

AN ANALYTICAL STUDY OF JOB SATISFACTION AND  
MOTIVATION AMONG MIDDLE MANAGERS IN  
SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

'Managerial thinking in a cross-cultural management  
context. Similarities and differences between  
Saudi and non-Saudi middle Managers'

Thesis submitted in accordance with the requirements of  
The Institute of Public Administration and Management,  
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**DEDICATION**

**To my parents**

## ABSTRACT

This study sets out to explore and analyse the similarities and differences in managerial thinking regarding managerial attitudes, job satisfaction and motivation among Saudi and non-Saudi middle managers working for Saudi Basic Industries Corporation (Sabic).

The data showed that non-Saudi middle managers came from different countries. The researcher grouped them into three categories:- (i) a Saudi group; (ii) a developing countries group; and (c) a developed countries group. The literature review focused on the concept of culture and its general impact on individuals and organizations, and also reviewed the different schools of thought relating to cross-cultural behaviour traits that affect managers. The review of the literature showed that knowledge of similarities and differences in cultural values and practices would be very helpful in undertaking international assignments and for researchers.

The social and economic environment of Saudi Arabia was discussed in this study as the primary reference point of the social behaviour. An effort was made to describe briefly Saudi Basic Industries Corporation (Sabic).

The questionnaire was designed to determine the extent of similarities and differences in managerial thinking among the middle managers, both Saudis and non-Saudis in Sabic. It also covered three aspects. First, a manager profile, which included social, educational and experience background. Secondly, managerial thinking regarding leadership ability and training, and, thirdly, managerial attitudes toward job satisfaction and motivations. The questionnaire was sent to 240 Sabic middle managers in Riyadh, Damman, Jubail, Jeddah and Yanbu. There was approximately a 64 percent rate of return. Data collection was accomplished in two ways - the first through two volunteers in Riyadh, Damman and Jubail; the second by mail to Jeddah and Yanbu.

The findings of this study showed that there were three major explanatory issues, which tend to be centrally reflected in the managerial thinking of Saudi middle managers. These issues are the social-cultural influences, the national stage of economic development, and the universality factors of industrialization and business organization.

The analysis of the data collected revealed both similarities and differences among Saudi and non-Saudi middle managers in Sabic. Some of the results indicated by the middle managers motivation for joining Sabic, showed that the job itself was the main factor for them. This stems from finding the job interesting, being involved in a variety of activities and experiencing the feeling of being 'the expert' in a particular area. Also there were similarities in their thinking towards the superior-subordinate relationships in terms of the respondents' views regarding their superior's priorities of work, the training gained by the respondents from their superior, and qualities expected in their superiors.

In the area of thinking toward leadership style, there was a similarity between the groups. The majority of them believed in the democratic style of decision-making. However, there were differences between them regarding patterns of leadership behaviour. The majority of the Saudi group thought the effective pattern of leadership behaviour should stem from having a good relationship with the group, whereas non-Saudi groups gave more consideration for the task than for relationships with the group. Also, there were differences in attitude toward the source of authority. The study showed that there were significant differences in the ranking of the most important motives for joining Sabic. Working conditions were most important for the Saudi group, wages were the chief motivating factor for the non-Saudi group. Also, there were significant differences regarding the level of job satisfaction. Saudi and developing countries groups were very satisfied with working for Sabic, whereas the middle managers from developed countries were not very satisfied with working for Sabic.

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iii.

