms of identifying how motivation and cultural structures play an intertwined role within a specific culture – in this case, that of Saudi Arabia. Its significance can also be seen in the demonstration of the ways in which models and theories support such understanding.

This study, it is envisaged, will assist managers in the Saudi banking industry by facilitating the identification of motivational factors required to improve workplace productivity. Similarly, it will assist government policymakers to reinforce the importance of cultural considerations in the formulation of legislation relative to the conduct of Saudi organisations. It will also be of assistance to academics to validate and confirm the social relevance of culture in the motivation of employees and the consequent improvement of workplace productivity. Finally, the researcher hopes that the present work can be utilised as a resource for future studies which are done in similar organisations and environment that related to a specific culture such as Saudi Arabia.

1.7 Organisation of thesis

The thesis is divided into eleven chapters. Chapter one has provided an introduction to the thesis, stating the research questions and outlining the arguments. Chapter two reviews the literature on the main theories of motivation, offering for each a critique, an evaluation and an analysis, by considering the application of the theory to the present research. Chapter three continues the literature review by exploring motivation in the Saudi context, thus providing a link to the fourth chapter, which reviews the literature on the major theme of culture as applied to the study of organisations and to differences between the West and the Middle East. Chapter five has a very specific focus, examining Hofstede's model of national culture, which has been chosen as the basis for this research. Chapter six then considers in fuller detail the background and culture of the Kingdom of Saudi Arabia, where the study is set. Within this local context, Chapter seven is specifically concerned with a detailed presentation of the Saudi banking industry, of its place within Islamic culture and of the situation of Al Rajhi bank in particular. Chapter eight discusses the essentially qualitative methodology adopted for the research and the data gathering instruments that were employed. Chapter nine presents the data from the interviews and analyses the findings, which are further discussed in Chapter ten, relating them to the research questions set out above. The concluding chapter offers practical recommendations and suggestions for future research.

1.8 Conclusion

The wider implications of the theoretical approaches to motivation are considered as the foundation for the application of this research. It is interesting to note that motivation affects all humans in different ways: people operate according to various conditions that

affect them depending on the circumstances. In a similar manner, consideration will be applied to the necessity of understanding cultural approaches to organisational behaviour. Various writers argue that motivation has to do with behavioural traits, while other schools hold that there is a link between motivation and the cognitive process. Whichever argument is applied, it seems that culture impinges upon the behavioural traits and aspirations within a given workforce, from which we shall be able to deduce a clearer application of theory to working practices.

Research in the field of motivation argues that motivation affects people on different levels. Researchers (Hofstede, 1991; Matsumoto, 2000) for example, in the area of HRM have found that people of different cultural backgrounds come to work with different values related to their work. These values include individual orientation and attitudes towards work itself, towards relationships with other employees in the organisation, towards the organisation and so forth (Hofstede, 1991; Matsumoto, 2000). Based on these assessments, it is becoming clear that effective management practices in one country may be ineffective when applied in another country (Nzelibe, 1986), since culture can affect managerial attitudes (Kelley et al, 1987), managerial ideology (Miyajima, 1986) and how people think and behave.

Therefore, in closely examining international differences in HR systems, it is imperative to look at a range of factors and to examine closely how nations differ in a number of cultural variables. A review of the relevant literature shows that culture is one of the factors that affect the degree of motivation, which affects the intensity of needs (cf. Huo and Sters, 1993). This thesis, therefore, explores the notion of culture within management and in particular the manner in which it relates to organisational

management and workforce systems. In particular, Hofstede's model will be applied to the cultural conceptualisation within the Arabic banking sector, from which appropriate conclusions can be drawn.

This chapter has introduced the nature, aims and objectives of this enquiry. The next begins the review of the relevant literature by considering the most pertinent theories of motivation.

CHAPTER 2:

THE KINGDOM OF SAUDI ARABIA AND THE BANKING SYSTEM OF SAUDI ARABIA WITH REFERENCE TO AL RAJHI BANK

2.1 Introduction

This chapter begins by describing the Islamic approach to Islamic banking and a review of the relation between Islam and the economic environment. The remainder of the chapter comprises a detailed profile of Al Rajhi bank, the setting for the fieldwork element of the present study. This chapter contextualises the present research in the political, economic and cultural climate of Saudi Arabia and begins by briefly introducing the geographical setting and demographic composition of the Kingdom of Saudi Arabia. The system of government is later explained and attention drawn to the country's political relations with the outside world since the September 2001 attacks in the USA. An overview is given of the Saudi economy, and the financial sector with particular focus on Saudi banks. Therefore, the chapter is shaped within the context of the research questions posed in the introductory chapter. It is important to reflect upon these throughout the thesis, as they have formed a guide to its writing. This chapter is important, as it outlines the political, social and economic climate of the country, which can be said to form part of the broader cultural reality of the Arabian Peninsula.

According to Hamdan (2006:43-64), Saudi Arabia, which covers about 900,000 square miles, was established in 1932 under the leadership of Abdul Aziz ibn Abdur Rahman al Saud and presently has an approximate population of 19 million, with Arabic as the main language, although dialects vary from region to region. Saudi Arabia is unique in the sense of its historical legacy, the wars that have been fought and the religious and cultural history that have shaped the present country. The discovery of oil has provided

great wealth, previously undreamed of in this land largely comprising desert terrain, and has made the Saudi state an important player on the world stage. An analysis of the economy and politics of the Kingdom will make it clearer how these elements affect motivation in the workplace.

The development of the Saudi state did not come about by what is considered to be a normal process of colonisation by Europeans, but by internal development without external agencies. Arabia was a desert land whose inhabitants were related by tribal membership and where water was a precious commodity. Social affiliation was based on tribal ties and each tribe protected its members. This legacy is evident in the books relating the life of the Holy Prophet. One anecdote concerns a time when the Kaaba was destroyed by floods and the tribes came together to rebuild it. When they came to put back in place the black stone, which is considered to have come from heaven, the tribes fought over who had the most right to do so. The Holy Prophet (uwbp) took a cloth into which the stone was placed, and then chose a representative of each of the tribes to hold the cloth, using it to carry the stone to its place. If he had not done this, there would have been war between the tribes. It is within the context of this fundamental incident from Islamic history that the phenomena of motivation and culture should be understood in modern Saudi Arabia.

Al Saggaf and Williamson (2004) contend that Saudi society is very conservative, with Islam playing a 'central role' in the lives of the citizens, defining the culture and determining 'the norms, values, attitudes and the practices of the larger community'. In addition, the segregation of sexes is part of that culture and has a 'profound influence' on Saudi society. Segregation, it is argued, has implications both socially and

psychologically and applies to all aspects of institutional, public and private life, including offices, universities, restaurants and other places. This rigid segregation has been described as a 'mechanism which is primarily designed to protect the honour of women from men who may encroach on the honour of the family' (ibid).

2.2 Organisational culture in Saudi Arabia

One of the key areas addressed by this thesis is organisational culture, which is an important aspect of modern organisations. It is equally significant to chart the relationship between Saudi culture and religious authority. This thesis further contends that culture and religion are interrelated in many ways. Saudis tend to take their frame of reference from the Quran and the Sunnah, which formulate the Shariah. Indeed, the culture of Saudi Arabia is interwoven with the Islamic way of life and the two are difficult to separate.

The term 'Shariah' refers to Islamic law as revealed in the Quran and through the example of the Prophet Muhammad. The authority of Shariah is drawn first and foremost from the specific guidance laid down in the Quran. The second major source is the Sunnah, which translates as 'the Way' and refers to the way in which the Prophet Muhammad lived his life. This is based on the Hadith, a collection of texts relating everything significant that Prophet Muhammad (uwbp) said as well as did and approved of. Another important source is *qiyas*, which involves the interpretation and analysis of existing law to suit present-day situations.

Saudi Arabia's position within the global economy has become established as pivotal since the discovery of oil; therefore, successive governments have sought to ensure a supply of skilled and educated workers who have business acumen. An important aspect

of this is the training of staff. Therefore, focusing on building strategic resources to generate a sustainable competitive advantage by promoting learning, risk taking and innovation (Blunt, 1991), Saudi businesses can become learning organisations and develop their institutions to compete in the global economy. According to the Ministry of Economy and Planning (2005), Saudi Arabia possesses at least one quarter of the world's oil reserves, and the oil industry dominates the economy. Saudi oil reserves were estimated in 2002 at 260 billion barrels and according to 2004 predictions have the capacity to last for about another seventy-five years. Oil production in Saudi Arabia is very attractive because it is cheap when compared to other Middle Eastern and Gulf countries (Niblock, 2006:2).

Kalantari (2005:125) observes that 'since the 1980s the concept of organisational culture has become an important aspect of administration'. Culture in organisations comprises those assumptions, values, norms and customs which have been expressed over a period of time, which have become embedded within the organisation and which have become not only acceptable but expected forms of behaviour (Kalantari, 2005). Within the Saudi environment, IHRM is an important aspect of business management, since much of the workforce consists of expatriates from Europe and North America. Organisational culture has also been linked to performance at the individual level (Scott et al., 2003).

It is important to address issues such as creativity in the workplace and its contribution to the practice of HRM, as employees are continuously required to be creative. Sadi (2007), for example, argues that the theory of individual creativity advanced by Amabile (1997) is useful in understanding how organisations can be creative and

innovative. According to the theory, all practices that are related to management, to resources and to motivation are essential elements that are 'analogous to the development of task skills and experience as well as creativity skills' (Sadi, 2007).

This thesis argues that there is a relationship between motivation and culture where people work within a defined cultural arena or context. The organisation under study is Al Rajhi Bank in Riyadh, which is considered to be a major Saudi bank. The people who work at the bank are part of the system; not only are they employed to carry out specific roles and duties, but they have identified themselves with the bank. Therefore, for many of these employees, Al Rajhi is an icon of the country that they are proud of. The Al Rajhi employees interviewed for the present study suggested that they were proud to work for the institution, which they saw as being typically Saudi.

It is the present researcher's observation that Saudi companies tend to have well designed offices and state-of-the-art equipment. Their budgets are sometimes set without limits. Much of the know-how often comes from Western sources, but there are differences in terms of the techniques and the systems that are used by Arab businesspeople. There is a mixture of traditional and modern business management in Saudi Arabia. The foreign-educated students who return armed with MBAs and PhDs in business management have contributed to the way in which the country has tried to modernise its business infrastructure. Those who have been educated abroad, usually in Europe and North America, return to the Kingdom with a zest for reform and modernisation, having been exposed to Western influences and thought. While there is sometimes a clash of ideas between the traditional businesspeople and these foreign-educated Arabs, the traditional and modern approaches to management often merge to

create a new understanding of how business operates in the modern Saudi context. However, there are business managers who are considered to be traditionalists, primarily because they reject technology or hold on to old views, such as that the place of women is at home and that they should not work. Notwithstanding such resistance, change is underway; slowly but surely, the new breed of Saudi businessmen are paving the way for the utilisation of modern management systems.

2.3 The culture of Saudi Arabia

The work of Kalantari (2005) and Mellahi (2007) highlights the cultural aspects of organisational and corporate affairs in Saudi Arabia and the Middle East.The contention is that Saudi culture influences motivation in Saudi companies. The argument put forward is that although Islam is the religion and the centre of life for Saudis, the diverse culture is also an important factor that needs to be taken into consideration. Idris (2007) notes that studies of culture in Saudi Arabia have indicated that it closely resembles that of other Arab societies, primarily because of the fundamental common element of Islamic teachings that resound throughout the Middle East. Lundgren (1998) contends that Islam is heavily embedded into Saudi life, so that it is difficult to differentiate between what is culture and what is Islam, and that 'there is a strong marriage between Islam and the state'.

There is relatively little material on HRM in the Middle East region and in particular in Saudi Arabia, although some works have been written recently with specific reference to Saudi Arabia (see Niblock, 2010 and Al Rasheed, 2002, for example). This section draws on the work of writers such as Kalantari (2005), Mellahi (2007) and Tayeb (1997), who have done considerable background work.

Saudi Arabia has a young population structure, and the government has started to attach great importance to the education and training of young people, with the establishment of many universities and schools. The work of Hamdan (2005:42-84) highlights the challenges facing the Saudi government in setting up the educational system in the early years. Joint ventures with the private sector have prepared a generation of managers and technocrats. There has been a rise in the number of young Saudi professionals graduating from domestic universities and the government has created HR funding programmes to provide job skills training for Saudi youth. The Kingdom also allows businesses to recruit from overseas if necessary and there are around six million skilled and semi-skilled expatriate workers in the Kingdom, from senior managerial level to labourers. Unskilled labour in Saudi Arabia costs US$ 2.77 per hour, compared to US$ 2.63 in Mexico and US$ 22.60 in France. The Kingdom offers substantial public and private educational institutions as well as research and development facilities. The private sector also runs major vocational and professional institutes (Ministry of Labour, 2009).

2.4 HRM and culture in Saudi Arabia

This section considers how the general and business cultures have influenced motivation in Saudi companies, with particular reference to human resource management. HRM as a separate science has roots in personnel management (PM). According to a distinction which was first made by the Harvard group (Beer et al, 1984, cited by Tayeb, 1997:353), HRM is concerned with strategic management, while PM is primarily associated with the governance of personnel. HRM is also concerned with the role of managers in coordinating the tasks of subordinates. Thirdly, HRM is an integral

part of an organisation's culture, but is not affiliated to personnel management (Legge, 1989, cited by Tayeb, 1997).

A complicating factor when studying HRM in Saudi Arabia is that literature is almost non-existent, as noted by Budhwar and Mellahi (2007): 'In comparison to other parts of the world, the Middle East region has less available literature related to the field of HRM.' Nonetheless, HRM in the Middle East and particularly in Saudi Arabia has been of concern to modern management theorists, as has IHRM. Many employees at the Al Rajhi bank stated that the problem is exacerbated by the traditional cultural values that are held very strongly by employees and are intrinsic to the organisations and their management systems. There are many common misconceptions about definitions of culture and religion, with these two phenomena often being confused and interlinked to such an extent that the fine line between them is obscured.

Many disciplines (psychology, sociology and economics) have been used in HRM to identify key ideas that contribute to an understanding of the subject. Budhwar and Mellahi (2007:2-10) identify several major factors that have contributed to an understanding of the problems of HRM in Saudi Arabia, arguing that these have:

> 'extremely serious implications for HRM in the Middle East region. Issues such as the impact of the different variables and factors of HRM that relate to unemployment, locality, the division of male and female gender roles, the legal framework within which workers are described, together with the emerging HRM parameters in other Arab states such as Jordan, Oman, UAE all contribute to understanding HRM in Saudi Arabia'.

Mellahi (2007) contends that it is important to examine the political process against the background of the foundation of the Saudi state in the late 1920s and early 1930s. The House of Saud was established then and remains at the head of an absolute monarchy (ibid). The discovery of oil brought substantial changes to the lives of the people, as the

government made very substantial financial investments in the building of hospitals and other public buildings, which saw a great influx of foreign workers to perform this work (ibid; Kassem, 1989).

Hamdan (2005) holds that despite the social upheavals in Saudi society, the discovery of oil has brought unprecedented changes to the economy, affecting the lives of the Saudi people and bolstering the legitimacy of the leadership and the government. Aboelenein (2004) contends that Arab societies have undergone significant changes since the middle of the twentieth century, with the discovery of oil in the 1960s and the boom that was witnessed in the 1980s: the exploitation of oil 'has been crucial for the Gulf region[, bringing] economic transformations which [have affected] all of the Gulf societies'. The sale of oil generated income that affected the socio-economic structure of the country, partly through the expansion of education and its extension to many more females (Yamani, 1996, cited by Hamdan, 2005:42-64).

Many writers have argued that in spite of the significant financial investments that have been made, there remains a cultural rather than a professional outlook towards business. As Mellahi (2007:89) observes, despite the fact that there has been a 'substantive introduction of formal rules-based structures in the management of the economy, personalised and idiosyncratic factors based on informal customs and judgements are still dominant in the management of both private and public organizations.' Mellahi is not the only writer to have voiced such criticisms. For example, Kalantari (2005:26) argues that the entire Middle East region is very wealthy in terms of its culture, but has a history of difficulty 'in maintaining viable, effective, and efficient public organisations.' Despite the presence of valuable human resources, there continues to be

a failure to develop a competent administrative system that serves the social, political and economic structural needs of the indigenous people of Middle Eastern societies (ibid).

Various factors which shape the landscape of Saudi Arabia have an important impact on HRM in that region. Mellahi (2007) outlines four such elements that shape the structure of the labour market: 'population growth, reliance on foreign workers, negative stereotype of local workers and perceptions towards work in the private sector'.

Metz (1992) argues that Saudi Arabia is a county of great diversity and contrasts. There has been considerable development of the urban infrastructure since the discovery of oil. The government has invested heavily in the building of hospitals, schools and universities and in the provision of other social goods for its citizens. The revenues from oil, according to many academics including Metz (1992), have brought unprecedented wealth to the Kingdom. Notwithstanding these substantial investments, however, many people lack the essential tools and knowledge that are vital to building a 21st century country. More precisely, two particular problems threaten the stability of Saudi Arabia and must be addressed. The first is the stubbornly high rate of illiteracy. According to Hamdan (2006), the national literacy rate is about 62% and is the lowest in the Gulf region. More recent figures put literacy at 78.8% of the total population, compared to 99% for the UK (CIA World Factbook, 2008). Secondly, there is a severe shortage of skilled workers in the Kingdom. There are many reasons for this, for example, the government is encouraging private sector growth, particularly in the areas of power generation, telecommunications, natural gas exploration and petrochemicals, to lessen the Kingdom's dependence on oil exports and to increase employment opportunities for

the growing Saudi population. Metz (1992) comments that for the rural population, there are problems of high illiteracy, poverty, lack of access to major cities and most of all the hindrance of a too-rigid bureaucracy. It would appear counter-intuitive that there could be a labour shortage at the same time as the population is growing. Indeed, there is an increasing problem of unemployment among Saudis, as the large youth population generally lacks the education and technical skills needed by private sector employers.

As Metz (1992) goes on to argue, one of the dilemmas that the Kingdom faces is how to bridge culture, religion and modern technology. Unlike most Arab and North African Muslim countries like Egypt, the Saudi state has made strides in building a relationship with its people so that they share the wealth generated by oil exploitation. Yet despite this prosperity, there remain the twin problems of illiteracy and low achievement, as noted above. In addition, there still remains a high level of incompetence in understanding and applying the principles of HRM in Saudi Arabia (Mellahi, 2007). While there is a body of literature on the socio-cultural landscape of Saudi Arabia and the management approaches (e.g. Roy, 1975; Badawy, 1980; Zahra, 1980), Mellahi (ibid) is of the view that there is a shortfall in research on this topic.

The cultural and religious values of the country are a vital mainstay which came with the birth of the Holy Prophet Muhammad (uwbp) and his bringing together of the tribes. Interestingly, commentators such as Metz (1992) highlight the relationship between Muhammad ibn Abdul Wahab and the then leader Abd al Aziz ibn Abd ar Rahman Al Saud, which saw the rise of a new type of religious movement that is prominent today. This alliance helped to nurture the conservative attitude with roots in the Bedouin Arabia of the 18th century. Armajani and Ricks (1986) maintain that the Semitic tribes

were united under the banner of Islam, conquering other countries in the process. Thus it is argued that the developmental process of becoming an Arab (Arabisation) is parallel to that of Islamisation, which brought the desert Arabs or Bedouins together. Ali (1990) interestingly suggests that these twin fundamental processes and related factors such as Western influences have influenced management practices in Saudi Arabia. Further, these factors serve to reinforce and in many ways tend to colour the outlook of management practices within Saudi organisations.

Sidani and Thornberry (2010) report the view of certain other writers that since religion 'permeates the life of Arab societies Islam has [...] curbed productivity and growth'. The foundation of this argument is the theoretical work of Max Weber (1905), who contended that Islam, like other world faiths (with the exception of Calvinism, which saw the emergence of the Protestant work ethic), did not bring about a level of awareness that could positively influence and condone economic attitudes and behaviour. Sidani and Thornberry (ibid) argue that there have been continued attempts to link fatalism with Islam in order to understand the economic situation in the Arab world. They cite Patai (2007:157) as arguing that whereas Judaism and Christianity have considerably 'modified their original determinism', giving more freedom to individuals and allowing them more choices, Islam clings to a position 'where absolute will is still considered as one of God's attributes'. To counter this criticism, Sidani and Thornberry (2010) argue that while fatalistic tendencies are indeed present, certain pertinent elements have been ignored, such as the 'fact that Arabs and Muslims in particular throughout history have understood the important role that people have played in deciding their affairs'. Secondly, many religious texts, proverbs and traditions testify to the multitude of attributes, beliefs and values within Arab culture that are in

opposition to fatalism. Sidani and Thornberry (2010) further cite Rice (1999) as arguing that Islam encourages any type of business activity which makes a valuable contribution to society, emphasising 'a balanced perspective on work which occurs between the different partners or stakeholders in the business venture'.

Ritzer and Goodman (2004:109-151) argue that Weber's (1904/1958) theory was concerned with the relationship between the world's religions and the development of capitalist societies, arguing that religion creates 'structural barriers to rationalisation'. The relationship between the economy and religion can be seen through the development of 'the topology of the path of salvation'. Perhaps the best known work of Weber is *The Protestant Ethic and Spirit of Capitalism*, which outlined the 'origin of a particular spirit that gave rise to modern capitalism that would expand and eventually dominate the economy'. Thus, capitalism is seen as 'an immense cosmos' into which people are born and which forces upon them a 'system of market relationships to conform to the capitalist authority'.

Islamic values are in many ways opposed to capitalist ones and the Quranic texts promote trade and economic development and are conducive to organisational change and development within businesses. Thus, Islam condones and preserves the role of work in society, encourages a healthy work ethic within organisations and attaches strong importance to work and economic activity, but without capitalist notions. A historical fact supporting the argument that Arabs have made a significant contribution to business is that when Europe was in the Dark Ages, Muslims excelled in sciences such as mathematics, astronomy and medicine. Sidani and Thornberry (2010) contend that the wealth that was accumulated during this period was not monetary, but the high

level of 'intellectual and scientific advancement that characterised the period'. The Arabs then passed on this legacy not only to the Greeks and Romans, but to the Crusaders.

More recently, having recovered from the Gulf War in 1991, Saudi Arabia continues to assert itself economically and to make a major contribution to the global economy. However, Budhwar and Mellahi (2007) observe that many obstacles remain. The government has had to rely greatly on expatriate manpower to execute its national development plans, because of the shortage of skilled local workers referred to above. Concerns over the cultural impact of such large numbers of expatriates, coupled with the growing problem of unemployment among young Saudis, have led the government to introduce 'Saudisation', which is a national initiative to gradually replace expatriate workers with Saudis.

The Saudi government has therefore substantially boosted spending on job training and education, infrastructure development and government salaries (CIA World Factbook, 2008), because some occupations are traditional and there is a heavy demand for government jobs, meaning that workers may need to be motivated to go into non-traditional fields in order to reduce reliance on expatriates. However, Mellahi (2007) argues that one of the problems that the Saudi government now faces is to create new jobs for the younger generation who are graduating from local and foreign universities; since the public sector is saturated, the private sector will have to provide employment for many of these graduates.

Kalantari (2005) argues the case of HRM from an Islamic perspective, that the responsibility for the management of people has been vested in man, whose role is

considered to be that of the vicegerent or *khalifa* of God. Thus, each person's duty is to oversee his own development and that of others in society. The community is of utmost importance and the Quran lays emphasis on how to mould society. Therefore, the concept of HRM is entwined within the Islamic principles laid down in Holy Scripture and Shariah. Kalantari (2005) and Mellahi (2007) further argue that non-oil producing countries such as Egypt are dependent on HRM in order to have continued sustained growth in their economy. They too must train indigenous labour to take its rightful position in the national workforce.

2.5 Women and the labour market in Saudi Arabia

The women of Saudi Arabia have recently come under widespread scrutiny and calls have been made to address in the Saudi context the issue of their contribution to the economy. More recently, there have been cases of women who want more freedom and have started to make demands as in the case of the recent issue of the woman driver. Thus the state has realised the importance of women at work, as the increasing entry of women into the labour market underpins the state-led Saudisation initiative. It has been necessary to motivate women to join the workforce in areas that require female employees, such as girls' schools and hospitals.

In order to understand the social system of Saudi Arabia and the status of its women, it is important to study the nature of the relationship between Islamic thought and society. Islam is a major force in determining the institutional norms, patterns and structure of Saudi society, especially so because Islam is not only a religious ideology, but also a way of life (Al Munajjed, 1997).

Studies of women's employment in Saudi Arabia have focused on their restricted participation in the labour force. Some have investigated Saudi attitudes towards women working outside the home in specific types of work that involve no male-female interactions, while others have focused on the lack of motivation for women to participate in the workforce (for example, Al-Mana 1973; Dahy, 1988). According to Samergandi (1992), the most important factors discouraging women from working outside the home are: 1) the importance of motherhood and the role of the spouse; 2) their desire to undertake tertiary education for goals other than a career; 3) the lack of economic means during the recession of the 1980s; 4) the absence of employment opportunities, the jobs open to women being restricted; 5) the limited fields of education available for women (education, social work and more recently, medicine); 6) religious restraint.

Hamdan (2005), for example, presents statistics showing that there has been an improvement in women's education compared with the situation 20 years ago. Nonetheless, there is still a remarkable gender difference in attendance at school.

There is evidence in the literature that women's social and economic status was notably subordinate to that of men in Arab society in the latter half of the twentieth century. The following factors are evoked by Whit (1978) and Yousif (1978): (1) women are primarily associated with the maternal role; (2) development programmes are mainly targeted to meet the needs of men; (3) certain cultural and religious practices are restrictive of women, such as the legal restrictions on and seclusion of women, which are prevalent in Muslim and Middle Eastern countries. An example of this is the exclusion of women from mosques: they are permitted to visit only the Two Holy

33

Mosques in Makkah and Madinah. In addition, women have to obtain the permission of their husbands, fathers and often senior male members of the family before going outside the house. Hamdan (2005:42-64) argues that there has been a continued 'persistence of women's exclusion from public life in contemporary Saudi society and this has been the source of worldwide debate as Saudi Arabia is continuously under the global microscope'. In response to this, since 1980 there has been an increase in the proportion of female graduates in areas such as the humanities, arts, nursing, medicine and education.

While Saudi women's prospects for working outside the home are limited by Islamic laws, rules, and regulations as well as customs forbidding their interaction with men, this does not mean that they are excluded from business. In fact, Saudi women own 15,000 businesses and hold 40% of the Kingdom's wealth (Bering Guides, 2003). They manage this by having male relatives who handle the public side of things. Women, meanwhile, spend their time working with other women as doctors, teachers (at female-only establishments), wedding planners and spa managers, and in other social environments. In general, Saudi women work in fields where they can maintain a low profile, in areas such as interior design, architecture, various information technology professions and most notably in education (in girls-only schools) (Hamdan, 2005).

Saudi women are not permitted to drive, must attend single gender schools and university departments, and eat in special "family" sections of cafes and restaurants, which are carefully partitioned from the sections used by single male diners. Special women-only gyms, women-only boutiques and travel agencies, even a women-only shopping mall, have been established in Riyadh in recent years to serve women, who

did not previously have access to such places unless they were chaperoned by a male relative (Zoepf, 2008). This has led to an increase in the need for services for women, provided by women, adding to the severe shortage of labour, but also providing more opportunities for women to do more varied forms of work.

There have been increased calls by international agencies to look at women's position in contemporary Saudi society with regard to their rights and responsibilities. Despite their invisibility, women have contributed to Saudi society in many ways and have, as Hamdan (2005:42-64) argues, endured the major challenges which have affected all women in the Middle East region. Gender issues are considered important within the context of this study. However, one of the problems that the present researcher confronted was the Saudi tradition barring a male researcher from face-to-face interviews with female respondents. (It might have been possible to overcome this limitation by employing a female interviewer or by conducting interviews by telephone).

Some writers claim that female motivational patterns, at least in the West, differ from those of males; for example, men prefer competitive, hierarchical situations, while women prefer to work in collaborative settings, where power is shared (Tannen, 1992; Annis, 2003). In addition, the experience of women in Saudi Arabia is different from that in other Middle East or African countries (such as Egypt) that were formerly British or European colonies, since as Hamdan (2005:42-64) notes, Saudi Arabia holds a unique position in that the process of colonisation did not take place. Therefore, the restrictions that women face and which are peculiar to Saudi society may be due to

social forces and traditional behaviour rooted in cultural norms and not those dictated by religion.

Saudi Arabia still has an essentially traditional society where the major sources of Shariah are the Quran and the Sunnah, whose requirements are adhered to and practised. Kalantari (2005:127) holds that the Middle East represents a rich mixture of civilisations which came mainly from the Persians and Babylonians, who ruled before the emergence of Islam, and whose empires were 'the largest ... ever ruled by any civilisation in the history of human organisations'. The wars that ensued between these two empires laid the foundations for the emergence of Islam as a dominant and powerful force.

Times have changed. Hamdan (2005) propounds the interesting argument that the American presence in the region and particularly in Saudi Arabia began in 1979, with the oil company ARAMCO in the Eastern region of Dahran. Workers brought their families and their wives could be seen shopping, driving around and socialising, in a conservative society where Arab women were not allowed to engage in such activities. The second influence was the Gulf war, which brought with it not only Americans on Arab soil in the Holy Lands and on the Kuwaiti border, but also a renewed perception of women among the younger generation and therefore instigated certain changes in the population (Hamdan, 2005).

Many writers feel that women can contribute significantly to the economic wellbeing of a society. For example, Hamdan (2005) cites Ragab, who argues that Islam recognises the rights of women and gives them the freedom to pursue professions as well as political status. In Saudi Arabia, the family is the basic social unit, with women often

36

being carers. The family is viewed as the centre of all loyalty, obligation and status for its members. Usually, the social, psychological and economic security of the individual will derive from membership of the extended family; it is therefore not surprising that the individual's loyalty and duty to his family will often be greater than any other social obligation. In general, Saudi society 'shares four fundamental characteristics: (1) religion: all Saudis are Muslims; (2) Arabic language; (3) basic cultural traits; (4) the centrality of the family in social structures' (Al-Awaji, 1971: 56). The common practice of wasta refers to interpersonal connections, while the relationship between employer and employee or business partners is built upon trust and a deep understanding of moral values (Hamdan, 2005).

All of these issues form the background or cultural context of the study, in which gender, education and religion are some of the key terms, to be related to workplace motivation in the Saudi banking industry. The population involved in the study has a normative religious background where the traditional view of the female role is preferably that of housewife and full-time mother.

2.6 The political and economic climate of Saudi Arabia

Saudi Arabia has had constant economic growth and development at local, regional and international levels which has been outlined and published by the Ministry of Economy and Planning. The data show the statistics for the Saudi economy in 2009 and highlight that there is constant economic development. The MCP also provides up-to-date information. Saudi Arabia has the largest free market economy in the Middle East and North Africa and produces 25% of the total Arab GDP. As a result of its geographical location, it has easy access to European, Asian and African markets, which has given

Saudi Arabia considerable import as well as export viability. There is also a continued growth in the domestic market at 3.5%, which gives the population considerable purchasing power. The investment environment in the Kingdom reflects traditions of liberal, open-market, private enterprise policies and the recent Foreign Investment Law allows 100 percent foreign ownership of projects and real estate. The Kingdom has an impressive record of political and economic stability and has a modern world-class infrastructure.

Saudi Arabia was an absolute monarchy until 1992 which was introduced when the royal family mandated the country's first constitution making the legal system based on Shariah (Quran and Sunnah). Al Rasheed (2002) argues that the Kingdom of Saudi Arabia (KSA) is almost entirely the creation of King Ibn Saud (1882–1953), a descendant of Wahhabi leaders who seized Riyadh in 1901 and set himself up as leader of the Arab nationalist movement. By 1906 he had established Wahhabi dominance in Nejd and he conquered Hejaz in 1924–1925. The Hejaz and Nejd regions were merged in 1932 to form the KSA, an absolute monarchy ruled by Shariah. A year later, the region of Asir was incorporated into the Kingdom (Royal Dewaan, 2009; Al Rasheed, 2002).

The central institution of the KSA government is a monarchy ruled by the sons and grandsons of King Abdul-Aziz Al Saud (may God have mercy on him), aided by a Council of Ministers and Consultative Council, which are responsible for the formulation of general policy and directing the activities of the growing bureaucracy. Al Yahya and Vengroff (2005) state that before unification as a sovereign state in 1932, Saudi Arabia was divided into three semi-independent regions, each of which had its

own distinctive pattern of institutional structures and traditions. There were ties to the former system of governance where legal authority was held by the Ottoman Empire, of which Hejaz was part. It therefore had its own formal administrative systems and legal machinery which differed from those in other parts of Saudi Arabia. Ritzer and Goodman (2004:109-151) cite Weber (1922) as stating that legal authority comes from the 'legitimacy of a rational-legal system and that traditional authority which is based upon leaders in such societies where the followers have belief in such a system'. Thus, the leader is the master who rules by virtue of his power, while the subjects follow.

The Ministry of Foreign Affairs (2009) asserts that the founding mission of the Saudi state seeks to represent the main core of the government, whose aims are to implement the rules of Islam via the Quran and Sunnah, being the embodiment of the Shariah, to reform the Islamic creed and to purify it from heterodoxies. Therefore, it adopts its doctrine from the true Islamic principles that prevailed at the very beginning of Islam. Hence, the cultural ambience in the KSA is highly conservative. The country adheres to a strict interpretation of Shariah and to rigid standards of ethics; for example, men and women are supposed to be segregated in the workplace.

According to the Ministry of Interior (2006), the administrative division of the Kingdom set out in Royal Decree No. A/92 dated 27/8/1412H is based on the regional government system and is regarded as the basis of collection, distribution and publication of geographical and statistical data. Al Yahya and Vengroff (2005) argue that the public administration system became a formidable force as the number of employees increased from 105, 548 in 1979 to 261,560 in 1988 and to over 3.1 million by 2000. These writers also argue that the public bureaucracy in Saudi Arabia is very

complex and has been able to grow much stronger in terms of differentiation and specialisation, primarily because of the oil wealth that has been generated.

Contending that the tragic events of 9/11 impacted negatively on Saudi Arabia, Niblock (2006) outlines the historical aspects of the attacks and argues that Saudi Arabia is a strong country. Its relations with the USA were strained after the 2001 terrorist attacks, 15 of the 19 suicide bombers involved being Saudis. Notwithstanding the monarchy's close ties with the West, much of the extremely influential religious establishment has supported anti-Americanism and Islamic militancy (Niblock, 2006).

According to the Saudi Arabian Monetary Agency (SAMA, 2009), Saudi Arabia is a signatory to various regional agencies guaranteeing a level playing field to foreign investors. It is a member of the Multilateral Investment Guarantee Agency, ensuring that they receive the same treatment, protection and incentives as those accorded to national providers of capital. The pre-investment assistance provided by SAGIA and other government agencies includes helping foreign investors to prepare feasibility studies for industrial projects.

The government makes electricity, water and fuel available to industrial projects at low prices. Industrial parks have public utilities including roads, desalinated water, telephones, police stations, restaurants and postal services. Commodities entering the Kingdom as input for industrial production and some basic foods are exempted from customs duties. The Saudi economy recorded remarkable growth in 2008, taking advantage of the positive developments in the world oil market and the ongoing structural and regulatory reforms made by the government. The high economic growth rates, along with a stable general price level, allowed the diversification of income

sources and the creation of more employment opportunities. In the light of positive developments in the world oil market and the continued improvement of the domestic investment climate in the KSA, the overall GDP (at current prices including import duties) rose by 22.1 percent to 1.8 trillion riyals in 2008 and grew by 4.4 percent to 848.5 billion riyals at constant prices (base year 1999).

The Saudi Energy Report (2007) asserts that Saudi Arabia has many relative advantages in strategic sectors at regional and global levels which make it attractive for international investment. According to a comprehensive study published by Arab Forbes Magazine in late 2006, assessing the performance of 1616 joint-stock companies in the Arab world, the first three positions were held by Saudi companies, while among the best 50 companies, 22 were Saudi enterprises, including wholly Saudi and jointly owned companies, applying a number of standards, such as operational efficiency, market value, sales, revenues, dividends, return on equity and return on assets for the last two years (2004 and 2005).

Considering the future of business organisations, commentators such as Niblock (2006) have argued that the problems confronting Saudi decision makers can be solved through what is called structural reforms that endeavour to help build the state. The Saudi riyal is one of the most stable currencies in the world and has undergone no significant change in its exchange value during the last three decades. There are no restrictions on foreign currency exchange or outgoing money transfers. Inflation rates in Saudi Arabia are very low and the Kingdom is endeavouring to sign bilateral agreements with an increasing number of countries regarding investment encouragement, protection and arrangement of taxation issues.

There are a number of significant factors that concerns the Kingdom of Saudi Arabia, outlining its geography and describing its population. The system of government has been viewed differently in light the attacks of September 11, 2001, particularly their consequences for Saudi economic life. Details of Saudi Arabia's economy and its development at the local, regional and international levels have been discussed. Factors affecting economic growth and the emerging global economy have been reviewed and details given of foreign trade in the KSA and of the incentives to investors available from the Saudi government.

2.7 Islam and property rights

According to Bahjat (1994), the Islamic view of property rights is unique and differs from other ideologies. Property rights are determined and regulated by a few basic principles. The first and most important of these is that Allah (God) is the ultimate owner of all property: the Holy Quran (IV: 130) makes it clear that everything in this universe has no owner but Allah. While the ultimate owner is Allah, however, man has been given the right of possession as a trust in order to become materially able to perform his duties. The role of humans on the earth derives from the concept of *Al-istkhlaf*, (vicegerency) (Holy Quran, XXVIII-5, 6).

Allah orders mankind to act in accordance with his will. He created everything in this universe to serve the interests and welfare of mankind, making it clear that the delegation of these proprietary rights to mankind is subject to specific terms. Therefore, the nature of ownership in Islam is that of trusteeship and is subject to the terms of that trust. The following are some of the terms and conditions by which humans are accorded the status of Allah's vicegerents:

- Property is only a means of achieving higher objectives and not an end in itself;

- Trusteeship belongs to all mankind, not only to certain individuals or groups, and all members of society share the natural resources at man's disposal;

- The Islamic view of money is clearly revealed in the Shariah: while it is needed for a material life it should not dominate an individual. The Holy Quran (3:14) states:

Al-Imran (The Family of Imran)

زُيِّنَ لِلنَّاسِ حُبُّ ٱلشَّهَوَٰتِ مِنَ ٱلنِّسَآءِ وَٱلْبَنِينَ وَٱلْقَنَٰطِيرِ ٱلْمُقَنطَرَةِ مِنَ ٱلذَّهَبِ وَٱلْفِضَّةِ وَٱلْخَيْلِ ٱلْمُسَوَّمَةِ وَٱلْأَنْعَٰمِ وَٱلْحَرْثِ ۗ ذَٰلِكَ مَتَٰعُ ٱلْحَيَوٰةِ ٱلدُّنْيَا ۖ وَٱللَّهُ عِندَهُۥ حُسْنُ ٱلْمَـَٔابِ ﴿١٤﴾

Fair in the eyes of men is the love of things they covet: women and sons; heaped-up hoards of gold and silver; horses branded (for blood and excellence); and (wealth of) cattle and well-tilled land. Such are the possessions of this world's life; but in nearness to Allah is the best of the goals (to return to) (IslamiCity, 2010).

The verse clearly states that the goal of humans on a physical level is to achieve wealth in the form of women and gold, then the hoarding of properties and land, but that all of these are of limited value. Piety and bringing oneself closer to God are the most worthwhile objectives of man.

2.8 Culture and Islamic banking

As argued previously, culture is linked to management and is important to modern businesses, as stated in the works of Hofstede (1991) and Matsumoto (2000). Kalantari (2005) suggests that people differ in their approach to management, based on their cultural backgrounds. Therefore, the present work argues that culture and motivation

within Islamic banking institutions are interlinked. A study by Chaker and Jabnoun (2010) found a lack of transformational leadership, of clear guidance and of empowerment to be significant barriers to good quality service in Qatari banks. One of the explanations that these researchers offer is the high power distance that exists at a national level between members of Qatari society. They argue that these barriers are likely to apply to Islamic banks across the Arab world.

Islamic banking has been developed primarily by Islamic scholars, seeking to create a system based on the guidance laid down in the Shariah as an alternative to the capitalist system of *riba*, or the giving and taking of interest. Usmani (2002) holds that Islamic banking operates within a fairly complex system involving instruments of credit and loans such as *hawala* (payment of debt through the transfer of a claim) and *suftaja* (equivalent to a letter of credit or bill of exchange). It also involves exchange transactions and the use of *ruqas* (similar to cheques) and is marked by the existence of certain forms of credit-based commercial association such as capital trust financing (*mudaraba*) and partnership (*musharkaka*). This system flourished in the Muslim world several centuries before some of these financial instruments appeared in Europe (Usmani, 2002; Vogel and Hayes, 1998). Sidani and Thornberry (2010) have argued that Islam also developed a strong sense of business ethics.

Writers such as Usmani (2002) have looked at the financial history of the Arabs, while Al Rasheed (2002) has focused on the historical background from the early times of the foundation of the Arab state. These authors argue that for many centuries, Muslims were culturally committed to the financial systems and techniques that they had developed. These consisted of a prevailing barter system which is discussed in the

books of Islamic Law and became an informal credit system that was used in international commerce in the Middle East as much as three or four centuries before the emergence of modern Europe. When the Crusaders returned from their attempts to reclaim Christendom from the Muslims, they brought with them various systems that were subsequently set up in Europe. Thus, the 8th century saw a large number of credit institutions which had evolved and became the basis of commercial dealings in various parts of the European economy. The credit methods not only facilitated commerce but also provided a framework that could be used for credit and investment. These have been well documented in Islamic legal texts, as has the development of banking and quasi-banking systems in Iraq in the 10th century.

According to Wilson (2000) and Sidani and Thornberry (2010), the Islamic banking system appeared on the international financial horizon three decades ago and is becoming increasingly accepted. Wilson (2000) states that there are over 150 Islamic financial institutions (IFIs) in the world, while Chaker and Jabnoun (2010) report that Islamic banks presently operate within 75 countries. They manage more than sixty billion dollars and have proved to be capable of acting as financial mediators, which is the principal role of banks as financial institutions.

The concept of Islamic banking is founded on the notion of the prohibition in Islam of *riba* which is outlined in various *ayah* of the Quran; for example, Surah al Baqarah, verses 275-276:

> Those who gorge themselves of usury (riba) behave but as he might behave whom Satan has confounded with his touch, for they say while God has made buying and selling lawful and usury unlawful. Hence, whoever becomes aware of his Sustainer's admonition, and thereupon desists from usury, may keep his past gains and it will be for God to judge him but as for those who return to it,

they are destined for the fire, therein to abide. God deprives usurious gains of all blessings whereas He blesses charitable deeds with manifold increases.

The books of Islamic law provide rules that pertain to financial matters under the headings of *murabahah, ijarah, salam* and *istisna* and are based on strict obedience to Islamic law, in accordance with which there have been concerted attempts to avoid dealing with interest. Usmani (2002) argues that one of the greatest challenges for the Muslim world is to bring its businesses and financial dealings into compliance with Shariah. The purpose of accommodating loans is primarily 'cooperative and charitable' and not for 'commercial transactions' (p.9).

This led to the introduction of *murabaha,* the interest-free banking system mentioned above. Islam does not allow interest but calls for trade-based banking or a system of profit and loss sharing as the basis of investment. Islamic banking is thus no longer solely a theoretical possibility. Islamic banks (IBs) and IFIs now operate in various parts of the Islamic world and in some Western countries. Some Islamic countries (such as Iran and Pakistan) have reorganised their whole banking systems according to Islamic principles, while in others, Islamic banks have been established and coexist side by side with Western-style conventional banks (CBs). A few IBs and IFIs are found in non-Islamic countries, including the United Kingdom, the Bahamas, Cyprus and Switzerland.

Usmani (2002:14) argues that there is a clear distinction between a capitalist economy and an Islamic one: the former is based on gaining wealth at all costs and it is the profit motive or private ownership which gives power and control, while the latter is about establishing a society based on goodness and morality without harm to self and others.

The cultural aspect of this notion is that the capitalist economy thrives on interest, often at extreme cost to consumers, with entrepreneurs gaining heavily from the transactions, whereas Arab society has been culturally opposed to the taking and giving of interest, following the principles laid down in the Shariah. Therefore, Islamic scholars argue that a capitalist economy strives on activities such as gambling, interest and speculative transactions, whereas these things are prohibited in Islam, along with the hoarding of goods, dealing with unlawful goods and services, short sales and speculative transactions (Usmani, 2002:14).

Muslims jurists have, as noted above, looked within the pages of the Quran and the Sunnah to find ways of conducting banking and investment based on Islamic principles. Usmani (2002) holds that Islamic financing is a form of asset-backed financing where money does not have value as such, as opposed to a capitalist economy, which deals in paper money that operates within the confines of the market forces within a competitive environment. The instruments that are used for financing in Islam are *musharakah* and *mudarabah*, which generate income and have an intrinsic value. These instruments are then geared towards building a system of trust whereby financial matters are deemed to be permissible or *halal*. Thus, within the culture of Islam, there is a sense of freedom, whereby individuals can carry out financial transactions within the confines of Shariah, knowing that they are not committing any wrong under Islamic law (ibid).

Usmani (2002) argues that the Shariah has been criticised as having a masculine bias, whereby men are favoured above women, who are seen as being passive and dominated by men. He argues that these notions are based on an unfortunate misinterpretation and are contrary to the teachings and tenants of Islam.

2.9 The economic environment and Islam

Ahmed (1995) argues that the Islamic environment is characterised by several elements. One factor in the establishment of IBs and IFIs was the existence of three main groups of people who had need of the services that they would offer. These groups were:

- People who were reluctantly dealing with the conventional banking system, because an Islamic alternative did not exist.

- People who would not deal with the conventional banking system at all, for religious reasons.

- People who desired to be their own bosses but, due to a lack of financial creditworthiness, could not provide the necessary guarantee required by the CBs in order to obtain finance.

The second factor was the newly created wealth of some Muslim nations, i.e. petrodollars, which they wished to invest appropriately. The third was the revival of Islamic ideas, which gathered support principally because other ideologies had failed to find much support in the Muslim world. Underlying the support of the people for the establishment of IBs and IFIs was were the following principles:

- IBs and IFIs need to welcome an initiative that projects a moral view and does not conflict with that of commercial banks.

- Islamic institutions offer investments that are Shariah based and are suitable for investors. While CBs also offer financial packages, these are not acceptable under Shariah.

- IBs and IFIs, particularly if centrally administered at policy level, contribute to both economic and social development.

48

Islamic banking has evolved over the years into a multi-million-dollar global industry. The phenomena of Islamic banking can be argued to have transformed the entire Gulf and Middle East region as well as the rest of the world, resulting in people wanting to return to a Shariah-based financial system. Today, Islamic banking can be found in both Europe and North America. In the UK for example, there is the Islamic Bank of Britain, while Lloyds TSB now offers Islamic mortgages as well as HSBC.

Arabs tend to assert their identity by their Islamic values. The assertion is that efforts have been made to introduce Shariah-based financial services that are in line with the needs of the population. Both Islamic banking and IFIs are defined within Shariah. They neither function independently nor conform to the capitalist financial system. Rather, the aim of Islamic finances is to enrich the lives of all Muslims and to do so in equality and equity.