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TABLE OF CONTENTS

	<u>Page no.</u>
Abstract	i.
Acknowledgements	ii.
List of Charts, Exhibit, Figures, Maps and Tables	vii.
INTRODUCTION	1.
The Purpose of the Study	1.
Theoretical Framework	7.
Significance of the Study	9.
Organization of the Study	10.
CHAPTER I SURVEY OF THE LITERATURE	13.
Introduction	13.
1.1 Cross-cultural School of Thought	20.
1.2 Comparative Management in Cross-Cultural Research	26.
1.3 Job attitude	36.
1.4 Management and Leadership	45.
1.5 Leadership in Cross-Cultural Research	55.
1.6 Studies in Saudi Arabia	58.
1.7 Summary	60.
CHAPTER II SAUDI ARABIA : ITS SOCIAL AND ECONOMIC ENVIRONMENT	62.
Introduction	62.
2.1 Saudi Arabia - geographical factors	64.
2.1.1 The Land	64.
2.1.2 The Geographical Divisions	65.
2.1.3 The Population	69.
2.2 The Social Environment	72.
2.2.1 Character of Arab Society	72.
2.2.2 The Structure of Saudi Arabian Society	74.
2.2.2.1 The Tribe	74.
2.2.2.2 The Village	75.
2.2.2.3 The Town	77.
2.2.3 The Basic Social Values of Saudi Society	79.
2.2.3.1 Religion... as an origin of social values	80.
2.2.3.2 Kinship and the family institution as the central element in the social values in Saudi Arabian society	83.
2.2.3.3 Traditions as a central element in the social values in Saudi Arabian Society	83.
2.3 The Economic Environment	90.
2.3.1 Introduction	90.
2.3.2 Planning in Saudi Arabia	93.
2.3.3 Development of Manpower	101.
2.4 Summary	123.

CHAPTER III	SAUDI BASIC INDUSTRIES CORPORATION (SABIC)	126.
	3.1 Introduction	126.
	3.2 General Petroleum and Mineral Organization	127.
	3.3 Saudi Industrial Development Fund (SIDF)	129.
	3.4 Public Investment Fund (PIF)	130.
	3.5 The Ministry of Industry and Electricity	130.
	3.6 The Royal Commission for Al Jubail and Yanbu	131.
	3.7 The Establishment of Saudi Basic Industries Corporation	134.
	3.7.1 The Needs for Joint Ventures in Sabic's Point of View	135.
	3.7.1.1 Human Resources Needs	135.
	3.7.1.2 Marketing the Product Need	135.
	3.7.2 Sabic's Projects	140.
	3.7.3 Human Resources	145.
	3.8 Summary	151.
CHAPTER IV	METHODS AND PROCEDURES	152.
	4.1 Introduction	152.
	4.2 Major difficulties facing the researcher in Saudi Arabia	152.
	4.2.1 Sexual Segregation ✓	153.
	4.2.2 Unawareness of the value of time ✓	155.
	4.2.3 Personal relationship and connections	155.
	4.3 The research procedures	156.
	4.3.1 The research sample	156.
	4.3.2 Data collection	158.
	4.3.3 The research instrument	160.
	4.4 Scope and limitation of the Study	166.
	4.5 Summary	166.
CHAPTER V	THE RESEARCH FINDINGS	169.
	Introduction	169.
	5.1 Characteristics of Sabic Middle Managers	170.
	5.2 Managerial Thinking towards leadership ability and training	189.
	5.2.1 The managerial thinking on the leadership's style in decision-making	191.
	5.2.2 Leadership Behavioural Patterns	196.
	5.2.3 Authority	201.
	5.2.4 Middle managers thinking towards training	206.
	5.3 Managerial Attitudes towards Job Satisfaction and Motivation	219.
	5.3.1 Satisfaction with job itself	223.
	5.3.2 Satisfaction from superior-subordinate relationships	229.
	5.3.3 Motivations behind middle managers ✓ working for Sabic	251.
	5.3.4 Additional aspect of managerial thinking	258.
	5.4 Summary	282.

	<u>Page no.</u>
CHAPTER VI SUMMARY, CONCLUSION AND RECOMMENDATION	228.
6.1 Summary of Procedures	289.
6.2 Summary of findings	290.
6.3 Conclusion	292.
6.4 Recommendations	298.
6.5 Suggestions for further research	304.
Covering letter accompanying questionnaire (in English)	306.
APPENDIX A (in English)	308.
Covering letter accompanying questionnaire (in Arabic)	322.
APPENDIX B (in Arabic)	323.
APPENDIX C Letter of Introduction to Sabic Industries Corporation from Director, Public Administration, University of Liverpool	338.
Internal memo from Manager for Public Relations, Sabic Industries Corporation to Middle Managers	339.
BIBLIOGRAPHY	340.