2.10 Saudi Arabia and Al Rajhi Bank

According to the Saudi Energy Report (2007), Saudi Arabia has many relatively strong advantages in some strategic sectors at regional and global levels, which make it attractive for international investment. For example, the Kingdom is ranked first with regard to prices of energy provided for investment projects. Generally speaking, investment in Saudi Arabia realises high profit ratios for local, foreign and shared projects, with low risk exposures and simple forms of taxation and property registration fees. The Kingdom ranks fifth in the world, for the lightness of its taxes and fourth in property registration costs, according to business performance reports for 2006/2007 issued by the International Bank.

The banking services sector of Saudi Arabia is highly rated and Al Rajhi is rated as one of the top ten Saudi banks. Generally, the banking sector in Saudi Arabia is the fastest growing and most profitable in the Arab world. Saudi banks range in size from small ones (the Saudi Investment bank and Bank Al-Jazira) via medium-sized banks (The Saudi Fransi Bank, the Saudi British Bank, the Arab National Bank and the Saudi Holland Bank) to large ones (National Commercial Bank, the Saudi American Bank, the Riyadh Bank and Al Rajhi Bank). According to the Financial Times (2006), Saudi banks comfortably rest within the list of the biggest 1000 banks in the world. The Kingdom has the largest free economic market in the Middle East as Niblock (2006:176) holds that Saudi Arabia has vast economic resources at its disposal that can bind key sectors of the economy to that of the state. It possesses 25% of gross national Arab product and has the largest oil reserves in the world, amounting to a quarter of the global total.

On the future of business organisations, commentators such as Niblock (2006) have further argued that any problems that confront Saudi decision makers can be solved through structural reforms that endeavour to help build the state. There are no restrictions on foreign currency exchange or outgoing money transfers. Inflation rates in Saudi Arabia are very low and the Kingdom is endeavouring to sign bilateral agreements with an increasing number of countries regarding investment encouragement, protection and arrangement of taxation issues.

The Al Rajhi Banking and Investment Corporation is one of the oldest banks in Saudi Arabia, with a long legacy of serving the Kingdom. Al Dukheil (1995) observes that in order to understand the nature of any organisation, it is important to look at the

foundations that have been laid. Al Rajhi was initially a money changing business that was started in Riyadh in 1940. A second company, Al Rajhi Currency Exchange, which was established in 1978, was primarily a partnership that concentrated on deposit-taking, money exchanges and bullion dealings (Al Dukheil, 1995). Subsequently, in 1980, an Islamic division was established to establish Shariah-compliant Islamic banking and finance. This was incorporated with a new company, Al Rajhi Islamic Investment Co Ltd, which was to run strictly according to the conservative Islamic rules. Al Dukheil (1995) further contends that there is a prolonged dispute as to whether the bank should offer 'Islamic instruments' and that 'seen against this background, one may conclude that, although officially, Al Rajhi Banking and Investment Corporation is not an "Islamic bank", in effect it is just that' (Al-Dukheil, 1995).

In 1988, SAMA licensed the company to incorporate as the Al Rajhi Banking and Investment Corporation. Wilson (2004) shows that Al Rajhi had applied in 1983, for a licence to convert its status from the largest monetary exchange in the country to a bank in order that all of its transactions would be based on Shariah principle therefore *riba* would be avoided. However, SAMA realised that if Al Rajhi was granted a licence to operate and was designated an Islamic bank, this would imply that other banks were non-Islamic (Wilson, 2004), which is why it was agreed to the name Al Rajhi Banking and Investment Corporation. According to the Al Rajhi website, it is one of the largest banking corporations in Saudi Arabia, with 100% Saudi capital, which started at SR 750 million, increased to SR 1.5 billion, then to SR 2.25 billion and to SR 5.298billion, currently standing at SR 6.75 billion (Table 2.1).

Table 2. 1: Financial results for the first nine months of 2009 and the corresponding period in 2008

Bank	2008	2009	Variation (%)
Riyadh	2,109.60	2,118.00	0
Aljazeera	314.10	293.00	-7
Investment	603.90	631.00	4
Saudi Hollandi	914.80	525.30	-43
Saudi Fransi	2,234.30	2,147.00	-4
SAAB	2,263.20	2,006.00	-11
Arab National	2,052.10	2,074.00	1
Samba	3,629.10	3,725.00	3
Alrajhi	**5,100.70**	**5,298.00**	**4**
ALBILAD	152.50	51.10	-66
ALENMA	-	216.00	-
Total without ALENMA	19,374.30	18,868.40	

Source: SAMA Report 2009

In 2001, the bank became the world's largest Islamic commercial enterprise, with assets worth over SR 37 billion (Wilson, 2004). Subsequently, in 2004, the firm's assets grew to just over SR 95 billon. In addition, Al Rajhi was the first publicly traded bank in Saudi Arabia, responsible for 32% of the total banking market capitalisation. In terms of total assets, the Al Rajhi bank is next in the list after Samba, with total above SR 108 billion. Indeed, it is one of the largest Islamic banks in the world, with total assets of SR 124 billion (US$ 33 billion), paid up capital of US$ 4 billion and an employee base of over 7452 associates. Deeply rooted in Islamic banking principles, the Shariah-compliant banking group is instrumental in bridging the gap between modern financial demands and intrinsic values, whilst spearheading numerous industry standards and development (Al Rajhi website).

Al Rajhi has 2,440 ATM systems for customers in Saudi Arabia, as well as 17,193 POS terminals installed with merchants and the largest customer base of any bank in the

KSA, in addition to 129 remittance centres across the kingdom. It has become one of the leading Saudi banks with over 500 branches within the Kingdom and worldwide, including some separate women's branches. Al Rajhi opened its first branch in Aldirah in 1957 and this was primarily for men; then in 1979 in Alshmaisi it opened one for women only.

Albawaba (2006) states that Al Rajhi is the only Saudi bank to be given a licence to operate in Indonesia with the first branch opened in Malaysia in 2006. Al Rajhi is a truly Islamic bank, built on values and beliefs which will never change. As the bank continued to grow and move forward into new markets, it took the decision to change its identity and names to give it a broader appeal in order to expand further its international customer base. The change of name from Al-Rajhi Banking and Investment Corporation to Al Rajhi Bank reflects its need to focus on the core business; and as the bank expanded outside the KSA, it wanted to create a more international look and feel.

In summary, Al Rajhi is a major name in Saudi Arabia's banking and business sectors. It was founded in the late 1950s and has become of the world's largest banks, with a paid up capital of US $4 billion and over 7,400 employees. The bank has several areas of investment, including the Al Rajhi Trading and Exchange Corporation, which was established in 1978. In 1988 the bank became a Saudi shareholding company (Al Rajhi website).

The bank has grown from a strong base, focusing on serving the needs of the nation and its citizens, contributing to the Kingdom's construction and development, and always operating within the framework of Shariah principles. Al Rajhi Bank supports its

customers' beliefs and only provides leading products and services, built on a foundation of experience, knowledge and a consistent heritage of Islamic banking, which it now intends to deliver to a global market. Over the years Al Rajhi has won numerous awards. Recently, it won a prize for excellence open to IFIs, for its performance in the fields of banking operations, Islamic investment products and Shariah control. The bank also holds the BS7799 quality certificate from the British Rating Agency for information security and e-commerce.

2.11 Al Rajhi and Islamic banking

The aim of Al Rajhi is to obtain revenue by offer products and service however the portfolio differs from many other financial institutions in that it practices Islamic banking and has committed itself to ensure that all of its operations comply with Shariah rules. To meet this objective the bank's has established an independent Shariah authority reporting to the bank's board of directors. All operations are subject to the approval of this authority and controlled by the Shariah control department (SAMA, 2007). The members of the Shariah Supervisory Committee are experts in the interpretation of Islamic law and its application to modern day financial institutions. There are a number of fundamentals at the heart of Al Rajhi Bank's operations, which are explained in turn in the following subsections (7.6.1 to 7.6.6).

2.11.1 Dependence on Shariah

The practices of the bank are governed by Shariah. As a r esult, all of the products and services are delivered in the context of Islamic teachings, with a focus on work ethic, wealth distribution and social and economic justice.

2.11.2 Prohibition of riba

The fundamental basis of all dealings between people, whether individually or internationally, is the prohibition of all kinds and means of *riba*, regardless of the name, shape or rate. Instead of *riba*, Islamic teachings permit trade as a method of conducting deals and a means of subsistence.

2.11.3 Wealth is created by effort and labour

The adherence to Shariah means that money is not the source of wealth creation and that money should not create money. Work and effort, including intellectual effort, must play a role in the productive process. In other words, the development process must be achieved through a relationship between capital and labour. This does not mean that wealth gained without effort, such as gifts, inheritance or charity, is disallowed, but that such gains are not guaranteed and that effort still has to be made in order to manage these gains and guarantee a regular income; otherwise, this wealth will be depleted through *zakat,* which is the poor tax. Therefore, whoever makes an effort deserves a reward for it and is entitled to it. Conversely, people who do not make this effort should not expect any return and are not entitled to it. Exception is made for people who cannot work because of illness or disability.

2.11.4 Risk sharing

The risk in any financial transaction is shared between the individual and the bank. The objective is to ensure that a fair return is earned, rather than a predetermined rate as occurs in conventional banking, whereby the entrepreneur takes all the risk, regardless of the result of the project. In Islamic banking there is no unbroken rule of gain or loss; it is not the same person who will always win or lose.

At the heart of Islamic banking is that instead of compound interest or *riba*, which is prohibited under the *shari'a*, all financial and commercial dealings are based on the principal of profit and loss sharing. Islamic law concedes the right of private ownership; in fact it considers it essential for the needs of human life. Thus, the individual has the right to own everything he needs, provided that he does not override the rights of others. In other words, there is a collective element to ownership. Indeed, collective ownership exists in Islamic economies and is not opposed or contradictory to private ownership. For the individual, ownership is truly a self-created right which has a social function. In Islam, the owner's self-created authority is not threatened with regard to what he owns, but one must reconcile the private interest with that of society.

When there is a contradiction between the private interest and society, then society should prevail. In Islamic teaching, as noted earlier, whether ownership is collective, individual or of a state type, the original owner is Allah. The individual and the state are no more than successors who benefit from this ownership. The Islamic economic system shuns the idea of concentrating wealth in the hands of a minority, whilst others within society are less fortunate. Therefore, a number of laws and regulations have been issued to address this problem. Among these are laws relating to alms (*zakat*), coinheritance, charity, extravagance and over-expenditure.

2.11.5 The Shariah Group

The Al Rajhi Shariah Group is a fundamental pillar supporting the bank. The Group is entrusted with a series of interrelated and complementary functions that collectively aim at realising the Bank's strategy of being a leading IB. This objective is achieved by

having in place policies which ensure that the bank conducts its business in harmony with the precepts of Islamic Shariah.

The objective of the Shariah Group is to participate in the realisation of the Bank's Islamic banking strategy by supporting the plans and policies necessary for the Bank's compliance with the precepts of Islamic Shariah. To achieve this objective, the Shariah Group has been entrusted with the following functions:

- Reviewing the Bank's transactions and activities and reporting its findings to the Shariah Board for further action

- Monitoring the implementation of Shariah Board decisions and their application to all aspects of the Bank's business activities within the Kingdom and abroad

- Developing contracts and products in line with the precepts of Islamic Shariah

- Creating an awareness of Islamic economics inside and outside the Bank

- Developing the information and communications necessary for implementing these functions.

The Shariah Group comprises three divisions: the Secretariat, the Shariah Control Department and the Control and Information Division.

2.11.6 The Shariah Board

Ever since its inception, Al Rajhi Bank has undertaken to implement and observe the precepts of divine Shariah and Islamic legislation in all its transactions. To realise this objective, a Shariah Board was formed, based upon on a decision of the General Assembly, which also ratified the Board's rules of implementation. The Board is completely independent of all other corporate divisions and departments, whose transactions and dealings are subject to the Board's approval. Such compliance is

considered one of the most important standards of quality assurance, which is applied to all products and services rendered to Al Rajhi clients. All corporate personnel, including top management, are called upon to comply with this policy, in line with the provisions of the Bank's articles of association and the following rules and guidelines:

- Decisions of the Shariah Board are considered binding on all departments and the management of the Corporation.

- Implementation of Shariah Board decisions is the responsibility of all levels of corporate executive departments.

- No product or service can be launched until it has been approved by the Shariah Board.

- It is strictly forbidden to act in violation of any decisions of the Shariah Board.

- Any violation of a Shariah Board decision, breach of an existing practice decreed by the Shariah Board or the launching of any product or service without prior approval of the Shariah Board will incur upon the culprit the applicable penalty.

- The Shariah Board monitors the activities of the Corporation from a Shariah standpoint and follows up the implementation of Board decisions, through the Shariah Control Department or any designated body.

- The Shariah Board develops contracts in line with the precepts of Shariah applicable to all corporate transactions and deals at both local and international levels.

- The Shariah Board will create an awareness of Islamic banking and investment through employment of the right tools.

- The Shariah Board will ensure the proper selection of company personnel, especially at the top management level, from persons who are willing to adopt its Islamic banking policy and train other company personnel in Islamic banking.

The Shariah Board will endeavour to ensure the proper implementation of its decisions and facilitate their monitoring through the publication of proper manuals and guidelines, such as the Shariah monitoring Guide and Shariah Control Guidelines (Shariah Board Decision No. 317).

From the date of its formation until 15/01/1429H, the Shariah Board made over eight hundred decisions, in which it approved a variety of contracts, agreements, forms and products, dealt with a substantial number of issues and responded to a large number of inquiries addressed to it by various departments and clients of the bank.

The General Assembly of the Company approved the creation of the Shariah Board and appointed its members. It also approved its methodology. Accordingly, it has become incumbent upon the executive management of Al Rajhi Banking and Investment Corporation at all levels to endeavour to realise the objectives for which the Corporation has been incorporated, in compliance with the precepts of Islamic Shariah in all its dealings and transactions. An Executive Committee reports to the Shariah Board and consists of three members: two of them are members of the Shariah Board and the third is its General Secretary. The Shariah Board appoints one of the members of the Executive Committee as committee chairman and determines its powers and functions. The Shariah Board has issued rules of implementation that delineate the powers and functions of the Executive Committee, the most important being: overseeing the functions of the Shariah Control Department, appointing Shariah controllers, studying

cases submitted to the Shariah Board and reviewing newly-devised forms and products prior to their submission to the Shariah Board for approval. The current membership of the Shariah board, as determined during the 18th General Assembly held on 03/03/2007 is shown in Table 2.2.

Table 2. 2: Membership of the Al Rajhi Shariah Board

Name	Function
His Eminence Sheikh Abdullah Bin Abdul Aziz bin Akeel	Chairman
His Excellence Sheikh Abdullah Bin Mohammed bin Khonain	Vice-chairman
His Excellence Sheikh Dr. Ahmed Bin Abdullah bin Homaid	Member
His Excellence Sheikh Abdullah Bin Nasser Al Salmi	Member
His Excellence Sheikh Dr. Yousuf Bin Mohammed Al Ghafees	Member
His Eminence Sheikh Dr. Saleh Bin Abdullah Al Lohaidan	Member & Secretary

Source: Al Rajhi Bank Report 2009 (Al Rajhi website)

2.12 Conclusion

Saudi banks have significant weight in the Arab and Middle East regions. This chapter has provided an overview of the banking industry in Saudi Arabia, noting that it comprises banks of all sizes. Because the focus of this research is Al Rajhi Bank, much of the chapter was dedicated to discussing details of the Bank's history, structure and operation, against the background of a review of the operation of Islamic banking in Saudi Arabia. It was indicated that from its early days, Al Rajhi has been guided by the desire to operate in accordance with strict Islamic values. Its operating principles were outlined, with particular attention given to the role of its Shariah Board. Some of these matters are expected to have a bearing on the motivation of Al Rajhi employees. For example, it was noted that personnel are carefully selected for their willingness to

adhere to Islamic principles, reference was made to the Islamic work ethic and it was indicated that in Islam, reward is related to effort.

CHAPTER 3:

LITERATURE REVIEW - THEORIES OF MOTIVATION

3.1 Introduction

This section looks at research carried out in the area of motivation in order to establish a working conceptualisation to explore motivation at the Al Rajhi bank.

Motivation is a psychological state that is internal which is borne out when one desires to carry out a task. In order to respond appropriately to trends in the global economy, together with the continual evolution of technology, many organisations are interested in identifying innovative ways to enhance the performance of their human resources (Marshall et al, 2004), such as by motivating them more effectively. Grant and Berry (2011:75) contend that intrinsic motivation is that desire to expend all effort by an individual in order to enjoy a work which is being carried out. These writers contend that individuals who have intrinsic motivation are prone to make new discoveries which come from the creative side of being innovative.

In the present economic climate, where companies seek a competitive edge, motivation plays an important role in both retention and performance of staff. The goal of many companies is to create an engaging and motivating environment where employees enjoy working and have a desire to remain and contribute to the mission of the company (Green, 2010). It makes sense to begin such an exploration by examining theories of motivation. Hollyforde and Whiddett (2002:5) state that a theory is a collection of assertions, both verbal and symbolic, which identifies the variables are important for and, specifies the what, how and why they are interrelated and further identifies the

conditions under which these relations operate. These writers (ibid) further explain the broad manner in which motivation theories help to understand the behaviour of individuals, why they behave the way that they do and the choices that they make in exerting effort to achieve a goal. This raises the question of why individuals should choose a particular means to achieve an objective, rather than some other way.

However, sociologists argue that the detailed study of motivation arises because human behaviour can be described as complex and sometimes difficult to understand. Turner (1987:15) for example, contends that there has been little work done in the area of sociological theories associated with motivation. Turner's work has built on contemporary theories for example, the modem exchange theory (Homans, 1961), Mead's social behaviourism into that of modem interactionism (Blumer, 1969) to develop a 'composite model' in his research, Giddens (1984) phenomenological and interactionism approaches. Sociological approaches to motivaton rests on the utilitarian theory (Turner, 1987), where there is a desire to maximise or increase pleasure or utilities and so avoid any type of punishment. Thus within the sociological motivation paradigm there is always pressure on people to ensure that others' needs are met and so perform interaction that would maintain such relationships (Turner, 1987).

Managers in organisations of all kinds work with people in different capacities. At times, a manager can be a counsellor to an employee, while on other occasions he must be very professional in directing work to be done. The sociological approach identifies theories which argue that human behaviour is influenced by a variety of factors belonging to the sphere of social interaction within the community. In light of this

approach, writers such as Blau (1993:36) argue that to be effective motivators, managers therefore need to have some level of knowledge of motivation.

Managers work through and with people, but human behaviour is sometimes irrational, often unpredictable and in many cases non-conformant. Individual behaviour is influenced by many different factors, which complicates the task of the manager. The ideal of every manager is to manage a motivated group of workers. However, this seldom happens in practice and most managers find themselves in a situation where their subordinates are more or less unmotivated and unproductive.

Both sociological and psychological theories of motivation help to explain why humans behave as they do. Although no one theory has all the answers, collectively they assist the manager to create an environment in which individuals and groups work to achieve the enterprise's objectives while also pursuing their own objectives.

3.2 Motivation, organisation and management

3.2.1 Definitions of motivation – psychological and sociological perspectives

Motivation can simply be described as an internal or external force which drives people to exhibit behaviour or to do a task. Motivation can be explained as dependent on the biological nature of complex goals and desires that drive the basic instincts for survival, reward and attainment. Motivation therefore is an energy that drives behaviour so that particular goals are achieved. Locke and Latham (2004), hold that motivation 'refers to internal factors that impel an action to be carried out and the external factors which act as an inducement to the actions and have an impact on the direction, intensity and duration of that activity'. These writers argue that motivation helps in employees acquiring the necessary skills and abilities as well as the knowledge to use them. On the

64

other hand, Vroom (1964:50) contends that motivation comes from an individual making choices from voluntary responses, while Hunt (1992:23) takes a sociological standpoint and argues that motivation is why individuals engage in certain behaviour.

Grant and Berry (2011:73) hold that studies carried outshow there is a link between creativity and motivation. Work done by Grant and Berry argue that when employees are intrinsically motivated there is a greater desire to continuously explore new avenues and become creative. Therefore there is an engagement of their curiosity that will further help them to develop creative ideas. In taking a psychological approach to motivation, Grant and Berry contends that both emotional and self-determination scholars seem to suggest that when a person is intrinsically motivated, creativity is promoted via motivation. Thus in organisations, workers can use that psychological energy to sustain their efforts in working on creative tasks.

Locke and Latham (2004) hold that research done has shown the effect of the relationship between of motivation and job satisfaction and that of decisions made by organisations. The internal force of motivation is what drives a person to achieve a goal based on personal choices and the carrying out that choice via action. The attainment of a specific goal helps to motivate a person in the long run to achieve. Motivation theories holds that these desires however, is underlying 'mediated by cognitive processes' where there is some economic payoff between that what benefits and what are losses in terms of pursuing a specific line of behaviour or conduct.

3.2.2 The role of the manager

It is important for managers to recognise the specific needs that motivate employees. One set of such needs is physiological, although according to Herzberg (1966), physiological needs are related specifically to the job satisfaction of employees, which is only a part of the employee motivation phenomenon. Management, he contends, is primarily concerned with employing appropriate strategies to motivate employees. Nawab et al (2011) contend that employees tend to attach themselves to the organisation based on their sense of perception of the organisation's willingness to support their beliefs and values within a hospitable and satisfiying environment. Motivation can therefore be a complex issue to understand, because employees have many different needs and it will be difficult for managers to pinpoint all of them. For example, Herzberg (1966) holds that there is a link between motivation and the environment within which workers operate. Employees may lack motivation because of the absence of job satisfaction, i.e. they are not happy with the job that they do because of the environment they work in. An example is that of workers in a cold warehouse, when managers refuse to turn up the heat so that they can save money. Therefore it is important to investigate those factors that contribute to decreased job satisfaction. If this is not done, then the quality of work will continue to decline and production will be affected. Sahoo et al (2011) argue that the motivational orientation of employees has become persistent and prominent within recent times and has come about due to the continuous development in businesses. The human aspect within the field of HRM in business has put the spotlight on examining the role of motivation in the workplace. These writers further contend that there has been an increased awareness of the dynamic elements that underlie behaviour as well as an increased significance of the relationship

between attitidue and motivation. Thus they argue that good management will equal high productivity, as Vroom (1964) holds, 'the more motivated the worker the more effective is his performance'.

This present study contends that it is important to look at motivation and job satisfaction in organisations since workers exert levels of effort to achieve a specific goal by working within the insitutition. In so doing employees achieve status, position as well as a salary to sustain them. Therefore, when managers understand motivation, the result is that employees are rewarded for their work and motivation is strong. Koontz and Weihrich (2008) define an organisation as a group of people working together in pursuit of a common goal, primarily that of profit-making. The purpose of management is to coordinate the organisation's affairs by organising, planning, leading and staffing it. Thus, management is about efficiency and effectiveness in managing people in order to accomplish the goals of the company. These writers contend that the role of managers is to create an environment that is conducive to the enrichment of employees' experience, so that the goals are achieved within the specified time limit, using the available resources and materials. The role of the manager is ever changing, to suit the economic climate and society, according to Koontz and Weihrich (ibid).

Kakabadse (2004:15) argues that early theorists such as Mintzberg looked at the role of the manager as being interpersonal and primarily concerned with decision making and the handling of information. Thus, Mintzberg's model comprises ten managerial roles divided into three categories (Koontz and Weihrich, 2008:16):

➢ **Interpersonal roles**

- o Figurehead roles, e.g. where the president of a company carries out ceremonial duties such as opening a department or presenting prizes.
- o Leadership, as the leader of the company.
- o Liaison with external agencies where the company is represented.

➢ **Informational roles**

- o The recipient role, where information is received externally and used internally.
- o The disseminator role, where information is passed on.
- o The spokesman role, where the manager is the voice of the company, representing employees and the management as a whole when transmitting information to external agencies.

➢ **Decision roles**

- o The entrepreneurial role, as a businessman seeking contracts and making formal agreements.
- o The disturbance-handler role, negotiating deals and clarifying issues.
- o The resource allocator role, delegating responsibilities.
- o The negotiator role, where deals are negotiated.

Therefore, it is argued that the role of management has changed considerably in the 21st century into that of a technological manager with dot.com awareness. According to Williamson (1986), organisational theory holds that human needs are irrational at times and that they are adjustable according to situational demands. The role of HRM is to find a pragmatic approach to employees' needs. Green (2010:1-9) contends that engagement of employees influences motivation which is reflected in how they perform

on tasks which showns in their commitment to the work. In addition Green (ibid) holds that people become part of a company or organisation for various reasons which they are either intrinsically or extrinsically motivated. Green (ibid) further maintains that while managers have the extra responsibility of challenging and motivating employees, the goal of their workers is to contribute productively and efficiently to the business and work towards the organisation's mission statement. Thus mangers can best motivate their workers by providing meaningful rewards.

Williamson (1986) further contends that if suitable jobs are organised properly, then workers will have a good approach, be motivated and contented, and perform well in their jobs. Pousa and Mathieu (2010:34), whose work focuses on how managers coach sales people to motivate them, argue that 'due to increased global competition where businesses are struggling to hold onto their market position', managers have to employ various tools to increase performance in areas like sales. Therefore, managers motivate their employees with the use of specific directive behaviours such as goal setting and individual rewards (Honeycutt, 2002; Ingram et al, 2005).

Motivation can be viewed as a need-satisfying process, the assumption being that a need is an internal state and that employees work towards achieving goals and meeting particular objectives, one of which is to receive a salary at the end of the month. However, together with this, there is the internal state of job satisfaction and working towards promotion or developing a career. According to this view, an unsatisfied need creates tension that stimulates drives within an individual to adopt behaviour in pursuit of particular goals, which if attained will satisfy that need and reduce intrinsic tension. Many employees are in 'dead-end' jobs where there is no job satisfaction and there will

always be an internal state of tension and conflict within such employees. Many participants in the present study at the Al Rajhi bank, for example, expressed dissatisfaction with their jobs and a desire to move onto 'greener pastures', simply because they felt that management did not recognise their efforts within their job roles. The implication is that such poorly motivated employees are in a state of tension which can only be alleviated by the exertion of specific efforts.

Leon et al (1992:14) describe motivation as a process whereby people with distinctive needs and personalities achieve the goals of an enterprise and work towards attaining an objective. They maintain that managers have a threefold role in motivating employees. Firstly, they should encourage potential employees to join the enterprise and be part of the organisation. Employees must take part in all activities and feel that they belong to the organisation. This represents an important element for management, because employees will be motivated to perform better if they identify with the organisation and productivity will increase correspondingly. Secondly, the manager's role is to stimulate present employees to produce or perform more effectively. This is done by giving tasks that are appropriate to job specifications, by the use of appraisal to identify training needs and by holding group meetings where employees are delegated and chosen for roles which complement their present jobs in order to enhance their careers. Thirdly, managers should encourage present employees to remain in the enterprise rather than leave after a short period of time. Praising staff and showing appreciation helps to motivate and encourage them to stay with the company through both easy and difficult times.

Thus, motivation as Chung (1969:223) contends is a difficult task to induce employees to expend the necessary energy to be productive and carry out an activity or task. The organisation has to be conducive to good working relations. If there is some sort of pressure and tension created by this state, then employees will be forced to take corrective behavioural measures. Therefore, the definitions given from an organisational and psychological perspective facilitate an understanding of why employees working in organisations are motivated to perform their jobs, which is to achieve purposeful objectives that satisfy their driving needs, desires and goals. This is especially the case against the background of a global recession. Indeed, recent research by Ryan (2010) at the Centre for Creative Leadership shows that employees do their jobs much better and with higher levels of engagement in the global recession. Ryan (ibid) argues that 'people tend to feel engaged in their work when there is less employment available to them'. In times when the global economy is challenged, businesses face new dilemmas, such as trying to maintain continuity and constancy in employee engagement and retention.

3.3 Classification

To understand the complexity of motivation as a key psychological concept with application to management theories, it is important to construct a comprehensive theoretical framework within which the numerous classifications provided by the wealth of academic research and theories can be analysed. Pathe (1978:505) contends that within organisational psychology there are arguments about what are the motivating forces that give energy and direct as well as sustain employees' patterned work behaviour.

Before adducing any specific argument, it must be noted that there are three distinct categories, which are:

1. Content theories, which focus on the "what" of motivation

2. Process theories, which indicate the "how" of motivation

3. Reinforcement theories, which emphasise ways in which behaviour can be acquired

Content theories endeavour to explain specific things that motivate employees. Process theories, on the other hand, attempt to identify the relationships that operate among the dynamic variables. Reinforcement theories are those that take a behaviouristic perspective and argue that reinforcement conditions certain types of behaviour (Mullins, 1996). Each of these major categories is now examined in turn, beginning with content theories.

3.4 Content theories

Content theories primarily seek to identify people's needs and what drives their behaviour in performing a certain task. These theories hold that individuals have inner needs which inspire certain behaviours, particularly in a work environment. Managers can determine the needs of workers by observing how they behave in their jobs. Hodgetts and Luthans (1991) hold that within HRM systems, these theories can be applied generally, providing a useful way to understand the complexities of employee motivation.

In considering some of the influential content theories which have impacted on management, the theoretical perspectives of Maslow, McGregor and Herzberg will now be examined.

3.4.1 Maslow's hierarchy of needs

Chung (1969:223) argues that Maslow's theory while dynamic, takes into consideration that human beings are always in search for fulfilment. Thus the theory as Chung (1969) contends must be studied in a holistic manner rather than in solation as individual needs independently. While many of the theories propose different methods of understanding individual employees in the workplace, Maslow's theory is different, yet fundamental to the equation. Maslow's hierarchy of needs has been the most influential, in that it offers a 'build up' from the bottom, where the basic human needs are met, to the top, where there is self-actualisation. Maslow argues that humans have 'wanting needs' (Pride et al, 2009) and indeed a set of needs running from the most basic to sophisticated requirements that culminate in actualisation. Maslow's hierarchy of needs emphasises the importance of self-actualisation and places it at the highest level of personal motivation (Zemke, 1998). Maslow (1943, 1968) argues that there are five types of need that motivate human behaviour: physiological, safety, social, esteem and self-actualisation needs.

Physiological needs include the essential and basic needs for food, water, shelter and other bodily requirements which are basic to any human being in any given society. As humans, we all want this security and will do anything to acquire it. When we work, the money that we get in the form of wages will usually satisfy these needs (Pride et al, 2009); we use our salaries to pay the mortgage or rent and to buy consumer goods and other material commodities that are needed for our survival.

Safety needs include protection against physical and emotional pain, caused for example by sickness or loss of income. People will do everything possible to reduce

pain and increase pleasure. When there is some feeling of discomfort, insecurity sets in and there is a sense of loss and despondency.

Social needs include affection, a sense of belonging, acceptance and friendship. As human beings we do not live in a vacuum; rather, we are part of a wider society and we interact and integrate within a community. Therefore, needs of affiliation and assimilation are basic to the human condition. Without cohesion and interaction, we cease to be part of the human race.

Esteem needs include internal esteem factors, such as self-respect, and external esteem factors, such as recognition. In every society, an individual requires these factors and will do everything to increase them. Self-respect is taught to us from infanthood; as we grow older the need for self-respect increases and we will do everything to protect our moral status.

Self-actualisation needs concern the drive to become what one is capable of becoming. They include growth, achieving one's potential and self-fulfilment. Having first gone through the other stages, this final level is where a person almost reaches perfection. It is where one realises one's full potential, with a sense of achievement and accomplishment (Wahba, 1975:220).

These five types can be categorised as higher and lower order needs. Physiological and safety needs are lower order needs, while social, esteem and self-actualisation needs are viewed as higher order. The two are distinguished on the premise that the higher order needs are satisfied internally, whereas the lower order needs are predominantly satisfied externally (Robbins, 1996; Pride et al, 2009). The first stage of the model is the satisfaction of physiological needs, which form the foundation of the structure. Our

physical needs are the most fundamental: in order to survive we must meet them first. Once they are met, then the other levels can be worked on successively, eventually culminating in the self-actualisation of the individual.

Considering Maslow's theory and applying it to the workplace, Greenberg and Baron (1997) argue that managers need to provide employees with important elements to satisfy their basic needs. These consist of wages or salaries sufficient to feed herself and her family, to provide shelter and to protect the family from all forms of harm and danger, as well as a safe working environment in which to work. Other factors such as working hours, rest rooms, temperature, lighting and noise level could also be considered. Some managers will help to satisfy employees' physiological needs by providing incentives to keep them healthy or by providing healthcare facilities and/or restaurants that serve healthy foods.

Safety and security needs include freedom from physical, psychological or financial harm. Organisations can, in this respect, provide clothing in compliance with health and safety rules, such as uniforms, headgear and footwear. Financial help may be given towards such expenditure as retirement plans, school fee loans, housing and transport costs. Pride et al (2009) note that companies address such needs by means of pensions and health and life insurance; they further argue that in the present global economic climate, when there are so many cutbacks, companies are finding it difficult to fulfil these obligations, which may cause problems for many employees.

Social needs include the need to talk and associate with others, both in the workplace and in social surroundings, to express feelings of friendship and to establish formal and social relationships with work colleagues, to accept others and to be accepted.

In workplaces employees seek this affiliation through bonding with co-workers and building friendships. Managers can cater for these needs by allowing opportunities for breaks, providing lunch facilities, offering recreational activities and rearranging the physical layout of the office. Conferences and workshops may also partially satisfy the need for socialisation (Boone and Kurtz, 1992).

The fulfilment of self-esteem needs allows employees to maintain a positive image and keep face with others. Self-esteem is an important concept in Maslow's theory. It is important to all human beings, because of the inner need to associate with people in the community and society at large. The establishment of self-esteem is concerned with affiliation with others and the need for respect.

Culture is an important aspect of employees and manager need to acknowledge the link between how their worker achieve within the cultural arena. This can be done acknowledging employees' work for the company by praising them and awarding symbols of status to deserving employees. These symbols may include promotion, reserved parking, spacious offices, company cars and financial rewards. When young people become adults and move into jobs, their need for recognition becomes increasingly pronounced. There is competition between co-workers for positions of status and authority, whose achievement brings a sense of accomplishment.

It is argued that Maslow's theory is problematic since it looks at the individual rather a group. Although Maslow's theory is classified as a need theory, however there is an advocating of a more 'dynamic process of need satisfaction that leads towards the finalisation of self actualisation' (Chung: 1969). According to Staw (1997), self-actualisation concerns the need for one to realise his or her potential. Most management

experts note that an employee's drive to self-actualisation can be covertly tapped by encouraging freedom of expression; for example, allowing employees to participate in decision making and giving them the power to shape their jobs. Self-actualisation can be considered the pinnacle which an individual reaches at the summit of his/her career, or it can be in the form of retirement after having worked for many years. After having gone through the rest of the pyramid, self-actualisation is the achievement of all goals, when the individual finds inspiration and celebrates all his/her successes in life.

3.4.2 Critique and Evaluation of Maslow's theory

In critique of the self-actualisation aspect of Maslow's theory, the suggestion is that there seems to be no link between self-actualisation and culture, since self actualisation is based on an individual rather than groups and can be applied certain areas such as sales and personnel (Berl et al 1984). This seems to be a flaw in the theory, in spite of the fact that the theory is applicable to varied workers. It is argued that the assumption made by the theory is the need for people to continuously be thriving to achieve. However, this may not be the case. Also people may not be motivated to continue to achieve, rather may be satisfied to stay at one place. Berl et al (1984) argued that studies done between 1966 and 1973 identified the theory as being based on independent factors.

Burger (2008) cites work done by Neher (1991), which does not support the concepts inherent to the theory. Wahba and Bridwell (1976) reviewed thirteen studies and found that where workers were asked to list their needs in priority, these were not in line with Maslow's hierarchy.

Burger (2008) in criticism also argues that different needs may compete at the same time and not in the order that Maslow states. Work done by Alderfer (1969) has recategorised the theory into three types of need only: existence, relatedness and growth. Salancik and Pfeffer (1977) note that Alderfer's concern was not particularly with the hierarchical structure but only with the needs (cf. Callahan et al, 1986). Lawler and Suttle (1972) offer a further reduction to two levels of needs: biological and global. Thus, writers such as Salancik and Pfeffer (1977) and Alderfer (1969) have argued that there should be less concern with the hierarchical arrangement of needs, as it has little purpose. Moreover, Alderfer (1969) contends that Maslow wrongly believed his needs structure to be virtually universal among individuals, whereas in fact individuals have different needs, including some not outlined in the original theory.

There is also an assumption that there are similies of human experiences regardless of culture which this thesis argues is quite significant. Rather there is a suggestion of a universal application of motivation. Consequently, the theory does not take into account the varieties of cultures. Another important point is that there is a suggestion that self-actualisation is over cognitive. The argument therefore is that theory heavlily focuses on the mental aspects which can be stressful. If individuals do not achieve then there will be a pathological state which can lead to depression and stress. Chung (1969) is also critical and argues that human needs are dyamic in nature and 'essentially problematic'. Further needs are related to motivation and is a 'multidimentional phenomenon' Overall the theory is simplistic and so cannot be applied the present research based on the fact that it applies only to individual concepts rather than on groups and secondly, does not apply to cultural boundaries.

Maslow's theory maintains that when all other needs have been adequately met, employees will seek meaning and personal growth in their work and will actively assume new responsibilities. The theory stresses that individual differences are greatest at the self-actualisation level. Some individuals enjoy producing work of high quality and for them this is a means of self-actualisation, while for others developing creative and useful ideas serves the same need. By being aware of the different self-actualisation needs of their employees, managers can use a variety of approaches to enable them to achieve personal as well as entrepreneurial goals.

Lefter et al (2009) argue that while Maslow's theory has had great influence in organisations, it has also received heavy criticism. Firstly, Maslow himself admitted that it was hard to accept that people's needs advanced progressively and constantly towards the top of the pyramid in an orderly manner. Secondly, it has been pointed out that the theory is too rigid, as people have differing priorities and levels. This has been noted by Burger (2008), who argues that people differ in terms of their actualisation: some may want to be creative, while others seek academic success. Not everyone passes through the same levels. Another criticism of the theory is where Maslow argues that each stage must be completed before the next can be addressed, whereas Burger (2008) argues that this may not necessarily be the case. Furthermore, the levels of the hierarchy are arranged in terms of their importance, but not everyone may experience them in that sequence (Locke, 1976). An important element of the theory is that it considers environmental factors; for example, family, friends, geographical location, income and job stability, as well as workplace conditions, are all extremely important to the motivation of the individual. Burger (2008) criticises the theory on the grounds that societies differ and that in some of them, members may often go hungry for some days

while maintaining family and communal ties, which are not in fact affected by hunger. An illustrative case is that of India, where as part of the religious training, Hindu spiritualists fast for many days on the path to self-actualisation.

Further criticism has been made by writers such as Locke (1976), who notes that there is confusion between needs and values in Maslow's theory, stating that the hierarchy may differ with each person and that a given hierarchy may not always correspond with an individual's actual needs. The theory is thus criticised for its limited awareness of individual needs, since real people will differ in their motivation in the workplace (Locke, 1976). There seems to be, in light of the present criticisms, limited scope of the theory to the participants. Although the theory can be linked to the behavioural context of the study since many participants are motivated not by a inner need to achieve or self actualise but is driven by more a social need to be 'just as other' in Saudi society where money is the real objective that many seem to thrive towards.

Maslow's theory suggests that individuals have inner needs which are important irrespective of the situation or the environment. It identifies conditions that are crucial for individual achievement. Maslow's main focus was the study of subordinates in order to understand why individuals have certain expectations and why money is not as important as it seems.

According to Callahan et al (1986), Maslow's theory is based on certain suppositions: first, it supposes that man is a need-satisfying being and that at any given time his needs are dependent on what he hopes to obtain. Secondly, merely satisfying a need does not motivate an individual; rather, after one need is satisfied another one arises. Finally, needs are arranged in a hierarchical structure; the occurrence of a need is usually based

on the earlier satisfaction of another need that has a higher priority. Goodman (1968:51-57) argues that Maslow's theory indicates that individuals can be motivated 'at all levels of the hierarchy simultaneously' however, it is the dominant force depends on how the lower need have been fulfilled. As an example Goodman draws upon an example of a man who has just eaten a meal and become satisfied, this was his dominant need which was fulfilled and moves onto to another need.

While Maslow's theory is attractive and gives a good view of people' motivational levels, it has been subject to many criticisms. Maslow (1943) had initially criticised other psychological models and based his theory on the concept of self-actualisation. While social scientists focussed on other factors that were outside the realm of physical science, Maslow wanted to understand how people are motivated to achieve their goals. The psychological theories expounded in the early 20th century were based on the cognitive, behavioural and humanistic philosophies. Maslow had been previously associated with the humanistic school; however, he was inspired by all the above schools of psychology. Despite the criticisms that have been levelled against Maslow's hierarchical model, it continues to inspire many fields of investigation in the social sciences and arts. The theory has contributed much to management science and the study of organisational behaviour, providing an understanding of what motivates people in the workplace. Without doubt, Maslow's theory has been highly influential in many areas. The concept of self-actualisation has been explored in depth, often in fields such as healthcare, where it can be applied for example to nurses and to their patients (Burger, 2008).

Maslow's needs hierarchy is important to HRM and to the study of motivation and culture. As Halepota (2005:14) contends that companies are searching for ways that will improve the organisation's efficiency, productivity as well as quality of services. Thus the question that is vague as well as complex and lies within every manager's scope is how to make their workers productive.

The argument that this thesis advocates is that managers should recognise the contributions of employees in the workplace. If employees are not motivated to work well, this will eventually affect the productivity of the company. Despite the many criticisms of it, Maslow's theory remains an excellent exposition that gives a useful insight into human behaviour, and how people strive to attain their goals (Montana and Charnov, 2000). However, it is argued from the literature that motivation seems to be individualistic as pointed out by various writers. The assumption made therefore is that there does not seem to be any room for motivation at a group level. The work of Lewis et al (2011:963-980) has argued that with the increasing global village there is an emphasis on teamwork. However, traditionally, motivation theories have been applicable to individuals 'and may not apply to groups at work'. Interestingly, Lewis et al (2011) further contends that researchers have failed to take into consideration the work of motivation within cultures moreso, eastern cultures where group work or employees work on a collective basis. Sahoo et al (2011) also points out that the theory has been applied to 'Euro-American contexts and is therefore culturally bias'. As opposed to Western cultures where there is emphasis on individuality, Asian and Middle Eastern cultures favour group culture.

3.4.3 McGregor's theory X and Y

McGregor (1960) proposes two distinct views of human behaviour: theory X, which connotes a negative assessment, and theory Y, which takes a positive view of people. McGregor maintains that a manager's view of the nature of human beings is based on certain sets of assumptions and that these will tend to mould his or her behaviour toward subordinates accordingly. The basic premise of McGregor's theory is that satisfaction is not as important in terms of motivating a person. It contends that people tend to be satisfied once they have achieved a certain level and will naturally forget if they become fearful about a situation (Pride et al, 2009:286). The X and Y theory is helpful in management, because McGregor (1960) argues that employees have certain needs which are associated with their self-esteem. However, satisfaction may not be achieved simply because organisations do not create conductive environments for employees. The result is that employees are not motivated to work. McGregor (1960) asserts that when human needs are fulfilled, the feeling of want is no longer present. Although there is recognition of the presence of physical needs, which are seen as fundamental to humans and must be met, they are just stepping stones towards finding a fulfilling place within the work environment (Pride et al, 2009).

According to McGregor (1960), theory X assumes that most people want to be directed and are not interested in assuming responsibility, preferring safety. Complementary to this is the philosophy that people are motivated by money, fringe benefits and the threat of punishment. Therefore, according to McGregor's theory when applied to the work environment, in contradiction to Maslow's hierarchal theory, there is little for employees to want beyond their physiological and self-esteem needs, which are most pertinent to them as humans. Many employees just do their jobs from day to day and

collect their pay at the end of month, rather than feeling a part of the company. Others, however, prefer to move up the ranks and work towards the company's mission statement. McGregor's theory can be seen as relevant in the present economic climate, since there is the threat of job losses; therefore, people are motivated to work beyond the call of duty and when required may be prepared to work late or to perform tasks which go beyond their job description. In addition, many work overtime to secure extra pay. Therefore, managers can apply McGregor's theory, which assumes that structures and controls are in place and that there is close supervision of individuals who may be unreliable and irresponsible (Blanch and Spence, 1982:123).

While theory X holds that employees do not like to work and must be coerced into doing their jobs, preferring authoritarian control and direction, Theory Y assumes that people have an inherent desire to work and will work best when clear motives are outlined for them in the job. In addition, when they are offered sufficient reward, adequate responsibility and freedom to use their imagination, then workers will be productive. By realising their own goals, they contribute to the goals of the business (McGregor, 1985; Hersey, Blanchard and Johnson, 1996).

Theory Y focuses upon the characteristics of each employee's position within the organisation. Morton (1982), for example, suggests that effective policies for eliciting theory Y motivation include providing employees with definite and unique responsibilities. These would include a short descriptive chain of command, adequate means to exhibit productivity to others, freedom from fear of failure and opportunities to merge self-actualisation with normal responsibilities.

The most important element of these policies is that each employee should be assigned a clear set of job responsibilities that do not overlap with those of other employees. Furthermore, employees should be given the freedom to be creative in their roles and to determine how to manage operations, as long as outputs conform to organisational goals and the procedures do not conflict with operations in other areas. The lines of operation should be kept short in order to maximise the sole responsibility of each employee.

Theory Y requires an employee's performance to be visible in such a way that there is respect from fellow colleagues, which eventually leads to self-actualisation, as in the case of Maslow's theory. Hence, employees should earn respect from others, meeting their esteem needs for respect and admiration. Productivity is to some extent subjected to the scrutiny of other employees. For example, an information specialist who is responsible for software development or sensitive data might be judged on the output of the work done. Each employee's output would therefore be self-regulated by motivation, thereby allowing management to monitor progress in a non-intrusive way for signs that adjustment is needed (Morton, 1982). Thus, managers exhibit the necessary confidence in employees' output, to the extent that failures are not used as a basis for embarrassment or punishment.

3.4.4 Critique and Evaluation of McGregor's theory

One problem with theory X is that it does not take into consideration people's potential, but assumes that they are lazy and need to be pushed in the direction of accomplishing the goal in question. Therefore, the theory holds that employees need to be controlled in an authoritative manner. While this may apply to some jobs, however, it does not apply to collective societies as such. The theory advocates that the level of ambition of

employees may be either low or non-existent. Certain people, for example, may do poorly paid work and need to have direction; they may lack the ambition or education needed to do a better paid job. Therefore, employees may not be challenged in their work and it is up to their employers to motivate them. Employees working under the correct conditions will ultimately achieve the goals of the company and show commitment to achieving its mission statement.

There are several criticisms of the theory. First, in a changing global economy, managers are taking a new approach to how they manage their staff. Since McGregor propounded his theory in the 1960s, people have become more educated and now have different aspirations and goals. Secondly, theory X can be applied only to certain types of individual, such as factory workers, refuse collectors and other menial and low paid workers.

The basic premise of theory Y is that management techniques can be applied to the workforce if there are opportunities for an employee to identify responsibilities with a desire for self-actualisation. Theory X allows certain factors to be identified so that managers can work on them to improve output. These include financial support, encouragement to join the organisation and to attend meetings. In this type of atmosphere, employees can become absorbed in their jobs and their career progression, undertaking a journey towards self-actualisation which will be expressed within the framework of normal occupational duties (Leap and Crino, 1993:259).

McGregor's theory, which emerged from social science research, indicates how managers can recognise the potential of their workforce and what motivates individuals. While the criticisms above have been noted, it can nevertheless be applied to certain

situations in the workplace. Managers, as part of their role in delegating and directing, can apply the theory in order to understand their staff.

McGregor's X and Y theory has been received well, as it makes the assumption that people are motivated by the philosophy that they need money and security and are afraid of any type of threat to their job or person. Thus, managers using theory X will tend to seek ways to structure the work experience as well as to supervise workers.

3.4.5 Herzberg's motivation-hygiene theory

Herzberg introduced his motivation-hygiene theory after observing accountants and engineers at work (Pride et al, 2009:286). According to this theory, an individual's relation to his or her work is a basic one and his or her attitude to it can determine employment success or failure. At the initial stage of investigating the question of what people want from their jobs, Herzberg asked participants in his study to provide a detailed description of the situations in which they felt exceptionally good or bad about their jobs. He found that the responses which participants gave when they felt good were significantly different from their responses when they felt bad. The hygiene theory holds that factors such as company policies, various work procedures and the conditions under which employees work can be categorised as hygiene factors.

Herzberg's research also suggests that there are certain factors that are inherent in employees, such as the need to achieve in the job and for recognition of the work that they put in, the work itself and the responsibility that is given to employees, such as having keys to open the building or office. In addition, advancement and growth in the job are seen as closely related to job satisfaction. The theory states that these motivators are intrinsic, so that when present, they contribute to workers' job satisfaction.

Accordingly, a job will enhance workers' motivation level only to the extent that motivations are in some ways embedded in the work itself. For example, an insurance salesperson has to work hard to sell policies in order to earn commission. Therefore, changes that deal solely with hygiene factors will not generate improvement (Hackman, 1980). The theory states that when employees are dissatisfied, they tend to cite extrinsic factors, such as supervision, interpersonal relations and work conditions (Blau, 1993).

One of the fundamental elements of the motivation-hygiene theory is that managers, who are the driving force in a business, should focus attention on the factors that promote job satisfaction. Workers' tendency to be satisfied in their jobs will be enhanced when they are given opportunities to develop their professional skills on the job. There are some information services that would pay for their workers to participate in appropriate job training courses; especially those are associated with Internet-based training, such as Sabinet and Dialogue. Moreover, managers should eliminate those factors that create job dissatisfaction and diminish motivation. Factors which can enhance employees' performance include company policies, administration, supervision of workers, working conditions and salaries (Hertzberg et al, 1989). Therefore, there is a belief that workers could be motivated by emphasising intrinsic factors (Robbins, 1996).

Herzberg argues that to avoid dissatisfaction, appropriate conditions should be created; in other words, creating pleasant working conditions may be helpful in making sure that workers are not dissatisfied (Newtrom and Davis, 1993:123).

3.4.6 Critique and Evaluation of Hertzberg's theory

There has been varied criticism of Hertzberg's theory by a number of authors (Bockman 1977). Pathe (1978) notes that the theory has been criticised extensively however 'in the

process it has stimulated thought and research on the motivation constructs.' One objection is that the theory oversimplifies the link between motivation and satisfaction, and that between sources of job satisfaction and dissatisfaction (Greene, et al 1985; House and Wigder, 1967). In addition, researchers testing Herzberg's theory have argued that it is problematic (Bockman, 1971). His methodology has also been substantially criticised by writers such as Hulin and Smith (1967), who claim that the critical incident method and the description of events giving good or bad feelings influenced the results. These writers further conclude that where studies have been conducted without the use of the critical incident method, results are generally different from those predicted by the two-factor theory. Medved (1982) reports that the theory has often been criticised (e.g. by Vroom, 1964 and Ewen, 1964) as 'method bound' in terms of how the data was collected and that it has limitations with regard to various elements such as occupational level, age and education.

Herzberg's hygiene theory has been used in a variety of settings to understand motivation at work. In the initial research on job satisfaction, two types of factor were noted. First, hygiene factors, such as salary, job security and company policies towards employees, were all seen as good but not necessarily promoting job satisfaction. Herzberg argues that if employees are to have job satisfaction, then it is important for employers to provide them with benefits in other areas such as recognition of achievement and quality, as well as giving them responsibility that will motivate them (DeGraff, 1996). In spite of the methodological criticism it has received, Herzberg's theory was one of the first attempts to draw a distinction between intrinsic and extrinsic motivation (Salancik and Pfeffer, 1977). Among management theorists and practitioners, it has become a model for successful change projects involving the

redesign of work (Hackman, 1980; Callahan et al, 1986). Studies by Medved (1982) using the hygiene model on teachers show that although education is a highly rewarding field of work, teachers did not feel appreciated for their work. A possible reason for this which is consistent with Hertzberg's theory is that the longer people stay in a job, the more concerned they become about their work context.

3.5 Process theories of motivation

Content theories such as Herzberg's hygiene theory and Maslow' hierarchy of needs consider motivation, the work roles that people fill and the various tasks that motivate job satisfaction (Mullins, 1996). Process theories, on the other hand, are more sophisticated and focus on individual behaviour in specific settings (Orpen and Nkohande, 1977) and emphasise how and by what goals individuals are motivated. Therefore, process theories are concerned with cognitive behaviour, which is seen as rational and taking place within a person. Furthermore they are based on the assumption that people make conscious decisions regarding their behaviour. Behaviour is also a function of the individual's perceptions and expectations about a situation and the possible outcome of a given behaviour (Heinmann et al, 1985:419). This section examines the best-known process theories, which are expectancy theory and equity theory.

3.5.1 Expectancy theory

The main assumption of expectancy theory, which was developed by Vroom (1964), is that an individual's motivation toward certain behaviour is determined by the result that he or she regards as desirable and his or her belief that the result can be obtained. According to this theory, people choose how to behave from among alternative courses

of action, based on their expectations of what there is to gain from each action (Robbins, 1996:237). Pousa and Mathieu (2010:34) argue that the theory establishes that people are motivated on the basis of three factors. First, there is some expectation that carrying out such behaviour will lead to a certain level of performance being attained. The second assumption is that the instrumentality which is used 'will result in or lock the attainment of that related income'. Thirdly, there is some degree of attractiveness of the job-related reward. The theory also distinguishes between extrinsic and intrinsic rewards, which according to Pousa and Mathieu (ibid) have 'an additive effect on motivation'.

According to expectancy theory, as illustrated in Figure 2.1, people work hard in order to achieve, but only when they are expecting something in return (Pride et al, 2009:289). Thus, if a worker expects that at the end of the month he/she will receive a bonus, a rise in salary or promotion, then he or she will accordingly work hard to earn these benefits. However, if there is no indication that any of them will be forthcoming, then there will be no motivation.
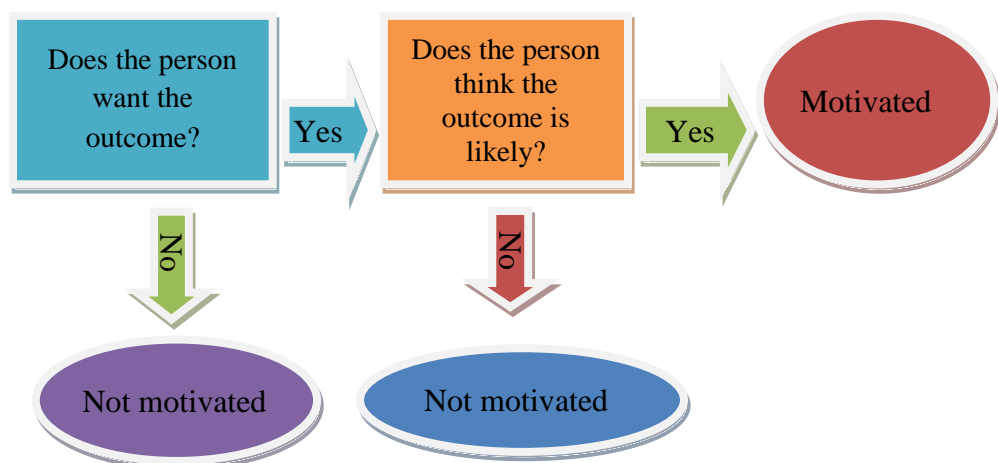
Figure 2. 1: Expectancy theory

Source: Adapted from Pride et al (2009:289)

The main premise of the expectancy theory is that motivation depends on how much people would like to achieve a desired aim and what they believe are the chances that they will be able to do so. Smith (2009:473-485) contends that it has been seen as the 'first over-arching theory' of motivation in the workplace and that it has been used in areas that have 'corollaries to strategy implementation'.

Expectancy theory argues that people choose to engage in behaviour that they believe will bring them the best rewards in terms of satisfaction or in some cases the least negative outcome in terms of dissatisfaction. The rational or economic concept of what is called preference among the various alternatives consists of different values which constitute a major part of the theory. According to Smith (2009), there are four components of the theory: force, valence, expectancy and instrumentality.

- Force is the compulsion that causes a person to behave in a particular manner.

- Valence is the preference that an individual has for any reward that follows.

- Expectancy is the perceived reward that an individual expects if certain behaviour is performed.

- Instrumentality is the perception an individual has that if an action is carried out there will be some consequent reward.

The theory is concerned with the estimated energy or effort (as a reflection of the degree of motivation) that a person puts in towards the attainment or avoidance of specific outcome, depending upon his or her belief that the values (or valence) of attainment or avoidance of these specific outcome is to be believed, positively or negatively. It relates this to the performance expected from the behaviour, as represented in the following formula:

92

$$F + fi (E \times V)$$

The four elements of the model are defined as follows:

- Force (F) refers to the energy that a person puts into his/her performance, which reflects the degree of motivation.

- Expectancy (E) refers to the probability (belief) that an action will lead to performance.

- Instrumentality (i) refers to the linkage between performance and other outcomes which depend on beliefs, i.e. the belief that performance will be rewarded;

- Valence (V) is the desirability or estimated value of different outcomes, based upon the person's beliefs.

It should be noted that valence (value) and expectancy are multiplied in order to produce the expected effort. In other words, the person will perceive the consequences of his/her behaviour as positive, negative or neutral. At the same time, in order to estimate the level of effort of motivation needed, he or she will perceive a certain expectancy (probability, which ranges from zero to one) of the action (performance). Based on the levels of expectancy multiplied by valence, he or she will act on the highest level to perform or the lowest level to avoid. When expectancy, instrumentality and valance are all high, higher levels of motivation will result than when they are all lower. The multiplicative assumption also implies that if any one of these three components is zero, the overall level of motivation will be zero (Miner, 1980).

Therefore, managers can motivate their workforce in a number of ways. Firstly, there is a need to clarify workers' expectations that their efforts will lead to performance. Workers need to know that they will be able to achieve something. They will be

motivated to work if they know that the effort that they put into their job roles will be rewarded in the end.

Secondly, motivation can be enhanced by training workers to do their jobs more effectively and so achieve higher levels of performance by their efforts. A variety of training programmes should be set up by companies to enhance employees' careers. Workers can be encouraged to join professional organisations or associations which will provide training in their specific job roles. They should be encouraged to participate in training and skills development programmes and be rewarded with improved status and position in the company.

The third way to motivate employees is to allow them to share information through magazines and profession journals so that they can be kept informed about the latest developments in their profession. It may also be possible to enhance workers' performance expectancies by following suggestions about ways to change their roles. It is important that workers are aware of problems in their job roles that interact with their performance. Any attempt to alleviate their problems will help them to perform more effectively; in other words, to make the desired performance attainable (Robbins, 1998).

It is also important for managers to determine the rewards valued by workers; that is, to find out what makes them satisfied. This can be done by observing their reactions in different situations and by asking them what rewards they desire. Finally, there is a link between valued rewards and performance. When this is known, managers can specify exactly what job specifications will lead to key rewards to the extent that it is possible for workers to be remunerated in ways directly linked to their performance. Workers will then be happy to work for the company. An example of this is when each worker

with a specific level of performance is given a merit award, which may be in monetary form, such as an additional scale or two in the salary, or a bonus.

Therefore, the theory specifies that the technique used is an effective motivating system. In addition, it is crucial for managers to consider the appropriate methods in order to find out exactly what workers might do to perform at high levels. Implicitly, the rewards need not be monetary in nature; even verbal recognition for a job well done can be very effective (Boone and Kurtz, 1992:351).

Criticisms of expectancy theory include the contention that it has limited use, being most useful for prediction in situations where linkages between effort, performance and rewards are clearly perceived by the individual worker. Since few individuals perceive a high correlation between performance and rewards in their job roles, the theory tends to be idealistic rather than realistic. The evidence that supports the validity of the theory has been mixed (Miller and Grush, 1988, Mitchell, 1988). The expectancy equation may oversimplify the motivational process, although it can still be used to investigate problems with staff and evaluate their motivation.

Although there have been criticisms of the original theory, some work has supported aspects of it (Smith, 2009), such as its relation to self-esteem (Garvin, 1973) and role-perception (Port and Lawler, 1968). Research by Kopelman and Thompson (1976) suggests that the theory can be strengthened in certain areas when conditions are applied. Smith (2009) holds that the theory has supported 'good explanations of management behaviour in a number of contexts that pertain to marketing strategy implementation.' For example, Evans et al (1982) applied expectancy theory to sales management and found it to be 'relatively robust' in its formulations (Smith, 2009).

In evaluating the expectancy theory, one must note the main argument is that motivation is one of several important determinants and an integral part of job performance. The theory assumes that a person should have the appropriate skills and abilities which contribute to his or her job performance. In other words, workers can do their jobs properly once they are placed in jobs for which they are suited. Therefore, some people are better suited to perform their jobs than others by virtue of their unique characteristics, special skills and abilities; for example, a person with good interpersonal skills who is approachable can be placed in a customer liaison position in the banking sector, while a person who is good at numbers would be better employed in the accounting department. The theory recognises the integral role that opportunities play in the performance of one's job. Even management employees may perform at low levels if their opportunities are limited, e.g., a banking teller may perform poorly if the chances of promotion to teller clerk are limited (Greenberg and Baron, 1997). In addition, the theory implies that managers must pay attention simultaneously to a number of factors in dealing with employees.

3.5.2 Equity theory

Equity theory holds that people are motivated by maintaining 'fair relationships with others and rectify unfair relationships by making them fair' (Baron, 1983). Smith (2009) reports that equity theory (Adams, 1965) looks at motivation in terms of how employees perceive the equity of what they receive, i.e. their rewards in relation to others. However, Huseman et al (1987) contend that it is concerned with how individuals manage relationships with others and state that the theory has four perspectives:

- First, people tend to evaluate their relationships with peers by assessing inputs against outputs. There is a ratio that is used to measure how much is put in as against how much is obtained.

- Secondly, inequity then arises if the energy that is put is not matched by the outcome, as assessed by the ratio.

- Thirdly, when inequity increases, levels of distress and negativity also rise, so individuals are stressed about their jobs and tend to underperform.

- Finally, workers react to inequity by making more effort to ease distress, using appropriate equity restoration techniques such as distorting inputs and outcomes or terminating relationships.

Thus, the theory argues that fairness and equity in the treatment of workers is more desirable than a situation where some workers are favoured over others. All individuals desire fair treatment, especially in the workplace. Interestingly, Folger (1993) argues that while the workplace is an arena for the exchange of labour for money, employees also want to be treated fairly by being seen as unique individuals who contribute their personal energy and effort to the success of the enterprise.

The core factors that are used in explaining and understanding motivation in equity theory are inputs, outcomes and referents (Adams, 1965).

- Inputs are those factors that a worker brings to the job, such as age, skills, experience, personality and character.

- Outcomes are those things that the worker perceives that he/she will receive as a result of working in the organisation. They may be positive factors, such as

payment and recognition for a job done, or negative factors, such as unsafe conditions, pressure from the management or a lack of appreciation for work done.

- Referents are the focus of comparison for the worker, generally other workers or other groups. The theory states that workers must be able to perceive a relationship between the rewards they receive and their performance. This perceived relationship is based on a comparison of the input-output ratio between a particular worker and someone whom she regards as her equal. If she perceives inequality or unfairness, a tension or driving force will ensue, motivating her to reduce or eliminate the tension and perceived inequality (Staw, 1977).

Adams' theory is based on the following suppositions, according to Steers and Porter (1979):

- Perceived inequality creates tension in the individual. When an employee perceives that he has received unfair treatment at work, there will be tension which will have an impact on his productivity.

- The tension is proportional to the extent of the inequality. When an employee feels that there is ill treatment or some sort of inequality, it may not last for long and will be resolved when there is better treatment.

- The tension experienced will motivate the individual to reduce it. Employees want to feel comfortable in the jobs that they do and will do anything to relieve any sort of tension.

- The strength of the motivation to reduce the tension is proportional to the perceived inequality.

The debate about equity theory concentrates on whether money is the most significant reward in the workplace. Workers compare the salary they receive and the efforts they make with those of their colleagues. When they perceive that there is inequity, then there will be tension, which they try to resolve by adjusting their work behaviour, such as by doing less work or making less effort. In practice, workers will use different methods in order to reduce inequity. Some will rationalise it by concluding that their efforts were greater or less than they originally perceived them to be, or that the rewards were more or less valuable. The worker who fails to receive promotion may decide that the previously desired job role actually involved too much responsibility. Equity theory therefore suggests that it is important for managers to know their workers and recognise that job roles are performed in the context of human relations (Greenberg and Baron, 1997).

The theory has some important implications for management. The main issues is that underpayment should be avoided, because managers who attempt to save money by reducing workers' salaries may find that they respond in many different ways to 'even the score'; for example, they may steal company property or shave a few minutes off their work. Therefore managers should pay careful attention to how they perceive their relationships with the staff. If workers feel that they are being treated unfairly, then they will not put the necessary effort into their jobs. Rather, they will feel tension and tend to be less productive. It is important that workers feel comfortable in the jobs that they do. In present times, where jobs are being threatened, tension tends to build because workers feel that they can be replaced easily by others. In many cases, there are redundancies and lay-offs, while those that remain in employment have to do double and triple the work that was done previously. In fact, many companies are now

downsizing in order to save money. This can have a bad effect on workers, who feel the pressure. While they do not wish to be unproductive as such, they nonetheless work not out of enjoyment but because they are forced to do it. Such conditions build tension.

Overpayment should also be avoided, because the increases in performance that may lead to overpayment inequity tend to be temporary. This means that there are some workers who are overpaid, while their colleagues are – or feel themselves to be – underpaid. When the majority feels that they are underpaid, they will be dissatisfied and respond by reducing their performance. Therefore, managers should do everything to treat workers equally and strive to reward all workers equitably. This may not be an easy task, as feelings of inequity are based on perceptions that are not always easy to control. One approach that may help is being open and honest about outcomes and inputs. Managers should nonetheless present information about outcomes which may be sensitive in a confidential manner. Negative outcomes such as layoffs and pay cuts can be accepted and recognised to the extent that workers understand the procedures that brought them about. Employees tend to view such matters negatively, but when they are told the particular reasons, understanding is likely to improve. Such information, particularly when presented in a highly sensitive manner, tends to cool behaviour and reduce the possibility of undesirable outcomes (Newstrom and Davis, 1993).

While equity theory has good foundations, there have been criticisms regarding the empirical evidence (Kopelman, 1977; Carrell and Dittrich, 1976; Cosier and Dalton, 1983). Writers have argued that there are differences in intelligence, social values, personality and gender which may influence a worker's perception of equity (Carrell and Dittrich, 1976). Interestingly, other critics have argued that equity theory

oversimplifies the motivational issues by not explicitly considering workers' needs, values or personalities (Gordon, 1996). This oversimplification becomes extremely important for equity, in addition to the preferred responses to inequitable workforce management situations.

Equity theory has a number of good points that are pertinent when looking at how people are motivated in the workplace and has been applied usefully to areas such as justice (Folger, 1994). Weick (1966), for example, holds that the question of equity arises when people start to compare their input-output ratios with those of their co-workers or supervisors and to a certain extent with their own past or predicted ratios. Equity, as Weick (1966) further explains, exists when the 'ratio of the inputs and the outputs are identical for two or more employees', while dissatisfaction comes into play when the ratio is disproportionate, i.e. the treatment of the employees is unequal. A person is then likely to feel that he/she is making a greater effort than another, in return for less income.

3.5.3 Goal setting theory

Goal setting theory (Locke, 1968) is based on cognitive concepts, in common with expectancy theory, which also originated in the 1960s, but the former has since been developed further (Locke and Bryan, 1966; Locke, 2002). The theory argues that work is done according to a person's intention to perform that job, once he or she is motivated by the appropriate goals. That is, according to Locke and Latham (1990), individuals are motivated to perform tasks once they can perceive clear goals which are apt to be achieved at some point in time. The theory contends that goals affect some actions and

'explains task related effort in terms of acquiring goals and specifying the goals' (Smith, 2009).

The theory is particularly applicable to very difficult tasks, where commitment can be seen as 'a function of the perceived importance' of the task, which may be specific (Klein, Wesson, Hollenbeck and Alge, 1999), as well as task complexity (Wood, Mento and Locke, 1987). Goal setting theory has been found to be useful in showing the 'appropriateness and timeliness of feedback, which increase the link between goal setting and performance' (Becker, 1978). There have also been favourable results in specific areas such as 'variances in marketing strategy implementation' (Smith, 2009).

Research further shows that having a goal-setting programme improves performance at both managerial and non-managerial levels in different organisations (Latham and Yuki, 1975). The theory also recognises the role that feedback plays in goal setting. Workers require information about how effective they are in meeting their goals, as they continue to work towards a particular objective while they are part of the company. This objective may be buying a house, for which they are willing to work overtime, or it may be a career path within the company. Therefore they will set particular goals that they want to achieve at work (Bannister and Balkin, 1990; Larson, 1984; Liden and Mitchell, 1985). Good feedback can engender a sense of achievement, accomplishment and recognition. It can produce improvement and more creative effort (Latham and Locke, 1979).

Erez et al (1979) argue that there are certain elements such as authority and education that can have an impact on the effectiveness of employees' goals. Erez and Zidon (1984) also assert that acceptance of goals can be problematic for workers in trying to

do a task. But most importantly, goals differ across cultures and places. What people may aspire to in Saudi Arabia may not be the same for people in England or America (Erez and Earley, 1987). Smith (2009) contends that the literature shows the weakness in the application of goal setting theory to managerial tasks. Although the theory is relevant to marketing strategy implementation, this is limited to virtual teams (Forester, Thoms and Pinto, 2007) and areas where there is goal setting and 'the risk of promoting unethical behaviour' (Barsky, 2007; Schweitzer, Ordez and Douma, 2004). Smith (2009) holds that while goal-setting theory can be applied to behaviour in certain areas, such as strategy implementation, 'there seems to be less of a history of application in relevant areas when compared to expectancy theory.'

Goal setting theory has been applied successfully and usefully to various professions, including engineers and communication workers (Locke, 2002; Smith, 2009). Thus, it can be seen to offer an explanation of human motivation which helps in understanding 'the phenomenon of strategy implementation' (Smith, 2009). The theory shows that people are motivated when they set appropriate goals. Consequently, several strategies have been developed to show the relationship between job satisfaction and motivation. The use of goal setting theory seems to be popular in management (Smith, 2009), whereby both employees and managers can set goals and establish procedures to work through in order to accomplish these. Managers can empower their workers by evaluating their progress, which will increase their job satisfaction.

3.5.4 Reinforcement theory

As argued above, there has been an interest in looking at the motivating factors which sustain individuals in the work place (Pathe, 1978:505). Reinforcement theory is based

on Skinner's operant conditioning, which applies the argument that the outcome of behaviour comes from the manipulation of the consequences. Pathe (ibid) contends that while there is a universal acceptance on theories on behaviour which is a 'result of interaction between the individual and the environment, however, there is some disagreement in terms of research from a 'global research standpoint'.

Therefore, the behaviourist approach argues that reinforcement conditions behaviour, which can be either encouraged or discouraged, as the case may be, according to the rewards reinforcement brings. Behaviour that has a pleasant result will be repeated, whereas behaviour that produces unpleasant results will be suppressed. The theory has four elements:

- Positive reinforcement

- Negative reinforcement

- Punishment

- Extinction

Positive reinforcement is where the desirable behaviour is increased when the relative consequence depends on the event taking place. Negative reinforcement takes place when some negative consequence occurs. An example of negative reinforcement is when a parent repeatedly tells a child to do his/her homework, to such an extent that the child cannot see doing it as enjoyable, but perceives it as a negative event. Punishment takes place when an undesired behaviour is either reduced or eliminated by the deliberate association of an unpleasant outcome with the behaviour taking place. An example of punishment is when a worker is repeatedly late and payment is deducted from his wages. Extinction decreases a behaviour that is undesirable by removing the

action that causes it. An example of extinction is when the job performance of a worker who has been praised for doing good work starts to deteriorate, so approval is stopped.

Building on the work of Skinner, who argued for a relationship between reinforcement and behaviour, reinforcement theories are just one particular set within the behaviourist school. Employees are rewarded when they do a particular job and move closer to a desired behaviour. For example, a bank clerk who seeks advancement at work may undertake a diploma course and be rewarded by a rise in salary or promotion. The next stage would be to study for a degree, which would result in another desired reward (Kroon, 1996).

Reinforcement can be either negative or positive and is classified into two types: punishment and extinction. Punishment is normally used to discourage undesirable behaviour. An example is when an employee takes a course which is funded by the company but fails the course; the company may decide not pay for it and to withhold further payment until there is some improvement in performance. By doing this, the company is discouraging a particular undesirable behaviour – in this case, failure. Punishment, then, is used to motivate employees to work better and be more productive. It is given so that employees will not go back to their old, unproductive ways.

Extinction can be used in such way as to weaken any type of behaviour which was previously rewarded. An example is where an employee works for a newly appointed manager and wants to inform him/her about co-workers. The new manager discourages such behaviour. Eventually the employee has to accept that such behaviour is unacceptable and so it becomes extinct, i.e. he/she does not repeat it (Kroon, 1996).

The main thrust of reinforcement theory is that workers' behaviour is directly related to the consequences of their own actions. The theory examines why employees continue to behave as they do, what influences their behaviour and what changes can be made (Jordan, 1995). It is based on the principle of learning, so training methods are viewed as the most obvious ways to improve behaviour. Training can be described as a process whereby there is systematic teaching of employees to acquire and refine skills which will improve their specific roles. Training can also be used to prepare workers to meet the challenges associated with their jobs and to upgrade and refine existing skills. Training may take many forms, such as executive training programmes, where companies attempt to develop the skills of their top managers. Many executive training sessions focus on the development of leadership skills.

Reinforcement theory can be used by managers to understand employees' behaviour for future reference in terms of behaviour modification. There are often times when employees have a backlog of work and lack the motivation to continue working. If managers can understand what causes the backlog in the first place and are sensitive to their workers, then there will be approval for the work done. According to Stoner et al (1995), there are four methods that managers can use to modify employees' behaviour patterns:

- Positive reinforcement, which is the use of positive consequences to encourage the required behaviour.

- Avoidance learning, which occurs when workers change behaviour to avoid or escape unpleasant circumstances.

- Extinction, which is the absence of reinforcement for undesirable behaviour so that the behaviour eventually stops recurring.

106

- Punishment, which is the application of negative consequences to stop or correct improper behaviour.

Behaviourists argue that the philosophical contention that behaviour comes from an individual's interaction with the environment is too general and that there is disagreement between researchers on the 'composition of factors' (Pathe, 1978). There is also the criticism that more research needs to be conducted into extrinsic and intrinsic motivation 'before knowing with any precision the outcomes, for the individual or the organisation' (ibid).

3.6 Other theories

Apart from content, process and reinforcement theories, other attempts to explain motivation at work include the control theory model of Lord and Hange (1987), which has gained some prominence in recent times. This theory states that individuals have control over their actions and feel that they are in control of their lives and of the job roles in which they operate (Lauthans, 1995). Studies have shown that workers who believe themselves to have control over their roles have the ability to tolerate unpleasant events within the employing organisation and suffer less stress that those who do not have such perceptions (Ganster and Fusilier, 1989; Fox et al, 1993). There is also some evidence that perceived control will affect job satisfaction and absenteeism (Dwyer and Ganster, 1991).

Other theories include the self-determination theory (Deci and Ryan, 1985) and the job characteristic model (Hackman and Oldham, 1980). The situational occurrence theory of job satisfaction advocated by Quarstein et al (1993) argues that job satisfaction is in many ways determined by what are called "situational characteristics". This means that

when an individual is in a particular situation, then his/her motivation is dependent on that time and place. Therefore, a person is only motivated to work when there is a job to be done. If a person has a job in a company, then he/she is motivated to work in that situation.

3.7 Linking the theories to the research

The above sections have considered various theories of motivation, looking at human behaviour and how it is affected in different cases. The basic premise is that when individuals are motivated, they work harder to accomplish the goals that they have set their minds to achieving. Although the theories may differ in the means used to attain these goals and in the psychological concepts employed, it is nevertheless important to note that all have their limitations and that no one theory is perfect. People are motivated by different factors of time, place and cause. Maslow's theory, which suggests that there are needs which must be met, beginning with the most basic and moving to the higher levels, has for example been considered to be an important tool in looking at motivation. This theory may indeed be useful for some, but not everyone goes through all the stages and is ultimately self-actualised (or not, as the case may be). There is probably no 'best fit' theory that can be applied to all workplace situations. Rather, what is important is that managers recognise the work done by employees and offer them appropriate rewards. In the present economic climate, employees find themselves working much harder in order to secure their jobs. While the danger of redundancy is a motivation to perform well, there is no job satisfaction and many employees are unhappy in their roles.

Writers such as Landy and Becker (1987) suggest that needs theories are most widely used to study satisfaction and workforce effort. Expectancy theory can be used to predict job and organisational choices and withdrawal behaviour, while goal-setting theory has been applied to choice and performance. Having some conceptualisation of these different approaches to motivation is useful, because it provides managers with several ways to look at specific problems. As a result, they may arrive at solutions more quickly and effectively.

Let us now consider how the motivation theories discussed in this chapter may be related to the case investigated in the present study. Maslow's theory has a useful application for the management of Al Rajhi bank, in helping to identify what motivates its employees, who seemed to have differing goals. Many have worked at the bank for a number of years, especially the older employees, said that they just wanted to carry on with their jobs and achieve a high position after having 'worked so hard' and put in effort. Others seemed to 'want to reach the stars in a short space of time'. The employees felt affiliated to the bank and appeared proud to be part of the institution. The basic premise that employees seemed to hold is that their intrinsic needs were important and that the management should recognise them as a main contributory factor to the organisation. In Saudi society, where there seem to be no financial problems for many people, the basic needs of the bank's employees had been fulfilled. That is to say that they had moved up the hierarchy of needs and therefore had only the actualisation level to fulfil. Many of the employees sought this level and indicated their willingness to work hard in order to achieve that status. Their basic safety and security needs had already been met.

While McGregor's theory X and Y can also be applied to the research, doing so poses several problems. First, taking McGregor's argument that workers do not desire to be directed, nor to take responsibility, this was not entirely the case among Al Rajhi employees, many of whom opted to take full responsibility for the work that they were doing. Many of the managers and supervisors interviewed indicated that being responsible gave them status within the bank and the industry. Secondly, the theory proposes that job satisfaction is not significant in terms of motivation and that once they have achieved, people are satisfied and will tend to forget the situation that they were formerly in. It can be argued that it is part of human nature to be forgetful of one's position prior to achievement. Many Al Rajhi employees come from affluent families and held good positions at the bank. The younger employees felt that although their parents were financially well off, they had to make their own mark in life; they therefore also wanted to achieve. However, it is interesting to note that if managers at the bank were to use the theory, they would understand how their employees are driven to work. While working at the bank carried prestige for some employees, many felt that they were not motivated by repeating the same routine daily jobs. This thesis argues that the theory is applicable to Al Rajhi bank since condusive environments can be created so that workers feel part of the institution and so work towards achieving realistic goals. The value of this theory as it applies to the present research is that people at Al Rajhi tend to work on their own initiative at times. However, many need to be directed, as a result of the historical perspective. Arab workers in general like to be directed to some extent and to have a level of authority at times. This was found to be the case especially with the cleaners and kitchen staff, whereas managerial and supervisory staff tended to work on their own initiative. They needed less supervision and direction, usually

carrying out the duty of authorising work for lower level staff at the bank. It is therefore argued that McGregor's theory can still be applied with reference to some organisations.

Hertzberg's hygiene theory also offers a realistic view of the motivation of Al Rajhi employees. Many said that they desired much more than being at the bank as an employee. Interviewees said that they felt good about their jobs. Organisational factors such as policies and work schedules were all important to them. Managers could use Hertzberg's theory to focus on the hygiene factors that should be taken into consideration when identifying what employees want from their jobs; they could then use that information to improve working conditions for them. The theory suggests that intrinsic factors are significant to employees; therefore, while the management has explored ways to improve quality of employment, it should also focus on delegating responsibility to general staff members, in addition to managers and supervisors. Many participants indicated that advancement and growth were important to them and that more responsibility was required to facilitate this development.

In applying the equity theory to Al Rajhi bank; it is argued that in the realm of business enterprise globally, there is often a perception of how others are treated in comparison to the self: employees tend to perceive their treatment and motivation in the workplace in relation to those of their co-workers. The basic premise of the employees who were interviewed was that they wanted to find a balance in what they did and what they put into their jobs, as against what they received at the end of their time at the bank. Many felt that they were not motivated, especially given the number of expatriate workers, who held many of the best posts, while the local Arabs had much lower status jobs to do. Equity theory would indicate that those employees who are motivated to work are

those who find some balance in what they do and feel that the outcome or the reward that they receive is equal to their efforts expended.

Goal setting theory could also be used by Al Rajhi managers, as employees could set their goals and work towards achieving them. Goal setting can help to offer employees healthy constructs that would be useful to explain the relationship between strategies and achievements. Marshall et al (2004:280) argue that the relationship between job satisfaction and motivation in an organisational context is important and of particular interest to human resource development (HRD), since there is 'the potential impact on motivation and satisfaction that has emerged from the workplace environments that have a strong association with the organisation as a learning culture.' Furthermore, the role of HRD goes beyond what they call 'a narrow concentration on training' to a broader examination of systems 'that influence the development of employees in the workplace in terms of learning within the technical, social and interpersonal areas'.

Mark and Roberts (1998:226-231), having studied how motivational theorists examine the role between motivation and job satisfaction, argue that the instilling of satisfaction is an important part of management. Satisfaction creates the confidence that is needed by employees. It gives them loyalty, creates trust and builds 'improved quality in the output of the employed'. The authors maintain that satisfaction is an ongoing engagement between management and employees.

Further work by Ehrlich (2006) has used the EFQM model as an instrument to measure job satisfaction and motivation. It provides an evaluation of an organisation under nine criteria divided among enablers and takes account of certain conditions such as policy, strategy, management dedication and people integration. Ehrlich (2006) also cites

Robbins (2003) as concluding that 'the explicit focus on job satisfaction is problematic and the majority of employees indicate that they are satisfied with their jobs'. The reason for this is 'the difference of experiences'.

Kakabadse et al (2004) argue that people are more likely to be motivated to do jobs if they are well suited to them, i.e. that it is the match between the job and the person that determines the motivation level. The argument of these writers is that there are the three elements of needs, incentives and perception is important to an individual, who will be motivated to do a task according to the incentives offered by the company. If the organisation does not look after its staff and does not provide any incentives, then there will be a lack of motivation and staff will not be content in their roles. Motivation, therefore, can be subjective. Where there is a salary at the end of the month, this is the incentive. This is crucial, because people work according to the salary that they receive. When people are asked to do a job they often say, 'Well, I am not being paid to do that' or 'only if they pay me more, then I'll do the extra work'. Employees may be willing to work overtime only if they can have time off on another day or if they are paid double for the overtime hours.

The task of the manager is thus rather complex, because the motivation levels of all employees have to be determined. When a group of individuals is poorly managed, resources are not used productively. Instead, the workers function poorly and affect others in the group (Kakabadse et al, 2004:57). It is important to remember that businesses are made up of people, who are an important resource, and when employees are contented and satisfied in their jobs, then the business is successful. Managers are the ones who lay down policies and ensure that they are implemented. They work in

113

collaboration with employees to ensure the application of strategies and polices in line with the mission statement of the company. Everyone in an organisation shares responsibility for carrying out this collective endeavour and working towards the success of the company. Therefore, it is important that workers are satisfied in their particular jobs and are motivated to do them properly.

Mangione and Quin (1975) suggest that there is a relationship between how people feel about their jobs, i.e. their level of happiness, and their job roles. Thus, it is argued that employees can be motivated to work without a monetary incentive. This was the case of some Al Rajhi employees, who stated when interviewed that they did not seek financial rewards but were pleased to be employed by such a prestigious bank. This suggests that people are sometimes motivated by non-financial factors. Dewhurst (2010), for example, reviews research to determine how people are motivated without money and concludes that 'numerous studies carried out with people who receive satisfactory salaries [indicate that] nonfinancial motivators are usually more effective in building employee engagement relationships'. Dewhurst argues that while financial reward may have short-term benefits, there are significant damaging consequences in the long run.

3.8 Conclusion

This chapter has begun the review of the relevant literature by examining in some detail the subject of motivation at work, from a theoretical standpoint. It began by comparing some definitions of motivation, examining the role of the manager and proposing a tripartite classification of motivation theories. It then explored in some detail the major contributions to each group, by theorists such as Maslow, McGregor, Hertzberg,

Adams, Locke and Skinner, ending with a section linking this theoretical work to the present empirical enquiry.

The next chapter is a short one providing a link between this and Chapter four, which reviews the literature on the major theme of culture. To connect the topic of motivation with that of culture, Chapter three considers motivation in the Saudi context. It begins by resuming consideration of an issue raised in Chapter two: the relation between motivation and job satisfaction. It then reviews a number of practical studies of workplace motivation, before turning to the main theme of Saudi Arabia, its history and culture. It ends by reviewing research into motivation and culture in the Middle East more generally.

4.1 Motivation and job satisfaction

The relationship between job satisfaction and motivation has been widely discussed in the literature. Kakabadse et al., (2004:55), for example, contends that motivation implies that people are working for a reason, while Lefter et al., (2009:324-328) examine both traditional motivational theories and modern approaches to motivation in order to evaluate employee satisfaction in the EU. These writers contend that motivation is an important factor within the workplace setting as it relates to employees; however, they question its meaning as it relates to particular individuals. The argument is that people tend to be motivated by different stimuli. Some individuals may be motivated to achieve by the fear of being found incompetent or failing to do the job. On the other hand, workers may, for example, be motivated to work in order to achieve some position or status in the company. Yet the very basis of motivation is that we all work to get paid at the end of the month so that we can pay our bills. Therefore, motivation exists at different levels for each individual. Reflecting this individuality, Lefter et al (ibid) define motivation by noting that 'a person [...] is motivated when he or she wants to do something' and that 'the motivation of a person covers all the reasons for which he chooses to act in a certain manner'.

Researchers have carried out numerous studies on job satisfaction and motivation in an attempt to understand the relationship between the two concepts. An interesting analysis is offered by McCormick and Ilgen (1992), who argue that notwithstanding this relationship, job satisfaction and motivation are two distinct phenomena, the former

being that which is personal to the self, whereas the latter is related the place of work. This is corroborated by Dubrin (1972), in whose work the two concepts are distinguished, in that motivation is where a person is challenged to achieve a goal and makes all efforts to accomplish it, as opposed to job satisfaction, where a person may have a positive or negative attitude to his/her job.

According to Harpaz (1977), there are three elements or levels of job satisfaction: the individual, organisational and societal levels. When workers are dissatisfied, they are frustrated and may be anxious in doing their jobs. They will tend to be angry with colleagues and management and to question their roles in the organisation. Job satisfaction can therefore be determined by the amount of pleasure that workers derive from the work that they do. If employees are sitting at their desks but are not happy, then the outcome will be bad work. Strauss and Sayles (1972) are among those who argue that there is a relationship between an organisation and its employees which it is important to recognise.

Snell (1998) argues that without motivation, even the most talented people will not attain their potential, while motivated people may perform far above the level expected of their intellectual ability. Lack of motivation will almost inevitably lead to dissatisfaction and frustration. In any business, the mission, vision and core values are worthless if they are not proactively projected through a satisfied workforce, meaning that workforce motivation is crucial to successful businesses. Snell (1998) further argues that those employees who have ability can move towards attaining their goals. If employees are not satisfied with their jobs, then managers must try to motivate them to work towards the company's objectives and ideals. The more satisfied a workforce is,

the more productive employees will be and the better they will appreciate the management.

While research into job satisfaction and motivation is an ongoing field, recent work has given considerable attention to motivation itself, to understand and clarify how it contributes to job satisfaction. When employees are motivated, they tend to perform better and therefore to be more satisfied in what they do. As noted above, some researchers have argued that it is important to separate the concept of job satisfaction from that of motivation. For example, McCormick and Ilgen (1992) believe that while the two concepts are indeed related, job satisfaction refers to a worker's feelings towards his/her work, while role motivation is concerned with the worker's behaviour in the workplace. The authors thus argue that while both job satisfaction and motivation are important, they are separate. Nevertheless, they concede that theories of motivation are to some extent theories of job satisfaction, which lies at the core of HRM, since employees are motivated to work only if they are in some way satisfied with the work that they are doing. If they feel threatened by management, they will be unable to do their jobs properly. Eventually, they will become dissatisfied in their roles and either perform unproductively or leave the organisation.

Druin (1972) has argued that there are similarities between the two concepts, in that motivation is perceived as expenditure on doing a task and working towards accomplishing a goal, while job satisfaction is receiving positive feedback on doing a job. Employees are motivated to do the tasks that they are asked to do, only if managers show appreciation towards them. While accomplishing a goal may be important for many employees, Druin (1972) holds that many employees see satisfaction as equally

important to their jobs. In spite of this proximity between job satisfaction and motivation, which may make it difficult to distinguish between them, Druin (1972) is nonetheless among the many writers to have argued that they are separate entities.

Schultz (1998) agrees that motivation and job satisfaction are interrelated, in that job satisfaction can be described as resulting from the attainment which has come as a result of being motivated. The contention is that both job satisfaction and motivation are important concepts related to the workplace, but that they need to be discussed individually. Kartinah and Tiong (2011: 403-411) argues that when mangers know the source of stress in the workplace and how it is related to job satisfaction then there is a need to look closer at the impact that it has on the organisation. These writers (ibid) further argue that when workers know their individual roles within the organisations which are clearly defined by managers to the workers then job satisfaction can be achieved and stress is minimal. Organisations should know that a highly motivated worker does not necessarily mean a very satisfied one and vice versa (Steers and Porter, 1991).

4.2 Research on motivation

Hollyforde and Whiddett (2002) define motivation as an internal state that drives behaviour towards a particular goal, while for Robertson and Smith (1985) it is a psychological concept related to human behaviour. Hollyforde and Whiddett (ibid) argue that researchers such as Kanfer (1998) have tried to find a middle way and maintain that motivation concerns the free will underlying a person's behaviour and is thus directed by psychological underpinnings. Interestingly, Hertzberg (1987) holds that motivation is more about a person seeking an intrinsic reward from doing a challenging

and interesting job. There is an abundance of literature on motivation, much of which refers to two major difficulties: first, motivation is not visible, so it is difficult to measure (Kanfer, 1998); secondly, as already noted, there is no agreed way to distinguish clearly between job satisfaction and motivation. Motivation can be seen as a driving force, which implies that employees are driven to exert effort in the workplace, using psychological, emotional and physical energies. Job satisfaction has to do with how employees enjoy their work, whereas the focus of motivation is on the internal inspiration that drives an employee's behaviour in pursuit of a specific goal.

There have been concerns amongst scholars that traditional HRM practices are not as effective in motivating a young workforce (Cantrell, 2007), because young people want different things from those which older workers want. This was evident with the young people at the Al Rajhi bank whose views were quite different to the older and more experienced employees.Young employees, especially those who are not married and have just joined a company, may not be motivated in the same manner as older employees who are married. Single people as opposed to married people are not tied down in a marriage with children, therefore their goals of achievements would be different that a married person who would want a solid form of security. Therefore young people would be motivated because of for example, to buy a new car so that they can drive around with their friends. Whereas a married person is motivated because of job security and pension.

Therefore, researchers such as Cantrell (2007) have argued that motivating workers to perform to their fullest potential is a key element of effective management. Although it has been estimated that managers spend approximately a tenth of their time on

motivational tactics and two-thirds on HR initiatives, it is perceived that some management teams do not know what really motivates their workers, especially as motivation is a personal and internal state (Jurkiewicz, 2000). Motivational theories and research into the factors motivating each generation are of prime consideration.

Janiszewski (2004) studied the factors that motivate insurance agents, by asking a sample of the, twenty open-ended questions. The findings showed that generational differences had no effect on motivating the participants; however, various other factors such as number of years in the business and past successes did affect motivation. In contrast, work done by Koenigskneht (2002), Janiszewski (2004) and Withers (2002) found few differences in motivation between groups of workers. Finally, Robert (2006) found that 83% of young people in finance and accounting were motivated by different workplace benefits from those which motivated previous generations, with flexible hours, performance-related salaries and bonuses topping their list.

4.3 Motivation in Saudi Arabia

4.3.1 Historical background

Saudi Arabia has a long historical legacy which began even before the birth of the Holy Prophet Muhammad (570-632). Lapidus (2002) asserts that Islamic societies are rooted in ancient civilisation. The Byzantine and Persian empires were established prior to the birth of the Holy Prophet, (upon whom be peace), as were major religions including Christianity, Judaism and Zoroastrianism. Therefore, there was already a machinery of institutions in place which included the family structure as well as lineage, ethnic relationships, tribal ties and political empires (ibid). The early Arabs were strongly influenced by contact with the Byzantine and Persian imperial powers, despite the

physical boundaries that divided the Middle East then as they do now. In pre-Islamic times, the deserts of Arabia were inhabited by nomadic Bedouins, who engaged in much intertribal warfare and who also fought against neighbouring powers such as Byzantium and Rome (Kalantari, 2005:127).

The birth of Muhammad (uwbp) came as a light to a dispersed people, as explained in the Quran: 'Today a light has come to you with truth'. When the Prophet (uwbp) received the message to 'Rise and warn thy folk', it was met with rejection and rancour by his own people, who were deeply enveloped in misguided vices and immorality. Thus, the message of Islam challenged existing institutions based on ancient, deeply embedded tribal beliefs, from which members of that early Arab society found it difficult to extricate them. In spite of continual harassment and being labelled a madman and soothsayer, the Holy Prophet (uwbp) proclaimed the message of Islam, which rocked the very foundations of the immorality that had for many centuries plagued the Arabs, threatening to replace them with a religion based on virtue, morality and social structure, as well as economic and political reform. The message was a threat not only to these institutions but to the leadership (Lapidus, 2002:20-24).

Today, Islam is the only religion in Saudi Arabia, which is home to the two Holy Mosques that are venerated by Muslims throughout the world. The primary goal of the Kingdom of Saudi Arabia is to provide its citizens with all the benefits that the new wealth from petroleum revenues can provide without violating the customs and traditions of the Holy Quran. Spickard (1998) argues that the West is primarily concerned with increasing financial status and that the social result of rationality in the West has been two-faced: on one hand it has improved peoples' material lives, while on

the other hand, Spickard argues, it has undercut individuality and emotional ties among people.

Eben Saleh (1998) is among those to note that rapid urban development has taken place throughout Saudi Arabia, particularly since the oil boom in the early 1970s, but dating back to political unification in 1932. The nation's administration had several reasons for wanting to unify the various territories. For example, Eben Saleh (ibid: 94) notes that Saudi Arabia had always functioned as an 'autonomous political and ideological society that has power struggles and warfare which has continued between the tribes and has centred on the distribution and allocation of resources'. The nomads of the Arabian Desert were motivated to move to the cities, where they had a more comfortable lifestyle. Motivation for the Arabs at that time was primarily concerned with movement from one place to another where there was water. The incentives were not just material, but more importantly, emotional security and peace of mind. Today, the majority of Arabs share this historical legacy and not only thrive but take a sense of pride in their culture. Their sense of motivation has been derived from the Bedouin culture of 'get up and go', where people have no deep roots but a wandering psychological attitude.