LIST OF CHARTS, EXHIBIT, FIGURES, MAPS AND TABLES

		<u>Page no.</u>
Chart 3.1	Operational Manpower at Full Capacity	147.
Chart 3.2	Manpower recruited up to end of 1984	148.
Exhibit 1	Continuum of Leadership Behaviour	49.
Figures:		
1.1	Farmer-Richman Model	29.
1.2	Negrandhi Prasad Model	29.
3.1	Sabic Projects	142.
3.2	Sabic : Heavy Projects Outside Saudi Arabia	146.
5.1	Need Motive	254.
5.2	Most important factor for satisfaction	254.
Maps		
	Kingdom of Saudi Arabia	66.
	Industrial Cities	133.
Tables:		
2.1	Population of Saudi Arabia by Administrative Area	70.
2.2	Principal Towns in Saudi Arabia with a population of over 30,000	71.
2.3	Saudi Arabian Gross Domestic Product	103.
2.4	Students in Higher Education enrolment by sex and year 1969/1970 and 1973/1974	104.
2.5	Students in Higher Education enrolment by sex and year 1984/85 amd 1989/1990	105.
2.6	Estimated and projected values of the Saudi Arabian labour force selected years	107.
2.7	Labour force from 1979-1990	107.
2.8	Total Saudi Working-age population and civilian labour force 1984/1985 and 1989/1990	107.
2.9	Estimated Saudi and non-Saudi manpower by occupational group 1975 and 1980	110.
2.10	Saudi Arabia males and females education 1970-75 (Actual) and 1985-90 (estimated)	117.
2.11	Graduate students with Bachelor's degrees in 1985-1990	118.
2.12	Estimates of students and graduates in the field of administration 1980-85 - The Third Development Plan	120.
5.1	Sabic's Middle Managers	175.
5.2	Age profile of Sabic Middle Managers	177.
5.3	Marital status of Sabic Middle Managers	177.
5.4	Size of Sabic Middle Managers' families	179.
5.5	Occupation of the fathers of Sabic Middle Managers	179.
5.6	Level of education of Sabic Middle Managers	181.
5.7	Type of college education graduates in Sabic middle management	181.
5.8	Distribution of Sabic Middle Managers by training	183.
5.9	Distribution of Sabic Middle Managers by training place since they joined Sabic	183.
5.10	Distribution of Sabic Middle Managers by previous experience	185.
5.11	Distribution of Sabic Middle Managers by previous employment	185.
5.12	Distribution of Sabic Middle Managers by years working for Sabic	187.
5.13	Sabic Middle Managers by level of monthly income	187.

## Figures (continued):

5.14	Comparison of Saudi and non-Saudi Middle Managers' thinking of the managerial style	195.
5.15	Test for significance of Saudi and non-Saudi Middle Managers' thinking toward the behaviour pattern of leadership	200.
5.16	Chi-Square comparison of Saudi and non-Saudi Middle Managers' thinking regarding the source of authority	203.
5.17	Training period	212.
5.18	Respondents' opinions of the training programmes they had attended	214.
5.19	Chi-square comparison of Middle Managers' thinking regarding the training programmes for their subordinates	214.
5.20	Chi-square comparison of Sabic Middle Managers' satisfaction with job itself	225.
5.21	Chi-square comparison of Sabic Middle Managers' thinking toward their job qualities	225.
5.22	Chi-square comparison of Sabic Middle Managers' thinking of how their job matters to them	226.
5.23	Chi-square comparison of Middle Managers' thinking towards their job satisfaction	227.
5.24	Chi-square comparison of Middle Managers' thinking towards their subordinates	231.
5.25	Chi-square comparison of Middle Managers' thinking of their superiors' priorities at work	234.
5.26	Chi-square comparison of Middle Managers' thinking of their superiors' methods of supervision	234.
5.27	Chi-square comparison of Middle Managers' thinking of the degree of freedom to do their job	239.
5.28	Chi-square comparison of Middle Managers' thinking of their superiors' influence on their job	239.
5.29	Chi-square comparison of Middle Managers' support gained from their superiors when necessary	242.
5.30	Chi-square comparison of Middle Managers' confidence in the ability of their superiors	245.
5.31	Chi-square comparison of Middle Managers' thinking of the importance to have confidence in the superiors' ability	245.
5.32	Chi-square comparison of Middle Managers' relationship with their superiors	246.
5.33	Chi-square comparison of Sabic Middle Managers' knowledge of goals and responsibilities in their departments/ sections	261.
5.34	Chi-square comparison of Sabic Middle Managers' participation in development of their departments plans and goals	261.
5.35	Sabic Middle Managers' opinions to carry more responsibilities	266.
5.36	Chi-square comparison of Sabic Middle Managers' working overtime	266.
5.37	Chi-square comparison of Sabic Middle Managers' who work overtime	266.

## Figures (continued):

5.38	Chi-square comparison of Sabic Middle Managers working overtime reward	269.
5.39	Chi-square comparison of Sabic Middle Managers' monthly income	269.
5.40	Chi-square comparison between monthly income and previous service for Sabic Middle Managers	270.
5.41	Chi-square comparison regarding the way Sabic Middle Managers obtained their present positions	276.
5.42	Chi-square comparison of the Middle Managers' belief in the existing report from giving the officials in the specialized department clear of the employees under consideration	276.
5.43	Chi-square comparison of the Middle Managers' authority to fill out the efficiency reports for their immediate supervision	277.
5.44	The views of Sabic Middle Managers who change their job	279.
5.45	Chi-square comparison of Sabic Middle Managers continuing working for Sabic	279.

## INTRODUCTION

### THE PURPOSE OF THE STUDY

In this introductory part, the aim is to briefly analyse the objectives and the influences that led to the undertaking of this study of managerial behaviour in Saudi Basic Industries Corporation (Sabic), and to outline the structure of the thesis. The intention is to demonstrate the importance of the problem under investigation, and to provide some contextual background information about the study which will be useful to the reader, especially in relation to the early chapters where wider issues are addressed.

The study is an attempt to explore and analyse the managerial thinking of Saudi middle managers in Sabic and compare them with the non-Saudian middle managers also in Sabic. This would enable one to draw up a profile of managerial motivation which would help to select the proper human resources needed in Sabic to develop the staff training and develop programmes for Saudian middle managers inside and *outside the country*.

A questionnaire was used that was designed to identify the attitudes and perceptions on the following variables:

1. Explore the similarities and differences of managerial thinking between Saudi middle managers and non-Saudi middle managers in Sabic.

- Managerial thinking towards leadership's ability, in terms of the respondent's views regarding:

- (i) Leadership style in decision-making;
- (ii) Leadership behavioural patterns;
- (iii) Leaders' thinking regarding authority.



- Managerial thinking in respect to training

2. Explore the attitudes regarding job satisfaction and motivations. Differences and similarities between middle managers in Sabic, and how these attitudes affect the leader-subordinate relationship. Job satisfaction and motivation includes the following variables:

- (i) satisfaction with the job itself -
  - (a) through job interest
  - (b) through job variety
  - (c) through job challenge
- (ii) satisfaction from superior-subordinate relationships in terms of the respondents' views regarding six issues:
  - (a) the respondents' assessment of their relationship with their subordinates;
  - (b) their assessment of their relationship with their immediate superiors;
  - (c) the respondents' opinions regarding their superiors' priorities at work;
  - (d) the respondents' opinions regarding their superiors' methods of supervision;
  - (e) their confidence in their superior's ability;
  - (f) The support obtained from their superiors.
- (iii) Motivational aspects were examined as follows:
  - their source of motivation when taking up their present jobs;
  - their motivation in keeping their present jobs;
  - their propensity to change their jobs.

- (iv) Additional aspect of managerial thinking:
- their knowledge of goals and responsibilities in their departments;
  - their participation in the development of their departments, plans and goals;
  - their attitudes to carrying more responsibility;
  - their job load;
  - their opinion regarding efficiency reports.

3. To relate the findings to training of middle managers in Sabic and consider their application; and

4. To consider possible areas for further investigation.

There are several reasons for choosing middle management as the focus of the study.