4.3.2 Research on Culture and Motivation in the Middle East

This thesis asserts that motivation and job satisfaction are different for Arab workers from those applicable to their Western counterparts. This is one of the findings of the research reported in later chapters, concerning the nature of motivation among Saudi employees. Many writers have interestingly noted the presence of motivation in the Arab world, but while much research has been done on Arab culture, there appears to have been little exploration of workplace motivation and job satisfaction. One of the

123

reasons for this is that Arab culture is that of a tightly-knit community. On the other hand, according to Weber (cited in Spickard, 1996), development in the West was a result of unique, culturally normative motivational structures, which led individuals to act differently from their counterparts in traditional societies such as Saudi Arabia. For example, Western authority structures are different from those in traditional societies, where individuals tend to follow leaders because of their personal characteristics (charisma) or because of tradition, while in modern societies, people also consider it important for authority to be duly constituted. Examples of charisma can be found in leaders like Mahatma Ghandi and Nelson Mandela, who were from traditional societies and motivated others to follow them.

Lapidus (2002: 14) holds that Islamic societies are of four fundamental types: (1) familial, which includes tribal, feudal and ethnic varieties; economic, where the organisation of production and the distribution of goods take place; (2) cultural and (3) religious, where values and belief systems are conveyed and where goals are built around communities which are committed to each other; and (4) political, concerned with conflict resolution as well as defence and the domination of the group.

Abbas (2005:1) cites Kassem (1989) as arguing that in the Middle East and particularly in Saudi Arabia, a traditional society maintains a strong connection with the past 'and distrusts the future'. Priority is given to religious values, whereas market forces are generally distrusted. A common attitude is enshrined in the fatalistic expression *insha Allah*, indicating submission to whatever God ordains for the future. Kassem (1989) cites work by Lerner (1958) and by Kassem and Al Modaifer (1987) as demonstrating that the Arabs are traditionally traders, specialising in buying and selling, while

employing others to do the technical part of the work. This traditional way of doing business goes back to the time of the Holy Prophet and before, when the early Meccans were known as traders and people used to come from all over the Arabian Peninsula to trade at the doors of the Holy Kaaba.

The literature on motivation and culture identifies the Middle East region as 'one that has a long history of administration' (Kalantari, 2005:1). As a powerful world force, Islam continues to play a dominant role in the lives of Muslims around the world (Abbas, 2005:1). There is a direct relationship between the state and Islam which was developed during the Medina period, after the migration of the Holy Prophet (uwbp) from Mecca, and which influenced the subsequent period of Islamic rule, from the Umayyad to the Abbasids, then to the Ottomans, who ruled much of the Near and Middle East until the 1920s.

Abbas (2005:1) argues that religion is an important element that plays a 'significant role in shaping differences in cultural, political and economic complexities to ensure their continuity'. People can be motivated according to their circumstances. The early Arabs were business people and wealth played a defining role in the social and economic mobility of society. It was the decisive factor that created divisions amongst tribes and families. Abbas (2005: 4) cites Hurgronje (1957) as stating that the wealthy often 'amused themselves with immoral and unethical activities without a care for the poor and needy.'

There seems to be a continuing debate among scholars about HRM practices and motivation in the Middle East. Al Jafary and Hollingsworth (1983), hold that the strategic importance of the Gulf region has grown for the West since the discovery of

oil. They conducted a study whose main aim was to examine managerial practices in the Gulf region and to compare them with Western developments and practices. To this end, they interviewed 381 managers in the top 10 multinational companies from four Gulf nations: Saudi Arabia, Bahrain, Qatar and the UAE. Each company had between 1000 and 24,000 employees and all were wholly or partially government owned. The researchers found that managers in the Gulf region had a more participative style of management than their counterparts in Western businesses and that they perceived their effectiveness in managing their organisations as being directly related to the operational system. The authors conclude (ibid: 149) that the styles of management 'were congruent with Likert's (1961) argument, that the higher the management there is a more effective organisation', which seems to suggest that there is a managerial hierarchy.

Among the critics of Middle Eastern culture, Kalantari (2005:125-138) argues that the administrative culture of Middle East bureaucracies is 'incompatible' with the expectations of the people, giving rise to a perception that public institutions are corrupt in many ways and serve only the government, rather than the people.

Budhwar and Mellahi (2007:2) identify certain factors that play a part in HRM policies of the Middle East region, acting as 'hindrances' which have 'serious implications for human resources management.' The authors further contend that such factors related to unemployment and gender divisions in the region. The development of HRM in the Middle East has to be seen within 'the new legal frameworks and emerging patterns within the different countries' (ibid: 3).

4.4 Conclusion

This chapter has explored the extent to which it is possible to distinguish workplace motivation from job satisfaction, while recognising their close interrelation. It next reviewed a number of empirical studies of motivation, and then turned to a brief history of Saudi culture, before addressing research on culture and motivation in the Middle East. This brief exposition will serve to link the first part of the literature review, on theories of motivation, with the next chapter, which reviews the literature on culture as applied to the study of organisations and to differences between the West and the Middle East.

CHAPTER 5:

LITERATURE REVIEW - CULTURE

5.1 Definitions of culture

Culture can be defined as 'the complex patterns of the ways in which people live, as developed and passed down over generations' (MaGill, 1995:279). Thus, a society is composed of a variety of cultures, their ways of life being characterised by their customs, habits and beliefs, the languages they speak and the things that they hold sacred. When people share a culture they also share specific but largely unwritten guidelines and rules. They are taught from a young age how to behave through the process of ensuring compliance with the cultural norms, which involves the internalisation of these norms (ibid).

Dadfar (1993) contends that in order to understand 'the characteristics of management and organisations', it is important to look at three systems which contribute significantly to understanding Arab culture. These three systems, which form the Sociocultural Model (Dadfar, 1984a, 1984b, 1987, 1990), are westernisation, tribalism and Islam. They must be analysed by looking at the development, crystallisation and reconstruction of the culture within societies. The model is illustrated in Figure 4.1. Arab societies have traditionally been primarily tribal, with an emphasis on communal leadership. Ritzer (2008:129) argues that Weber saw authority as being either legitimate or illegitimate. Authority rests on the legitimising of the belief that there are legal rules which elevate those in authority, which in turn legitimises charisma, whereby followers become devoted to leaders to the point of believing that they can perform miracles, thus sanctioning the normative order that they sanction. House (1999:563-574) cites Trice

and Beyer (1986) who extends Weber's theory, that charismatic leadership consists of elements namely (1) a gifted person (2) extraordinary talents (3) some who has exceptional leadership qualities and transcendental powers to the extent that others follow. Thus according to Trice and Beyer (1986) as argued by House (1999) charismatic leadership is a social pheonomenon. In refuing the individualistic nature of Weber's theory, (Stark), Callan (2003) makes an interesting distinction between charismatic leadership and charismatic authortity and argues that there are certain charactistics of a charismatic leader such as 'superhuman qualities to which followers obey'. Within Arab societies, the role of Holy Prophet (uwbp) was that of a charismatic leader as described in the Holy Quran as '*uswatun hassan*' meaning perfect example/beautiful pattern.

Al-Ahzab (The Confederates) [33:21]

لَّقَدۡ كَانَ لَكُمۡ فِى رَسُولِ ٱللَّهِ أُسۡوَةٌ حَسَنَةٌ لِّمَن كَانَ يَرۡجُواْ ٱللَّهَ وَٱلۡيَوۡمَ ٱلۡأَخِرَ وَذَكَرَ ٱللَّهَ كَثِيرًا ﴿٢١﴾

33:21 Ye have indeed in the Messenger of Allah a beautiful pattern (of conduct) for any one whose hope is in Allah and the Final Day, and who engages much in the Praise of Allah.

The Prophet's (uwbp) example is the one that every Muslim should try to emulate in order to achieve success in this life so that the best of the hereafter can be gained.

In another verse of the Quran the Holy Prophet (uwbp) is described as '*sirajum munira*' which means a 'lamp that spreads light'.

Al-Ahzab (The Confederates) [33:46]

$$وَدَاعِيًا إِلَى ٱللَّهِ بِإِذْنِهِۦ وَسِرَاجًا مُّنِيرًا ۝$$

33:46 And as one who invites to Allah's (grace) by His leave, and as a lamp spreading light.

Thus Arab societies have inherited a legacy of charismatic leadership as all managers should try to emulate the perfect example. Callan (2003) further contends that charismatic leadership have a basis that extends within the legal or traditional paradigms. However, leaders tend to convert the followers or populate into that of a 'charismatic constituency' whereby the charima takes on a new shape and becomes then 'a basis for authority in that society'. Sidani and Thornberry (2010:35-49) has looked at charismatic and leadership in Arab societies and how groups function in the Arab world. They have argued that the world's economic climate demands that of market-oriented strategies that enables the 'free movement of goods and services as well as a positive and committed employee attitude'. However, within the Arab world there is clearly a lack of growth and development which is due to 'potential role of religion'. Sidani and Thornberry (2010) Arabs in the Middle East are accustomed to group life and charismatic leadership which has its roots in both the Old Testament and New Testament books as well as the Quran. Figures from the Old Testament who had charismatic personalities were Moses who led his people from punishment and Jesus from the New Testament. Therefore as Sidani and Thornberry (2010) contends Arab

leadership emphasies importance to the association of values that are dominant in society such as generosity, honesty, honour, cohesiveness and self respect. Charismatic leadership is based on building relationship both in and out of the workplace, and individuals feels isolated when they are not part of a group where there is great loyalty (Sidani and Thornberry, 2010:40). On the other hand, Sidani and Thornberry (2010) contends that the management style of Arab leadership can be either consultative or authoritarian (Atiyyah, 1996) where managers tend to appear to be caring and consultative but not genuine (Ali, 1993).
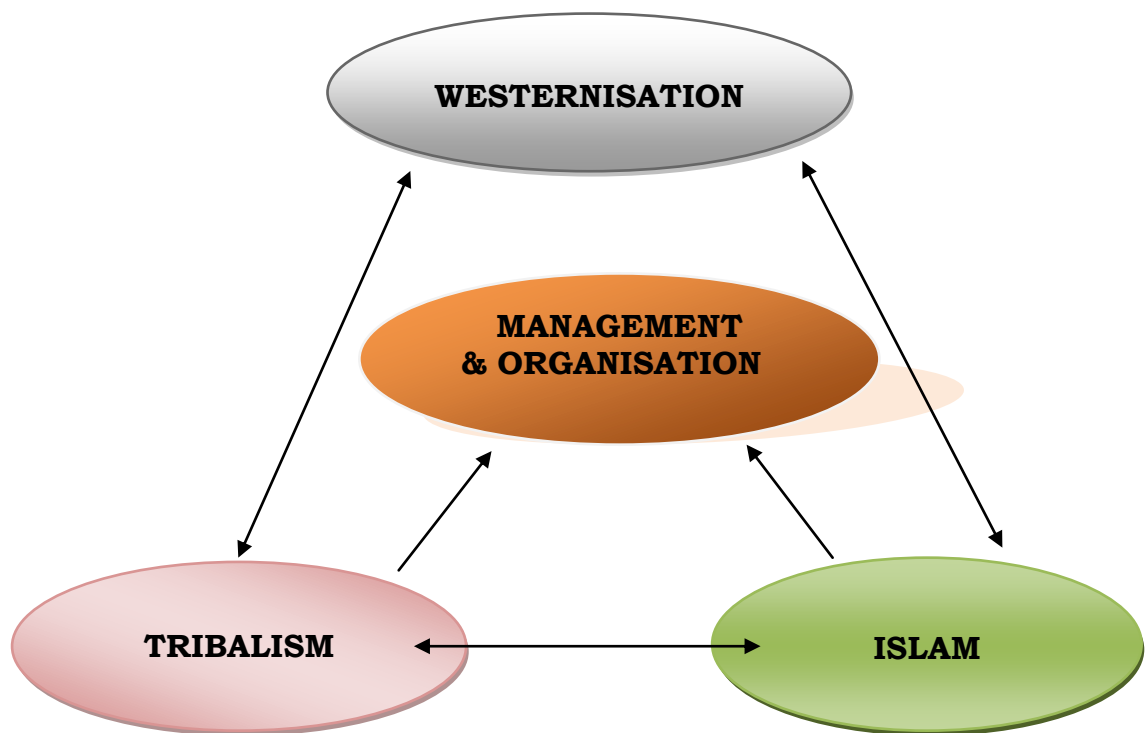
Figure 5. 1: Sociocultural model of management & organisation in Islamic nations

Source: Dadfar (2003)

Sayed (2003) holds that Arabic, as a common language, determines the culture of the people, together with a shared geography, belief system and culture, so that while there

131

are 'vast differences between Arabs, nevertheless they have been lumped together as an Arab culture'.

However, the concept of culture is not limited to societies at large, but applies equally to organisations. Indeed, organisational culture is a key to understanding the impact of companies and how they function (Otelea and Popescu, 2009:70-77). Sinclair (1993: 64-73) argues that the attention given to this aspect of culture 'is justified by [its] functions and importance' within organisations and by its powerful influence, which contributes to how they are perceived externally. Otelea and Popescu (2009) report that among the many theoreticians who have attempted to define culture there seem to be a number of common threads:

- Culture is acquired through learning and experience.

- Culture defines humans as social beings.

- Culture is that which is shared by all within a group, such as a company.

- Culture is the symbolic mirroring of inter-human relations within societies.

- Culture can be transmitted over generations.

- Culture is dynamic; it changes and adapts over time.

Other writers have offered definitions of culture within an organisation. Kalantari (2005) cites Melonis (1999), who argues that culture is where employees have shared values and attitudes along with particular standards of behaviour within an organisation. Other writers, such as Williams (1961), are of the view that culture is related to how people express themselves and that meaning and values are expressed within institutions as well as in social behaviour (Kalantari, 2005). Fard et al (2009) cite Marguardt (2002) as stating that culture within organisations consists of 'values as well as rituals and

132

customs.' Thus, the organisation as a learning environment is that which continually learns and works on how to 'integrate the processes in the functions of organisations' (p.49). Koontz and Weihrich (2008) argue that a culture consists of beliefs and values that are shared by a group of people. In the organisational context, it connotes the learning and transmission of knowledge by and between employees who share a mission and have a common goal over a period of time. Therefore organisational culture sets the tone for the behavioural pattern of employees and establishes implied and explicit rules by which all abide (Koontz and Weihrich, 2008:2002).

The literature on organisational culture suggests that values include individual orientation and attitudes towards work itself, towards relationships with other employees and towards the institution (Hofstede, 1991; Matsumoto, 2000). These observations make it clear that effective management practices in one country may be ineffective when applied in another (Nzelibe, 1986), since culture can affect managerial attitudes (Kelley et al 1987), managerial ideology (Miyajima, 1986) and the ways in which people think and behave.

Therefore, in studying international differences in HR systems, it is important to examine how nations differ on various cultural variables; a review of the extant literature shows culture to be one of the factors that affect the degree of motivation, which in turn affects the intensity of needs (cf. Huo and Sters, 1993). The notion of culture within management and in particular the manner in which it relates to organisational management and workforce systems is important to modern businesses. Work on organisational culture has been carried out by Hofstede (1991) and Matsumoto (2000), for example. HRM researchers have found that people of different cultural

backgrounds come to work with different values related to their work, yet Kalantari (2005) suggests that organisational culture began being seen as important to business only in the 1980s.

5.2 Islamic and Western cultures

According to Kalantari (2005:123), political scientists often argue that culture has to do with common beliefs amongst people within a community, which provide its members with a perception of the dimensions of their varying roles. This section examines the cultures of the Arab world in light of Western culture and of Western approaches to the study of comparative culture. Members of Arab societies, it can be argued, often see their roles as defined by the Quran and Hadith of the Holy Prophet (uwbp). Similarly, Islamic culture has been seen within the framework of the laws laid down in the Quran and the Sunnah of the Holy Prophet (uwbp). This paper argues that Arab culture is predominant within Saudi companies and that there is a relationship between levels of motivation and culture that exists at the Al Rajhi bank. Commentators have argued that the culture of Saudi society is closed and very paternal (Bjerke, 1993:30). There is therefore a strong sense of community belonging which has been passed down the generations, a reflection of values stressed in the Quran and the sayings of the Prophet Muhammad (uwbp). The Holy Prophet further emphasised a strong bond of brotherhood and family life arising from the very nature of the wandering Bedouins of the pre-Islamic Arabian Peninsula. In addition, many Quranic verses tell of the importance of maintaining solid ties of kinship as a religious obligation.

Analysts have argued that Arab culture has endured for many centuries and although a link can be established with Islamic culture, they are separate entities. Indeed, many

Islamic scholars contend that Islamic culture does not exist as such and that any organisation must be established within the confines of a proper management system. The books of law (*fiqh*) include sections on *buyu'*, which deals with financial and business contracts and specifies the acceptable methods of conducting business, from buying and selling to pawning and charging interest (*riba*), which is prohibited in Islam. The system is complex and Islamic jurists have developed a comprehensive methodology for dealing with various types of transaction. The law safeguards the rights of both seller and buyer, as it does for both employer and employee. Therefore, an Islamic manager should have a proper working knowledge of these rules and regulations. Kalantari (2005) contends that the proper working of any organisation depends on the establishment of a mechanism to ensure that it operates within a culture of accountability.

Culture as applied in the West has emerged as a notoriously difficult construct to define (Christie et al, 2003; Kessapidou and Varsakelis, 2003), because culture has multiple definitions which tend to be vague and overly general (Schneider, 1988). However, there are many different definitions which are analytically useful for a variety of purposes and several are explored here.

The most often cited work in cross-cultural management is the research by the Dutch organisational anthropologist Geert Hofstede (2005), which is explored at length in Chapter five of this thesis. Hofstede and Hofstede (2005:4) define culture as the collective programming or bringing together of the psyche, which defines a person and distinguishes the members of one group from others. This definition seems to be in line with the symbolic anthropology view that culture is the product of shared minds. This is

135

evident in the definition of culture by Geertz (1973:89) as being transmitted over time with 'patterns of meanings that are embodied within symbols' and being 'a system that has inherited conceptions that are expressed in symbolic forms that individuals use to communicate and develop their knowledge about and attitude towards life'.

Anthropologists Krober and Kluckhohn (1963) argue that culture consists of explicit and implicit patterns of behaviour acquired and transmitted through the use of symbols. These symbols have a 'distinctive achievement' in that they include all historical evidence or 'embodiment of artefacts'. In their view, culture is the 'essential core', a mixture of traditional and historically derived ideas to which people attach value and which delineate their way of life. Culture has been called 'the way of life of an entire society'. Therefore culture is the sum of the characteristics of the community and includes codes of manners, dress, language, religion, rituals, and norms of behaviour such as law and morality, and systems of belief (Jary and Jary, 1991).

Culture embodies the basic values of a community shared by its members, which shape their assumptions about what is right and wrong. Hence, it can be described as a buffer that forms a frame of behaviour for people who have similar attitudes, values and belief systems. When people share a culture, they affiliate closely with each other (Kalantari, 2005). Saudi society is thus a highly complex mixture of religion and habits that hold the people together. Many of the participants in this study reinforced this point, stressing the importance of religion as part of the unique culture which is characteristic of Saudi society. This is in accordance with the argument of Kalantari (ibid: 129), who argues that the unique nature of Arabian society comes from the religious affiliation of the people and that 'perhaps the most striking difference between Islam and other

religions is its comprehensive approach to life. It gives equal weight and attention to the spiritual as well as material aspect of life'.

5.3 Levels of culture

This section continues to address the theme of comparing Saudi culture with that of the West, through the lens of approaches that see culture as existing at many levels. For example, Sinclair (1993) cites Sathe (1983) as describing organisational culture as a 'multi-layered phenomenon' that consists of deep-seated and enduring values existing at the fundamental level as well as artefacts and symbols that employees hold to be important. It is thus the totality of procedures and arrangements, doings and sayings shared amongst the individuals within an organisation.

The work of Schein (1985) identifies culture more broadly as a pattern of basic assumptions that groups of people have invented and developed over a period of time and which consists of three levels. Level one is that of representations, which are of two types: physical, such as buildings, and verbal, i.e. the language that people use and which has cultural connotations. Examples are Westminster Abbey and Buckingham Palace in London and the different accents of English as spoken across the UK. The second level is that of the common behaviour of members of the society in question. In many parts of the UK, for example, there is a strong Afro-Caribbean presence and members of this community tend to affiliate together, forming bonds and relationships through clubs and community centres. Common patterns of behaviour are established and accepted among them. An example of this is the Jamaican community in the UK, within which the Rastafarian minority has been accepted as forming both a culture and a religion. The third level comprises the underlying beliefs, attitudes and values which the

137

local community holds to be important. These definitions suggest social and psychological underpinnings, where individuals tend to perceive that culture is related to how the self interacts with society and members of that the group. The suggestion is that culture can actively influence individuals within societies while at the same time differentiating social groups.

There is considerable debate amongst researchers seeking to determine the appropriate level of analysis to be used in understanding the concept of culture. While culture implies a sharing of attitudes, values and beliefs, it is not necessarily directly connected to the individual. Dahl (2004) contends that there are problems in determining how many individuals who share a common culture make up a cultural group. The implication is that studying the levels of culture in society nonetheless helps to understand the behaviour of its individual members. This can be seen, for example, where two people from the same country behave differently. One may be considered to be cultured and the other uncultured.

Cultural groups tend to share a system of beliefs and abide by rules that are inherent in that setting. This is evident in many organisations, where there are invisible rules that form the culture and by which all employees abide. Saudi society can be described in this respect as being different from its Western counterparts, in that all employees share the common Saudi culture, whereas in the UK, for example, 'multiculturalism' means that different people within an organisation may have fundamentally different experiences and bring to the workplace a variety of skills and knowledge. In Saudi society, because the culture can be described as homogenous, everyone eats the same

food, wears similar clothing and even discusses the same issues. This makes that society unique and sometimes impenetrable.

Pizam (1993) has proposed a 'hierarchy of cultures', whereby national cultures are distinguished geographically, while within them, social units of all kinds, such as in industry and business, each have their own subcultures, as reflected in the distinctive patterns of behaviour of their members. Thus, different cultures may exist within the same boundaries; while employees may come from different cultural backgrounds, when they come together in the workplace, they assimilate into one organisational culture. Hofstede (1980) also suggests that there exist several layers of 'cultural programming, which encompass the range of cultures operative on an individual's behaviour'. Karahanna et al (2005) propose that these levels are of regional, religious, ethnic, national, linguistic, gender, generation, social class and organisational cultures. These elements have a strong bearing on individual identity and behaviour: they are the defining characteristics of an individual and of his/her standing in society.

Karahanna et al (2005) refine this analysis by arguing that relationships across the levels do not necessarily imply a hierarchical structure from the most general (supranational) to the most particular (the group), but that one or more of these cultures may dominate, depending on the situation. Gallivan and Srite (2005: 300) support this view and contend that the sequence of the levels seems to be virtual; that is, it depends on time and circumstance. Culture is that which distinguishes people and societies; accordingly, as societies change, so do people, taking within them all their cultural baggage.

Winfield et al (2004:81) address the issue of power in organisations and its effectiveness, arguing that 'the traditional method of influencing people at work is the

opportunity to give them what they want in return for appropriate behaviour'. For them, the levels of the social structure in which individuals interact are represented by the different factors that influence their behaviour, i.e. the government, the community, the economy, the education system and the patterns of class and status.

Many analysts thus see culture as a common feature which operates at various levels. People associate to form groups because of certain common bonds or ties of friendship that drive the affiliation process. Therefore, national culture can be spoken of in terms of the aggregation of ethnic groups and this may not correspond with national boundaries. Moreover, several nations, whose national cultures might be thought of as fairly homogeneous, may contain significant minority populations who consider themselves ethnically and culturally distinct from both the majority population and each other. The wider culture may be made up of smaller cultural groups. An example is the multicultural societies of England, where there is a dominant British culture, with Afro-Caribbean, Pakistani, Indian and other migrant subcultures, contributing to the overall cultural experience.

Leung et al (2005) contend that when one characterises a national culture as having a 'common mental programming', this does not mean that every individual is similarly programmed. There are variations among individuals within the nation and the national culture is only an average pattern of the values of its members. Cultural programming can be found in almost every society, where individuals tend to abide by the norms of that cultural group. A national culture implies that every individual in that society is part of the dominant culture in spite of being a member of a subgroup. Therefore, there is no simple one-to-one or one-to-many hierarchical relationship between the various levels

of culture. Instead, each level enfolds the individual, interacting with and deriving from the individual's unique culture. Leung et al (2005) seem to hold the view that as individuals interact, while retaining their unique culture; they tend to share each other's cultural experiences. Although each individual in society may have unique experiences, when there is a mixing of cultures, as is found in many Western organisations, for example, there tends to be a merging of those experiences that enriches the individual.

The Saudi government has recently allowed Westerners into the Kingdom to work (Mellahi, 2007:85-99), but only in designated areas such as Riyadh and Jeddah. However, whilere there are citizens of many other countries working in hospitals and health centres throughout the Kingdom, they find it difficult to work within the dominant Saudi culture. Likewise, expatriate participants in this research said when interviewed that the culture was somewhat problematic for them at times, citing for example the wearing of the *hijab* and *albaya* (full body covering) for women and the fact that they could not move around freely but had to be escorted at all times. Many interviewees reported having to make major adjustments. Nonetheless, in view of the fact that Western culture is prevalent in many parts of the Kingdom, including Riyadh and Jeddah, the whole environment is within a cultural context where many expatriates have found it comfortable to live, as they can purchase similar commodities to those available in England or America, join social clubs and watch Premier League football on satellite TV, for example.

5.4 Corporate/organsiational culture

Organisational culture is defined as the values and norms that exist in an organisation and which are taught to incoming employees (Vecchio, 1995; Zahra et al, 2004).

Kalantari (2005:126) comments that the study of organisational culture dates back to the political culture of the Greeks, who considered that 'regimes are basically products of character, chance, and circumstances'. Hill and Jones (2001: 24) define organisational culture as 'the specific collection of values and norms that are shared by people and groups in an organisation which control the way they interact with each other and with stakeholders outside the organisation'. These writers hold that there is a relationship between culture and organisational values, which are the beliefs and ideas to which employees adhere and the goals that shape their concept as a corporate entity. Tied up with culture are the standards of behaviour that employees use to achieve the goals. Thus, there is the development of guidelines and expectations that shape these behaviour patterns of employees (ibid).

Sinclair (1993:64-73) contends that since the early 1980s organisational culture has become prominent amongst management scientists seeking ways to improve their companies. Subsequently, the study of organisational culture has divided into two branches, one of which sees culture as a variable that can be managed, while the other holds the view that culture has a 'metaphorical or fundamental meaning' that conceptualises organisations (Smircich, 1983). Sinclair (1993) cites Nicholson (1984) as arguing that this metaphorical meaning implies that culture cannot be controlled, since management is part of it and is important within the organisation. *Matthew and Ogbonnab* (2009: 654-675) contend that the changing role of relationships in the workplace has made it increasingly important to comprehend the 'dynamics of commitment in organisations'. However, little work has been done on culture and commitment, despite the argument that it is not only pertinent but important to

understand the dynamic relationship between culture and the commitment of employees to the mission of the company (*ibid*).
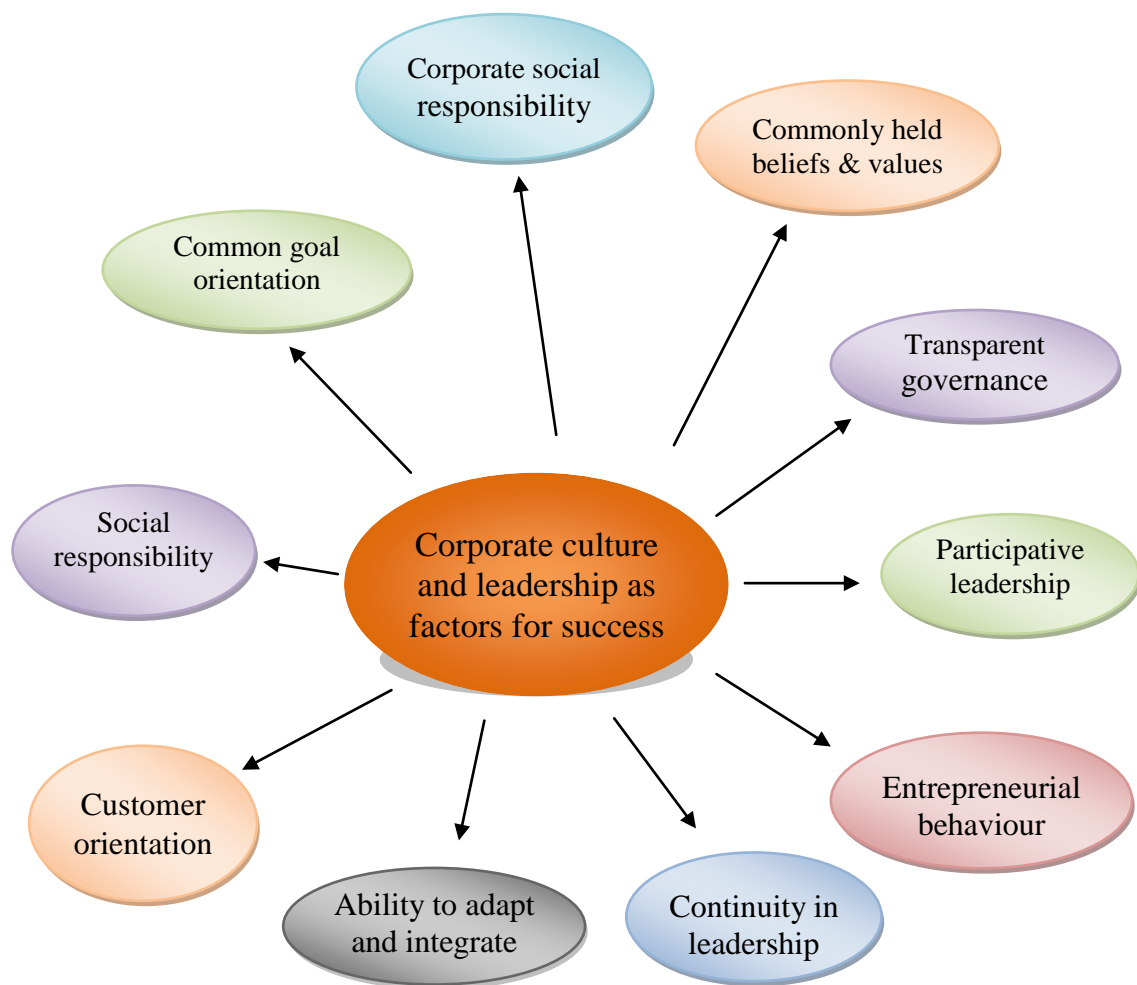
Figure 5. 2: Corporate culture and leadership behaviour
Source: Schein (2010: 171)

A key focus of management interest in recent years has been on organisational culture, which according to many writers may be influenced by the national culture(s) of the organisation and its members. Figure 4.2 illustrates the many factors which, according

to Schein (2010), influence corporate culture. There are internal as well as external elements that contribute to the shaping of the corporate culture within organisations. In line with this, Schuler (1998:115) holds that 'managers, HR professionals and employees all play important roles in their partnership in ensuring that human resources are managed fairly.'

Paik et al (2000) are among the many scholars who argue that organisations seem to be affected by different cultures in various ways, especially the procedures of implementation. Kalantari (2005) cites Adler and Jelenik (1986) and Minzberg (1990) as arguing for the importance of understanding culture in organisations. Melonis (1999, cited by Kalantari, ibid: 127), defines culture as the sharing of 'values, attitudes, and standards of behaviour by a company's or organisations' employees as well as management'.

These definitions and other contributions to the literature suggest that managers are likely to be challenged in dealing with different national cultures, along with the organisational culture, all at the same time. This is evident in Western management systems such as in the UK, where members of many different cultures often work together in one company. Managers at British Gas or BT, for example, deal with people of many nationalities using a combination of skills together with the knowledge and experience required to manage staff. Within the Saudi environment, this is not the case, as there is essentially only one form of culture, which is Arab culture.

In addition, Mellahi (2007:85) argues that legal factors have much influence on organisations, citing Edelmann and Suchman (1997), who maintain that an organisation is a legal entity created by a legal act of incorporation, whose employees are hired

'under labour and antidiscrimination law and engage in the production of labour under environmental, health and safety laws'. In the end, the company may carry on as a business entity or 'die through a legal act of bankruptcy'.

Writers such as Hill and Jones (2001) suggest that organisational culture is seen as somewhat manageable, while national culture is taken as 'given' in cross-cultural management. Furnham and Gunter (1993) contend that the relationship between culture and organisations is of paramount importance to many societies existing within a global economic climate. They argue that central to culture is the notion of social cohesion, whereby people have a 'we-feeling' that brings them together and which 'counteracts the processes of differentiation which tend to be unavoidable within businesses' (ibid: 233). An organisational culture exists where common meanings create the basis for communication and mutual understanding among employees. The authors further suggest that efficiency within organisations can be reduced if these functions are in some ways not satisfactory.

Organisational culture thus plays a very important role; it can be a strategic resource that generates a sustainable competitive advantage by promoting learning, risk taking and innovation (Blunt, 1991). It is the stored values and norms that exist in an organisation and that are taught to incoming employees (Vecchio, 1995; Zahra et al, 2004). Organisational culture has also been linked to performance at the individual level (Scott et al, 2003). The work of Sinclair (1993) indicates that the key ingredient in organisational culture with regard to how individuals perform is a level of ethical behaviour that drives employees to perform well. There is also a sense of moral thought

and self scrutiny that complements the ethical value which employees attach to the jobs that they do.

The work of writers such as Blunt (1991), Vecchio (1995) and Zahra et al (2004) emphasises the point that culture creates a bond, whereby common values and norms link the individual performance of employees. Therefore, it can be argued that conforming to culture can contribute to a company's success or failure. Rohm (2006:44-45) holds that companies can assert the existing culture from within, which aligns leadership behaviour and employees' perceptions of the organisation. When these are defined, there is a much better understanding of the mission statement that is reflected in the values, attitudes and beliefs of employees (ibid). In turn, Schuler (1998:115) argues that the process of managing employees implies a sense of fairness where workers are brought together in order to establish workplace policies that are influenced by corporate decisions.

Kassem (1989) examined strategic decisions made by Arab organisations to determine whether they were made according to American rules or otherwise. An interesting finding of these studies was that Saudi organisations needed to adapt to environments to cope with the levels of change that occur. In the absence of encouragement for change, none would take place, so these organisations would not develop the ability to survive or succeed. The author argues that for many Arab organisations, culture presents a problem within the environment itself.

Leaders tend to be responsible for social change when there is vision in building a strong cultural organisation that brings employees and employers together as a solid foundation (Rohm, 2006). They tend to shape values and help to orient employees to the

vision of the institution. Culture in many ways directs employees towards a common goal, yet can be creative in developing autonomy. This means that employees can use their initiative to work more independently and creatively.

Sebhatu (1995) used questionnaires and interviews to investigate the importance of understanding the cultural values of business leaders in the Middle East, with particular reference to Saudi Arabia. The results showed that 'culture influences business leaders' behaviour and that there is a preferred participative style of leadership as well as delegating authority in decision making that comes from the Quranic perspective on the concept of "*Shura*" or consultation' (ibid:915). The results also indicated that business leaders displayed levels of responsibility for the 'quality of work as well as families of employees and the general society' (loc cit). The suggestion is that there is a level of trust that emanates from leaders and is communicated to their staff. In addition, 'Middle Eastern business leaders tend to give their employees the opportunity to be autonomous so that they can make lower level decisions' (loc cit).

In Western organisations there is now a merging of different cultures, where workers tend to bring together their skills and knowledge. This harmonious relationship helps to keep employees bonded together in working towards common objectives, despite differences of race and culture, which are merged into a common organisational culture, thus nullifying institutional bureaucracy to some extent. Tayeb (1997: 352-364) holds that the debate surrounding the differentiation between culture and organisations can be seen within the unique equation of cultural contexts, as put forward by scholars such as Hofstede (1980) and Laurent (1983). Many organisations tend to be similar in terms of

147

how they are organised; for example, having a hierarchical structure and functional divisions of labour within departments such as HRM and marketing (Tayeb, 1997).

5.5 Convergence of national and organisational cultures

The literature highlights the prominence of culture as a powerful force affecting management values in many countries (Ottaway et al, 1989; Christopher, 2001). *Harris et al (2004) examine the relationship between academics and managers in different societies, citing Hofstede (1991) as demonstrating that organisations are culture bound and that managers' behaviour is shaped in many ways by values and belief systems.*

These studies highlight the need to explore the important issue of the convergence or divergence of national cultures. For example, as a socially constructed concept, culture reflects the interactions between people who have social values in common. Therefore, culture can be symbolic, where the community holds something to be of value. An example of this is in the UK, where Hindu and Muslim businesses often have religious symbols both at the door and inside the premises. Many Hindus and Muslims from the Asian and African continents have settled in England, bringing with them their rich cultural beliefs and values. In recent times there has been a significant move towards an understanding of what is called the convergence of cultures, in the context of multinational enterprises. This work highlights the increasing homogeneity of business culture as a result of a preference for practices that apply across national boundaries. These have become more popular, as they are often accompanied by cost savings and opportunities that are available through global market development and integration (Levitt, 1983).

It can be argued that it is the essence of its culture that makes the organisation a reality and that a sense of corporate cultural togetherness will unify its employees. At the national level, the power of culture is what binds people into a deep and often unconscious belief system. The members of a society may perform actions without any thought to the consequences because of their deeply rooted beliefs. Culture can also provide a sense of holism in an organisation where employees are tied in a working relationship. Thus, culture gives meaning and understanding to the values held in common by members of a political, social or commercial entity, as well as bringing what is past to the present and passing it on to future generations. In this way, culture has the power to unify people in pursuit of common goals while making them responsible for carrying on that culture. Bradley et al (1999:120-121) argue that 'one of the attributes of culture is that it can foster a type of ethnocentrism whereby practices or activities that do not conform to an individual's view of conducting business are viewed negatively'.

At the organisational level, researchers contend that global competition will lead in the end to a convergence of management practice, to what are called best practices (Kerr et al, 1960; Eisenstade, 1973; Pudelko et al, 2006). Sinclair (1993) further argues that the work of Hofstede et al (1990) and Schein (1983) shows that the underlying values of organisational culture are deeply rooted within and around the contextual meanings of the broader national, racial and religious cultures. Best management practice reflects the goals of the organisation, which to some extent reflect the national objectives.

Weber (1864-1920) studied bureaucracy in organisations and identified the following types of leadership:

- Charismatic leadership, where leaders tend to lead their companies in a charismatic fashion based on their personal qualities.

- Traditional leadership, where employers have a traditional way of managing the company.

- Rational leadership, which operates in relation to the manager's status within the company.

Therefore, leaders and managers should be aware of how the changing environment can affect organisational culture (Rohm, 2006), which persists in spite of changes of personnel, including in middle and upper management. Interestingly, Bradley et al (1999:121) hold that the 'question of cultural values goes to the heart of the purpose of reward strategies, which is to deliver corporate performance.'

The ways in which culturally determined attitudes vary can make the task of the manager difficult. Some employees may view the company as just providing a 'meal ticket', where they work simply to earn a salary, while others are committed to its image and mission statement. Bradley et al (1999:121) argue that 'when employees from one culture work in an organisation operating another culture's management practices, differences between the two cultures may become painfully evident.' This applies to companies where culture varies with hierarchical level, for example, so that the blue collar culture at the shop floor level differs from that of the clerical staff at office level and from the high level management culture. These distinct cultures may not blend; rather, each may create its own reality, inimical to the others, creating a wide distance between employees at the various levels and senior management.

To address this problem, Rohm (2006:44) argues that organisations need to understand the processes that shape the cultures of their people, rather than trying to shape these themselves. To this end, the purpose of an organisation may be addressed in its mission statement, which guides the task of developing the goals and objectives of the company. Value is described by Bradley et al (1999:120) as 'what affects how management practices are interpreted by members of a society'; values are important to individuals and have a 'profound effect', to such an extent that they are reflected their behaviour.

Researchers including Sparrow et al (1994) and Brewster and Tyson (1993) offer evidence of a global business convergence in areas such as strategy building, organisational structure and the utilisation of advanced technologies. However, there seems to be a 'persistence of stubbornness and an intractable divergence in how management perceives employees and reluctance on the part of employees to trust management' (Brewster and Tyson, 1993). This may be due to the preferences and practices which result from cultural differences.

5.6 Technology and culture in organisations

Market convergence is described by Pennings and Puranam (2000:1) as a phenomenon whereby markets tend to have similarities and where there is a consequent erosion of the boundaries between them. This sets 'strategic challenges' for many businesses to implement new technological systems that parallel the needs of customers. *The cultural differences discussed in the foregoing section also affect and are affected by the technological advances which have made it possible for individuals to communicate with each other, breaking former boundaries of time and place. Organisations today depend on such technology to transact business on a global level. Therefore, the culture*

of such corporate structures has a powerful effect on the individuals employed within them. In work to explore the impact of technology on the global business environment, Moore and Seymour (2005:3-4) postulate that technology has unprecedented power and is crucial as a communicative medium, transforming businesses in the present climate. They argue that technology has rearranged the way that corporate and working culture operate within organisations and has helped to reshape global attitudes that affect individuals in communities and societies at large.

Harris et al (2004:3) argue that the key duty of multinational organisations, which operate across global boundaries, is to manage the machinery that drives integration. The impact of the dynamic relationship between culture and commitment in the context of technology and software is also considered in research by *Matthew and* Ogbonnab (2009) into culture and technology. For them, this relationship is both 'dynamic and person centred'. They argue that recent research into the changing nature of employment relationships has heightened the importance of understanding the dynamics of commitment in organisations.

5.7 Human resources and cultural convergence: Historical underpinnings

Reichel et al (2010: 334) argues that previous scholars have looked at the history of HRM and how it has developed over time. These writers argue that the history of HRM grew out of 19th century legislation that was primarily concerned with two issues. Firstly, the minimum age for employment and secondly working hours for women and children. It was at the first part of the 19th century after the outbreak of the World War I, that the need to look at the social and economic conditions of workers which prompted the need to legislate health and safety laws as well rules that governed leisure and social

institutions (Niven, 1967 and Cabury, 1912, cited in Reichel et al (2010). The need to look at how women were treated and ensure that they had a place in the workplaces which were seen as 'stereotypical feminine duties' with more caring and moral ideals in opposition to their male counterparts (Legge, 1987 in Reichel et al.,: 2010). Thus the first phase of legislation reflected an awareness of issues surrounding women as being productive outside of the home. This resulted in committees being set up to looked at issues that related to workers.

Reichel et al (2010) holds that by the late 1930 there was about 40 percent of male managers. However the war had a drastic impact on employment with many being called for service and were subsequently killed, women then had to fill the workforce gap. During the last century, from the 1950s onwards the UK Institute of Personnel Management which was set up had about 50 percent members of female workers. However, these figures started to drop as the years went by, as Reichel et al (2010) notes that 'the number of women in top HRM positions was negligible small'. By the 1970s after the 'flower power' revolution of the 1960s, women started to reassert themselves in the workforce and 'moved into typically male occupations'. Thus, by the 1990s, women had made a profound effect on the world of work and 'were ever higher as compared to the 1970s with 33.4 percent to 47 percent in 1980 and 57.7 percent in 1990 (Reichel et al, 2010).

This percentages rose as a result of various factors mainly involving government legislation and employment regulations regarding equality in the workplace and HRM issues. However, it cannot be denied that by the 1990s the global economic recession was starting to be a problem and companies were being challenged. Thus for example,

in the 1990 HRM was even more pronounced with the demand for more people being trained and educated in the field of and expertise of HRM issues. Thus the functional content increased the demand for specialists in the HRM and its administration with precision skill and training. However, the argument that many researchers had contended was the stereotypical role of women in the workplace of 'the willingness to take orders and do as they are told and do repetitive tasks' (Anker, 1997 in Reichel et al, 2010). One important aspect that seemed to dominate the HRM field in the 1990s was that of training and development which looked at issues that relate to creating a better worker. There was also the 'new look at the human side and a people centred approach to workers in the organisation' that researchers and academics started to emphasise (Storey, 1989, in Reichel, 2010).

In the field of HRM, differences in culture affect the nature of detailed activities and procedures concerned with the implementation of organisational strategy at the local level, such as staffing, training and performance management (Paik et al, 2000; Huo et al, 2002; Vance et al, 2005). An issue which all organisations must address is the extent to which their HRM policies should either converge worldwide until they are basically the same in each location, or diverge and differentiate in response to local requirements. Markets today are both national and international. No longer can local managers and business leader think nationally; their thinking must expand beyond the national borders. The culture of employees who may come from other countries or continents will tend to shape the culture of the company for which they work.

Tayeb (1997) notes that the work of Walton and Lawrence identifies four areas within the field of HRM policy: (1) a reward system that includes compensation and benefits,

(2) mechanisms that influence employees' performance, (3) job design and organisation and (4) employee selection and development. Katou et al (2010) have examined the relationship between ethical beliefs, culture and HRM within the Middle East region, specifically in the Sultanate of Oman. They conclude that HRM is affected by ethical beliefs, certain aspects of national culture and national institutions, and that there are 'differences in the belief systems of people based on different demographic characteristics.' Work done in Saudi Arabia by Bhulan et al (2001) suggests that people need guidance on what to do and prefer government intervention on business practices. However, all international companies face the HRM problem of achieving a balance between international consistency and local autonomy, also referred to as 'the international integration-differentiation dilemma' (Jackson, 2002:11).

Laurent (1986: 96) comments that in building and developing corporate identity it is important that organisations, be they national or multinational, should be consistent in how their employees are managed. Furthermore, they must adapt to the specific cultural needs of all of their employees within the complex social structures of a multinational or multiethnic workforce. More recent writers such as Brewster (2004) are of the opinion that convergence has increased as a result of the movement of people within an increasing mobile labour force and of factors such as cost, quality and productivity.

A survey conducted by the *Harvard Business Review* of almost 12,000 managers in 25 countries concluded that change had become a growing trend in every part of the world regardless of the country, the organisation and the culture. However, it remains far from true that there is 'a corporate global village where there is a common culture of management that solidifies the practices of business around the globe' (Kanter, 1991, p.

152). This seems to be in tune with empirical research (for example, Pieper, 1990; Brewster, 1994) which has compared HRM practices across countries, as well as with the work of Mellahi (2007) on HRM in Saudi Arabia. These studies indicate that the basic HR functions are given different weights in different countries and are executed in different ways (Pieper, 1990; Brewster, 1994; Sparrow, et al, 1994). Commentators such as Schein (2010:107) have argued that developing rules in an organisation is an important aspect of culture building and is critical for the functioning of organisations. Still, there is a natural tendency for managerial traditions in the parent company to shape the nature of key decisions. In this regard, Trompenaars and Woollimas (2005: 381) comment that:

> We have observed many Western organizations that have sought to impose Western (or rather, Anglo-Saxon) HR systems on organizational cultures that were based on entirely different assumptions. The result was either 'corporate rain dancing' or complete ineffectiveness of the intended outcome.

Woollimas (2005) advocates that one can adopt what is known as 'transvergence', a compromise approach supported by Vance (2006) which is both adaptable with regard to local situations and at the same time open to the initiatives of best practices from outside (Gupta and Wang, 2004). This has arisen from the 'think globally and act locally' approach in order to achieve a level of balance. Urich (1998) suggests certain capabilities, as follows:

- Being able to determine core and non-core activities.
- Achieving consistency while allowing flexibility.
- Building global brand equity while honouring local customs.
- Obtaining leverage (bigger is better) while achieving focus (smaller is better).
- Sharing learning and creating new knowledge.

- Engendering a global perspective while ensuring local accountability.

In order to be sensitive to the demands of the local context in implementing strategy and carrying out company plans, firms need to be aware of and appreciate the factors that affect the local context. One answer is to take a cultural approach, where nationally distinct values and attitudes are seen as the principal source of variation across countries. This paper contends that to understand the present administrative system in the Middle East and in Saudi Arabia in particular, it is imperative to have a brief but comprehensive understanding of the legacy of past administrative systems.

A number of scholars have looked at how culture has shaped HRM in the Middle East. Kalantari (2005), for example, has argued that Middle Eastern culture has a rich diversity that can be traced to the Persian and Babylonian periods. Idris (2007) contends that it was only in the 1990s that management scholars gained access to Saudi society, that few studies have been done on HRM and Saudi Arabia and that most books on management have been translated materials, leaving little scope for real research that can positively contribute to the development and growth of HRM in Saudi business culture. Chapter six examines Saudi culture in some detail; meanwhile, it is worth noting at this point the broad outline of developments in Arab and Islamic culture from the seventh to the twentieth century.

The birth of the Holy Prophet Muhammad (uwbp) ended a period of rampant tribal warfare. Having been born into the Quraish tribe, he showed them how to live a meaningful life based on the belief in the Unity of One God (*tawheed*). At the time of his demise, he had accomplished this task, which saw over 124,000 people gather at the holy site of the Kaaba in Makkah. The Four Rightly Guided Caliphs took over the realm

of leadership in succession; however, three of them were murdered. The end of the Caliphate after the demise of the Holy Prophet Muhammad (uwbp) led to the resumption of wars between tribes and factions. The Umayyads came to power and were later supplanted by the Abbasids, who felt that there was too much vainglory and waste of money, while not enough was being done to propagate Islam. However, the Abbasid period was also short lived and in 1258 AD the Mongol warriors conquered the surrounding Islamic territories, which were later taken over by the Ottoman Turks. The system of administration of the Turks under the Ottoman Empire was completely different, as they felt that there was need to have both an Islamic system and a monarchy. The Ottoman Caliphate ended in the early part of the 20th century, when the last Caliph was removed as head of the Islamic state.

A view apparently shared by many writers is that HRM and administrative management in the Middle East leave much to be desired. For example, Kalantari (2005:125) argues that 'most governments have miserably failed to develop proper institutions to serve the individual, social, political, and economic needs of their citizens.' Murphy (2002:64) offers a parallel criticism of Middle Eastern employers, who have tended to show 'little interest in using HRM practices. Many of them are of the opinion that "personnel" means "payroll" and not much else'. Similarly, Mellahi (2007:86) comments that there has been a very 'laid back' atmosphere with regard to the management of people within the private sector in Saudi Arabia and that most of the laws dealing with HRM are antiquated, dating back to the late 1960s (Labour Law-Royal Decree No. M/21, 1969; Umm-Al Qura, 1969; Arab Law Quarterly, 2003, cited by Mellahi, 2007).

Murphy (2002) has looked at companies in the Middle East region and Jordan in particular, arguing that the ascension of King Abdullah has resulted in 'serious interest in economic and business development which is of paramount importance to revitalise businesses, bring in foreign investments and help to encourage and implement new industries which will alleviate the unemployment and ongoing poverty in the country'. The suggestion is that because of the new market forces that have come into play globally, the Middle East must make substantial adjustments in order to be part of the global business environment. Therefore, Murphy (ibid:64) argues that 'new market forces and strategies in the Middle East require, among other substantive and structural changes, programmes to attain high levels of production efficiency, consistency, standardisation, quality, and product safety'. Murphy also urges the retraining of staff and the adoption of new regulations and measures to enhance product quality and improve commitment to sound customer service.

HRM in the Middle East seems to take on a paternalistic style within a closed network. A survey by Tayeb (1979) of fourteen organisations in Iran prior to the Islamic revolution identified a 'high power distance between employees and managers which led to a highly centralised decision-making environment with little employee consultation and participation.' Tayeb (1997) notes that Muslim managers assume a familial and even fatherly stance towards subordinates and argues that this is compatible with the Islamic ideology of kinship that is assumed within the wider community. In addition, he argues for the impossibility of a 'disentanglement of Islam from HRM concepts and fundamentals' (p.356) and from socio-political factors that play a major role in the Middle East and Gulf region, because the underlying nature of that society is Islamic by definition. Therefore, the societal characteristics incorporate the codes of

159

behaviour, values and beliefs of Islam. Tayeb (ibid) draws a comparison between Saudi Arabia and Malaysia, both of which are Muslim countries, but which can be distinguished by the 'interpretation of Islamic values', by how these two Islamic societies are organised and by the attitudes and behaviour of the population. These are reflected in the work ethos of organisations, in areas such as HRM. Tayeb (ibid) questions the degree to which organisations are affected by national culture and asserts that culture is a social phenomenon where there is interaction between individual members at two levels: externally to the organisation, such as with the government and customers; and with those who are internal to the organisations, namely employees and management.

5.8 Classifications of national culture

Tayeb (1994) holds that it is important to take account of the cultural contexts of organisations, so that appropriate methodology can be used to conduct comparative cultural analysis. A primary difficulty in studying how culture impacts on business areas such as management, marketing and IHRM is defining a suitable cultural construct. One reason, as identified by Ajiferuke and Boddewyn (1970), is that seeking to define culture within theoretical parameters requires a very broad and inclusive approach which must be 'unpackaged' to be more scientifically useful. Thus, culture-related research requires robust frameworks for analysis and application of this complex phenomenon.

One of the primary approaches to making the concept of culture operational has been the development (through aggregation) of empirically derived orientations or dimensions. Schwartz and Ros (1995:92) maintain that 'in order to employ cultural

160

values effectively for ... comparison, they must be organised into a limited number of dimensions on which comparisons can be made'. Building on Schein's (1985) 'levels of awareness', Robey and Azevedo (1994) claim that culture can be analysed in three interrelated ways, by studying:

- Visible symbols, artefacts, routines and practices.

- Values and beliefs that can be articulated by informants.

- Basic assumptions.

The visibility of culture can be described as the extent to which the patterns of behaviour of individuals in society are apparent. This can be studied by employing empirical methods. Culture is a rich form of behaviour that informs research and which can be used in many ways to identify values and belief that people hold important. At the aggregate level, the predominant research stream has concentrated on identifying value orientations in society (Craig and Douglas, 2006), while fewer theories concentrate on practices and behaviours, and only a very few models focus on the level of basic assumptions (Erez and Gati, 2004).

To undertake such a comparative analysis, Hofstede developed valuable frameworks that would assist researchers to better comprehend how cultures differ across countries and the resulting impact on work-related values and organisational attitudes. According to Steenkamp (2001:31), Hofstede (1980, 1991) has developed 'by far the most influential national cultural framework'. This schema of national culture is currently one of the most widely cited theories addressing the impact of culture on cross-cultural management. Hofstede's model is therefore the focus of the following chapter.

5.9 Conclusion

As argued in this chapter culture is about the manner in which people carry on their daily lives which has been learnt over a period of time. It involves mannerisms, speech and body movements as well as beliefs that are upheld within the community through customs and habits. The sharing of culture is an important aspect of any society where there is a sharing of a common behavioural pattern that is internalised. Within management systems thus, culture, more so in Arab societies, culture is a dominant feature. The evolving of Arab culture took place over a period of time, even before the advent of the Prophet Muhammad (uwbp). This section as also pointed out that as a result of this, there is a difference between Arab and western cultures. The model advocated by Dadfar (1984) looks to the Socio-cultural model which defines the development of cultural. Arab societies for example have evolved from tribalism where there is communal leadership. There is a sense of charisma leadership that is embedded in such forms of leadership where followers tend to trust and follow their leaders blindly. Charismatic leadership according to Weber's theory places the Arab leader at the centre where he has qualities that are exceptional. The authority that the Arab leader is clearly quite distinctive from Western forms of leadership. Thus leadership as this paper argues is that of relationship building within the sphere of work environment. However, other scholars have argued that Arab leadership tends to be based on that of an authoritarian status where their capacity is more of a consultative one. In Arab societies, Arabic is part of the cultural status quo that holds the society bonded along with shared beliefs, unlike Western societies. However, culture is not bound only to societies but applies to institutions as well as organisations which is fundamental to

162

understanding how they operate. Thus it is argued that culture is a powerful force that can dominate how an organisation is managed.

There seems to be a consensus in the literature that organisational culture is where employees show aptitude and attitude as well as proximity to the organisation that they work. However, management practices differ according to countries as culture plays an important role in managerial attitudes. Arab culture as argued is linked to Islam thus there is an Islamic culture within Arab societies that is quite different from Western forms of culture. Islamic culture is based on the principles laid down in the sacred texts of the Quran and what the Holy Prophet (uwbp) said and did.

The following chapter examines Hofstede's study of culture where he argues that people are programmed to behave in a certain manner. Thus the model talks about a collective mental programming which tends to give shape to members of society. One of Hofstede's arguments is that Arab societies are based on Islam which plays a fundamental role in the lives of people, thus dominating their culture. As such there is a religious orientation towards how people conduct their daily lives within their social and economic domains. Arab societies operate within a rule-oriented system where there are certain rules and regulations that are followed while there is contradiction in terms of wealth inequalities and power. The study done in IBN has found there are different patterns of behaviour of employees and management across the global sphere. The study further argued that culture plays an important role as opposed to other factors. Interestingly, the model argues that culture is an important part of society that incorporates not only beliefs but also religious values.

163

CHAPTER 6:

HOFSTEDE'S MODEL

6.1 Introduction

Hofstede's (1980) work takes cross-cultural psychology to provide a framework for analysing cultural phenomena in terms of a small set of pan-cultural value dimensions. He argues that culture is a 'collective mental programming' whereby members of society are shaped by behaviour which is a legacy from the older members; thus 'the impact of culture is thought to derive from its influence on the collective programming of minds of individuals within different cultures' (Hofstede, 2001). In short, humans are 'mentally programmed' to perform tasks and carry out duties.

Hofstede's (1980) study found highly significant differences in the behaviour and attitudes of workers and managers from different countries, all of whom worked for a multinational corporation, IBM. The author argues that national culture explained more of the differences in work-related values and attitudes than did occupation, age or gender. Individuals behave differently because their cultures differ, so it would be 'logical to expect that people's behaviour and the choices that they make would not be the same'. Likewise, institutions operate differently in countries having different national cultural contexts (Posthuma, 2009). Hofstede's model has been applied to various studies, including one of union membership (Posthuma, 2009) and another of brand advertising and marketing (de Mooij and Hofstede, 2010) which looked at the 'concept of the self' and personality in terms of branding strategy.

Hofstede's original analysis showed that national cultures could be distinguished across four key dimensions: power distance, masculinity versus femininity, uncertainty

avoidance and collectivism versus individualism. His study of national cultural scores gathered from IBM managers in various countries between 1967 and 1973 showed first that a high power distance indicated a much greater fear of the boss or authority figure. Secondly, uncertainty avoidance corresponded to a desire to follow rules in order keep employment and reduce any stress. Individualism indicated a preference for challenges, leisure time and discretion, while masculinity was equated with 'a high preference for social interaction, ego-centred focus on achievement, recognition and advancement as opposed to maintaining relationships' (Posthuma, 2009:507-529).

Following a study of Chinese values (Hofstede and Bond, 1988), the authors added a fifth dimension: long-term versus short-term orientation. Each dimension was measured by calculating a score indicating its strength, from zero to 100. The dimensions differentiate one culture from another and are defined on the basis of attitudes and behaviours, organisational practices and social practices such as marriage and religious ceremonies.

As the model shown in Figure 5.1 indicates, there are three layers of culture. The national culture is the fundamental layer that exists in society, representing the religious values and beliefs that people hold, as well as the assumptions that they make. The top layer is the corporate culture, where workers or employees in an organisation are exposed to the practices that are inherent within the company. The suggestion made by Hofstede (1990) is that national culture plays a very important role and has an impact on companies and organisations.
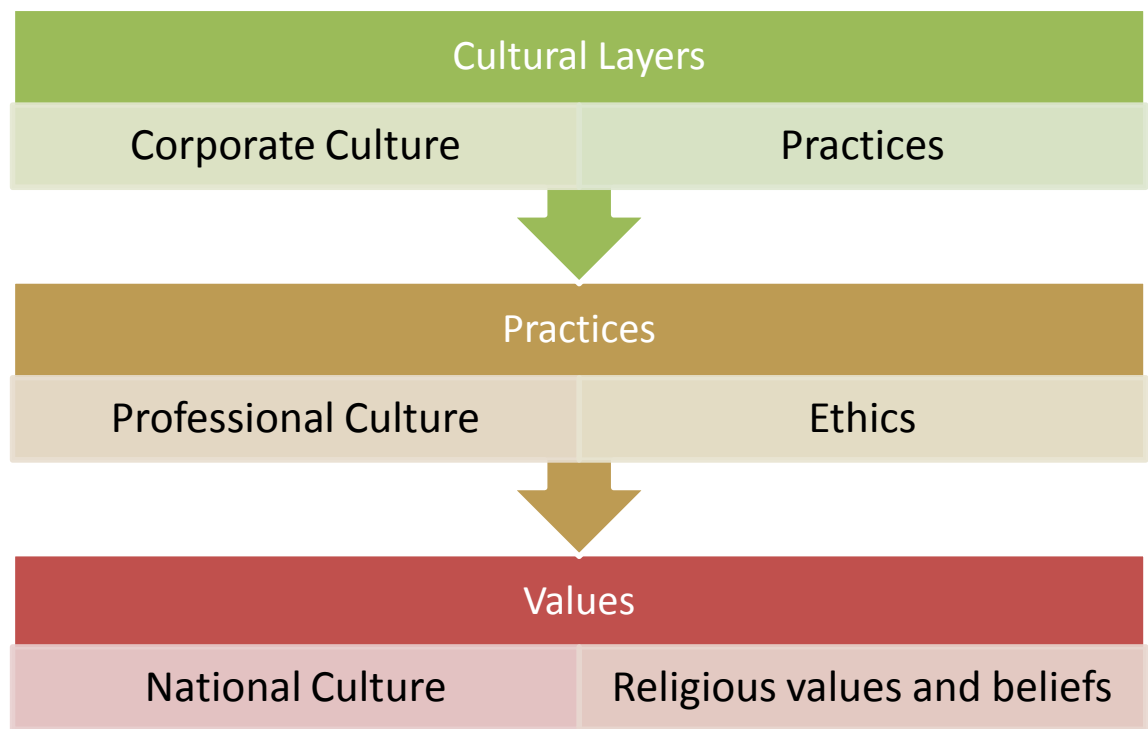
Figure 6.1: Hofstede's cultural layer model

6.2 Power distance

Power distance (PD) is defined as the degree that differences of power and status between people are acceptable within a culture. High differences in power and authority in the various social classes or within occupations may be acceptable in certain societies but not in others (Hofstede, 1991). Power is considered to be a major factor in any organisation, as it can determine the position of the stakeholders, as measured by the power distance index (PDi), which explains the inequality of the distribution of power within communities and societies. The PDi, therefore, measures the extent that less powerful members of an organisation are willing to accept 'an unequal allotment of power' (Alder, 1997). Hofstede (1991) argues that the PDi scores indicate what he calls the dependence relationships in countries. Those with a low PD have limited

dependence of subordinates on those in authority, i.e. their managers, whereas in high PD countries there is more dependence on management.

The PD varies between countries; Hofstede (1991) notes that the Malaysian, Filipino and Mexican societies had the highest PD scores, which suggests that there is an underlying cultural element maintaining strong status differences. At the other extreme, Denmark, Australia and New Zealand had the lowest PD scores, which suggest that the culture within these societies was one of relatively small differences in power and status. Interestingly, European countries such as Germany were found to have a small gap between 'those that have and those that do not' (Hofstede, 1991). Middle Eastern countries, by contrast, were characterised by a wide difference between the wealthy and the poor, so did not fare well on the scale of analysis.

In a study of fifty countries, Hofstede found that Middle Eastern and Gulf countries including Saudi Arabia scored very highly on PD (80/100) and were ranked seventh. The United Kingdom, by contrast, scored only 35 and was ranked 41st, indicating the existence of significant differences between Middle Eastern and Western countries. The suggestion is that although national culture plays a crucial role, however, there are differences across cultures (Luthans et al, 1993; Newman and Nollen, 1996).

According to Hofstede (1991), cultural differences in PD are related to individual differences in behaviour that have consequences for people's work. For example, managers in high PD cultures tend not to interact socially with subordinates and do not expect to negotiate work assignments with them, while in low PD cultures, workers' organisations demand and have a great deal of power over assignments and conditions of work (Adler, 1997; Cole, 1989). In many cultures, managers were found to take an

authoritarian approach to delegating responsibilities and duties, having little or no interaction with employees.

Wright and Mischel (1987) argue that national culture is such that there is a tendency to reinforce behaviour in firms, to such an extent that it is almost predictable within organisations. The reason is that employees are not separate from their culture when they come to work; rather there are patterns of behaviour that tend to transcend differences in work environment. Managers in high PD societies consider that they have the authority to question employees and subordinates at random and that they must have specific answers to questions raised by subordinates about work. In a cross-national study, Laurent (1986) found that only 10% of Swedish managers (low PD) thought that it was important to have precise answers to subordinates' questions, as opposed to countries that were high in PD; for example, 65% of Italian managers and 45% of German managers. Subordinates in low PD countries prefer managers who consult them and delegate responsibility to them, while in high PD countries, subordinates' preference for managers' decision-making style is polarised between autocratic-paternalistic and majority rule (Hofstede, 1991).

6.3 Individualism vs collectivism

Hofstede (1991, 1993) describes individualism as a relationship that an individual has with others in society, reflected in the manner in which people direct and carry on their daily lives. Thus, individualism is the degree to which people approach issues on an individual basis. This dimension refers to an understanding of the predominant social culture as it pertains to individuals, hence an emphasis on the 'I' rather than on the 'we'.

In individualistic societies, the self and everything to do with the individual, such as family, take preference.

On the other hand, collectivism is where there is integration and cohesion between members of the society or groups within it. There is a strong sense of bonding and loyalty that continues to bind the group and is carried on to other generations, whereby members tend to be protective of each other. Hofstede found that individualistic societies like that of the USA and certain societies within Europe like France and Great Britain scored the highest. The argument is that these communities are less integrative and collectivist, their members being considered self-centred and having an I-centred approach. People in individualistic cultures tend to emphasise their personal needs, concerns and interests over those of their group or organisation, while the opposite is true in collectivistic cultures such as Japan and Taiwan. Of the 50 countries and three regions included in Hofstede's study, Arab countries, including Saudi Arabia, scored 38 and were ranked 26th or 27th in individualism, implying a relatively collectivist stance, while Great Britain scored 89 and was ranked third (Hofstede, 1991), demonstrating a high degree of difference between these countries.

Members of an individualistic society tend to see themselves as having earned their achievements at work ('I worked hard for what I have') and to do whatever it takes to achieve a good position within an organisation. In North American society there is much emphasis on personal wealth and the fight to improve personal communication with people of status and position in order to establish good working relationships, which can aid job interests and promotion. Thus, there is a strong sense of competition;

employees tend to work hard to climb the hierarchy ladder to success, taking the attitude that they care little or nothing for how their own advancement affects others.

Individual differences between countries and cultures are thus associated with differences in workers' attitudes, beliefs, values and behaviour about work and their companies. For example, people in individualistic cultures place relative importance on freedom and challenge in their work, while initiative is usually encouraged; the opposite is true in a collectivistic culture, where people expect members of their in-group to take care of each other, providing protection and security in exchange for loyalty. For example, Muna (1980) reports that two-thirds of Arab executives thought employee loyalty was more important than efficiency. Certain work behaviour may also be affected. For example, in an individualistic culture such as that of the USA, there is a tendency for people to avoid group assignments in favour of individual tasks, whereas this is not true of collectivist cultures such as that of Taiwan (Grabrenya et al, 1985; Early, 1993).

6.4 Masculinity

According to Hofstede (1991), masculinity (MAS) is the degree to which cultures maintain differences between gender relationships in work values. Japan and Austria were found to have the highest gender differences in work-related values, while Denmark and Norway were low and showed fewer differences between genders. In terms of ranking, Great Britain scored 66 and was ranked 9th/10th, while the Middle Eastern region including Saudi Arabia scored 53 and was ranked 23rd, which indicates a moderately masculine score.

Cultural differences in terms of MAS were associated with very concrete differences between workers and organisations. For example, managers in high MAS cultures were interested in leadership, independence and self-realisation, while low MAS cultures placed less importance on these constructs. Employees in high MAS cultures regard recognition, advancement and challenge as relatively more important than do employees in low MAS cultures (Hofstede, 1991). In other words, the more masculine the culture, the greater is the importance of work. England's (1978) study showed that Japanese employees (the most masculine in Hofstede's study) agreed more strongly that 'work is central to life' than did comparable Americans and Germans.

6.5 Uncertainty avoidance

Uncertainty avoidance (UA) is the degree to which societies and cultures develop mechanisms to deal with the anxiety and stress of uncertainty. In Hofstede's study, the national cultures of Japan and Greece had highly refined rules which were mandated as part of the wider society and were therefore also part of the system that was prevalent in the normal day-to-day running of corporate operations. People in Sweden and Denmark, on the other hand, were less concerned with culture and had a relaxed attitude towards uncertainty, as well as fewer rules for their workers (Brislin, 1993).

Interestingly, the United Kingdom scored 35 and was ranked 47th/48th, while the Middle Eastern countries including Saudi Arabia scored 68 and were ranked 27th. These scores are representative of the medium high range for the Middle East countries and low for the British on Hofstede's (1991) scale. This indicates a wide gap between the countries and suggests that employees in the Arab countries may be more inclined to reduce their uncertainty by having recourse to the rules of society. These may come from a religious

perspective, as is evident in Islam, where the rules of Shariah dominate the individual in society.

Cultural differences in UA are directly related to concrete differences in jobs and work-related behaviour. For example, managers in high UA countries are selected on the basis of seniority, have low ambition for individual advancement, high job stress and a tendency to stay with the employer, whereas those in low UA countries are selected by criteria other than seniority, have strong ambition for individual advancement, low job stress and less hesitation in changing employers (Hofstede, 1991). In nations low in uncertainty avoidance, like the UK, there is less acceptance of rules and less conformity to the wishes of authority figures than in high UA nations like Japan (Brislin, 1993). For example, absenteeism and lateness are serious issues in Japan, while they are more easily tolerated in low UA countries such as Sweden.

6.6 Long-term orientation

In his initial research, Hofstede only used four dimensions. However, when Hofstede and Bond (1988) subsequently studied the work-related values and psychological characteristics of workers and organisations in Asian countries, they identified a fifth important dimension of work-related values: long-term orientation (LTO). This dimension focuses on the degree to which the society does or does not embrace long-term devotion to traditional, forward-thinking values. Hofstede (1991) argues that long-term-oriented cultures are characterised by patience, perseverance, respect for one's elders and ancestors, and a sense of obedience and duty toward the greater good. This dimension can be seen in East Asian cultures such as those of China, South Korea, Japan, Hong Kong and Singapore, which have a strong emphasis on Confucian

philosophy. For example, China was found to have a very high LTO index of 118, while that of the UK was 25, which is very low and indicates that British culture does not emphasise the concept of long-term traditional orientation.

6.7 Evaluation and Critique of Hofstede's model and reiteration of research questions with a link to the literature.

There seems to be in increasing critique of Hofstede's model and the way in which cultures have been defined. In looking at the research question: 'How does religious orientation influence the level of motivation of employees of the Al Rajhi Bank?' The work on cross-cultural management has looked at the way in which organisations are managed and how certain values and beliefs are applied. As the research shows employees are influenced to a great extend by the religious values that they hold as members of a society like Saudi Arabia that is has deeply-rooted in religion. The Saudi culture is deeply intertwined with Islam this research argues that there is a fine dividing line between culture and religion.

Likewise in asking whether Western models of motivation be applied to Islamic banks in the Kingdom of Saudi Arabia, the Hofstede model has failed to take into account certain factors such as the richness of such societies. Although the Hofstede model has contributed significantly to understanding culture in societies, one of the main problems is that Middle Eastern societies are specific in its culture, with religion playing a major role in the daily lives of workers. There is also a link, as this research shows, between culture and motivation. Clearly the employees at the Al Rajhi bank are motivated to work because of their cultural upbringing which is liked to an intrinsic motivation. Many employees work because there is a financial need to be met and work towards

achieving that goal. One of the major challenges is the fact that the research is outdated since there is more recent and relevant research which can applied to the work place. There is an increasing sense of global affiliation based on diverse factors which affect everyone in the workplace. These factors include empowerment and encouragement that have a great impact on how employees work. This was found in the case of the present study where employees were together in the Al Rajhi bank which, it is argued, as a result of the close knit Middle East society.

In addition, Hofstede has not taken into account the factors of education and citizenship when looking at motivation. In Hofstede's model there is no application to female employees in the research that looks at women in the workplace in Middle East societies. The Middle East region has been changing due to global trends. There is now a renewed sense of women who have been Western educated returning to Saudi Arabia and wanting their voices to be heard in business world. The present research shows that there is a clear differentiation of the gender roles at the bank as expected in Saudi society. It was virtually impossible to access female workers at the bank making the research difficult.

Another criticism that has been levelled against Hofstede is that it has not taken into account individual members of society rather it has look wholly at society and not at people themselves as the work in organisations. This research argues that understanding a society is not about just studying the logistics but the member who make up that society. They are the living proof that breathe and work and go about their daily lives. Thus it is further argued that Saudi society as with all Middle Eastern communities are

family oriented not individualistic as Western societies. Arab society bond of relationship depends on the family.

There is also the ever-changing face of global politics which has affected many countries and in particular the Middle East. A major criticism is that Hofstede's has taken a microscopic look at culture as applied to a particular society and made assumptions rather than looking at society at macro level. There is what is called generalisations of how cultures are defined and assumptions made that there is some level of uniformity rather than being random.

In light of this, the research carried out found that there is considerable motivation of Arab workers at the bank. Many respondents indicated that they were motivated to work because of their affiliation to the culture in which they live and the environment. There is a deep sense of being an Arab that is attached to the culture of the Middle East. The model shows that there is a close knit community that has a deep legacy which cannot be found in Western cultures. Therefore it is argued that there are some problems in applying the model to the Saudi situation or environment. The culture of work and daily living is tightly entwined with the religious nature of Saudi society that is difficult to dismantle. Saudi managers are not workers as such like Western counterparts rather they depend on their employees to do the work for them.

While Hofstede's work has been quite significant in understanding cross cultural management, it is further in critique that there are fundamental differences in the way in which organisations are managed globally. Thus the concept of a nationalistic culture, this paper argues is simplistic in its approach, thus there is a need to look at a much broader view which gives the dynamics of diverse cultures. The present research clearly

shows that there is a relationship between culture and motivation at the Al Rajhi bank. The managers in the interviews clearly defined their beliefs that Saudi culture is a dominating factor in their role as an authority figure. They tend to 'understand' their employees from a cultural perspective so that they 'know how to manage them'. Hofstede's model does seem to take this line of what is called 'cultural togetherness' which is found in such societies where the manager has an already form opinion of their staff based on cultural entities.

In light of the fact that Hofstede has done a lot of groundbreaking work in terms of looking at the dynamics of cross-cultural management and offers an in-depth analysis, there are criticisms which have been levelled against the research. Without doubt there has been a growth of interest in looking at how culture has influenced the business world.

Hofstede's cultural value dimensions have been extensively used in marketing and management. The literature indicates that the model is considered an important way to characterise national cultures and an independent variable helping to explain or understand cross-national differences. Its dimensions are postulated to represent the collective patterning of the mind and to constitute fundamental value orientations that underlie differences in managerial practices, organisational patterns and decision-making. These dimensions of culture 'relate to very fundamental problems which face any human society, but to which different societies find different answers' (Hofstede, 1983:46).

In critique, there are significant differences between countries in terms of how workers view their roles in society, based on broad cultural beliefs and values. People in

individualistic societies tend to hold the notion of freedom as important and encourage employment, while the opposite may be true of collectivist cultures. Muna's (1980) work identified a view among Arab executives that employee loyalty was very important to their companies. In individualistic cultures, people are known to avoid any type of group work and to prefer to work alone (Early, 1993).

Upon evaluation, Hofstede's classification scores highly on simplicity, because the dimensions are relatively straightforward concepts and rich in meaning in relation to form (Chanchani and Theivanathampillai, 2001). However, with regard to substance, the classification is neither exhaustive nor exclusive, for two reasons. First, UA faces criticism for not validly capturing oriental values, and therefore not being exhaustive. Second, the late inclusion of Confucianism (Hofstede and Bond, 1988) or LTO (Hofstede, 1991) demonstrates a lack of exclusivity. Moreover, Hofstede does not exclude the possibility of finding new dimensions. Thus, with regard to simplicity, Hofstede's classification rates are moderate in substance and high in form.

Otherwise, Hofstede's dimensions of value have come under increasing scrutiny and criticism for their limited ability to extend the dominant values present within a multinational company to represent the cultural values of a country (Triandis, 1982), for insufficient precision in definition across categories (Chow et al, 1999) and for limited scope in methodology and measurement (Roberts and Boyciligiller, 1984; Dorfman and Howell, 1988; Yeh, 1988).

Despite this, Hofstede's classification continues to stimulate a large number and variety of cross-cultural studies in multiple disciplines. Chanchani and Theivanathampillai (2001) have identified four reasons for the extensive adoption of his classification. First,

Hofstede's was the first study to integrate previously fragmented constructs and ideas from the literature and to present a coherent framework for classifying different cultures. The second reason for the widespread adoption of Hofstede's classification of culture lies in the simplicity of his dimensions. These are straightforward and intuitively appealing to both academic researchers and business readers across disciplines. The third reason is that he offers an instrument to measure values. Finally, Hofstede is the first author to offer an extensive dataset for empirical analysis, which is very appealing to researchers.

6.8 Application of Hofstede's dimensions to the Arab world

Hofstede (2003) assigns a large power distance score (80) to the Arab world, although some researchers have indicated that the grouping of these Arab states into one cluster may not be appropriate. Saudi Arabia, however, seems to fit Hofstede's general pattern for the Arab world, being dominated by the social stratification of a caste or tribal system and having strong state laws and regulations which bind its citizens and govern their behaviour (Hickson and Pugh, 1995).

Consequently, there is a high PD between Saudi managers and their staff. Most Saudi managers assume domination through the exercise of power as soon as they are appointed to managerial positions. Hofstede and Hofstede (2004) assert that high PD cultures normally have centralised top-down control, while a low PD generally ensures greater equality and empowerment. In the organisational context, PD indicates a tendency to view the hierarchical gap between authorities and subordinates as substantial but also legitimate and acceptable (Hofstede, 1980). In Saudi Arabia, the relationship between the superior and subordinate is based on the allegiance of the latter

to the former. For example, instead of solving conflicts in their own ways, employees will tend to comply with the solutions imposed by their leaders. According to Leung et al (1995), even when a manager criticises the requirements of the relational model of procedural justice that is suggested by the employee, the latter perceives the senior manager's action as less unjust and less negative.

Hofstede has given a score of 52 on the MAS index to Arab societies, noting that this indicates that the limitation of women's rights in the Arab World is due more to religion (Islam) than to a strictly cultural paradigm. However, while it is true that Islam plays a major role in Saudi culture and consequently shapes people's behaviour, Ali (1988) has argued that dominant cultural traditions rooted in Arab tribal society, as well as pervasive Islamic influences, have moulded Arab values and attitudes in unique ways.

Thus, it is apparent at there are other influences on Saudi culture beyond the five dimensions measured by Hofstede. One major influence, as in many cultures, is the prevailing religion. The culture of Saudi Arabia is rooted in its language, which is the language of the Quran. Saudis still live within the traditional framework of values, attitudes and patterns of relationships – and religion plays a dominant role. For example, Islam views the roles of men and women as different and complementary, attaching great value to the nurturing role to which women are considered suited by biology and temperament.

The concept of masculinity in Hofstede's (1991) work indicates that within societies there is a dimension of male achievement that is a dominant and powerful force. Men are often seen as having a competitive nature which focuses on material accomplishments. There are countries that have a higher level of differentiation between

men and women, where the former dominate within societies. A low score indicates societies that have equality between men and women, where the latter are given equal status. Women, on the other hand, tend to focus on building community relationships and valuing non-material aspects of life and work.

In the case of Saudi Arabia, the norm is for people to hold the traditional view that the female role is preferably that of housewife and full-time mother. This is because men have full responsibility for women within the society and women are left to take care of the 'soft' aspects of life: the husband, children and home. Women are socialised into this role and even those who are encouraged to work after finishing their studies usually opt to retire after a short while to play their 'natural' role. However, there is common ground and mutual understanding between the partners in most cases. Thus, conflict and aggression are avoided on this issue.

Islam contains a set of rules and regulations for all aspects of human life and all activities of human beings. Islam, therefore, is the definitive and unifying force among Saudis, not only as a religion but also as a way of life; people believe in and are controlled by the religious norms and principles of their faith (Ali, 2005). However, as opposed to Middle Eastern culture, the issues of women and equal opportunities are within that precribes of the law in Western societies. As argued above the role of women is circumvented and restricted and in many cases women are invisible and do not have equal opportunities. This is not the case in developed Western countries such as the United Kingdom and America where there are stringent laws in place to protect against people who are discriminated. This paper also argues that from a cultural aspect because of the historical aspects of Middle Eastern societies, there is a lack of

understanding of the contribution that women have played. However, Islam has given rights to women such as to conduct business, own property and inherit her lawful portion. In addition women are given a dowry, what is called in Islamic law, '*mahr*' at her wedding which is considered to be a gift from the husband and cannot be taken back by him. The wife has the right to do as she pleases with her ownership of that '*mahr*' or dowry.

The work of Reichel et al (2010:332-352) contends that the role of women in the field of HRM has increased between the 1970s to the 1990s. The suggestion made by these writers is that by reallocating women the field within HRM gives a better solution to companies to deal with the problem of diversity especially within executive management. The inclusion of women in the workplace and moreso into the HRM field is as a result of a twofold mechanism (Riechel et al, 2010). Firstly, there is the link between diversity and performance which society puts pressure to make women inclusive within the work place and treat them equally. Secondly, since there is a persistence to put women within the HRM role due to sex stereotyping (Reichel et al, 2010). Given these two position, organisations has been able to deal with the pressure of 'tackling and handling' diversity and equality in the workplace.

In traditional Islamic societies like Saudi Arabia, there is a strong sense of community life and adherence to family values. However, according to Ali (2005), the historical background of Arabian society before the advent of Islam and the Message of the Holy Prophet Muhammad (uwbp) was very individualistic. He argues that there was emphasis on personal gain, independence and non-conformity with the law; people's loyalty to their small groups and their otherwise selfish attitudes and pride were

181

obstacles to building moral institutions. With the advent of Islam and its prophetic mission, greed, selfishness and hatred were replaced by a commonality and unity based on a belief in and the worship of a single god. The golden age of Islam, according to Ali (ibid), saw a reformation of trade and business, which were organised in corporations and had social importance. The members ensured that craftsmanship and competition were within the bounds of good business relations with foundations in the Quran and sayings laid down by the Holy Prophet (uwbp). Ali (ibid) also argues that it was during this golden age that true business acumen emerged and helped to shape Arabian societies. The commitment to upholding the true Islam as founded by the Holy Prophet (uwbp) helped to mould the ideologies and thinking of men and societies.

Ali (2005) thus seems to assert that although the origin of Arab society is individualistic, the message of Islam helped to change this approach to a more collectivist one. Business was central to the Arabs before the birth of the Holy Prophet (uwbp), as trade was conducted with Yemen, Syria, Palestine and Jordan, where merchants would travel to trade. Saudi Arabia was seen as the focal point where merchants would meet, because of the pivotal importance of the Kaaba, which was founded by Ibrahim and his son Ishmael. However, trade was based on individualism, greed, envy and jealousy; business was conducted in an unregulated manner based on usury or interest. Islam abolished this attitude by laying down the Quranic laws on how to maintain business relationships and carry out transactions.

Trade and business were seen as crucial for the early Arabs and were continued when the new state was founded in Madinah. Not only was trade seen as an important instrument for the continuity of Islamic brotherhood and the nurturing of a common

collectivist identity, but Islam and the Prophetic traditions helped to shape the thinking that was imperative in helping to realise religious, political, economic and social aspirations.

Saudi society is still essentially traditional. In Saudi Arabia the family is the basic social unit, viewed as the centre of all loyalty, obligation and status of its members. Usually, the social, psychological and economic security of the individual will derive from membership of the extended family, so it is not surprising that the individual's loyalty and duty to his family would be great, perhaps greater, than any other social obligation. In general, Saudi society 'shares four fundamental characteristics: (1) religion: all Saudis are Muslims; (2) Arabic language; (3) basic cultural traits; (4) the centrality of the family in social structures' (Al-Awaji, 1971:56).

The work of Tayeb (1997:352-364) is important to the present study in terms of the implications for the revival of Islamic management systems in the Middle East, where Islam plays a major and significant role in the lives of people's personal, social, business and professional lives. The reason for this, as Tayeb (1997) notes, is the dominant spiritual force of Islam. HRM and the culture, as well as what motivates employees as an important part of an organisational process that 'reflects employees' cultural characteristics', must be located within the religious context of Saudi Arabia, which is of interest to the people and organisations that transact business in that region.

Saudi Arabs place much emphasis on furthering personal connections as essential to success, since the majority of business is conducted through networks. Another key concept in Saudi culture is embodied in a form of interpersonal reciprocal benefits called *wasta*, which is seen as affecting every significant decision in Arab life

183

(Cunningham and Sarayrah, 1993). The literal translation of this Arabic word is 'connections' or 'pull' and wasta may be seen as a form of intercession or mediation (Hutchings and Weir, 2006). It is a network of elaborate relationships promoting trust and co-operation and can also be understood as a network of personally defined bonds or the set of relationships that people develop in order to secure advantages. It may be applied to gain benefit in the public sector (such as a job) or the private sector (such as a job or a discount). While the common definition of wasta refers to interpersonal connections, the relationship between employer and employee or business partners is built upon trust and a deep understanding of moral values. Hofstede (1994) suggests that this aspect of Saudi culture provides understanding and mutual help for employees who perform poorly.

6.9 Conclusion

Culture is a complex phenomenon that is difficult to define. Notwithstanding this difficulty, various elements are clearly important to consider. As humans we do not operate within a vacuum; rather, we live in communities and participate as full individuals within our societies. While there are different perspectives on the definition of culture, many have focused on the cognitive aspects, highlighting factors such as assumptions, beliefs and values as constituting the true essence of culture in the business environment. Cross-cultural research has given rise to numerous debates about these aspects and defined culture in terms of the spread of individuals across cultural components. However, despite the different perspectives on culture, the business literature is pervaded by a consideration of cognitive components such as assumptions, beliefs and values as the essence of culture. Cross-cultural research has thus been

organised around taxonomies of basic cultural values and attitudes to allow managers, consultants and practitioners to form an understanding of culture for their purposes.

Hofstede's five-dimensional model, which was designed to measure culture at the national level, is useful in demonstrating the similarities and differences between Saudi and other cultures. This is important, because national culture is one of the most important factors influencing employee behaviour in any organisation (Romero and Pérez, 2003). The model has been useful in illuminating many aspects of Saudi Arabia's culture, which has a long historical legacy. This thesis asserts that it is important to define what the five dimensions mean within the Saudi business context, in order to understand HRM in the country. While there is individualism in the Western context, it is minimal in Saudi Arabia, which is more of a collectivist society with a strong element of masculinity. Tayeb (1997:352) focuses on HRM, arguing that it is 'more prone to cultural influences' than other aspects of business life. His study shows that HRM has a dominant place within organisations and is rich in terms of cultural implications extending 'to other areas within organisations that are related to both employees and management' (loc cit).

Organisations exert certain influences over people in society, whereby they become, to a certain extent, icons that they are affiliated with, such as BT or British Gas. Such influences can be very powerful in terms of political, social and economic institutions, which include pressure groups as well as educational institutions (ibid). The context of society can therefore influence how individuals work in organisations and perform their roles as employees and managers within those organisations (ibid). Saudi society attaches importance to the country's status as a kingdom, but even greater significance

is given to the two *Haramain*, namely the Kaaba in Makkah and the Prophet's Mosque in Madinah, which for Saudis have spiritual, social, economic and political status.

The impact of embedded national cultural values upon employees, in this case managers, can affect how they function in the organisation and transmit, from the top down, such intrinsic values to the workforce. According to Stone-Romero et al (2003), individuals from different cultures often enter work organisations with different work-related scripts. Culture has a significant effect on how employees view their organisational responsibilities and their commitment, which inherently informs the 'scripts' (Romero and Pérez, 2003). Employees within Saudi society, this thesis asserts, have a strong culture. This can be seen in the way that they dress for work. Many Saudis come to work in the traditional dress. Language is a telling sign of the cultural nature of that society. Arabic is spoken throughout many businesses in different dialects, reflecting the rich cultural diversity of the Arabs. This thesis maintains that to the extent that some aspects of culture may be identified as being individualistic, employees bring their culture to the workplace. As Romero and Perez (2003) argue, culture impacts on how employees carry out their roles in organisations.

The wider implications of both motivation theory and the concept of culture are of significance to the Arabian workforce, in that Westernised theoretical applications of motivation theory have enabled some embedding of Westernised philosophy; however, these have faced fundamental constraints in Arab organisational cultures, and an understanding of Arab cultural values helps to explain why this has been the case.

Chapters two and three have set the present research within its conceptual framework and the present chapter has extended the consideration of culture in Chapter four by

examining Hofstede's model and its application to the national context of the study. This context is now considered in fuller detail in Chapter six, whose specific subject is the Kingdom of Saudi Arabia, where the study is set.

CHAPTER 7:

METHODOLOGY

7.1 Introduction

Research methodology differs according to the subject area. Milena and Dalnora (2008:1279) argue that changes occurring in the world have significantly contributed to the ways in which research methods have been used to investigate phenomena. Assumptions about methodology are made around the processes that are involved in the research project. Thus, methodology concerns the research process, how it is carried out, the instruments that are used to collect data and the appropriate tools of analysis.

The present study adopts a qualitative approach, which is inductive and concerned with the meaning of what is being studied, rather than with measuring it. The qualitative researcher is interested in what people have said and why they have said it, in the meanings that sentences carry and in the implications, rather than in providing statistics and analysis of measurable phenomena. The present study is also subjective in nature rather than objective, as the researcher is interested in understanding the relationship between motivation and culture, in theories addressing these two topics and in the related research that has been carried out by previous researchers. This study does not have a hypothesis that needs to be tested, but the researcher is interested in questions such as these: What drives people to achieve and work? Is it money, power or status? What is the influence of culture on motivation? Does culture play a significant role in the workplace? What is its role in Saudi Arabia, which has a rich cultural legacy?

As with all research, choosing and justifying the appropriate methodology is problematic. The aim of this research is to examine the culture of Saudi Arabia and to investigate how employees are motivated to work in a particular industry and a certain

organisation within it, in this case the Al Rajhi bank. The assumption being made is that employees may or may not be motivated to work because of certain overriding cultural factors which play a major role in Arab societies. Epistemological assumptions are also made about the knowledge that employees derive from their experience and which are important to the research. Therefore, the data-gathering methods chosen are semi-structured interviews and focus groups, enquiring into the relationship between culture and motivation, especially how culture affects motivation in the workplace. The methodological outline of the research is shown in Figure 8.1.
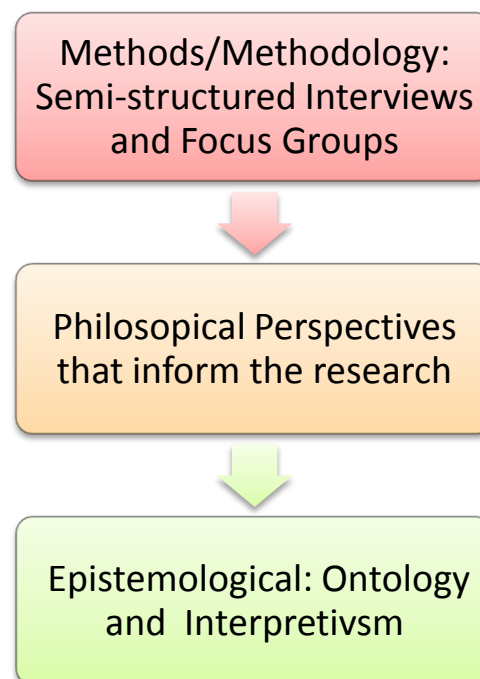
Figure 7.1: Methodological outline

To clarify the basic terminology used in this chapter, the methods are the instruments that are used to gather the data, as outlined above, while the methodology is the choice of strategy or process that informs the methods and is linked to the outcome of the research. The philosophical perspective in turn informs the methodology and sets the

context for finding a firm ground upon which the research stands. Finally, the epistemological stance can be described as the body of knowledge that forms part of the philosophical perspective (Crotty, 2003).

The objective of this chapter is to highlight the main methodological issues raised and procedures followed in the present research. As this study is primarily concerned with the relationship between motivation and culture, it is important to look at the ontological as well as the epistemological approaches and why the researcher chose to take an interpretive approach. The fourth section of the chapter will also examine interpretivism in terms of how Islam is interpreted by its followers and how they see the impact of this aspect of culture on their everyday lives.

The methodology that this research adopts is qualitative in nature and the main data-collecting instruments are semi-structured interviews and focus group discussions. Behind the decision to collect data through these methods was an assumption that Al Rajhi employees' experiences would provide a rich source of data that would inform this research. A second assumption was that the factors that influence the characteristics of organisations have a direct effect on how employees view their positions in the workplace. The work environment is influenced by many factors, such as psychological and sociological dimensions. In this regard, the research seeks an understanding of motivation in the workplace with specific regard to the Saudi banking system. The main argument is that motivation and culture are two factors which co-exist and are influenced by religious beliefs that run deep within the system. The reason for this research to focus on motivation and culture is that both are pertinent to the Saudi workplace, which is characterised by the influence of Islam. The third major assumption

underlying the research is therefore that within the Saudi context, unlike the western one, the concepts of motivation and culture are interlinked and subject to the overriding influence of an umbrella of Islamic understanding. People are motivated to work in the Saudi system, as the interviews revealed, because of their affiliation to the Kingdom and because they feel comfortable working in an Islamic environment with others who hold similar beliefs.

Selecting the methods to be used is the most critical decision in research; the researcher needs to use wise judgment to balance the advantages and disadvantages of the diverse research methods available, since no method is intrinsically better than others. However, sometimes the nature and the aim of the research can determine the design to be used and hence the most suitable type of methodology. The aim of any research is to bring about an understanding of a particular problem; in this case the aim is to investigate the relationship between motivation and culture in a Saudi bank. In this regard, Junker (2004: 221) suggests that when carrying out fieldwork, the researcher communicates and interacts with the participants and that different types of information will be exchanged and interpreted. This exchange takes place through vocal means, body language and social gestures. There is also the conveyance of feelings from researcher to participant and vice versa. Thus, the researcher develops a sensitivity allowing him to distinguish the different roles that people may take.

Billig (2004:11-13) contends that methodology 'involves the presentation of rules of the procedure that was taken in the collection of data and how that data was analysed'. Although the rules may not be formal, they nevertheless apply to all those who are involved in doing research. Thus, methodology erases any form of ambiguity from the

191

research and gives a clear outline of the manner in which the research was conducted. In addition, Weiss (2004:447) holds that research within the realm of social science is seen as an 'intellectual pursuit' of the researcher whose aim is to inform society. Thus, in subjects such as journalism, law and philosophy, the researcher undertakes to enquire as well as to respond to 'currents of thought'. Social sciences and social policy are interrelated and influence each other (ibid).

Data for this study was gathered from both primary and secondary sources. The former, as noted above, were face-to-face semi-structured interviews and focus group discussions with employees at the Al Rajhi Bank. The secondary sources consulted mainly comprised textbooks and articles in business magazines and management journals. The participants were all employees, comprising managers, supervisors and other staff at the bank. All were asked questions about motivation in their work and the policies that helped to shape their contribution to the organisation. In particular, the interviews focused on employees' motivation level and its impact on their work at the bank.

The framework in which this research was conducted has allowed the exploration of key areas that have been little researched in Saudi Arabia. There is a present tendency to focus on areas that contribute to business success, especially in the field of IT, whereas the topic of the relationship between motivation and culture has been under-researched. Many participants were appreciative of this study for this reason.

7.2 Conceptual model

Before moving on to a detailed examination of the philosophical considerations underlying the methodological choices made, this short section considers the conceptual model on which this study is based, as shown in Figure 7.2.

Motivation of bank employees and effect of culture within the Islamic banking sector, focusing on Al Rajhi Bank

Motivational structures based on the general patterns of the social stratification system

Interpretive view of motivational changes in the banking sector

National, regional and religious culture as a reflection of the Saudi way of life (effect of culture on motivation)

Figure 7.2: Conceptual model

The research design adopted can best be explained using the image of the research process 'onion' (Saunders et al, 2003), reproduced as Figure 8.3. Research strategy is a

plan of action that gives direction to the research efforts, making it possible to conduct research systematically rather than haphazardly. The present study employed a survey strategy. There are other research designs that would have assisted the researcher and contributed to answering the research questions, including the case study and various experimental designs. However, it is argued that motivation is a function of personality and that it is thus a highly personal phenomenon being processed mentally by individuals; for these reasons it would have been difficult to experiment with individuals' mental functions. On the other hand, it would not have been practicable to adopt a case study design, because participants would not have had enough time to complete a detailed case study, as many of them were full-time workers. Moreover, there is another weakness associated with case studies: that they can sometimes be an 'inadequate or inappropriate strategy of inquiry' (Thomas, 2004:130).
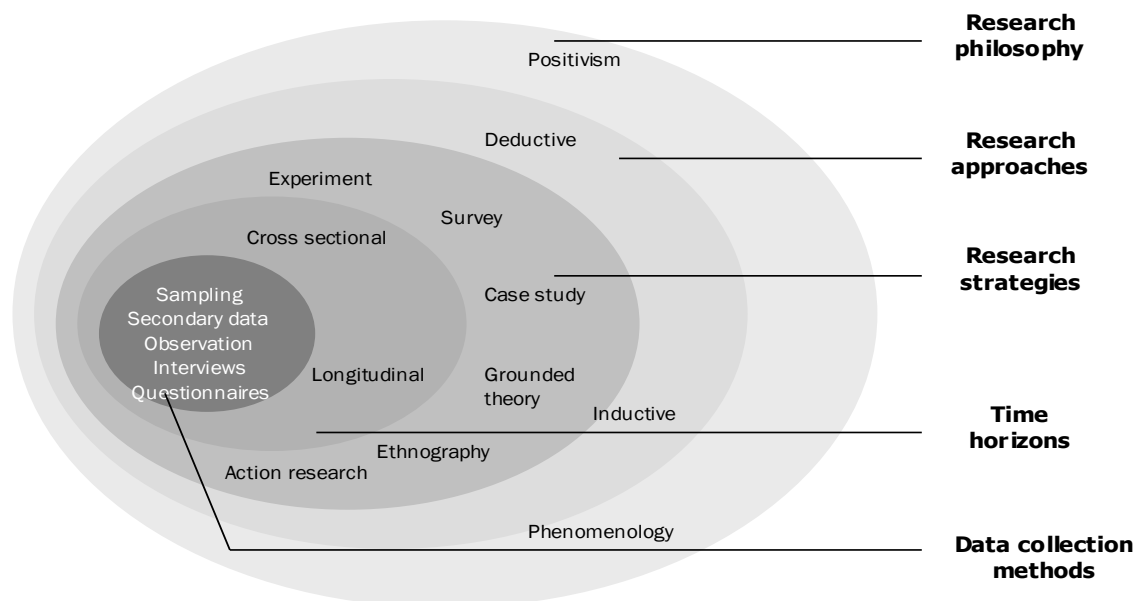
Figure 7.3: The research process 'onion'

Source: Adapted from Saunders et al (2003:83)

The practical sections of the present chapter will explain the choice of the target population among which the fieldwork was conducted, the means by which the research sample was selected, the administrative procedures which were employed in the field and the data analysis procedures adopted. There will also be a consideration of ethical issues. Before this, the more theoretical aspects are explored, beginning with a detailed consideration of the philosophy behind the methodological options.

7.3 Philosophical approach

This section debates the concepts of ontology, epistemology and interpretivism. In addressing the ontological argument, the researcher gives consideration to the question of whether the world is to be seen as existing objectively or as socially constructed. Thus, the qualitative approach holds that reality is not objective, as in the case of the quantitative approach, but subjective. The researcher then questions reality, its nature, how it relates to the thesis, what participants contribute to the topic under discussion and how they make sense of the world.

Epistemology is the study of knowledge. The approach taken by the present researcher is to see him as being an active part of the research and to view the participants as an important and fundamental aspect that contributes significantly to the research. The researcher is interested in the knowledge reported in this thesis; in how addressing the topic will lead to a better understanding of motivation and culture, and in how this knowledge and understanding will facilitate the work of future researchers on these interrelated topics.

Positivism, which in many ways can be seen as an empiricist epistemology, holds that what is known comes from experience that is both external and can be measured.

Williams and May (1996) contend that 'empiricist assumptions as to the nature of the world come through positivism and implicitly through a collapse into that of phenomenalism that is exhibited in interpretivist approaches'. Thus, positivism has roots within the ontological stance of realism, for which there is a reality outside the individual from which meaning is constructed. It subscribes to that which can be observed through the lens of reality or that which is socially constructed. Indeed, Symon and Cassell (2006:307-314) hold that when looking at organisational research there is a qualitative positivism which is informed by some epistemological perspectives.

Taking the positivist approach is to have an objective view of experience, to try to understand by observing and to make sense of what is happening around us in the social world through a scientific methodology. Morgan and Smircich (1980:491) argue that there is an ongoing debate about the 'adequacy of appropriate research methods in the social sciences' and that 'these are usually linked to questions or assumptions about ontology, epistemology and human nature'. According to Symon and Cassell (2009), Prasad and Prasad (2002) are of the view that the field of organisational research is closely related to that of qualitative positivism, which is informed by epistemological perspectives. Williams and May (1996:69) contend that 'all philosophical approaches and their methodologies, whether they are explicit or implicit, have views about social reality. Thus those that are ontological mould those that are epistemological'.

The work done by Heidegger was concerned with the concept of 'being'. Thus, Rae (2010) cites Heidegger as arguing that humans have always been regarded as 'being' and thought of as a 'fixed essence' in the world. According to Giri (2009), there is a recognition that the ontological dimension is around us in our lives. As a researcher, this

paper argues, it is important to be part of society and to be subjective, as part of the field of ontological and epistemological participation. Thus, research calls for a deep understanding of the mechanism of society but requires the cultivation of the appropriate virtues that cross the conventional boundaries between epistemology and ontology (Giri, 2009:359). There is thus a sense of values and of the ethics that are involved in doing research of this kind, involving the interpretation of the views of others. Giri (2009:360) holds that the ontological epistemology of participation is different from that of observation.

Ontology is the study of how people exist in the world in which they live and of the ways of thinking about this existence. The core assumption of ontology is that the social world around us is just a 'projection of the individual consciousnesses, where humans are seen as creative participants in the world'. As Williams and May (1996) argue, the external world is made up of representations and 'is the creation of the mind'. Thus, the objects that are part of the social world, including concrete objects such as a car or a shop, are all conditioned by our perception. The mind is made up of images which are perceived from the outer world, so that 'material objects are a product of the mind'. A person may say 'I will go shopping today', but if it begins to snow, the person will be faced with the choice of whether to go or to stay at home and watch TV or do some housework. Whatever decision is taken, the person is 'being himself/herself'.

The mind plays an important part in constructing reality, rather than merely interpreting it, as the consciousness is part of the transcendental world where reality is interpreted by the person. Therefore being in the world means that one's participation, doing something in the world, can be significant, and impact on the quality of life. Morgan

197

and Smircich (1980:494) argue that 'the nature of the phenomenal world may be accessible to the human being only through consciously phenomenological modes of insight.' Thus, the phenomenological approach to research is concerned with the way in which people define the meanings that are given by their experiences in the world (Zawawi, 2007:3-4).

Human beings are active participants in the world around them. According to the interpretive approach, humans create their own realities in various ways, so that they can make sense of the world around them intelligently. They are not simply living in a physical world, but are constantly interpreting their environments in meaningful ways. As humans, we are always trying to make sense of the world around us, which in many ways shapes our identity; being human is to engage with others in society at a personal level. The close interrelations among ontology, epistemology and interpretivism suggested by these considerations are illustrated in Figure 8.4.

Epistemology is a branch of philosophy that deals with the theory of knowledge; it is concerned with 'knowing what we know and thinking about how we think' (Dickerson: 2010) and with distinguishing between knowledge that is true and that which is false. Epistemology has its foundation in the philosophy of Plato and Aristotle. While Plato held that knowledge was more or less absolute, Aristotle advocated a more scientific or empiricist form of knowledge. The development of the understanding of knowledge came with the Renaissance period and further divided the epistemological approaches to knowledge into those of empiricism and rationalism. According to the empiricist view, knowledge is internalised through our sensory perceptions, while rationalism holds that we are rational beings.

Philosophical approaches

ONTOLOGY

• Concerned with the state of being. Rae (2010) cites Heidegger as arguing that humans have always been regarded as 'being' and thought of as a 'fixed essence' in the world.

•Ontology is the study of how people exist in the world.

•Williams and May (1996) argue that the external world is made up of representations and 'is the creation of the mind'.

EPISTEMOLOGY

• A branch that deals with 'the theory of knowledge' about 'knowing what we know and thinking about how we think' (Dickerson: 2010).

•Dickerson (2010) refers to an integrative approach to epistemologies: individualising, systemic and post-structural.

•Braten et al (2009) describe personal epistemology as 'the beliefs that people may hold about knowledge and the process of knowing.'

INTERPRETIVISM

•The world that we live in is shaped by external agencies which have an impact on our experiences. These are internalised, thus our perception is influenced by a social construction of the world (Dickerson, 2010).

•Interpretive work tends to emphasise that the researcher is making sense of the participants and 'to treat the theory as being sensitizing'. Thus, it 'aims to represent the world of others' (Symon and Cassell, 2006).

Figure 7.4: Philosophical approaches (Researcher's design)

Braten et al (2009) argue that personal epistemology is 'the beliefs that people may hold about knowledge and the process of knowing.' The work of Dickerson (2010) takes an integrative approach to epistemologies: individualising, systemic and post-structural. The approach of Freud and Jung (person-centred, behavioural, rational and cognitive) is embedded in an individualistic epistemological framework, where the person is the centre of analysis and there is a sense of distortion or inability, demanding a profession approach to understanding the individual. Thus, the person is seen as important, given that 'persons, problems, and change are individual concerns' (Dickerson, 2010). The

systemic epistemological approach holds that the whole is greater than the sum of the parts and is interested in the relationships between systems in a person. Finally, the post-structural epistemological approach is based on modern theories such as the feminist and integrative approaches; it looks at the identity of the person who has a problem within society which is external to that person (Dickerson, 2010).

Thus, epistemology, as opposed to ontology, is important to this research, as it asks participants to reflect on what they know, on their experiences and on how they view their experiences as being important. Toren and Cabral (2009:1-18) hold that there is a call for 'an engagement between epistemology (what it is to know) and ontology (what exists)'. They further argue that there is a genuine commitment to understanding 'humanness' or 'what it is to be human' in a social world, amongst the multiplicity of elements that exist. The world is vast and while it may be impossible to understand human behaviour in its profoundness, it is nevertheless important to keep trying to comprehend the phenomena of the existence of human beings and the knowledge that goes with being human (ibid).

In conducting the study reported in this thesis, I was interested in finding out what led the participants to give the answers that they gave to the questions that I asked, and how important it was for to them to give a particular answer to each question. Hence, what was important was understanding their knowledge about the bank, how they viewed Al Rajhi as an important institution in Saudi Arabia, why for them the bank played an important role, what prior knowledge they held, based on their experience, and what made them define the bank in terms of its historical legacy in Saudi Arabia. Therefore, in some ways I was asking them to take on the role of an epistemologist. In my role as

researcher, I was constantly probing to identify ways to understand the theories that shape the research process. It was interesting to note the knowledge that participants held about the bank, in terms of its history, the functions and roles of the bank and its management.

A potential concern of this study has been to understand the dominant philosophy that is associated with the research. One of the challenges has been to identify the influences of the various philosophies that are of particular importance and which can be applied to the work reported in this thesis. The interpretive approach has been adopted in order to make sense of participants' experiences. Within the social sciences field, interpretivism is a qualitative research approach that is related to the disciplines of ontology and epistemology. Interpretive work tends to emphasise that the researcher is making sense of the participants' feelings, which requires him to treat the theory as 'sensitising' and as aiming 'to represent the world of others' (Symon and Cassell, 2006). Thus, the work of El Sawad (2005, cited by Symon and Cassell, 2006) looks at the metaphors used by employees to make sense of their careers. The world that we live in is shaped by external agencies which have an impact on how our experiences are internalised; thus our perceptions are influenced by our social construction of the world (Dickerson, 2010).

This section has attempted to explain the philosophical underpinnings of the methodology adopted in the present study by sketching the rudiments of ontology, epistemology and interpretivism. The next section explores the interface between the last of these philosophical approaches and the culture of the respondents.

7.4 Interpretivism, Arab culture and Islam

The approach taken by this study is interpretive and naturalistic. Within the constructivist paradigm, it examines the meanings that participants gave to the phenomenon that was being researched. Al Saggaf and Williamson (2004) argue that the social constructivist perspective 'recognises how the social environment as well as the cultural aspects and religion' all have an effect on people as they construct the realities around them and in the world (Berger and Luckman, 1967).

The use of the interview method to gather data can be considered to provide information about how the researcher and the participants produce knowledge about the world around them. Thus, interviews can be seen as a 'window to look at the different ways of looking at the topic being researched' (Rapley, 2001) and as a form of interaction between interviewer and interviewee (Baker, 2002, 2004). One of the assumptions that are made is that each interviewee 'tells it as it is' (Wang and Roulston, 2007:179-210). It is also assumed that participants in this study constructed meanings according to an interplay between culture, motivation and religion. Both religion and culture are important and fundamental aspects of Saudi society that cannot be ignored; indeed, they must be acknowledged as being extremely significant to the study. Those theorists who take a social constructivist approach hold that meaning comes from 'the interactions of social processes within society that involve the rich interplay of people, the language spoken and the dominant religion (Al Saggaf and Williamson, 2004).

These considerations helped in selecting the most appropriate model for the present research. Social sciences, including business research, deal with the actions and behaviour of human subjects. In this study, it is recognised that there exist some

external and objectively verifiable elements such as applicable laws, salary scales, the bricks and mortar environment and gender segregation practices. However, the way individuals experience and interpret these is variable and subjective. Therefore, to understand the impact of religion and Arabic culture on employees' performance in the bank and on their motivation, a realist stance is appropriate, involving qualitative data collection that explores these experiences and interpretations.

It was found that participants in this study tended to interpret their culture as being intimately related to their religion, Islam, to the point that many did not distinguish between them. They interpreted Islam as part of their behaviour, their values and their systems of culture, rather than separate from national culture. This can be understood by contrasting the Saudi situation with the question of being British and Muslim. One can be both a British citizen and a Muslim at the same time, yet distinguish between the two, in that being a Muslim means praying five times a day, going to Friday prayers and so on, while one is British by dint of having being born and bred in the United Kingdom. In Saudi Arabia, by contrast, the distinction between being Saudi and being a Muslim is very fine or even non-existent. To be a Saudi is to be a Muslim and to be a Muslim is to have Islam as one's religion. The interpretive approach that this study adopts is important, as it helps to identify such distinctions where they exist.

This thesis holds that Saudi society, as argued earlier, is based on Bedouin tribes whose internal experiences were shaped by external contingencies. For example, how the pre-Islamic Bedouin lived with each other in the desert areas was based on tribal relationships whereby one was protected by one's tribe. Individuals would internalise these meanings, learning to trust the tribe and to value an overwhelming sense of

security and safety. It was the Holy Prophet Muhammad (uwbp) who brought a sense of internalisation to them, with the message of the oneness of God and a sense of spirituality whereby material wealth was not important, while the spiritual aspects of life were much more significant.

The interpretive approach, this thesis contends, shows that members of Islamic societies are surrounded by a religion that is internalised from birth onwards into youth then adulthood, parenthood and finally old age. Lapidus (2002) raises the relevant argument that it is important to understand the historical context that has given rise to Islamic societies. He goes on to explore how Islam has contributed to the building of the Arab culture, examining the manner in which members of Arab societies live and order their communities, as well as what shapes their aspirations, goals and identity as Arabs. Lapidus (ibid) asserts that asking such questions can lead to a better understanding of the religious view of reality and of the meaning to be attributed to 'the experiences of individuals in these societies, which is firmly embedded within the texts of divine scriptures'.

These experiences have given shape to the political and social aspirations of elements within Islamic societies, which give expression to the manner in which values and symbols are held in Islam. The meanings that people give to the expressions that they use are important in understanding Arab society. For example, a question that often came to my mind during the fieldwork was whether the participants were responding to the questions truthfully or simply out of fear. The point that Lapidus (ibid) makes is that members of Arab societies have for centuries been dominated politically, so that it may be difficult to distinguish the fear of reality from the fear of telling the truth.

204

The researcher argues that the interpretivism is not interested in reality, but reality is what people interpret their world to be. Thus, the researcher argues that, being an Arab, there is a mind-set that becomes stereotyped and therefore difficult to break. Many participants in this study gave their responses based on how they felt within the structure of the banking sector. Taking an interpretivist position, it is further argued that participants constructed their reality based on their experiences at the bank. There were certain issues that participants gave more credibility towards such as the importance of Arab culture and the need to bring up you family within the confines of an Islamic domain.

Another issue was the presence of Islam at the bank and the togetherness that everyone felt when they are working together. Many expressed the need to 'breathe a little more' since the structure is very rigid at the bank. Participants seem to interpret their world from an Arab citizen perspective. Their accounts of the importance of culture were interpreted based on the strong feeling that they have as part of the Middle Eastern heritage. However, it was felt at times that participants 'were not telling the whole truth' which might be because of two factors. Firstly, most importantly the fear of losing their jobs and secondly, fear of any trouble with the authorities. Therefore, their interpretation can be seen as being mixed with both truth and a sense of falseness but only out of fear. Having said this, the research notes that many seem genuine in their interpretation. An example of this is where respondents who said that most of the best jobs were going to the expats and that they had to accept lower paid jobs.

As Williams and May (1996) argue, 'social life is created through talk', so that when an account is given of some situation or event, it is usually done with a description which helps to make sense of the social world that we live in. Thus, respondents were often not just giving information, but describing events that had helped to shape their experience. When, for example, an interviewee talked about the problems or advantages of working at the bank, communication was done not only through verbal expression but with appropriate behaviour which gave meaning to what was being said. Participants were describing events, their daily lives, what takes place, what happens between members of staff. They were exploring different areas that were never taken into consideration before. As a researcher looking into motivation and culture, it was an eye-opener to see how fellow Arabs could be so welcoming in the research. Many respondents spoke about issues that affect them on a daily basis and what needs to be done in order to correct certain situations at the bank. Other felt that being at the bank is a 'blessings and honour' to be able to contribute to the financial world of the Kingdom. It is interesting to note that that participants seem to interpreting how these events and life experiences help to create a sense of security domain by which they live.

Williams and May (1996) hold that the 'reflective nature' of our conversations keeps others attentive to what is being said and described, so that giving an account of a particular behaviour is necessary to make the speaker's meaning sensible as well as intelligible to those who are listening. Respondents in the research, as fellow Arabs said were welcoming and paid all respects in terms of giving the traditional salaams. The researcher was made to feel warm and welcomed at the bank. However, this behaviour can be interpreted as that of being sincere or with suspicion.

Having considered the cultural and religious aspects of interpretivism, the methodological matters moves on in the next section to the choice of qualitative rather than quantitative methods.

7.5 Qualitative methods

Hussey and Hussey (1997) are of the view that research must be founded on some scientific practice which has a philosophy, in other words, which is based on assumptions about the world in which we live. These authors contend that a piece of research can either be phenomenological as well as qualitative and subjective with humanistic approaches, or adopt the positivist view, which is more quantitative and scientific. The selection of an appropriate philosophy is fundamental to any social science research, as it assists the researcher in identifying the correct approach. Robson (2002) argues that there is a distinction between quantitative research, which deals with 'the determination of the existence of the relationship between specific variables', and qualitative research, which emphasises the use of 'words and not statistics or the quantification of data collection and analysis' (Bryman, 2004).

Kincheloe (1991) states that quantitative research is that which 'objectively seeks to enquire upon measurable variables [and] provable propositions [and which] is primarily concerned with those events that are observable and analysed by scientific means'. Quantitative research focuses on objective reality, using standardised instruments and relatively large samples to test existing theories. It follows a deductive approach to the relationship between theory and research (Bryman and Bell, 2003). The information employed in quantitative research deals with things that are countable and that can be placed on a numerical scale, thus making it possible to count and scale them together

with other variables. In addition, quantitative research methods are highly structured and generally need little or no contact with the people with whom the research is concerned. Finally, several recording measures can be used to delineate separate elements within the whole (Rudestam and Newton, 1992).

This research, as already noted, adopts a qualitative methodology, which involves the process of establishing an appropriate theory (for example motivation theories) following a study of the relevant literature. Qualitative research is not easily defined and can take many different forms, since it is generally considered to be a naturalistic and interpretative approach, concerned with understanding the meanings which people attach to phenomena (Snape and Spencer, 2004). Milena and Dalnora (2008:1279) suggest that qualitative research tends to be used in academic studies that investigate why something happens, more so where there is no need to generalise the outcome or results. There is a preference for the use of qualitative research in order to investigate 'motivation, perceptions and beliefs' (ibid).

Alasuutari (2010:139-155) suggests that the rise of qualitative research has contributed to the overall systematisation of a research methodology which challenges the traditional approach to scientific enquiry. There seems to be a growing use of qualitative methods within the British social science community, with one in twenty studies published in British journals using a qualitative methodology (Payne, Williams and Chamberlain, 2004). Wang and Roulston (2007) maintain that the qualitative method has been seen as a useful tool in HRD research, for three main reasons: first, it helps to understand 'a particular phenomenon' (Lee and McLean, 2002; Lien and McLean 2001; Meyer, 1996); secondly, it is useful in researching unexplored work (Hansen,

Kahnweiler and Wilensky, 1994) and finally, it helps to build new theory (Hansen and Kahnweiler, 1995; Kiefer, 2002; Watkins and Marsick, 1991).

Bryman (2004) suggests that two important aspects of qualitative research are the manner in which people are studied and how they interpret their social reality. Thus, Makyut and Morehouse (1994) define qualitative research as essentially a phenomenological enquiry, as opposed to the positivist approach of quantitative research. Qualitative research helps to understand a phenomenon and evaluate the crucial themes which appear in the research, thus ultimately assisting in the construction of theory (Easterby-Smith et al, 2002).

According to Blaikie (2000), compared to quantitative research, qualitative research uses methods which are less structured, less rigid and more adaptable. For these reasons, it is often held to be less rigorous and perhaps less reliable than quantitative research. However, Snape and Spencer (2004) suggest that qualitative research can be carried out effectively if certain criteria are met:

> ...a clear objective for the research; the adoption of a flexible research strategy; generating data in a naturalistic and somewhat personalized context; appropriate choice of data analysis and interpretation methods, allowing theories to develop naturally from data, rather than having pre-formed theories as to outcome; mapping meaning, processes and contents while answering the questions 'how?', 'what?' and 'why?'

Maintaining consistency between the philosophical starting-point and the methods adopted for qualitative research is frequently viewed as a way of producing more valid findings (Morse et al, 2001).

Qualitative research predominantly favours an inductive approach to the relationship between theory and research. In addition qualitative research does not distinguish small

differences which may be important, it is not always representative and it can lack expertise (Bryman and Bell, 2003). It is important for a researcher, particularly an inexperienced one, to grasp the philosophy behind qualitative research (Snape and Spencer, 2004). When a researcher conducts research will depend on the researchers' ontological and epistemological approaches. These are beliefs about the social world and what is known in it and about the nature of knowledge and how it can be acquired. The culture and environment of both researcher and participant also play a large part in determining not only the approach taken to qualitative research, but also the initial decision to engage in it (ibid).

The main differences between the two major paradigms are summarised in Table 7.1.

Table 7. 1: Comparison between Qualitative and Quantitative Research

Factor	Qualitative Research	Quantitative Research
Focus	Quality (nature, type)	Quantity (how many, how much)
Theoretical grounds	Phenomena, symbolic, interactions	Positivism, logical, empirical
Key words	Field work, ethnographic, subjective, naturalistic	Experimental, empirical, statistical
Goals	Understanding, describing, discovering, hypothesis generating	Prediction, control, describing, proving, hypothesis testing
Methodical characteristics	Flexible, developing, unstructured	Predicted, structured
Situation	Natural, known	Unfamiliar, artificial
Selection	Small, non-probability, theoretical	Large, randomised, representative
Data collection	Researcher as prime instrument, interviews and observations	Non-living instruments: scales, tests, computer processing
Analysis	Inductive (by researcher)	Deductive (by statistical methods)
Result	All-round, holistic, capability for development	Precise, detailed, possibility of reduction

Source: Adapted from Merriam (1998)

Saunders, Lewis and Thornhill (2003) argue that both positivist and interpretive approaches have an important part to play in business and management research. The positivist researcher assumes the role of an objective analyst, while the interpretive one seeks details of situations and an understanding of the subjective reality as perceived by the research participants. Knowledge is obtained from personal experience of social environments. Researchers may make different interpretations of the situations in which they find themselves. These different interpretations influence their actions and the nature of their social interactions with the participants. However, there also exists, lying somewhere between these stances, a third view, realism, based on the belief that a reality exists which is independent of human thought and beliefs. Realism joins, in some philosophical aspects, with positivism; however, in this paradigm, human subjects are not to be studied using the methods of natural science. Realism recognises the significance of perceptions, socially constructed interpretations and meanings, or subjective reality, within the context of understanding wider social forces (ibid).

7.6 Research approach

The foregoing section addressed the distinction between qualitative and quantitative research, while the present section does the same for two basic research approaches, deductive and inductive, which describe the type of reasoning employed. According to Trochim (2006), deductive reasoning works from the more general to the more specific. Sometimes this is informally called a top-down approach. The researcher begins by constructing a theory or selecting an established one about the topic of interest, and then narrows it down into more specific hypotheses that can be tested. The next step is to collect observations to address the hypotheses, which ultimately enables them to be tested with specific data, providing confirmation or refutation of the hypotheses and

hence testing the original theory. Inductive reasoning works the other way, moving from specific observations to broader generalisations and theories. Informally, this is sometimes called a bottom-up approach. In inductive reasoning, the researcher begins with specific observations and measures, begins to detect patterns and regularities, formulates some tentative hypotheses that can be explored, and finally develops some general conclusions or theories (ibid).

Inductive reasoning, by its very nature, is more open-ended and exploratory, especially at the beginning. Deductive reasoning is narrow in nature and is concerned with testing or confirming hypotheses. Even though a particular study may look as if it is purely deductive (e.g. an experiment designed to test the hypothesised effects of some treatment on some outcome), most social research involves both inductive and deductive reasoning processes at some time in the project. In fact, it is possible to take a circular approach that continually cycles from theories down to observations and back up again to theories. Even in the most constrained experiment, the researchers may observe patterns in the data that lead them to develop new theories (Trochim, 2006).

The researcher adopted an inductive approach in this study because he had little prior information about strategies for measuring the performance and motivation of Al Rajhi employees. Therefore, he sought to gather this information from his own observation of the phenomenon in order to obtain information which might fill a knowledge gap in this particular field. Given the nature of the study, qualitative methods would ensure 'a much richer approach that offers a vital and in-depth picture' (Haralambos & Holborn, 1995).

7.7 Data gathering

This section moves on from the largely theoretical considerations above to describe the data-gathering instruments used in the study, which were semi-structured interviews and focus groups. It reports on all relevant aspects of the data collection process: the construction of interview protocols, the translation of questions and answers, the pilot study, transcription and ethical issues.

7.7.1 Semi-structured interviews

There are several types of interview, including structured, unstructured, non-directive and focused ones. Interviews were the primary sources of data used in this research within the case study approach. It was felt that this would be a useful method of obtaining information and probing issues relevant to the general aims and the specific research questions (Gillham, 2000b) as they related to the Al Rajhi bank. The use of interviews in this way helps researchers to understand stakeholders' viewpoints (Boutelle, 2004).

One alternative would have been to conduct structured interviews, consisting of a series of closed-end questions inviting 'yes' or 'no' answers or slightly longer responses. The content and procedures of such interviews are organised in advance. This tends to place certain constraints on the data collection, as the interviewer does not have a great deal of freedom to make modifications (Cohen et al, 2000). Instead, it was decided to choose semi-structured interviews, because this gave the researcher the opportunity to ask major questions. At the same time, he was free to modify the order based upon what seemed most important in the context of each interview (Robson, 1993:230). He also had the opportunity to probe for more information and was able to adapt the research

instrument in order to generate the relevant information needed to answer the research questions (ibid).

Wholly unstructured interviews would have offered considerable flexibility and freedom, as the content and procedure of such interviews are not organised in advance. Instead, the interviewer asks questions which gradually elicit the desired information from the interviewee (Borg and Gall, 1996). However, there is a risk that the interviewee may not concentrate sufficiently on the required subjects. Semi-structured interviews offer interviewees the opportunity to discuss freely issues of importance to them, while at the same time ensuring that issues of importance to the study are discussed (Bell, 1999). Borg and Gall (1996) define this type of interviewing as consisting of a series of structured questions followed by open form questions which probe more deeply in order to elicit extra information.

Semi-structured interviews were therefore selected for this study. The interviewer asked questions which led the interviewees to express their opinions on matters relevant to the study. The principal reason for the choice of semi-structured interviews was to permit the researcher to obtain precise, in-depth information by allowing the interviewees to express themselves freely and at some length. Key personnel were interviewed, as explained in subsection 8.7.3, and the precise nature of the interviews facilitated a rich and varied source of raw data. The interviews were planned around the main research questions, ensuring that the data gathered from the responses was sufficiently rich to explore the concepts identified from the literature.

The main reason for choosing the semi-structured interview as a data collection tool was that it combines structure with flexibility, making the data easy to analyse, quantify and

compare, while enabling the researcher to formulate other questions while probing (Legad et al, 2003; Mason, 1996).

The data collected was qualitative and was intended to reflect directly the opinions of the interviewees. Wang and Roulston (2007) recommend the use of the interview technique as a means of collecting qualitative data in HRD research. While qualitative research is often perceived as not being as stringent as quantitative approaches, HRD researchers have increasingly used it to explore and study the 'complex human activity in the work environment' (ibid).

A study of the use of semi-structured interviews was carried out by Saggaf and Williamson (2004), where the purpose was to explore the use of online communities in Saudi Arabia. These writers contend that face-to-face semi-structured interviews allow the researcher to get an overall account from participants. Semi-structured interviews were appropriate for the present study, primarily because they offered a way to ensure meaningful discussion between the researcher and respondents. This is a very useful technique that gives the interviewer an opportunity to look at various topics and their interrelations; in the case of the present study, motivation and culture. The semi-structured design is better than a rigid structure, because it allows the respondents to talk about their experiences and offer more than what the researcher is asking but wants to know.

There were thus several reasons for choosing this instrument. First, the type of data to be acquired could better be accessed by this method. The semi-structured interview is a method that helps to understand what individuals think in certain situations. In the present research, employees were able to use prompts offered by the researcher to

215

elaborate on their opinions, allowing them to think deeply and to conceptualise their thoughts. It also facilitated the building of trust with the participants as the interview sessions preceded, as well as their involvement.

Although interviewing has several strengths, it also has a significant number of drawbacks. One disadvantage of using this method is that at times employees may try to offer too much information, which clouds their thinking. Another is that it is very time consuming and may be costly, especially in a work environment. It is also very difficult to manage the timing of interviews. A final risk of conducting interviews is the possibility of losing or confusing data (Saunders et al, 2003:272-273).

It is important to note that the researcher should in no way influence the respondents' responses by words, gestures or any sort of body signals. The interview must be free from all forms of contamination. The potential influence can be both positive and negative, depending mostly on the interviewer's behaviour and on the respondents' perception of this. To avoid bias, the researcher must control his emotions. Another point to consider is that it is necessary to give respondents sufficient time to answer the questions so that the results are reliable and that certain questions are not neglected.

According to Tuncalp (1988), the face-to-face interview method of collecting data has met with only limited success in Saudi Arabia, due to the fact that Saudis are very private and reserved. However, it was decided to use this method because, as Cohen et al (2000) state, face-to-face interviews permit the interviewer to understand and appreciate the interviewees' opinions. By allowing the researcher into his/her life, the participant takes on a new role one which involves the dissemination of knowledge that can contribute to a better society or community. Thus face – to- face interview gives the

216

researcher the opportunity to discuss issues, to clear any issues that may not make sense or is lacking in clarity. This gives an opportunity for the interviewer to probe into an issue in greater depth than less direct methods. According to May (1993), interviews can provide rich sources of data concerning the interviewees' experiences, opinions, aspirations and feelings. It is thus vital that the interviewees feel at ease with the interviewer and with the setting in which the interviews are conducted. It is also essential that they are assured of the confidentiality of their responses. The main challenge facing the interviewer is to know what he or she wishes to discover; in order to obtain this information, it is then necessary to ask 'the right questions, in the right way, at the right time' (Briggs and Coleman, 2007:215). Zabar (1997) advises that the interviewer should keep in mind that the interview has an explicit goal and is not simply a social chat.

Semi-structured interviews were used here (see appendix 1and 2) because it was believed that the participants' perspectives could affect the success of the project. In addition, this method can elicit rich and detailed information and new insight that can help in the analysis. Interviews involve collecting data through direct verbal contact between the interviewer and the interviewees, therefore permitting greater depth than do other methods of data collection. Interviews may be used to investigate hypotheses, to suggest new ones, or to help in identifying variables and correlations. In addition, if the interview is used together with another method of data collection, it may serve to support and strengthen the other method. The purpose of the interviews in this research was to obtain information on the motivational and cultural management techniques deployed by Al Rajhi Bank.

7.7.2 Focus groups

The second method of primary data collection chosen for this study was the conducting of focus groups, which were also used for collecting data from Al Rajhi employees. The researcher felt that the interaction between participants would encourage open discussion between people in a common situation, enabling the researcher to collect rich data from different perspectives. Moreover, this method is effective when there are time limitations. Focus groups are used 'in order to identify people's perceptions, their thoughts and impressions within a group that has been selected with regard to the topic that is being investigated' (Kairuz, Crump and O'Brien, 2007). As a research technique, the focus group is used to collect the data by means of group interaction on a topic of investigation that has been set by the researcher (Morgan, 1997). The main theoretical elements are group interaction, in-depth data gathering and a humanistic approach (Stewart, Shamdasani et al, 2007).

Milena and Dalnora (2008) argue that the advantage of a focus group is that valuable information with respect to the group's interests can be obtained, 'especially when the participants are a small group that have a common interest'. Milena and Dalnora (2008) found that focus groups 'were more favourable' to their research; however, they conclude that in-depth interviews 'might be more appropriate, especially when participants do not want to discuss sensitive issues in a public gathering'. Morgan (1997) suggests that when the researcher is using focus groups, there should be a 'relatively structured format to guide the process that has high moderator input'.

7.7.3 Target population and sample

According to the Al Rajhi website (2010), the bank has 500 branches in the KSA (400 for men and 100 for women) and 19 in Malaysia, each employing 16 people, making a total of around 8000 employees. In Riyadh, there are 130 branches, 101 for men and 29 for women, accounting for 26% of all branches, with about 2080 employees, again 26% of the total.

Bauer and Gaskell (2000) suggest that 15 to 25 interviewees is a suitable number. However, it was decided to interview three managers, three supervisors and 34 other employees at different levels. This sample was considered sufficient to enable the researcher to gain deep information relating to his research from different sources (Bryman, 2004).

Interviews were carried out during meetings with a sample of respondents from branches in Riyadh, the capital and financial centre of the Kingdom with a population of more than 5 million.

The basis for choosing the sample was as follows:

1. Al Rajhi is one of the largest trading and Islamic banks in Saudi Arabia. It has branches throughout the country and may be considered one of the largest banks in the world.

2. Riyadh is the main city and the capital of KSA, where over a quarter of Al Rajhi's branches are situated, affording a good opportunity to gain access to target participants.

3. The choice of sample was based on administrative structure, so as to cover all levels of staff in the bank.

The target population studied was large and could potentially extend to a very large number. For the purpose of the study, the sample was divided into two subcategories:

a. Three managers and three supervisors (One of them via, Email).

b. Thirty-four other employees, including three focus groups of five employees each and 12 female employees interviewed by telephone.

The sampling method used was opportunity sampling, in which the researcher interviewed anyone whom he was able to contact by telephone and who was willing to participate. This sample may not have been representative, but other sampling methods would have been difficult to execute, due to the difficulty of gaining access to the whole population. A fully representative sample would have been too large to be feasible within the limitations of this study. The people contacted were mainly resident in Riyadh.

The choice of setting was made in light of the availability of sources, the local environment representing the Saudi culture and the willingness to participate of the bank's departmental managers, who were eager to understand their employees' perceptions better in order to improve the manner in which the latter were motivated, thus enhancing performance and increasing productivity.

7.7.4 Construction of schedule

According to Dirjournal Guides (2009), the chief value of interview guides is that they ensure that the same type of data is collected from all sources. This allows the researcher to determine whether a piece of data is simply one person's opinion, or part

of a more widespread perception. Since the interview guide forces the researcher to ask each worker a number of predetermined questions, it is necessary to select those questions that are essential to what he/she is trying to learn.

The interviews allowed the researcher to meet male employees face to face to discuss their impressions of performance. Being in conversation with participants, the researcher felt that there was an opportunity to explore the employees' responses in depth and to ask for clarification of comments and for examples of what they meant. In this way, the researcher obtained a full understanding of employees' views. Primary data was also obtained from interviews with a number of managers of the bank.

Bias is a factor which must always be taken into account when conducting interviews. It is virtually impossible to eliminate it entirely, but because of the awareness of the researcher that poor interviewing skills can lead to bias and can reduce the usefulness of the data, a guide consisting of questions to be explored was used to make the interviews systematic and comprehensive. This interview schedule was designed to provide the investigator with information that would help to draw a description of the approach to motivation followed by Al Rajhi Bank and to identify its policies towards its employees' needs in order to develop them over the long term.

The interviewer aimed to collect information about the ways in which bank personnel interacted with the structural features of their environment, as well as data on their internal needs, goals and drives. The interview questions were thus very broad and asked for a very wide range of information. This provided the researcher with data on the behaviour and motivation of employees, which could be accessed only through a

qualitative approach, whereby employees were asked to talk about their experience of working for the bank.

The first question asked how gender and religious orientation influenced the level of motivation of Al Rajhi employees. In order to evaluate the motivation of employees of each gender, one would have to have a sample of responses from both genders. As noted in Chapter seven, the bank is strictly governed according to the expert guidance of a board which applies the principles of Shariah law to every aspect of the bank's performance, and it is expected that employees will adhere to these policies and regulations. This means that employees who are fully in agreement with these policies and regulations and who gain satisfaction from their ability to conform to these rules and apply them to others would be likely to be the most highly motivated and to perform better. If there was pressure from an external source to deviate from these principles, employees would be very likely to find that they were in a state of conflict, which would lead to stress and probably de-motivate them.

The second question asked about the criteria for eligibility for performance-related rewards, to discover whether the bank had a system to reward staff performance or any other organised and effective way of motivating its employees, such as by means of education. The third and fourth questions concerned the impact of religious orientation and Arabic culture on staff motivation at the bank.

The researcher concluded that an interview schedule which investigated these attributes of the staff and their job satisfaction would give an indication of whether these were the attributes which led to job satisfaction in this setting and that this would go some way to answering at least the first research question.

7.7.5 Translation

The interview questions were initially developed in English. An English-language expert examined their wording. Next, two bilingual experts, fluent in both English and Arabic, translated the questions into Arabic. The verbal equivalence between the Arabic and English versions was checked through back-translation with the help of two other bilingual experts based in Saudi Arabia.

7.7.6 Pilot study

A pilot study was carried out at the Al Rajhi Bank before the researcher undertook the main fieldwork. Usually, before carrying out a study using semi-structured interviews, pilot testing is recommended to examine the strengths and weaknesses of the instrument. Clear and appropriate instructions with emphasis on anonymity can produce a positive impact on the respondents and can lead to a more valid response. Piloting also gives an indication of time to be allotted to respondents to answer interview questions.

The pilot study is an important stage in any research. It is concerned with administrative and organisational problems related to the whole study and the respondents. It serves many goals (Sarantakos, 2005). The piloting of the present study involved testing the interview schedule in order to establish whether respondents were accessible, whether the techniques of data collection produced enough information and whether the research plan was well constructed or needed any changes (ibid).

7.7.7 The main interviews

After the pilot study, the interviews took place by interviewing the employees individually. Consent was first sought after explaining the reason for doing the interviews, the topic and focus of the research. After conducting an informal chat with

the participants, asking questions such as 'How are you?', the researcher proceeded to interview them formally. The researcher was granted the use of a private room where all the interviews were conducted. The participants were given the opportunity to withdraw from the interview at any time and were told that all information would be held in strict confidence; in all procedures, ethical guidelines were followed. The researcher asked the questions and gave the participants the opportunity to answer them, interrupting only when clarification was needed or to explain a point that was not heard. The researcher tried at all times not to bias, 'coach' or influence the participants to answer the questions in any way. According to Hitchcock and Hughes (1989, cited in Cohen et al, 2000, p.121), 'it is inevitable that the researcher will have some influence on the interviewee and thereby on the data'. Therefore, the interviewer should be aware of the possibility of bias and take care to avoid this as much as possible. He should be careful of how questions are asked and worded in order not to prompt or lead the interviewee (Wellington, 2006).

The conversational resources that the researcher used to elicit information included physical, verbal and body language. For example, he opened each interview by introducing himself to the interviewee, and then spent a few moments in small talk to break the ice and create a friendly atmosphere. This served to construct and legitimise the interview technique as well as the environment where the interview took place. The researcher used a number of techniques during the interview process, such as acknowledging what the participants were saying, using confirmatory expressions such as 'I understand', 'Yes...', 'Do you?' and other forms of supportive speech, as well as smiling and laughing at appropriate times (Wang and Roulston, 2007). Some

interviewees nevertheless appeared reluctant to give answers, especially those in higher management, despite being assured of confidentiality regarding their answers.

Arrangements for the interviews were made with the management of the bank and where possible, groups and individuals were interviewed during working hours to avoid disturbing the work of the organisation. All interviews were tape-recorded with participants' permission, to provide detailed data.

The respondents were grouped into managers, supervisors and other employees, for three reasons, the first being that it was easier to conduct the research in this way since it was difficult to focus on everyone at the same time. Secondly, the researcher wanted to investigate how each type of employee was motivated at the bank. These are the main groupings by rank of bank employees; therefore, the research had to take into consideration respondents of all ranks and status. The third reason is related to how the focus groups were set up.

The researcher first conducted interviews with the low-level employees, then the supervisors and finally the managers. Focus groups were set up with each category of employee for the discussions and interviews. In Saudi culture there is a distinction between ordinary workers and the higher ranks, which the researcher had to take into consideration, being careful not to group everybody together. When talks were held with the bank managers, they gave the opinion that the employees should be interviewed first, followed by the supervisors, leaving the managers until last.

7.7.8 Transcription

The interviews were transcribed from recordings and written notes; transcriptions were verbatim as far as possible, to ensure that no material was overlooked. As noted by

Haralambos and Holborn (1995), this process is laborious. The transcripts were then categorised into sections related to the research objectives and to the logical flow of arguments derived from the research literature. One of the problems that the researcher encountered was that at times some of the information could be missing and a thorough search had to be made to find it. The researcher made use of additional material from the organisation to substantiate many of the facts from the transcriptions.

7.7.9 Ethical issues

All interviews were conducted with the respondents' permission and they were each given an explanation of the moral and ethical issues. Only after this was done and permission was received did the researcher proceed to conduct the interviews. Anonymity was preserved for the respondents by promising that no answers would be revealed individually in the study or presented in a way that could expose the individual identity of any person.

Ethical issues that had to be considered in undertaking this research included gender-related concerns arising from an aspect of the normative structure of Saudi Arabia. It was important to consider how to address the issue of interviewing female staff, the etiquette involved and other factors. The researcher could conduct direct interviews and focus groups only with male respondents, since the culture of the country forbids males from face-to-face contact with females and vice versa, unless there is a family relationship or the woman is veiled. The researcher overcame this constraint by conducting interviews individually with female employees by telephone.

The researcher explained the aim of the research to all participants, respected their opinions, obtained permission for recording the interviews and assured them of

confidentiality. In addition, he did not force participants to answer the interview questions and respected their right to withdraw at any time. He protected the anonymity of respondents by disassociating their names from responses during coding and recoding. Finally, the researcher presented an accurate account of information in his report.

This study made every effort to ensure that there was no breach of ethics that might cause any harm to the participants. The researcher obtained permission to carry out this study from the Research Office at the University of Hull, from the Saudi Cultural Bureau and from Qassim University, from which the researcher has a scholarship. All respondents were apprised of the purpose for which their responses would be used and assured of the confidentiality of their identities and their responses.

7.8 Validity

Two well known concepts in methodology are validity and reliability, which can be applied to both quantitative and qualitative studies (Rosengren & Arvidson, 1992). A piece of quantitative research is said to be valid if what is supposed to be measured is actually measured. In order to ensure that this is the case, it is very important that the results are not affected by other factors (Befring, 1994; Holme & Solvang, 1997; Rosengren & Arvidson, 1992).

Although issues of accuracy is not representative of interpretive approaches nevertheless it is important to note that in this study there is the relationship between the theoretical and the empirical parts of the study, which should be sufficient (Rosengren & Arvidson, 1992). While with non-interpretive studies validity requires the researcher to ensure that there is no systematic measurement error, by using the correct instrument

(Hardy & Bryman 2004; Rosengren & Arvidson, 1992). The present researcher is of the opinion that the sample of respondents was broadly representative to the extent that the participants were all members the group being investigated (e.g. bank employees). In order to take account of the effects of religion and Arab culture, the respondents were asked to note any opinions or problems concerning the conduct of the interviews in their answers to open questions.

Earlier empirical testing and findings related to motivation theories were discussed, which helped to assimilate knowledge about the subject. Earlier research indicates that the theories are valid and can be used to fulfil the purpose of the study. Moreover, items in the interview schedule can be directly connected to these theories, while at the same time being easy for respondents to take personal positions on.

7.9 Reliability

The research can to a great extent be considered reliable and suitable to be used in business practice. There are many factors which contribute to its trustworthiness, such as the anonymity of the interviewees. Participants were clearly advised at the outset of the purpose of the study and of the interviews, which was educational, i.e. as part of a PhD study. They were further assured that no information would be disclosed to any third party and that there would be full compliance with the University of Hull ethical procedures. This helped in many ways to reduce any sensitivity and concern which employees might have felt prior to the interviews and which are normally associated with such interviews.

Adopting the appropriate methodology ensured that the proper channels were followed with regard to reliability and that any potential bias was reduced. Another significant

factor that enhanced the trustworthiness of the study is that all the questions were in Arabic, which eliminated the risk of any misunderstanding or misinterpretation which might have arisen if people whose first language was not English had been interviewed in English.

7.10 Secondary data

A research study involves the collection of primary or secondary data or both. Secondary data is that which relates directly or indirectly to the research and is usually collected by a third party before being made available to the researcher. Secondary data can be obtained from a wide range of data sources such as books, articles, government publications and technical reports. The sources of secondary data consulted for the present study included reports of previous studies related to the topic, government reports, statistical reports and master plans of Al Rajhi Bank. Other secondary sources included books and reports on Shariah related to neighbourhood governance, urbanisation in Saudi Arabia and SAMA.

The interpretation of secondary data is very much different to that of data that comes from a positivist approach. Secondary data for this study was interpreted firstly, at face value, that is, what was there in the documents. Then a further study was undertaken by looking closely at the advertisements brochure and other media documents which advertised the various products of the bank. These included deposit boxes facilities, bank accounts, new services etc. These were analysed taking an observer approach, being a customer at the bank, rather than being a social scientist interested in dissecting the meanings of the documents. This approach was favourable as it gave a more comfortable feeling and a better indication of being part of the institution. In addition,

the documents were analyses and interpreted not in isolation but were done together with the entire research process from the beginning to the end. This was done to facilitate firstly to facilitate the workings of the bank and secondly to understand how the bank operated. Coming from a business background, the documents were not difficult to analyse. The interpretation of the documents gave a better indication on how the bank was well know, the angle of financial investments and the future of the bank, various products that were seen as important such as lending and borrowing facilities.

7.11 The researcher's role in the study

The researcher has tried throughout the project to maintain an objective perspective. No doubt it was difficult to do so as the researcher is an Arab, familiar with the society and environment. Being in this position the researcher had to maintain at all times composure in terms of not getting involved in the discussion on a personal level especially when employees made comments about the Al Rajhi bank. The researcher made contact with bank personally and was told to provide an official letter which was done and approval gotten to conduct the interviews. At the initial stages of the project, the researcher's role was defined not as a researcher but in terms of being an Arab as the thoughts were that it was home-ground and there would be no difficulty. However, as the project got more complicated the researcher realised that the interviews would be quite a task. Doing this research has been a challenge since there were several obstacles. However, as time went by these challenges were overcome and the project started to take shape.

The researcher took time out of the interview to talk to the employees at the bank to understand their roles better since each period of interview was an allotted time due to

the working hours. The interviews were an important part of the project and so the researcher had to understand the banking experience in depth. The researcher was concerned that the implementation of management initiatives at the bank would at any time influence the project. However, this was not the case as the involvement of the researcher in this study was to gain insight into a relevant and pertinent area within the HRM field in Saudi Arabia, namely motivation and culture. The researcher has a personal interest in the field and so took it upon himself to carry out this piece of valuable research.

Without doubt there may have been some bias towards the project as the researcher may have formed his opinions at various points in time since firstly he is a lecturer in the area at a University in Saudi Arabia and secondly as a citizen of the Kingdom as previously stated. At all times the researcher tried to keep objectivity. Thus the researcher's role from both personal and professional perspective wanted to: firstly, inform his practice as a practitioner in the field and secondly, to use the experience and knowledge gained to understand how change can be accommodated within the HRM field in Saudi Arabian financial world. The researcher's involvement was by continuous monitoring of understanding the functioning that took place at the bank on a daily basis. Therefore the researcher became part of the bank and therefore decisions had to be taken on the objectivity of the interviews and whether they would yield the desired information as required. At each stage of the research process there was a constant need to be objective and let the interview take its course. As respondents became involved in the interview the questions yielded more information.

7.12 Conclusion

This chapter has explained the choice of research methods, which have allowed for the development of a conceptual analysis of the organisation involved in the study. Its main purpose was to discuss the research methodology. First the research design was explained, taking account of issues such as research paradigms, approaches, strategies and data collection methods. The target population and sampling method were discussed. A detailed account was given of the interviews which were used to collect the data needed to answer the research questions. Ethical concerns were discussed, as were the validity and reliability of the research. The next chapter presents and analyses the study's findings.

CHAPTER 8:

FINDINGS & ANALYSIS

8.1 Introduction

The purpose of this chapter is to present the data and analyse the findings. The responses of Al Rajhi Bank employees during the interviews, which were conducted in the spring of 2009, are analysed. As noted in the previous chapter, the methodology of this research was essentially qualitative. Therefore a qualitative analysis is offered giving an account of the respondents' perceptions of their own motivation, of the criteria affecting this, including incentives for working at the bank, the role that Islam played in terms of motivating them to work and its relation to the working culture within the banking sector. Before this analysis begins, a short section uses descriptive statistics to present a quantitative profile of the respondents to this study, reporting their gender, nationality, age, education levels, religion and marital status.

8.2 Respondents

Interviewees included junior staff and supervisors in the finance, accounting, sales, marketing and customer care departments, with each functional area represented by both male and female staff (see Table 8.1). The sample, as discussed earlier, broadly represents the bank's employees.

Table 8.1: Respondents' positions

Rank	Department	No	Gender
Managers	Administration	2	Male
Staff and manager	Marketing	7	4 male and 3 female
Staff and supervisors	Customer Care	15	14 male and 1 female
Staff	Finance	5	3 male 2 female
Staff and supervisors	Loans	11	5 male 6 female
	Total	**40**	

Data were gathered on employees' nationality, age, level of education, religion and marital status. The following should be noted regarding each characteristic:

- **Nationality** – There was a disproportionate number of Saudi nationals, who comprised 82.5 per cent of the total sample, while 17.5 per cent were non-Saudis.

- **Age** – A strong majority of the respondents (82.5 per cent) were between 25 and 40 years old. Almost 95% per cent were in the 25 to 50 age range.

- **Education of respondents** – The respondents were overall of average educational level, in that half had completed High school and the remainder had at least a bachelor's degree. The level of education found in this sample is indicative of the efforts that Al Rajhi Bank makes to employ people who are educated at a high level. This is supported by Wilson (2004), who argues that Saudi Arabia has the second largest number of university students in the Arab world after Egypt, which is three times more populous.

- **Religion** – The majority of the respondents (95 per cent) were Muslims, while the remaining two employees were not.

- **Marital Status** – Almost two-thirds (62.5 per cent) of respondents were married, despite the young age of some of them. This is reflective of Saudi culture, which has a tendency towards early marriage.

Respondents are divided for analytical purposes into three groups according to rank: managers (Mg 1, 2, 3), supervisors (Suv 1, 2, 3) and other staff (Stf 1, 2, 3...). There were three managers, three supervisors and thirty-four other employees. All 40 respondents were employees of Al Rajhi Bank in Riyadh. The sample was taken from

234

eight branches: HQ (10 respondents), Malaz (10), Ihsa St (2), Batha (7), Nassem (5), Alageeq (3) and Aziziys (3).

Discussion from Interviews

> - **How does religious orientation influence the level of motivation of employees of the Al Rajhi Bank?**

The responses fall into three groups. Although all respondents agreed that they were motivated by working at the Al Rajhi Bank, the first group said that the bank used all sorts of incentives to try to motivate its employees and another group said that financial incentives were what motivated them to work at the bank, while the last group said they were morally inclined to work. The general consensus was that employees are influenced to work simply because they are Muslims working in Saudi Arabia. There is a certain pride of being able to contribute to the building of the Kingdom and being a Muslim has encourage this to a great extent. The employees felt a high level of loyalty to the institution and felt that it was their religious duty to give as much as possible back to the development of the financial sector of the bank Managers at the bank said that they were motivated to work due to the religious nature of the bank and being Muslims it gave them a sense of pride and joy to be part of such an institution. Staff at the bank stated that:

> *'There is certainly a significant impact of religious orientation in stimulating any bank worker, because it falls under the tasks required by Islam and the call by the Holy Prophet to support your brother right or wrong. This means*

that the bank was founded on the rules of Islamic law and works to motivate all its employees by the honour that Allah has given to them'. (Manager)

'Religious orientation has a significant impact on motivating employees and there is a strong effect of incentives, which have strong legitimacy and are usually adopted by the Shariah Board in the bank.' (Staff)

'Certainly, the religious focus of the Kingdom as a whole has an effect on performance incentives in all of the country's economic transactions that are under Shariah law and there are some noble efforts to run the bank in ways that could stimulate non-Muslims to come to Islam'. (Supervisor)

In addressing the research question in relation to the responses of employees as to how religious orientation influences the level of motivation of Al Rajhi employees, the above results indicate that respondents perceived Islam to have a strong influence and that employees were driven by strong religious beliefs as Muslims. This seems to have been an overriding factor, encouraging them to work within the banking system. This indicates that there is a difference between the Arab and Western concepts of how employees work, reflected, for example, in contrasts between a British or American bank and Al Rajhi. Islam, as the national religion of Saudi Arabia, is the impetus for employees to do their work and is related to performance. In addition, employees will tend to view their roles within the bank as part of their religious duty, rather than just 'doing a job'. Employees interviewed here expressed the view that Islam was the main reason for doing their job and that if they did not feel strongly about their faith then their job would not hold any value. Thus, their beliefs about Islam and their convictions

seemed to be significant in motivating them to work at the bank, along with their Saudi citizenship.

Employees were also in agreement regarding the fundamental characteristics of the role of motivation in the bank. Many felt that their work was important to the Kingdom and that culture and Islam as their religion were very important to them. However, there was the feeling amongst some employees that local workers were undervalued and poorly recognised for their contributions to the bank. There was a unanimous feeling that foreign workers were treated better, especially if they were more educated and skilled. One supervisor said that

> '***The needs of Al Rajhi Bank employees could be met with two sorts of motivation, financial and non-financial, but we find here in the bank only the non-financial incentives like verbal expression, praise, certificates, etc'*** *(Supervisor).*

This group of respondents acknowledged that there were moral incentives and agreed with the first group, but not with the second. While many employees seemed to see reality in terms of a distinction between financial and moral incentives, the various branches may have had different policies on how these were deployed. These results indicate that the employees interpreted their social world as being that of the Al Rajhi Bank and were motivated to work for an extrinsic purpose, viz. financial rewards, with just a few stating that there was some intrinsic motivation. There is an indication of apparent differences in underlying economic purpose.

Many of the employees seem to have been working for a financial purpose, which was to earn more money in the form of bonuses. Moreover, some indicated that while there were non-financial rewards, such as praise from the manager, they were less interested in these and preferred monetary ones. As stated in Chapter seven, the bank is governed by an executive committee comprising the President of the Bank, the Chief Executive, a Secretary and other members. Many employees considered it relevant that this Executite committee applied Shariah to the running of the bank. Employees' responses suggest that because Saudi Arabia is an Islamic country they felt that the bank was bound to uphold the religious law as set out in the Quran and Hadith, as the foundation of all activities pertaining not only to individuals, but to society as a whole. This includes economic relations between individuals and organisations, which many staff members held to be legitimate.

In contrast, other interviewees did not consider religious orientation to have a motivational effect.

> *'From my perspective I do not think that there is an impact of religious orientation on incentives to stimulate any bank worker; there are no efforts in this regard.' (Manager)*

> *'What do you mean by religious orientation? There may be some policies or some religious considerations in some cases, but not influences on the subject of motivation. Also, the only motivation that allows people to work is their own feelings about work itself.' (Supervisor)*

> *I do not think that there is any influence from the religious orientation of the employee or others to stimulate the group, but it may consist of efforts based*

on the message. Also, this could be applied to the policy of the law, which has been working to influence the hearts of some subjects in Islam recently, to urge them to stick more closely to the Islamic religion, but it is within certain limits and has no influence on the rest of the incentives granted by the bank. Maybe in individual or collective cases for the purpose of another stimulus to enter into Islam, or for consistency with a policy followed by the ancient Muslim Prophet – peace be upon him.' (Staff)

These employees expressed the view that while religious orientation was important, it had no major influence on their motivation at work. It seems that there was a clear division between their religious beliefs and their obligations to the bank as an organisation. Employees, seen as a human resource, need to be both productive and creative. However, while many respondents interviewed indicated that productivity was important in their work, many did not seem to understand how to be creative or how to relate the two concepts. Rather, while the notion of work for these employees was equated with productivity, their understanding of productivity was that it entailed working primarily for reward, usually monetary. Islam, although it lays down clear laws on how to live one's life for a divine purpose, also regulates economic relations between the individual and society.

The Islamic perspective argues that humans are motivated to work for a higher cause. The Holy Quran informs us that motivation should be related to the divine purpose and one should be motivated to work because of the reward to be found in the afterlife, not by worldly considerations. In spite of their religious conviction, many employees seemed to view Islam within the context of Arab culture, rather than as a religion, which

is how it is viewed by the Western world. There was a sense of belonging to the organisation and a moral obligation, together with a strong religious conviction that employees seem to display.

However, there were some employees who felt that working in the bank is a priority; they have a sense of pride in their work and felt obligated towards the Kingdom. Their religion played a significant role and many indicated that they were working 'for a higher purpose'. However, while Islam may be instilled in the wider society and within the lives of employees, working for an organisation means carrying out duties within the boundaries laid down by it, in this case in line with Shariah. The Quran and the Sunnah of the Holy Prophet (uwbp) have laid down specific rules on economic functions within society and on personal conduct in social and economic life. It might be suggested here that an individual cannot be working for a divine purpose while at the same time seeking financial reward; in this sense, some contradiction was observed in interviewees' responses.

The emphasis on culture that has been placed on Saudi society cannot be denied, however, religion seems to be an important common attribute that Middle East societies share (Kabasakal and Dastmalchian, 2001). The suggestion from respondents in this study is that within Saudi society, there is no division between culture and religion both are seen as sharing the same common relationship that people take to their workplaces. It is just a matter of transformation within the workplace. Therefore, the researcher found that within the bank, even within management there were Saudi cultural norms within the working practice. This research argues that respondents interpreted the ways they felt as employees. There is no division but rather a parallel relationship that is

240

visible. In Western societies, such as the UK where there is cultural inter-mix, although many people of different cultures may work in a company, organisation or institution, there is no clear presence of their national culture at work. Thus we may talk about an organisational culture within Western concepts of the workplace, but not a convergence of a national culture. However, within Saudi society, at the work there is a continuous presence of the national culture within the organisation in terms of the men wearing the jilbab which is a cultural dress.

Part of the common cultural-religious conceptions that have an impact on Middle East organisations is that of 'fate' as oppose to 'faith'. Fate is a concept that has been given special attention by writers such as Kabasakal and Dastmalchian (2001) who hold that the belief in fate and destiny is strongly rooted in Islamic cultural beliefs. Fate and destiny, being what the Creator has decided and what is written, serves as the basic and fundamental tenent of any Muslim. Thus these writers hold that the concept of fate for a Muslim is that all acceptances of what ever deeds which has been carried out in the past and will occur has been preordained by the Creator.

- **How are culture and motivation linked in the Islamic banking sector in the Kingdom, as reflected among employees of the Al Rajhi Bank?**

This question found some interesting links between culture and motivation. The research has found that there is a link between culture and motivation as well as motivation is linked to two factors: religion and wealth. This is a strange combination given that the Holy Prophet came to the Arabs to teach them that wealth is not the ideal since it is materialistic whereas the development of the spiritual self is more important for the afterlife which is the ultimate goal for any Muslim.

241

However, many employees in this research placed emphasis on the cultural notions of Saudi culture and Islam which they seem to think is highly related while some other employees clearly said that there is no link to culture.The interviews show that while employees are motivated to work for financial gain, there is a concern for culture. Many were of the opinion that culture is important to them and that they are obligated to the community that they live. That is, they placed more emphasis on Saudi culture than on what is religiously obligated. There was a strong sense of obligation towards the culture that they were raised into. Hence many employees seemed to value activities such smoking the 'hukka' or drinking 'kahwa' (coffee) as being part of their culture even if it was done during the break time at the bank. Therefore this research argues that it is difficult to draw a fine line between the relationship between what employees perceive as culture and the link with motivation at the bank. There is a possibility that many employees could not understand the meaning of culture and therefore could not firstly, define culture and secondly, differentiate between culture and Islam and thirdly, see the difference between culture and Islamic identity.

One of the most important notions of culture that young respondents spoke of, was the secularisation process which they saw as important for creating a better tomorrow for the next generation. While they wanted to hold onto their culture and traditions, it was felt that by opening up to secularisation it would help to create a better workforce especially in areas such as business and finance. While the older employees were concerned with the security of their jobs, younger participants were thinking about new horizons to economic happiness and security. For the workers at the bank being citizens of Arab societies especially Saudi Arabia meant that there were considerable consumer durables to purchase and this was the motivation to work. However, many felt that it

was an uneasy phenomemon which threatens in many ways the very foundation of Saudi society.

Many interviewees expressed the view that Arab culture had little influence in motivating them at work as is evident in the responses below:

> *'Usually, Arab culture is Islamic culture, with some ancient and modern beliefs. It is certain that the impact would be only on the type of incentive and if it conflicted with these values, I would leave it, whatever the value, physical or moral'* (Supervisor)

> *'I don't think Arab culture has a big impact, but that depends on the person himself and his beliefs in this culture, and adherence to it, whether religious or Arab or others'* (Manager).

> *'Also, just as there are no effects of religion, culture has no impact on motivation in the bank. There may be kinds of cultural experience and skills that may affect the effectiveness of the employee, which lead to incentives only'* (Supervisor).

> *'Arab culture is not considered one of the determinants in motivating employees in the bank and there is no cultural preference in who is recruited. There are incentives for production but only as stated and there are no values or cultural practices that affect the Arab Bank Group's incentives'* (Employee).

> *'There's no effect of Arab cultural preferences on motivation, whether Arab or Muslim or otherwise, on a certain type of incentive. The only criterion is*

243

the performance of the employee within the specified period for the incentive' (Supervisor).

'Culture may affect everything, especially as Arab culture is purely Islamic and has effects in the hearts of staff and as a catalyst – and its proximity to or distance from Arab cultural beliefs. But there are some cultures which are imported from another country through the non-Muslim employees of the bank that have an effect on some Bank staff, especially from other Arab countries and the countries of Southeast Asia and East Africa' (Manager).

'To the fullest extent imaginable where the bank employee is of Arab and Muslim origin, but there is no culture of certain preferences. Cultural values and practices are personal and not for the management of the bank to get involved in through incentives. The basic factor is the performance of the employee, but the type of culture may affect the civil servant who believes in the incentives. Some practices may be considered to stimulate, but others are illegal and so they are rejected' (Employee).

Some ideas expressed by respondents concerning the influence of religious orientation seemed to indicate a link with Arab culture, while others were not of this view. There was a clear notion of what they saw as culture and how important it was, from the distinctions that were made. Many respondents, inspite of the above, indicated that Arab culture was an important part of life and so was reflected in their work ethic. There was a strong inclination towards the need to fulfil a religious obligation and to offer support to fellow Muslims, which in some instances was a motivating factor that seemed to have more weight than financial gain. Since most of the respondents were Muslims, many

244

said that the culture in which they lived could not be separated from their work. This seems obvious, as the religion of Saudi Arabia is Islam and there is an Islamic government which enforces Shariah law.

A set of cultural challenges was identified by employees as arising from the need to manage the bank's diverse workforce. One of these concerned age differences, whereby, for example, younger workers preferred monetary rewards, while older workers, adopting a more traditional work ethic, would prefer to stay on at the bank and would settle for being praised by the manager, which was not the case for those less than 25 years old. These findings highlighted generational differences in the goals of employees. The problem that emanates from this is that of the magnitude of the opinions of respondents and how their motivational levels varied. Many of the older workers and some younger ones appeared to hold very traditional values. Some employees felt that culture was of no relevance and that it was separate from the work ethic of the bank, whereas others were of the opinion that culture played an important role outside the bank, as well as contributing significantly to the work ethic within it.

There was a strong emphasis on the Arab cultural values of generosity, respect and solidarity, according to many respondents, together with the values of Islam, which many said held the employees together. Some respondents said that they were driven to work because of the success associated with working for a prestigious bank. This is consistent with Lundgren's (1998) view that in Saudi Arabia there is a marriage between Islam and the state. Many interviewees indicated they derived a certain amount of satisfaction from working with other people and serving customers. The main point that many respondents made was that there are customs within the Arab culture that are

so ingrained that it is difficult to separate any daily activity from them. This is in line with a finding reported by Communicaid (2007) that there are customs and social duties which pervade the Saudi business world, affecting the way in which Arabs do business.

The broader cultural environment was reflected in how respondents understood their work roles. Islam is a very powerful force that affects people not only in the Middle East but the world over, permeating the daily lives of its adherents, whether in the East or the West. The population of Saudi Arabia is Muslim; therefore it is to be expected that the way in which they do their work will be affected by Islamic culture. As one respondent said, *'Culture may affect everything, especially as Arab culture is purely Islamic and has effects in the hearts of staff and as a catalyst...'*. This respondent was one of many who indicated that their world of work was defined by the Arab culture, which for this respondent was inseparable from Islamic beliefs. It seems that this respondent could not differentiate between Islam and the Arab culture. The argument is that respondents seemed to bring to work their entire 'cultural baggage'. For example, many came to work in the traditional Arab dress, including the headgear, and during the day would drink *kahwa*, a traditional local beverage. Arab culture seems to have been the overriding factor that permeated the work ethic and relationships within the bank, so that it is difficult to separate it from other factors.

Nevertheless, financial incentives can be seen as significant and as encouraging employees' creativity and innovation. The bank's administrators should focus on financial incentives to increase productivity, according to one respondent, who described the influence of Islam as operating *'within certain limits'* and as having *'no influence on the rest of the incentives granted by the bank'*. For this employee, while

246

Islam was clearly recognised as a major factor, he did not see it as the overriding basis of employment within the bank.

Fard et al (2009) investigated how culture within organisations contributes to shaping them as learning environments, using the four dimensions of organisational culture developed by Hellrigle and Slocum (1994) and reproduced in Table 8.2.

Table 8.2: Four dimensions of organisational culture

Competitive Culture	Learning Culture
High environmental adaptation Low internal integration	High environmental adaptation High internal integration
Bureaucratic Culture	**Participative Culture**
Low environmental adaptation Low internal integration	Low environmental adaptation High internal integration

Source: Fard et al (2009)

These indicate the range of cultures which exist within various types of organisations. The present research carried out at Al Rajhi bank suggests that there is a cross between the bureaucratic and competitive types of culture in Saudi Arabia and that management rules with an 'iron fist'. What the research has found out is that there is at the same time competition among the employees to be better than each other as the finding indicates is a result of Arab tribalism culture which has been passed down through the generations. In addition, the contention is that this type of culture within organisation has a historical legacy which has come down through time. By this is meant that Arabs have always been business people since the time of the Holy Prophet (uwbp) who was a

247

businessman. In addition the Holy Quran stipulates that after you have prayed at you should go 'out into the land and seek of the bounties of the Creator'.

Idris (2007) argues that Saudi managers are challenged in the workplace because of cultural beliefs: 'Executives and managers in Saudi Arabia face great challenges in their endeavour to improve the performance of their organisations'. This sentiment appeared to be what the Al Rajhi managers were expressing in interview. Idris (2007) holds that Saudi workers are not motivated to stay in low ranking jobs. Again, this was resonant in the data from many of the interviews with Al Rajhi employees, who indicated that they desired the high status of management, where they would be in a position of authority, rather than actually doing the work. Idris (2007) argues that 'the culture of accumulated wealth still persists in the Kingdom, with Saudis preferring to work in managerial capacities'.

The problem is further exassabated by the fact that Saudis have been enveloped in wealth, having servants to wait on them continuously. Thus, Idris (2007) argues that 'many Saudis are motivated by wealth and position', while working for a living does not seem to be a priority, in contrast to the perceptions of their Western counterparts, who have to work in order to pay their mortgages and other bills. In support of this argument, Idris (2007) cites Bell (2005), who contends that 'many young Saudis have grown up in luxury, seeing their parents getting well-paid, high-status positions'. Thus there is the problem of culture vs religion which many young Saudis men and women cannot differentiate.

These findings show that employees interpreted their motivation to work at the bank as being related to their affiliation to a cultural need; thus, responses such as *'Al Rajhi is a*

Saudi bank and part of the Saud legacy, therefore I am really happy to work here'

Other expressions were '***Saudi culture is rich and we are proud of our culture'*** were heard throughout the interviews. Employees constructed their reality by having a sense of pride at working for such a prestigious institution and this seems to have been a motivating factor. In addition, Al Rajhi staff felt that it was part of their national heritage to have the opportunity to work at the bank. The interpretation of staff members was that incentives were an important part of working at the bank. For example some staff said they welcomed the research at the bank:

> '***Which is a very important issue that affects the lifetime of employees' work in the bank. Indeed, there are groups of motivations in the bank, especially the financial one, which affects the employee's soul to improve his performance'***.

The literature on Western models of organisational culture suggests that values include individual orientation and attitudes towards work itself, towards relationships with other employees and towards the institution (Hofstede, 1991; Matsumoto, 2000). These observations make it clear that effective management practices in one country may be ineffective when applied in another (Nzelibe, 1986), since culture can affect managerial attitudes (Kelley et al 1987), managerial ideology (Miyajima, 1986) and the ways in which people think and behave.

Therefore, in studying international differences in HR systems, it is important to examine how nations differ on various cultural variables; a review of the extant literature shows culture to be one of the factors that affect the degree of motivation, which in turn affects the intensity of needs (cf. Huo and Sters, 1993). The notion of

culture within management and in particular the manner in which it relates to organisational management and workforce systems is important to modern businesses. Work on organisational culture has been carried out by Hofstede (1991) and Matsumoto (2000), for example. HRM researchers have found that people of different cultural backgrounds come to work with different values related to their work, yet Kalantari (2005) suggests that organisational culture began being seen as important to business only in the 1980s.

- **What is the relationship between motivation and personal characteristics such as gender, education and citizenship among employees of the Al Rajhi Bank?**

There are significant differences in the level of motivation amongst the employees at the bank. While these differences are based on age differences as well as the level of education and gender, it is interesting to note how employees are motivated in various ways. One manager and a supervisor who both have considerable years of employment stated that:

> *'The only criterion for motivation is performance. If performance is excellent there is excellent motivation and if not, at least there is no motivation, and there is no impact of education, gender, citizenship and type of service, except in the Sales department, because it has other features and the incentive depends on the number of customers who have been serve'* *(Manager).*

250

> *'Performance, performance, performance, and there are measures of performance that are excellent, but no regular assessment, and this reflects the success of the performance assessment, which is a good indicator of the performance of the employee and how to measure and develop it in the future'* (Supervisor).

There are also significant differences between the statuses of employees. For example employees who have been worked at the bank for a longer period of time, wanted job security and status such as the position as manager of a branch. According to an employee interviewed and quoted below, there seem to be a clear disparity between gender and performance. The was no transparency in terms of women's work at the bank which was invisible as by law, women bank separately in Saudi Arabia. This was evident by employee who stated that:

> *'Performance is the apparent standard for most of the staff, but there may be some personal relationships between some staff and their managers that have the effect of incentives. There are no privileges on the level of degree, except in the salary, according to years of experience only. As for excellence related to gender, we do not know anything about it, because the women's section has completely separate management. As for citizenship, there is no distinction at all between one nationality and another'* (Employee).

There were also significant differences in those who were educated as opposed to those who just worked at the bank without any formal education. However, most of the employees were well educated and some had been to foreign universities. Those who

were Western educated had different aspirations: they wanted to achieve more in terms of status and authority and not just remain in low positions at the bank. Those who were educated abroad were also younger and spoke English quite well.

According to one supervisor who was quite adamant that you have to work and get a reward which depends on the level of work done but not on the level of education.

One employee indicated that the reward clearly came from the bank and had nothing to do with education.

> *'Nothing to do with education, gender and other external influences, but it depends on the incentive systems in place at the bank, which often rely on the performance of the employee and the extent of any seriousness in the work that shows the standard is working' (Supervisor).*

> *'Incentives depend on productivity in a period set by the Bank, monthly, quarterly, or yearly, and are not affected by all the factors above, but it is affected by the monthly salary of this type only, according to expertise, scientific testimony, etc' (Employee).*

Younger employees wanted to reach the position of manager without working hard enough or putting in the hours. In addition, these younger employees did not seem to have the same objectives as the older employees.

One of the major problems that this research encountered was the absence of young Arab female employees. Therefore it was difficult to compare between young male and young female employees personal characteristics. However, the limited interviews that were managed by the researcher indicated that it is difficult to compare gender differences and workers seem to be no wiser when it comes to comparing these

differences. However, at the end this supervisor interviewed stated that gender does not seem to be the issue only performance:

> *'I am a female and I have not worked with males in the same places so I can't judge the impact of gender, but it is certainly true that educational level and experience have maximum effect on the employee's status, which affects positively or negatively whether you get a salary or a bigger incentive. But in the end, performance is specified for the incentive' (Supervisor).*

Young male Arabs were seen to be in another level by older Arab counterparts and vice versa. Many young Arab workers said that their older colleagues did not understand the technology of modern day that they are 'stagnated' in the bank. There was a considerable difference between what motivated younger employees. Some flelt that they wanted to move ranks in the bank and have a work towards a profession while others just wanted to become rich quickly and have a good life without having to work too hard for it.

Many of the young employees interviewed felt in many ways the need to do away with Arab traditions and become modernise. However, it was the opposite with the older participants who felt in many ways the strains that modernity had on them especially when it came to the deep traditions that were deeply embedded in Arab culture. The older respondents were of the opinion that there are economic as well as political and

social challenges that young Arabs were facing but were too weak to stand up and face those challenges. One supervisor said that

> *'The matter of citizenship might be restricted by the Saudisation policy followed by the State in recruitment, with citizens having first priority. But motivation is not. There is no difference in terms of citizenship – and no one has said that administration for women is any different from the men's department' (Supervisor).*

As stated by two different managers in the quotes below both of whome are older, have considerable experience working as well as status in the bank:

> *'The types of incentives which are available consist of both financial and moral, as well a religious which motivates employees to work and increased efficiency'. (Manager)*

> *'Incentives used in the Bank is financial ones, and there are no incentives such as holidays or cars, but there may be some non-material incentives, such as certificates, but these are rare, however, there is the reward of working for an Islamic institution'. (Manager)*

Thus these managers seem to be of the opinion that incentives are of two types financial and which give meaning to employees work. They seem to think that working at the bank gives pride to them and that being a Saudi Arab has both religious connotations that take precedence over their role other than being just an employee.

One younger employee said that the while the bank use various types of incentives it is up to the bank to give what ever it seems as necessary:

'The bank uses all kinds of incentives, depending on the discretion of management and the fiscal year, profits and losses earned by the bank, but usually employees prefer financial incentives, as the core of life. Moral incentives lead to psychological stimulation within the same employee as well, but there are few. They include some certificate'. (Employee)

Financial

Bonuses

Employees at Al Rajhi Bank – Types of incentive

Status

Certificates
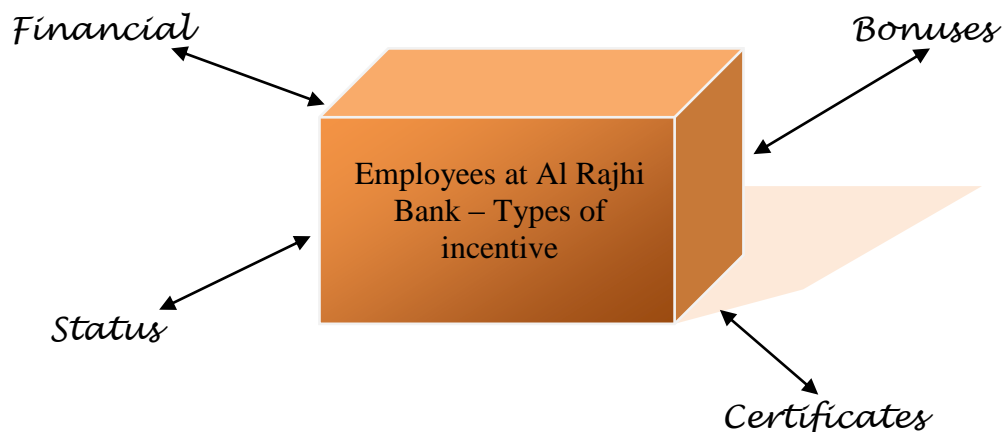
Figure 8.1: Types of incentives used by the Al Rajhi bank

The research shows that employees' responses were expressed in terms of their personal characteristics, i.e. in terms of what they wanted, types of rewards other than those that the bank offered. The underlying feature was that employees on a personal level were motivated to work by both religious as well as financial factors. There was a very strong feeling of citizenship that is admirable however it seemed very overwhelming at times.

While some employees felt stronger about being a Muslim and what the religious laws dictated about being a good employee others had mixed feelings. Employees felt that Islam is a stronger motivating factor than anything else. They seem to think that it is their duty to perform within the confines of their religion and that their job is secondary

nature. This however, is different in Western models where work is a form of religion and everything else is secondary. While older employees were also concerned with incentives, their motivation seemed to come from job security because of their family ties. As one employee said, '*Moral incentives lead to psychological stimulation*', were indicating the need for 'peace of mind' as well. These remarks of employees suggest that once there were incentives, there would be a desire to work harder. Employees expressed their feelings in terms of material desires for items such as cars or holidays, which are indicative of the Saudi trend towards materialism. Evidence for this claim comes from some young workers who were interviewed said that their jobs as the way to acquire fashionable items, especially among the younger workers.

- **What is the relationship between motivation and the interpretative approach paradigm?**

The interpretivist approach here would indicate that some employees viewed the financial incentives as more rewarding; therefore, they were motivated in this manner. However, there was also the underlying feeling that Islam is at the forefront of their work and that they are working for a higher good which they see as being the main objective.

Many employees indicated that they wanted social and material rewards, especially financial ones such as bonuses, which as one employe said, would *'affect the employee's soul to increase his performance'*. This seems to suggest that there was a strong emphasis on financial rewards, as suggested by writers such as Abbas (2005), who contends that wealthy Arabs often amuse themselves with activities other than caring for those in need.

256

Employees seem to have interpreted their social world materially and to have been driven by financial rewards. An interpretivist perspective, it could be argued, would suggest that they came to work in order to qualify for the monthly reward of SR 100. The bank also operated a motivational system whereby employees competed with each other to gain rewards. Employees seemed to respond by working in a competitive fashion in order to earn bonuses. Participants unanimously agreed that motivation was important to their specific roles.

Saudi employees seem to be motivated by a mixture of both financial as well as religious rewards. The indication from an interpretivist approach is that some groups of employees seem to have been driven by financial rewards, which indicate that there is an internal desire which was more monetary. Motivation, according to these employees, was an important factor. They came to work because they knew that they would be rewarded at the end of the month by a payment of SR 100. As noted before, employees also seemed to like other types of incentives such as competitions organised by the bank, whereby employees competed with each other to gain rewards. Employees' interpretation of this was a perceived need to work competitively in order to earn a bonus.

Employees at the Al Rahhi bank internalised this to mean that if they did not compete then there would be no reward. Therefore, from an ontological perspective, employees seemed to construct their reality according to how they interpreted the competition and what it meant to them. Many employees indicated that the incentive to work came from the way in which they were treated. Some were of the view that they had helped to create an organisation which had been very successful and efficient.

Employees seemed to interpret their working world in terms of financial wealth, as supported by writers such as Abbas (2005), Idris (2007) and Bell (2005) in their research. They (ibid) argue that many Saudis are brought up in wealth and do not value money in the same way as Western workers who have bills to pay. This was especially the case with young employees, who wanted 'fast money' to buy cars in which they could drive around Riyadh. Their social construction of the world implied a sense of material desire, rather than an inner peaceful or contented state. The workers' reality was constructed on a sense of wealth and they therefore valued bonuses, which gave them an incentive to work.

Thus, the contention is that Saudi workers at the Al Rajhi bank seemed to construct their reality around two factors: mainly financial rewards as well as religious. The interpretation of statements made by the respondents is that employees are driven by a sense of intrinsic motivation to do their work. Ontologically, it was found that while many employees constructed reality by the way in which they were motivated in receiving financial rewards, there were some who preferred to work hard at the bank to justify their position and required the management to recognise their hard work. It follows from this that employees seemed to have mixed feelings about what they desired and how they felt about their jobs at the bank. They also seemed to construct their reality around an agreement about the importance of the banking system in which they played an integral role – one that defined their citizenship and nationality.

Employees were motivated, from an interpretive approach by the work environment that the organisation provided, indicating that businesses need to understand not only their

employees but what needs are important to them (HR magazine, 2010). This is consistent with an observation of Chana Anderson, cited in the HR magazine (2010):

> Motivation is a 50/50 relationship that takes place between the employees and management, and that employees are intrinsically motivated and come to work with certain expectations, one of which is to be successful, as well as to contribute to the mission of the company. Therefore, the task that is incumbent upon the employer is to provide employees with the necessary opportunities for employees to carry out their jobs as well as to provide a conducive and cohesive environment for their workers in order to be successful.

Employees tend to interpret their jobs at the bank as part of the rapid expansion of the whole organisation. This contributed to interpretation to the feeling that being an employee contributed in a worthwhile way to the Kingdom's economic growth. Working in an Islamic environment gave them that extra incentive which motivated and influenced how they approached their jobs.

The employees further constructed their social world by the position that Saudi Arabia plays in the global economy as a main oil producing country but also as being a strong religious influence in the region. Their role as guardian of the Haramain has made them an authority of that guardianship. The strong influence of being an Arab as well as Muslism but also being part of the Islamic legacy where they have the two Holy Cities placed them as the pride and glory of the Middle East. In addition thus employees seem to have the opinion that the rest of the world seems to be dependent on Saudi oil; therefore we are important. This construction of their reality was in many ways a driving force that gave them the impetus to work at the bank. Kast and Rosenzweig (1979) observe that motivation comes from an inner feeling where people do what is necessary to develop a propensity to succeed; thus, employees seemed to have a feeling of doing their jobs because they knew that there was an objective at the end of the

process. Employees at the bank were influenced to perform in a certain manner because of the inner feeling that they were in an Islamic environment.

Employees's behaviour, according to the analysis of Hunt (1992), then developed to allow them to continue working at the bank. Employees seemed to be making choices (Vroom, 1964) in their jobs and their actions were to some extent voluntary. Thus, in terms of the interpretive approach, their motivation to work at the bank came from an internal force that was then extended in their behaviour, which in turn intensified that behaviour (Locke and Latham, 2004). As one supervisor said:

> *'In the bank there are many incentives provided monthly, quarterly and annually, based on the number of applications of customers, specific to each branch. For example, each requests SR 100 and the number of requests required is 20, and there are competitions where there may be motivational prizes such as salary upgrades, cars and other incentives.' (Supervisor)*

Another factor or point is that although specific types of incentive were identified, some employees seem to interpret their motivation in terms of fair treatment and equality. There was a consant fear of foreign workers taking over the work of Arabs, who would be left out of a job; this was an incentive to work harder. There is without doubt a sense of pride when the Arabs speak of their culture, speaking of the richness and deep legacy that is the envy of the secular West. Many felt that Arab culture is the foundation of Western civilisation which took from the Arabs especially at the Crusades.

> - **Can Western models of motivation be applied to Islamic banks in the Kingdom of Saudi Arabia, with specific reference to employees of the Al Rajhi Bank?**

Given that the notion of motivation for Saudi Arabian employees seems to be that which enhanced their performance and willingness to work at the bank, the suggestion is that Western models of motivation can be used to understand motivation in the workplace. However, this research argues that there are limitations. Firstly, Western models have not taken into consideration religious societies like the Middle East where religion plays an enormous role. As in the case of Saudi Arabia, like the rest of the Middle East including the Gulf States, Islam is fundamental to the lives of people of the Kingdom on a daily basis. Even at work employees would use phrases like '*Al Hamdu Lillah (Praise be to God), Masha Allah (God is Benevolent), Subhan Allah (Glory be to God).* These utterances signify an indept religious connotation that everything centers on their beliefs as Muslims that God is the Provider and He is the All Powerful force that owns everything.

The second argument in answering the research question is that evident in the interviews, however, on a physical level, the strongest motivation for them came from financial rewards, which had a positive effect on them. In Western models of motivation employees work for a financial reward, but there is also factors such as economic reasons as well as job security especially in the present financial climate.

Thus there seems to be a fine distinction between financial motivation and religious obligation between the Western model and the Saudi Arabian model. However, religion is a powerful force also. As on manager stated, '*having financial incentives helped the*

process to move along in terms of employees' performance'. Other forms of incentives such as holidays were of value to these employees; hence, the bank used them as a form of reward system alongside financial ones, aiming to encourage the workers to perform better. These seem to fit in with Western ideologies of the work place and how employees look at their jobs.

In Western societies there is an advocacy that management should engage in understanding their employees's needs. This is in line with the assertion of Greenberg and Baron (1997) that managers should give support to workers' fundamental needs. In addition, there is a need for management to understand how relationships are ever changing in the workplace and the dynamics of employees' commitment to the company (Matthew and Ogbonnab, 2009).

Some employees said that they were 'working for God', which may sound humble, but seems to be how they interpreted the work that they did, which they saw as being part of an Islamic system which is neither Western nor secular. This thesis argues that the ideal lens through which to view the relationship between motivation and culture is that of the historical background that has shaped the present environment. In Western models, employees work for the economic investment and return but not primarily for the 'sake of God' as some Saudi employees in this research has indicated.

Thus, intrinsic motivation for some employees came from a sense of responsibility towards their work as well as autonomy and the freedom to develop their careers, which gave them a deep sense of satisfaction and pleasure. This is in line with Western models of motivation. Also, on the extrinsic side, other employees seem to have been motivated

by and set their goals according to an external outcome such as having a vacation, as one manager stated, or recognition for the work that they did.

8.3 Conclusion

Respondents were of the beleif that any bank that wants to survive in the market must preserve its human resources, because these are of fundamental importance to any business. This, they said, was tied to the culture of the employees; the effectiveness of incentives must be measured in the short and the long term, in order to improve employees' performance and productivity, which seems to be related to what values they regarded as strongly held. Many companies use financial incentives as a means of encouraging their employees to work hard, to be creative and to innovate. Employees in turn expect that these incentives will reflect the effort that they put into their work.

The Islamic banking system is, as noted above, based on the principles of the Shariah, and themselves derived from the Quran and the Sunnah of the Holy Prophet (uwbp). Therefore, all transactions carried out by the employees interviewed for the present study were based on specific rules and regulations in accordance with these scriptural sources. Many of the respondents said that the incentive to work in such an environment emanated from the fact that the work was conceived as part of the religious and cultural system. As one employee noted, both Arab and Islamic cultures are based on a mixture of traditional and modern beliefs which had a significant impact on how he and his colleagues worked.

There seemed to be strong emotions associated with working in an environment where culture was integrated with the way in which people conducted their business, to such

an extent that one respondent declared that if there were a conflict with Arab values he would leave the job.

Further discussions with some respondents brought out an understanding of what they held to be motivating factors. Many felt, for example, that they were motivated by the amount of work that they could produce. However, some felt that customer service was not part of this, but that it referred purely to office work, which might involve paperwork, telephone enquiries and other financial matters. Many indicated that their own roles were to be seen within the larger dimension of the banking system operated by Al Rajhi.

Many respondents said that the impact of culture was due to employees' understanding and perceptions of the teachings of Islam. One who had strong feelings about Islam said that **'Muslims make choices in what they do, especially in matters such as the daily turnover, where you are held accountable on the Day of Resurrection and the only accountant is God Almighty'.** The responses of some interviewees suggested the existence of a work ethic based on Islamic law, which one employee said had existed **'for thousands of years and cannot be changed'**. Another point that reflects respondents' perceptions of their work roles is that they saw them as defined within the policies of Al Rajhi Bank, which rest on the foundations of the Saudi royal regime. Therefore, as one employee noted, '*the bank's management has to maintain the Islamic identity and values of the Kingdom of Saudi Arabia'*.

The respondents felt overall that financial incentives were the main motivating factor that influenced and drove them to contribute their labour. According to some, money had a strong impact on their lives, as did job security. Others who were older seemed

comfortable with alternative forms of incentive such as praise, encouragement, certificates and medals. In spite of the financial rewards, there was some inclination towards both material and moral forms of incentive, such as awards based on performance, on acquiring a skill or on being loyal to the company, as well as encouragement for being innovative and creative.

There is an assumption that religion plays an important role in Middle East business practices, but the strength of this influence is questioned in a number of studies reported in the literature, according to Hashim (2009), who holds that 'Middle Eastern management styles tend to emphasise a more consultative process'. He cites the work of Muna (1980), who examined the leadership behaviour of Arab businessmen in the Gulf region and identified a consultative style of executive management, reflecting both social and religious traditions. Many respondents in the present study indicated that Islam and Arab culture were important to them. This is consistent with the assertion of Bjerke et al (1993) that 'all Saudis are Moslems and Islam is recognised as the religion in Saudi Arabia, where there is a cultural mixture of religion and Saudi traditions'. Many of the Al Rajhi respondents asserted that the institution for which they worked was important to them, as it symbolised a part of the Arab culture that had been established for many years. Hence, it had become in many ways a national icon.

This chapter has reported the findings of the study and analysed the data collected in interviews with Al Rajhi managers, supervisors and other employees. The next chapter draws together the main threads of this and preceding chapters in a contextual discussion of these findings.

CHAPTER 9:

DISCUSSION

9.1 Introduction: Incentives, motivation and performance

Ayed (2002) argues that there is a direct relationship between individual performance and rewards received by workers, which varies in form and time of payment. Incentive systems are designed primarily so that individuals are motivated to work harder and to do the job properly. Therefore, there is a link between job performance and motivation, since better motivated employees will work harder and increase their productivity.

The respondents to the present study seemed to have diverse views about the types of incentive offered by the bank. Some believed that financial rewards had a great impact on their performance and complained that their pay did not reflect the amount of work that they did. However, the need to work came from a deep sense of belonging and association with the bank, which was held to be inherent within the Arab culture. Many of the respondents felt that there were moral as well as psychological factors that made employees work hard. Respondents tended to see Islam as at least partly incompatible with Western systems of incentives, just as Islamic banking is inimical to Western approaches to the charging of interest when lending money. Some writers have taken up this theme. The present chapter will compare some of this theoretical work with the Islamic regime of incentives. It also endeavours to explain the relationship of respondents' gender, education and citizenship with their motivation.

The structure of the chapter is as follows: it begins by reviewing types of incentive, then considers in turn the research questions set out in Chapter one (section 1.4), to establish the extent to which these are answered by the data analysed above. This revisiting of the

266

research questions begins with a set of reflections on religion and culture, before briefly responding to the question of the applicability of Western models of motivation and dealing at greater length with the issue of personal characteristics, particularly gender. There is then a section on practical implications and another placing the study in context, followed by a concluding section.

9.2 Types of incentive

The respondents expressed a range of views about the impact of different types of incentive. Some of them believed that monetary incentives had a great impact on their performance, while others were of the view that moral and psychological incentives were more effective in motivating them. Many felt that monetary incentives were most influential on the performance of their jobs as employees, because money would meet their underlying desires, so that if monetary incentives were available, then they would function better. Those who sought material incentives appeared to have a greater desire for development and improvement than those who looked for moral incentives.

Many were of the view that financial rewards were important and could give them a better life. Some indicated that they worked at the bank because they were motivated by financial rewards, which is consistent with the literature on external forces of motivation. Incentives offered by the bank included monetary rewards in the form of monthly payouts or annual bonuses and employees said that they preferred this type of reward. Other incentives were certificates and words of praise, which were good, according to employees, but not sufficient in the opinion of some. While older employees said that it was good that the bank should recognise hard work by offering praise, younger workers tended not to hold this view.

267

The bank employees seemed to be motivated by factors such as good relations with their co-workers and how they were seen and appreciated by their colleagues and managers. They were also motivated by the work that they did, by the way in which they developed and by their many responsibilities. In addition, the employees were found to be motivated by most of the factors which are identified by the authors of motivational theories.

The capitalist nature of Western societies, as analysed by Max Weber (1864-1920), means that work performance is linked to financial reward systems. While there are similarities with the situation under study in the present research in this respect, the difference is that Saudi Arabia is an Islamic society. Some writers, such as Bell (2005), hold that the cultural practices of Arab society are so overwhelming that it is difficult to separate any activity from the cultural background. Therefore, it is difficult to separate the actions of Al Rajhi employees from the predominant culture of the workforce. Indeed, the impact of Arab culture can be found in almost all organisations and institutions within the Arab world and is not confined to Saudi society or to banks.

Al Kibsi and Shubert (2007) hold that a quarter of Saudi employees in the private sector are not dedicated to their jobs. As evidence for this, these writers cite empirical data indicating that workers are frequently late for work or absent altogether, which causes a high turnover rate. One explanation is that Saudi technical staff seem to be compelled to seek managerial positions elsewhere, as most companies are not structured to support career progression. The other point which this research postulates as identified by employees is that companies prefer to bring in expatriates to fill the high status posts, as long as they have the educational and professional qualifications, leaving the Saudi

citizens to do other jobs at basic salaries. This research therefore argues that the Kingdom has become heavily dependent on foreign labour, which rewards technical and professional career paths, severely hindering the development of a skilled and semi-skilled local workforce, to the extent that the private sector is not able to absorb Saudi entrants to specific jobs.

The present research indicates that irregularity in the attendance of Saudi workers may be due to low motivation levels. Although there could be other reasons for absenteeism, a notable view of respondents was that an important factor was the comparison of salaries received by Saudis with those paid to foreign workers. In addition, many respondents felt that they were given a heavier workload, which took longer to complete. Yadav (2005) and Abdullah (2007) also argue that although the situation in the Kingdom has changed since the 1980s, job opportunities for Saudi citizens have become fewer. While the impact on culture of how Saudis perceive wealth has changed relatively little since the 1970s, most Saudis prefer positions of authority and managerial status, as all other types of work are seen as undesirable. This attitude is deeply rooted in Saudi society, to the extent that there is bias in the workplace that protects and supports illegitimate forms of promotion, where employees are promoted for invalid reasons and this is sanctioned by those in authority.

The culture of wealth has had a very marked impact on Saudis within the Kingdom. As argued above, many employees aspire to positions of status that carry large salaries and many perks, such as reimbursement of travel costs. Hence, jobs are accepted anywhere, whether in the private or government sectors. It is also the contention of this research that salaries therefore affect employees' performance considerably. If a position carries

an excellent salary and rewards, the employee will perform better, even if he does not like the job. This is highlighted by responses indicating that interviewees were dissatisfied with the salaries and incentives given to them by Al Rajhi Bank and were looking for new posts in other organisations.

Ayed (2002) argues that there is a direct relationship between individual performance at work and the rewards received from the employer. Such systems are especially likely to be used in financial institutions, as they fit the nature of some tasks which may not necessarily rely on collective action. This seems to align with the statements of respondents who said that their work performance was the only criterion that the bank used to decide on how to reward them.

Abdel-Hamid (2006) argues that material incentives contribute a great deal to how workers' basic needs are satisfied. They use rewards and incentives to overcome any financial shortcomings and as a means to gain promotion, by working overtime. These incentives may take different forms, as noted by the interviewees at Al Rajhi. Employees responded to incentives including low-cost housing, travel expenses, subsidised meals and accommodation as other forms of motivation. There were also moral forms of incentive for workers to contribute to the organisation, which respondents said gave them encouragement in their work for the bank. Many said that they appreciated words of praise from their managers and welcomed any congratulatory remarks, reporting that these led to a great deal of psychological satisfaction and peace of mind, as well as improved social standing amongst staff members. There was room for promotion as well as job enrichment, participation in the organisation at administrative levels and opportunities for training, which helped with promotion to

high positions. Church (1993:51-62) notes that incentives are used to induce workers to give a response which is in accordance with a certain desired behaviour.

Employees interviewed for the present research generally appeared to prefer monetary incentives, which therefore most strongly influenced their performance, as they corresponded with their desires to a certain degree. Respondents said that in general they performed according to the salary and other monetary rewards provided by their employer. Therefore, the research found that if there was some form of monetary incentive available, then employees would function well and do their jobs effectively; indeed, they would almost compete with each other in this.

While many staff members said that they were motivated by financial rewards, there were nevertheless others who appeared to prefer appreciation and praise. This is consistent with the contention of Abdel-Hamid (2006) that material incentives satisfy only the basic needs of employees, offering temporary compensation which makes up for any shortcomings. By contrast, he argues, moral incentives lead to psychological satisfaction that facilitates the social and spiritual aspects of personal life, as well as providing important opportunities for promotion, job enrichment and participation in the administration of the workplace.

Church (1993), reports that incentives are often used to elicit a desired response from employees and suggests that there is a level of compliance and retention among individuals who are exposed to some level of financial incentive. Aronson et al (2002) explain that motivation can be either intrinsic or extrinsic. Intrinsic motivation comes from within the individual, who is thereby driven to obtain a goal. Those Al Rajhi employees who were found to strive for praise and appreciation could be said to fall

within this category. Extrinsic motivation, on the other hand, applies when employees want to achieve an external goal, such as purchasing a car or house, or simply gaining job satisfaction (Frey and Osterloh, 2002).

All the respondents said that performance was the only criterion for access to incentives and they were motivated to work because it would bring either an extrinsic or intrinsic rewards. Older employees, as mentioned above, preferred to be praised and appreciated, while younger ones said that they worked for financial reward. Therefore, it can be argued that performance determines eligibility for incentives. According to one of the Al Rajhi managers interviewed, the employees perceived a connection between performance and motivation. He also noted that the system of incentives had not been popular, because of a poor performance appraisal system that did not always reflect the actual performance of employees. Performance standards were sometimes inappropriate for the job, or not clear to the user.

9.3 Impact of religion and Arab culture

The first research question concerned the influence of religious orientation on motivation, while the third enquired into the relation between motivation and culture. As religion and culture are themselves so closely interwoven in Saudi society, it is impractical to deal with them entirely separately, so this section examines them together, beginning with the broader of the two factors: culture.

9.3.1 Culture and motivation

In order to understand Saudi society, one needs to understand the role that culture plays in it and the importance it holds for its members. This thesis considers that culture consists of basic assumptions and values that are shared by a given group and act as an

interpretive frame of behaviour. These basic assumptions and values manifest themselves in behavioural norms, attitudes and beliefs, as well as behavioural patterns and non-behavioural items. Finally, culture is not heritable or genetic, but learned.

There is a suggestion that in cultures where confrontation and conflict are generally avoided, the concept of face is fundamental to daily life (Communicaid, 2007). Dignity and respect are two important elements of Saudi culture and saving face is even more important. Communicaid (2007) states that compromise; patience and self-control are used as common means to maintain face, to resolve conflicts and to avoid embarrassing or discomforting others. This culture is reflected in the workplace, where Arabs tend to accommodate other Arabs. An example of this is that Saudis will not accept jobs where they are pressurised or placed in uncomfortable positions. In addition, there are social forms of behaviour such as generosity, respect and solidarity which are adhered to in business dealings.

The argument of Alghoraiyr (2001) is that culture is difficult to define because it is complex and involves many variables. In many cases it can be literally defined in terms of a particular group behaving in a specific way and by integrating characteristics which include those of language, ideas, beliefs, customs and habits. However, this definition does not fully describe culture as such, since it merely conceptualises the meaning of culture and behaviour in society as having the same function. A more accurate and focused definition must take into account the importance of the abstract ideas and symbols that culture incorporates, must pay close attention to the dimension of cultural development and must consider the core meaning of culture as it pertains to society. There are a number of contributing factors, such as religion, education, politics,

economics, family and history, that need to be considered when seeking a definition of culture. Religion can be considered as having a profound effect on individuals in society and as the most important source of behavioural influence in each culture.

Given that Saudi Arabia is a conservative country, people are bound by both religion and culture and are very protective of cultural traditions. This contributes to how knowledge about Saudi society is given to the outside world. In order to come to the country, foreigners must obtain a visa and having been allowed to enter, must reside exclusively in certain areas designated for them. The new force of globalisation has obliged many Middle Eastern countries to re-examine their policies regarding foreign workers. In Saudi Arabia, all foreign workers, as in the case of the respondents at Al Rajhi Bank, must follow certain guidelines. These include adherence to the Saudi laws and religion. Therefore this research proposes that cultural values play a major role in shaping the people and practices that occur within this and other organisations (Cummings and Worley, 1997). They influence how members react to organisational phenomena having to do with power, conflict, uncertainty, time and change.

The Al Rajhi bank can be thought of as a set of elements: individual, structural and cultural. However, behaviour within the organisation is not simply a function of its elements and environmental forces. This thesis argues that in the case of Al Rajhi bank, it is a function of the interaction of the elements. To understand people's behaviour and culture as it applies to Al Rajhi, it is useful to examine the interactions among the bank's employees in terms of their harmony and how they faced the potential challenges of power, conflict, ambiguity, time and change. There was a strong consensus among

respondents that Arab culture influenced the behaviour of bank staff on these dimensions.

9.3.2 Culture and religion

Culture and religion have been shown elsewhere to have the potential to make a great impact on the performance of Islamic bank employees. A study by Sebhatu (1995:915) identified Islamic values as tending to shape business in the Middle East and particularly in Saudi Arabia, which the author argues happens largely because religious teachings shape Saudis from a young age, at home as well as at school.

Respondents in the present study considered it highly significant that Saudi Arabia has an Islamic culture. Consequently, this thesis argues that their responses show that the effect on employees' performance is purely a result of their Arab Muslim cultural orientation; it is true that some expressed the notion that they were sanctioned directly by Islamic law, but this thesis argues that this is not the case. Therefore, if we look at the system of incentives at the Al Rajhi bank, a relationship can be seen between culture and how employees viewed their religion. Hence, it can be argued that this derives from the systems and the legitimacy of Islamic rules, which are derived in turn from the Quran and the Hadith.

There may also have been an effect on the performance of Islamic bank employees from other cultures. As one manager said, ideas were *'transmitted through non-Muslim residents, or Muslims who have lived in non-Islamic countries, or through modern media and communication technologies'*. It is argued that culture had a significant effect on Islamic bank employees even though they may not have recognised it. Culture is part of who they were and the roles that they occupied within the organisation.

Respondents indicated that there was conversely an influence on non-Arab employees of their exposure to the Arab culture, but none said that it affected their work performance. Indeed, expatriates who were interviewed said that they were comfortable with working at the bank and that there were no problems. Although culture was visible, they did not consider it to be problematic; on the contrary, they felt that they could cope with all the aspects of Arab culture in their working environment.

Female interviewees, however, were of the opinion that their education and experience were important assets that give those positions of authority, but not in terms of gender definition, because they understood the society as patriarchal, male-dominated and constrained by what was acceptable in Arab society. The issue of gender is examined in detail in section 10.5.

Respondents said that there was an overpowering sense at the bank of traditional culture, which tended to operate in opposition to modern work practices and was at times difficult to understand. Others claimed that there was no difference between what they saw as Arab culture and Islamic culture. One respondent said that both cultures had an influence on how employees carried out their work at the bank. An example of this is the traditional Arab dress with a headscarf that was worn by many men. In Western societies, men wear either suits or shirts with ties and women wear a uniform. At Al Rajhi Bank, the women dressed formally and the foreign workers wore suits, but the Arab workers tended to wear traditional dress.

Respondents felt that both Arab and Islamic cultures were linked to motivation and to how employees carried out their work. While the influence of culture can be seen as having a powerful effect, however, this may not be entirely true in this case, as Arab

culture cannot be equated directly with Islam. The latter is a way of life, a *deen* or universal religion, and while Saudi Arabia is the place where Islam was founded, the religion itself, even there, is distinct from Arab culture. One of the goals of the Al Rajhi bank, as an Islamic financial institution is primiarly to carry out transactions according to the precepts of Shariah.

The evidence gathered during the fieldwork shows that there seems to have been a strong influence of Islam on how customers were dealt with. For example, the daily dialogue between members of staff and customers was marked by the use of the formal greeting *assalamu alaikum* and of phrases such as *insha Allah* (if Allah wills it), *masha Allah* (what Allah wills) and *alhamdulillah* (all praise to Allah), while verses of the Quran would be used by Arab employees and customers throughout transactions.

According to Bell (2005), executive managers in Saudi Arabia face great challenges in their endeavours to improve the performance of their organisations. The greatest challenges are cultural factors and work practices that limit employees' performance. There is difficulty in having a workforce that is largely motivated by status and position. Bell (2005) argues, for example, that young Saudi employees will have been brought up in luxury, surrounded by wealth, especially if their parents are extremely rich, with well-paid jobs and high-status positions. The perceptions of the employees studied in the present research appeared to reflect this materialistic position, which had nothing to do with Islamic teaching. Employees were apparently motivated by high salaries, status and position in order to preserve their high standards of living.

According to Lundgren (1998), studies of the culture in Saudi Arabia indicate that its society, like that of most Middle East countries, is homogenous, due to the profound

effects of Islamic teachings. Lundgren (1998) goes on to argue that Islam encloses all aspects of life in Middle East societies, where there are strong links between religion and the state as well as culture. Walker et al (2003) similarly hold that Islam influences the people of Arabia in all decisions, including business ones, and that there is an ingrained belief that God has control over everything, as emphasised in the Holy Quran. Both of these authors thus argue that the Arab culture and religious orientation have had a dominant effect on the performance of employees in institutions such as banks. This coincides with respondents' declared belief in a relationship between motivation and Arab culture.

Notwithstanding some respondents' views of culture and religion as private matters having no place in official institutions, this research argues that these forces can in fact be shown to affect performance in the workplace. Some of the employees reported a lack of motivation and indicated that they did not have the drive to work hard because of certain factors such as low pay and/or lack of the necessary qualifications to be among the top earners at the bank. This research argues that these factors will have had some negative effect on employees' performance and on the bank as a whole. Although it can be argued that these are personal matters concerning how an individual relates to society, many of the respondents stated that they saw culture as important within society and impossible to separate from their performance at work. Many people from foreign countries, including Malaysia, Singapore, Britain and the USA, have lived and worked in Saudi Arabia for several years and it will be equally difficult for them to separate culture from individuality. Therefore, when they go to work they will carry the whole baggage of culture with them.

Writers such as Alanazi and Rodigues (2003) have argued that the culture in Saudi Arabia is a collectivist one characterised by strict adherence to the teaching of the Islamic scriptures, which govern overall social, economic and private behaviour. These are the very fabric by which Middle Eastern society survives. Lundgren (1998) in turn maintains that even business and financial dealings are affected by the collective thinking of Saudi life, which dictates to a certain extent the relationships that take precedence in every sphere of life. This view seems to be compatible with that of Alanazi and Rodrigues (2003), as argued above.

Curry and Kadash (2002) are amongst those who argue that traditional culture is a major hindrance to achieving improved organisational performance. These authors maintain that organisational development programmes can be used to help understand culture in the workplace in Middle Eastern societies. The argument that this research proposes is that the culture of such countries has a strong impact on their citizens, making it difficult to divorce culture from the workplace. Saudi Arabia and the rest of the Arab world have a historical legacy that dates back more than fifteen hundred years; therefore it is argued that collective or mass culture will have a strong impact on the working lives of Al Rajhi employees. Religious beliefs, values and cultural orientation will all affect the individual within society. Therefore, the argument that is advanced here is that culture is associated with the strong Islamic tradition found in Arab societies and with the Islamic faith, which transcends time and place.

Yamani (2000) makes the interesting observation that Saudis are motivated by status and position, which explains their preference for managerial posts, while blue-collar jobs are a source of embarrassment for the majority of Saudis. The culture of status and

279

position is inherent in Saudi society, where many aspire to hold status and prominent positions because of the systems of rewards and incentives that are in place. Those who do menial tasks are mostly non-Arabs: Indians, Pakistanis, Singaporeans and people from other Third World countries who come to Saudi Arabia to make a better living for themselves.

Yamani (2000) also argues that there has been a significant transformation in terms of cultural awareness and that 'maintaining a Saudi identity is difficult when in contact with Western societies'. This argument holds true insofar as these transformations bring about an inevitable clash between change and the continuity which stems from the cultural notions embedded within Saudi society. As such, there is a very strong sense of religious conformity within this society that has an overriding influence on Saudi citizens. It can be argued that continuity stems from the cultural and religious influences within any society and while change can be good, if it is imposed by external forces then there is likely to be resistance. Thus, participants in the present study indicated that there were external forces which they found it difficult to cope with and which compelled them to compete.

A key finding emerging from the data analysed in Chapter nine is that employees agreed that religious orientation played an important role in their work. Many were of the view that their religion influenced their behaviour at the bank. The respondents were unanimous in asserting that they were motivated to work there by two factors: the historical nature of the organisation and the fact that there was some kind of Islamic affiliation. For example, one employee said: '*Religious orientation has a significant*

impact on motivating employees and there are strong efforts to apply incentives which have legitimacy and these are usually adopted by the Shariah Board of the bank'.

9.3.3 The relation between religion and culture

The respondents felt that Arab culture was derived from Islamic culture and it was found that this was reflected in their behaviour within the bank. This shows the effect of Islamic law in the normal treatment of employees and raises the question of whether this influence was restricted to the internal environment of the bank or whether it governed all of their behaviour, outside as well as inside the bank. If Islamic law had an effect on behaviour uniquely via the culture of the bank itself, it would be possible that in other respects the treatment of employees was different, which in turn might reduce the impact of religion on the treatment of employees. The suggestion is that employees were influenced by the strong presence of Islam.

However, there seems to be a misunderstanding as to how Islam and culture are interrelated. Hashim (2009) cites Tayeb (1997) as stating that throughout the world from 'West Africa to Lebanon and Malaysia to Indonesia', there was a strong sense of returning to Muslim identity and Islamic tradition. It seems that the fundamentals of Islam, in the wake of political upheavals throughout the world, have given people a different perspective on their religion and faith as a way of asserting their identity. Hashim (ibid) also cites Ali et al (2000) as asserting that the fundamentals of Islam play a major role in management in Muslim countries with regard to how employees are hired and that 'the employees would appreciate this approach primarily because it suits their beliefs'.

9.4 Western models of motivation

The second research question asked whether Western models of motivation can be applied to Islamic banks in the Kingdom of Saudi Arabia, with specific reference to the employees of Al Rajhi Bank. This research has argued that motivation and culture are two important aspects of organisational behaviour in the Middle East (Kalantari, 2005; Budhwar and Mellahi, 2007). Moreover, the findings indicate the role that they appeared to play in Al Rajhi Bank and within Saudi society.

There is an important difference between the Western and Islamic financial and banking systems in terms of the charging and payment of interest, which the rules of Islamic banking do not permit, since it is incompatible with Islamic law as laid down in the Quran and Sunnah. However, it seems that the Islamic notions of reward and incentives are broadly compatible with the corresponding Western notions. Many writers appear to agree with Fadul Allah (1419 HD), according to whom it is inherent in Islamic thought that;

> the Muslim's disciplined morality transcends instincts and causes him to choose the appropriate behavioural alternatives of his own and live by his principles and moral values, with thought for the Hereafter, and that there is the view that if he dies tomorrow then his work in the life of the world will be as if he had never lived.

This Islamic belief equates to a concern for quality, professionalism, effectiveness, efficiency, discipline and responsibility at work, linked with the fear of God Almighty, and this belief governs individual action. Islam recognises that worldly incentives are important and that incentives and reward are gained in this material world. However, there is an ingrained belief that the true reward for sincerity and good work comes in the hereafter.

282

It was found that employees' personality was important and that motivation was a powerful force driving them to achieve. It was one of the expectations of this study that most respondents would be motivated by social factors such as esteem. While some respondents claimed to do their job because of the prestige that they carried, however, many, especially the younger workers, did not hold this view. The administration of the bank, it was held by most respondents, should be accountable for their employees' needs and should help in the motivation process. In addition, employees felt that they were not appreciated at all. The bank should be made responsible for the hard work that was done by all employees.

It was also suggested by interviewees that managers should adopt the employees' view of management, which would encourage them to feel part of the bank. This is supported by the work of Bjerke and Abdulrahim (1993) with regard to the application of Hofstede's model to the Saudi environment, which concluded that Western models tend to be difficult to apply in Saudi Arabia. These authors argue, for example, that Saudi managers are not serious and tend to have a paternalistic outlook to management, which is not as serious as Western concepts of management. They assert that Arab managers do not exist in a vacuum, but operate within social norms that are predominant in Saudi culture and influenced by the values of their people. The view is that managers would often make decisions in an autocratic manner, on their own and without consulting their subordinates. This is consistent with Hofstede's model, one element of which is uncertainty avoidance, according to Bjerke and Al-Meer (1993), who conclude from their study of management practices in Saudi Arabia that 'religion reinforces uncertainty avoidance differences' and that Arab managers tend to be future oriented. In

short, by adopting these practices, the Al Rajhi management would have a greater chance of motivating and influencing the workforce.

9.5 Personal characteristics: gender, education and nationality

The last of the research questions to be reviewed here concerns the relationship of motivation with personal characteristics such as gender, education and citizenship among employees of Al Rajhi Bank.

There were very few motivational differences between men and women. It was, however, found to be more important for women to feel safe at work, while for men it was more important to work in a team. There seemed to be a relationship between gender, education and nationality. Employees at the bank were differentiated in terms of qualifications and education. In Saudi society, women have little or no capacity to function within the world of work. While Islam gives women the freedom to work, there are boundaries within which this must be done. In many other parts of the Middle East, for example in Egypt, women work and contribute to the economic survival of society. This is not the case of Saudi Arabia, which is primarily a patriarchal society. Historically, women have had low status at work and in society, except in the home, where they have full responsibility as housewives and carers (Hamdan, 2005).

In recent times, there has been a shift of ideology in the role of women in Saudi society; voices of concern have been raised in an attempt to define a more modern approach to the gender question within an Islamic context. The women who work for Al Rajhi Bank are all qualified and well educated, up to Masters' level, but few are expatriates from either Britain or the USA and there is a separation between men and women. Nevertheless, according to one female employee, work goes on as usual without any

problems. Gender in the workplace has been discussed in literature that addresses the differentiating factors between the job roles of men and women. There is evidently a gender role problem within Arab society. Women are almost invisible in many workplaces. The argument that is advocated here is that women, particularly in Saudi society, are not seen but are passive participants, whereas in Western societies, the situation is very different, with many achieving high positions as judges and doctors. The women employed by Al Rajhi Bank cannot occupy such posts, first because of the gender differences that are inherent in Saudi society and secondly because of the way in which Islamic law is interpreted, which restricts women's access to the world of work.

Respondents expressed the feeling that citizenship carried weight in terms of how they were seen as employees, but as one employee said, the real dividing and differentiating factors are those of education and qualifications. Writers such as Hamdan (2005) argue that there is presently no physical education system or fitness regime for women in the Kingdom. In terms of transport, women cannot drive and are bound by rigid rules obliging them to enter public vehicles through the back door and to be supervised by a female who is a relative of the driver. As for the education system, while the religious authorities have recently begun permitting women's education, this is not without conditions. Their schools are surrounded by high walls, which are often guarded by elderly men who check the identity of all female students. They are not permitted to go without a *mahram* or male relative, either a brother or father (Hamdan, 2005).

Burn (1996) argues that men and women tend to conform to certain behaviour patterns in organisations and that they are likely to have different needs. This was the case with the employees interviewed for the present study, whose needs and desires appeared to

differ according to gender. While the male employees at the bank desired financial rewards in order to live a richer life by purchasing consumer durables, female employees wanted more security in their jobs. One way of classifying individual needs is by applying Maslow's theory of a hierarchy of needs, beginning with basic needs and moving up to those of self-esteem and self-actualisation. Employees at Al Rajhi Bank seemed to have achieved the basic needs and can be described as occupying different rungs of the hierarchal ladder envisaged by Maslow's theory. Many seemed to be working towards achieving some level of self-esteem while desiring higher positions, whereas others, such as managers, were working to achieve self-actualisation. The researcher observed that there seemed to be differences in social needs between male and female employees, which may have been due to the fact that since men and women behave differently, they will express their needs in different ways.

Wilson (1995) is among those who argue that the goals which individuals set will tend to differ by gender. Since individuals are expected to act on the basis of their sex, then it could also be possible that they respond differently towards goal-setting as a motivational factor. Wilson (1995) also notes that female managers are under-represented in the banking sector and that women are discouraged from accepting or being promoted to management positions. In addition, women are not considered to make good managers; they are discouraged from being assertive and it is therefore sometimes assumed that they cannot be good managers (Wilson, 1995).

According to Herzberg et al (2004), the opportunity to be promoted is an important motivational factor. If women are discriminated against when applying for promotion, then they will be less motivated than men. This would mean that a promotion would not

be as great a motivational factor for women as for men, since women feel that they do not have the opportunity to be promoted. Wilson (1995) reports a finding by Donnell and Hall that women were more concerned with growth opportunities and challenge, while men were more concerned with work environment and pay. She also suggests that women tend to devalue their own work, but that when evaluating co-workers, they make no distinctions based on sex, arguing that this can contribute to women's perceptions of inequality. This leads to the hypothesis that sex influences equity. It can be concluded that even if studies show that women and men have the same perceptions of equity, it may not be the case that there is real equity, since women tend to devalue themselves. This would mean that even if a woman earns less for the same contribution as a man, she will not necessarily perceive inequity (ibid).

Since women believe that they have to work harder than men to get the same rewards, they are also likely not to feel the same degree of expectancy as their men colleagues. Further, since men and women are expected to behave differently, they are also likely to experience different levels of instrumentality. Theories regarding how psychological and physiological factors affect men and women argue against most of the motivational theories as not making any difference based on gender.

Matsson (2005) argues for the usefulness of research into connections between gender and motivation, considering how the business culture of traditional organisations such as banks functions and how it affects and stimulates employees. According to Burn (1996), cultural norms regarding gender are very significant in today's society. How an individual should behave and act is based upon cultural norms and social information. In Saudi culture, men and women are expected to act in special and different ways. The

concept of differential reinforcement argues that society rewards individuals according to the extent to which their behaviour conforms to the norms of their sex. Even if women are performing as well as men, they may not work in the same way, yet individuals are normally evaluated according to men's norms of good performance (Burn, 1996). If men and women are not evaluated on the same basis, this will motivate individuals to act in ways which differ by gender. Hence, this thesis argues that men and women are motivated by different factors, since the behaviours which are rewarded are dissimilar for the two sexes. Evidence for this comes from the present study, where many female respondents said that they valued security and praise rather than bonuses and other forms of material rewards, which were favoured by their male counterparts.

According to Burn (1996) and Kanter (1993), individuals face normative pressure, which means that they strive to conform to social norms on how to behave, based on their sex. If an individual exhibits a behaviour that is considered inappropriate for a person of that sex, he or she will be punished or rejected by society. Motivational theories hold that individuals have social needs and require social acceptance by others within society. Thus, women are not as aggressive as men, for example, because it is considered socially undesirable. This is related to the present study, in that the few female respondents said that they were too shy to ask for pay increases and did not like their requests being rejected.

Motivation theory argues that social needs such as social acceptance are very important for individuals. A woman would therefore be afraid of being aggressive, since this is supposed to be a man's behaviour, while men are afraid of being too sensitive, because this is assumed to be women's behaviour, according to our social norms (Burn, 1996;

Kanter, 1993). One of the major problems of this research is the inability to carry out interviews with women at the bank which is due to the laws of the Kingdom. In addition, the culture is such that women are not visible in Saudi society and have limited rights. They are not allowed to work with men, but can work in an environment where there are only women. Women have limited role within Arab societies as such they cannot hold postions as receptionists; secretaries in a company or work in any type of job were there are men employed. As a conservertive society Saudi Arabia under Islamic law regards men as the carers as women where there is heavy emphasis on social values along with religious laws that are imposed. Therefore a difficulty incurred, which was known by the researcher before, was that permission would not be granted to interview women. In this respect the researcher argues that it would be interesting to get feedback from women on their interpretation of work and experiences in the workplace.

9.6 Practical implications

It should be noted that the majority of employees at the Al Rajhi bank, whatever their personal characteristics, said that they were satisfied with their current jobs. However, a few indicated that they were not pleased and desired to move elsewhere. This raises the issue of the practical implications of the present research for the management of Al Rajhi Bank and other organisations in Saudi Arabia.

As this research focuses on the concept of motivation in relation to culture, it is important to provide a working definition of the term. Motivation is the fuel that drives people to achieve things and engage in a particular behaviour (Banks, 1997). Alternatively, from an interpretivist stance, it is the way in which people are drawn to achieve and engage in a particular form of behaviour within a set of structured systems

and subsystems comprising culture, religion, history, family and gender. In a country like Saudi Arabia, in which society is still traditional, these are factors greatly affecting workforce motivation (Mellahi, 2007).

Reinforcement theories hold that employees can change their behaviour and that appropriate positive responses from management will have the desired outcome by encouraging the desired behaviour. An example of this is where an employee with a backlog of work tries his/her best to improve the situation by clearing away any work every evening. The line manager could show appreciation by praise or simply thanking the person for his/her efforts; indeed, managers should always acknowledge employees' hard work, thus encouraging them to work hard and to continue to try their best to improve their work.

Another way of reinforcing behaviour is where employees are given a pay increase or bonus in recognition of their efforts. This would have been appropriate in the case of some of the Al Rajhi employees interviewed for the present study, who felt that the bank did not appreciate their work and that they were inclined seek other employment. In spite of the fact that it was a Muslim institution and many said that they wanted to work for such an organisation, it was felt that management did not appreciate them for all the work that they did.

Employees will always seek to avoid any type of unpleasant response from management such as demotion, criticism or poor evaluation. Supervisors often take responsibility for the work done by their subordinates. Managers at Al Rajhi Bank felt that they had a paternal relationship to their workers, which meant that they wished to be sympathetic but at the same time had to be firm in their decisions and the directives they gave to the

staff. Workers, for their part, will always tend to avoid situations that are confrontational and likely to cause them any type of harm (Mezzinson et al, 1992).

Managers should also understand that workers are part of the organisation, who should therefore be consulted in matters affecting them. While there may be external factors that affect workers, such as financial and marital problems, internal factors are also significant in either motivating or demotivating them and can further complicate the task of the manager. In many cases, managers may find themselves in situations where workers are not motivated in their jobs, but just do the work without achieving any satisfaction. The task of management is likely to be more difficult when workers are demotivated and have no reason to work beyond earning a wage.

Schulz (1998) reports on studies which looked at the importance of job satisfaction in various fields and maintains that job satisfaction is especially significant in areas such as business, industry and education. Indeed, it is essential; according to Petty (1948), since dissatisfaction at work can have serious effects on performance and productivity. Employees work towards a goal that they want to achieve and in so doing they tend to exert great efforts. Job satisfaction is thus important and can affect how employees do their work. Interviewees at Al Rajhi Bank indicated that job satisfaction was important to them in that they would like to feel good about what they did at work. However, they felt that the management was not concerned with ensuring that they enjoyed their work. This is consistent with the work of Petty (1948), who indicates that it is important for employees to have a certain level of job satisfaction and for management to recognise the work that employees do. According to Herzberg (1968), job satisfaction and

dissatisfaction are not opposites of each other but are intrinsically related as responses to different aspects of the circumstances in which employees find themselves.

Hollyforde and Whiddett (2002) hold that managers can create a good environment that is conducive to the employee by taking account of the physical environment as well as salaries, pensions, bonuses and other financial rewards. The direction of motivation is in relation to how employees' see their needs in terms of working towards meeting their goals. Some employees in this study said that they were motivated to work because of the bonuses that they would receive at the end of the month, which would encourage them to work overtime, while other participants said that they desired praise and recognition of their hard work.

This research argues that cultural change in organisations demands an understanding of the values which transform the image of the company. Management theorists have looked at various central elements of organisational culture, including the importance of values and beliefs and how employees view these as constituting a cultural bond. Therefore, organisational culture can be embodied in a set of beliefs, values and norms that people in a community share and which dominate how they behave and interact with each other. The values of an organisation are those that employees may hold to be important and which contribute to the overall pursuit of their goals. Members may define their behaviour as being appropriate to the means by which to achieve objectives. When these values are realised, they develop into norms or guidelines which in turn constrain employees' behaviour. It can thus be argued that employees are defined by the different cultures that have shaped their experiences. In this regard Schein (2010)

comments interestingly on the evolving of culture in societies and the effect of a 'macro culture' that influences behaviour.

Social interaction between employees is another important aspect of culture within organisations, where there is a shared bond of trust, companionship and solidarity which engages workers to strive and defines them as a group. The culture that was displayed in a practical way at Al Rajhi Bank during the study reflects a deep sense of the organisation's history, which is rooted within Arab culture. There was a set of rituals and beliefs that employees seemed to value. Therefore, as the literature shows, culture gives a sense of company identity – a feeling among members that they stand for the company and that it values them. These are very important values that have been accepted by many employees of modern organisations.

The opinion of Al Rajhi employees was that if change was to take place within the organisation, then all levels should be affected, starting with top management and extending to the lowliest member of staff. Many felt that the culture within the organisation must be innovative in order to rebuild the corporate image. This is consistent with the argument in the literature that there is a relationship between good leadership, management and cultural change. As one employee noted, the ability of organisations and institutions to be innovative and to bring about change in the behaviour of employees rests in the hands of upper management.

9.7 Putting the study in context

This study has shown how religious orientation and Arab culture affected the motivation of employees of an Islamic bank in the Kingdom of Saudi Arabia, Al Rajhi. It has thus been possible to analyse the effects of motivation on employees of the

selected bank. The research shows that motivation theories in general can be applied to the Islamic banking environment and that their validity is confirmed by the reported experience and opinions of employees in the sector.

The findings shed light on the factors that motivate them and on which of these are most effective, thereby suggesting what means it is appropriate to use to motivate such employees in order to further develop their work. Furthermore, the findings can perhaps be used to improve working conditions for employees beyond the individual bank under study, as they may be considered generalisable to those nearby branches of banks other than Al Rajhi which have the same characteristics.

A criticism which could be raised is that too little attention has been paid to whether the Al Rajhi employees actually were motivated. However, previous studies have addressed this issue.

The literature review ensured that the context of motivation and culture theories could be carefully applied to the research findings in an appropriate manner. The qualitative methodology chosen ensured that the information obtained about the organisation through semi-structured interviews with personnel was both factual and analysed in depth. Notwithstanding the problems of transcription, the gathering of supportive data from the organisation continued this important line of depth and quality.

Other possible qualitative methods which could have been considered include further structured interviews with executives or with representatives of external agencies having an impact on the work of the organisation. Another alternative would have been an observational case study analysis of one aspect of the organisation, which could have been from an inter- or intra-organisational perspective. However, it was considered that

the method actually employed here facilitated the gathering of the qualitative information needed to ensure that the discussion of the findings could proceed in a coherent manner.

In terms of a qualitative approach, it is very unlikely that an employee of the bank, however dissatisfied and even if assured of confidentiality, would admit to an interviewer any disagreement or dissatisfaction with the rules imposed by the management of the bank. It must also be recognised that the researcher did not take a critical approach to the study; his main aim was to generate research that would enable the bank to evaluate how its human resources departments were performing with regard to employees' motivation.

9.8 General conclusions

There are three general conclusions that must be addressed with regard to this research study. First, it is imperative that the management of Al Rajhi Bank take the time to recognise the importance of motivation within its branches. Many bank employees are uncomfortable with, unsure of or unaware of the benefits that motivation can offer them. As a result, these employees shy away from motivation and fail to realise how it can help them to do their jobs well. Al Rajhi Bank managers should pay attention to how employees perceive motivation. It is important, according to the theoretical model chosen for this study, that motivation is introduced so that it fuses into the work experiences of the employees. Motivation should not detract from the employee's work performance or job satisfaction; it should enrich both. The prime objective is to foster knowledge, efficiency and organisational optimisation. Interviewees indicated that they wanted to be empowered and to be part of the organisation, rather than to be just

workers. As such, some said that they were willing to take on new challenges and responsibilities in order to achieve their full potential.

The second general conclusion to be addressed with regard to this research study is the importance of employee needs at the bank. As indicated by the qualitative research findings, Al Rajhi workers have many work-related needs, ranging from the basic and primitive to the complex and detailed. It is vital that bank managers fulfil these needs so that employee retention does not become a problem for the organisation. It is advisable for a motivation and satisfaction model to be constructed and implemented in the banking service. Such a model is critical in providing a conceptual map which would serve to improve working relationships and to enhance employee morale.

The third general conclusion concerns the value of motivation research that explores the working lives of bank employees in the KSA. Although the data pertaining to these employees is limited at present, that which is available supports the contention that they face a myriad of social, cultural and organisational challenges. For this reason, the bank must find ways of maximising the productivity of a diverse workforce in an increasingly global marketplace. Banks that successfully tap into the diversity of their workforce will gain the organisational knowledge and insight necessary to improve motivation.

This chapter has discussed the results of the study, linking them to the relevant literature and to the research questions, then drawing practical implications and placing them in context. The final chapter, which follows, offers recommendations to the management of Al Rajhi Bank and makes suggestions for further study.

CHAPTER 10:

RECOMMENDATIONS & CONCLUSION

10.1 Researcher's personal involvement in the study

This research has been a combination of many things. Firstly, it was a learning journey into the practicalities as well as a deep insight into the banking sector in Saudi Arabia, secondly, an academic achievement and thirdly it gave the ability to do live research. At the very onset of the project, the researcher was interested in looking at the relationship between culture and motivation in the financial sector in the Kingdom of Saudi Arabia. The researcher's involvement has been on of both a participant observer and active participant. As a participant observer, the researcher became 'an extended employee' at the bank, observing everyone and taking notes mentally of what all employees from managers to ordinary staff were doing. As an active participant, the researcher 'became one' with the employees who were the respondents in the interviews. The researcher in doing this project by using qualitative methods sought to understand the meaning that respondents put to their jobs, how they behaved, the manner in which they interpreted their role as employees on a daily basis. Through the interviews, the researcher wanted to investigate what were the employee's perspectives that they had with regards to how the link between culture and motivation at the bank.

The researcher's role in the entire project started from the initial stages of deciding on the project and putting steps in place to undertake the study. Although there were many difficulties that were faced, these were considered to be just challenges that could be overcome. The active research was done in a natural environment i.e. the Al Rajhi bank. In this live atmostphere events were continuously changing on a daily basis, and so the

297

researcher had to take in account how people re-acted to their daily challenges. There were events that took place that were not planned so the researcher had to improvise in different ways. An example of this is that when interviews were planned and the respondent did not show up for work or the interview had to be cancelled due to the respondent being taken up on another job or went off site to another city.

An important factor that needs also to be considered is that the researcher being an Arab and being a participant observer amongst fellow Arabs, it was difficult to differentiate between sitatuations. There was a sense of deep involvement by the researcher in certain instances such as when the researcher was observing a respondent doing a particular job which was being done over a period of hours during the day. The researcher in this project wanted to look at the knowledge that employees had about their working life at the bank through their experiences. In order to do this, the researcher had to become a close associate to the respondents, working with them on a daily basis and trying to make sense of their world through their perspectives and looking at the different situations. In spite of the various inconsistences and whatever contradictions there may be, employees gave valuable data to this project and assisted the researcher tremendously by helping to explore and understand their interest in working at the bank and the relationship that they shared with each other and management.

The aim of the researcher was to understand the culture of the employees and how that was related to their motivation at the bank. This link is very important as it opens a further understanding for continued research in the field.

The data that yielded from the interviews gave valuable insight into the depths of the environment as well as the reality that employees faced at the bank. The interviews

futher helped to discover the meanings that respondents gave to their world. Thus the researcher had to develop a role that is close to being a shared member. In so doing, there was a development of empathy between respondents and the researcher to build a relationship of confidence. In spite of this the researcher had to be careful not impose his feelings and views i.e.not to influence the interview process. The researcher had to allow the interview process take its natural course and to allow the interviewee or respondents to talk freely. The interviews were conducted on a one-to-one basis and the researcher had to be careful not to ask any intrusive and leading questions that would bias the interview.

10.2 Recommendations

The writer has no authority to discuss the sensitive and confidential issues mentioned by the managers or employees regarding the impact of motivation at Al Rajhi Bank. However, based on the results obtained in the course of this study, the following recommendations are made to the bank's management.

- Incentives should vary depending on the type of activity and member of staff. Many employees indicated that they worked long hours and that they needed to earn bonuses according to the work that they completed. Many felt that they were undervalued and not recognised for their work. It is important for management to recognise employees, value them for who they are and reward them accordingly.

- The incentive system must be clear and understandable to all staff of the Bank, to avoid confusion among individuals regarding the terms of the various incentives.

- The incentive system must be characterised by diversity and by a balance between material and moral incentives, as well as between positive and negative ones.

- The respondents indicated dissatisfaction with the shortage of opportunities for promotion and other development. The management of Al Rajhi bank should address this factor as a matter of urgency; if it does not do so, it might lose good staff because of a lack of personal development. Promotion and opportunity for growth are important motivational factors.

- It was noted from their answers that some respondents were not satisfied, so incentives should be directed towards the unmet needs of the staff.

- Many of the employees felt that they wanted more money for their work, in keeping with the changing times. This was especially true of younger members of staff. Incentives must therefore keep pace with economic and social changes affecting the needs of workers and with their developing wishes and expectations.

- Continuous assessment of the system of incentives should take place to ensure that it confers the same level of benefits on both management and workers.

- Workers should feel that they are an integral part of the bank that their success is the bank's success and their failure likewise. If the director were able to convey these concepts to Al Rajhi employees, this would provide a strong incentive for them. They do not work for the benefit of the director, but for the bank itself, of whom the director is only an employee.

- The same employees will also seek and value personal attention, recognition and involvement in the projects and decisions of the bank's administration. Therefore, administrators should modify existing practices to fulfil employees' needs. One way

of doing so would be through empowerment, by delegating special tasks to employees, while providing regular assistance and personal support.

10.3 Suggestions for further study

Based on the findings of this study, suggestions can be made for further study. The areas of religious orientation, Arab culture, personality and motivation have been widely researched. The comprehensive literature review indicated that there was no existing research identifying how the different factors could be integrated and studied. The present study was intended to begin the task of filling this gap. However, it should be stated that this research project was confined to one bank in a particular city in the Kingdom of Saudi Arabia. Further research is encouraged to discover whether similar results and findings would emerge if the same research strategies were applied to a different sector of the economy and/or other regions of Saudi Arabia. Moreover, a larger sample could achieve greater accuracy and yield a better representation of Saudi religion and culture. Thus, Saudi banks would be provided with stronger recommendations as to how best to understand their workforce and to identify the most suitable strategies to improve the methods by which they motivate their employees.

As the Saudi economy needs to find ways to motivate more women to join the labour force, the study of women's motivational behaviour would be worth another research project. From a motivational standpoint, the gender differences among Al Rajhi employees can perhaps a offer a valuable perspective on this issue. Additionally, a focus on how employees actually work and act in response to motivation could complement the work reported in this thesis. Another approach would be to implement a qualitative study in the banking sector, with a more extensive focus on gender. An investigation

regarding the consequences of being a man or a woman in the sector, the possibilities and the obstacles faced in relation to gender might deepen the useful knowledge available in this area. Our brief examination of the behaviour and expectations of the men and the women in Al Rajhi Bank could be further developed, since it was discovered that the employees' workplace experiences differed according to their gender. Interviews with employees could further investigate how they perceive their situation in the workplace.

10.4 Concluding remarks

This thesis argues that there are external factors affecting the process of motivation at work, namely those of culture, as well as internal elements, which are the personal values of employees, their attitudes to their tasks and responsibilities and their level of commitment to the organisation. All of these contribute to the differentiation between successful and unsuccessful firms (O'Reilly and Pfeffer, 2000). Writers such as Banks (1997) are of the view that motivation is what drives people to achieve goals and engage in certain behaviour in order to do so.

Historically, many HRM studies have referred to Western concepts, as most researchers have come from or studied in these nations (Brewster, 1994; Al Hammadi et al, 2007), and this raises a question as to their applicability to other cultures (Budhwar and Debrah, 2001). There is a consequent need for an international perspective on HRM (Brewster et al., 1996), recognised in the recent prominence of IHRM studies across national and cultural boundaries.

Writers such as Amos et al (2008) assert that it is time for each organisation to recognise the competitive advantage conferred by its human resources, i.e. its

employees. It should not only recognise them as valuable but work with them in order to create a successful company; to this end, managers need to adopt a philosophy and style of management that is based on the employees' wellbeing.

Finally, this study was set in Saudi Arabia because the researcher is a Saudi citizen and a lecturer in management with an interest in organisational culture. Saudi Arabia has experienced a recent non-oil industrial boom, particularly in the banking sector. This raises three important questions: whether there are specific motivational factors underlying the productivity of the sector; whether culture plays a significant role in this motivation; and how relevant theories support such analyses. It has been shown that motivation within the Saudi work culture is related to the society's traditional (pre-Islamic) Bedouin Arab roots.

The discovery of oil has made Saudi Arabia one of the foremost countries in the Arab world (Budhwar and Mellahi, 2007; Tayeb, 1997). Hence, the Saudi government, in its efforts to ensure the betterment of the country and its people, has made substantial social and financial investments to improve the quality of life of the citizens. Considerable amounts of money have been invested in the banking sector, since it is arguably the foundation of any economy. However, the sector cannot realise its full potential without a clear understanding of the specific motivational factors affecting its workers. This thesis has therefore examined in detail the motivation of employees of an Islamic bank within the Saudi cultural context.

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Appendix 1: Interview 1 (Managers)

Personal Information

(1) Name ………………………………………..

(2) Age ……..........…………...............................

(3) Marital status……………………................

(4) Nationality ……………….........................

(5) Religion …………………………...................

(6) Level of Education …………………...............

(7) Position …………………………...............

(8) Branch …………………………..................

Questions

Q.1. What forms of motivation incentive are used in the bank? (Financial, e.g. salary, bonuses; other material benefits and perquisites, e.g. holiday, car; non-material, e.g. recognition letters, certificates)?

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Q.2. What are the eligibility criteria for such rewards? (e.g. education, gender, service, citizenship)?

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Q.3. To what extent do you think religious orientation influences the motivation of employees in the bank? Are there any conscious efforts by management to use religion as a motivator? In what way?

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Q.4. To what extent do you think Arab culture influences the motivation of employees in the bank? (e.g. Are there cultural preferences for certain types of incentive)? Cultural factors that influence who gets rewarded and how? Any cultural values and practices that you think motivate or de-motivate employees?

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Appendix 2: Interview 2 (Employees)

<u>**Personal Information**</u>

(1) Name ……………………………….………

(2) Age …….........…………................................

(3) Marital status…………..…………….............

(4) Nationality ………………...........................

(5) Religion …………………………....................

(6) Level of Education.......................................

(7) Position ……………………….................

(8) Branch ………………………..................

<u>**Questions**</u>

Q.1. Do you feel you get recognition for your effort and competence at work?

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Q.2. What do you think about the practices used to motivate employees at the bank?

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Q.3. What kinds of reward are most important to you?

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Q.4. How important to you is it to work in an Islamic bank?

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Q.5. Would you be prepared to move to another type of organization (e.g. a non-Islamic bank) for the sake of better salary & benefits, or promotion, or training opportunities?

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Q.6. Overall, what are the things that make your job satisfying?

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Q.7. What are the things which cause you challenges in your job?

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Q.8. What changes could make you more satisfied?

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