The primary importance of middle management is that they provide the link between top management and those immediately charged with the execution of the work. Without middle management, it would be virtually impossible to implement policies. Mary Cushing stated that:

Middle management is vitally concerned in the co-ordinative problems, since its members occupy just that middle position between their superiors and subordinates. They often share in the difficulties of their superiors in arriving at decisions and they necessarily take part in the efforts of their subordinates to carry out policies. They transmit orders, decisions, and guidance downwards. They also take problems, difficulties and suggestions upwards.<sup>1</sup>

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1. Mary Cushing Niles, Middle Management. Adopted from p.ix, 217, 247, reprinted by permission of Harper & Brothers, copyright, 1941. Harper and Brother Administration, The Art and Sciences of organization and management by Albert Le Pawsky, Alfred Kneef, Inc. (New York, 1960), p.334.

Middle managers work in a frustrating situation. On the one hand, there are higher management demands for work to be accomplished quickly and accurately:

Middle manager intelligently carries out the policies of the higher management, and when possible gives suggestions for improving and implementing them. He furnishes his superiors with information as to the working of their plans and the progress of both work and personnel, and he assists them as far as he can to bring about a successful, efficient and happy organization.<sup>1</sup>

On the other hand, the middle management has the responsibility for mobilizing the lower employees to do the work and on time:

Manager to his subordinates is a leader as well as a boss. As the link between the top management and themselves, he is responsible for transmitting an accurate interpretation of policy and for inspiring them with a will to carry it loyally into effect. Contrarywise, he is their spokesman in carrying upward suggestions, information, needs and desires. He is one of the focal points in the meeting of minds which goes to make up a happy working group.<sup>2</sup>

In other words, leadership belongs not alone to higher management, but to the middle management as well.

Moreover, in contrast to middle managers, top managers are often chosen for their positions in accordance with their loyalty to and knowledge of political authority. They are far fewer in number than middle management, allowing them to be chosen on a personal basis and they can receive direct help from foreign consultants or advisers.

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1. Mary Cushing Niles, op.cit.

2. *ibid.*

Middle managers are not usually political appointees, nor do they have available to them the expert advice which top managers have. In addition, middle management is large in numbers compared to top management. Therefore, middle management's roles and duties require a high level of education, leadership, and creative talent among middle managers. However, there are many factors which may limit the effectiveness of middle management; lack of knowledge as to the goals of the organization and planning policies to achieve them is one factor. Another is the inability or unwillingness of top management to give prompt directions and to delegate the necessary authority to carry them out. If the responsibilities and objectives of each middle manager's job are not clearly defined, the ability of the individual to function is limited. Moreover, there are several other factors which would condition the performance of middle managers. For example, their satisfaction and frustration at work. How do they relate to their superiors? What kind of motivation do they need? Does it depend on the individual's cultural background, and his own ambitions and values? The answers to these questions indicate their importance.

Saudi Arabia has undergone rapid social and economic changes for at least three decades, which has involved the transition from a traditional society to a modern nation, adjusting to the vast increase in wealth, to rapid urbanization and to transition from a rural and bedouin culture to that of the cities. People have changed their occupation, learned new tastes and attitudes, educated their children, acquired new homes often in high-rise buildings, and have adjusted the patterns of life to diverse features such as modern highways, large-scale electrification projects and industrial cities, etc. - However, against this modern backdrop traditional

institutions of Saudi society, such as Islam, the extended family, and larger kinship groups, have withstood the onslaught of modernization.

In other words, the increase in wealth which creates increased demand for material things, does not necessarily alter the distinctive pattern of behaviour and belief which gives identity and continuity to a particular culture. It is doubtful if the core of traditional values has been shaken, and it is likely that the original traditional patterns will continue to define the basic meanings and goals of Saudi individuals and social life.<sup>1</sup>

The importance of understanding the culture lies in the fact that it is a man-made part of man's environment. It is the sum of man's knowledge, and other capabilities and habits, which have been acquired by him as a member of society.<sup>2</sup>

Being a man-made part of a person's environment, it differs from country to country. Differences in cultures produce differences in beliefs, moral standards and customs. These patterns account for the differences in the attitudes of managers.

Understanding the Saudi environment and culture is an important key issue when studying Sabic's middle managers' behaviour and attitudes to their traditions, values, and also their attitudes towards social phenomena generally. This line of reasoning may be summarised as follows:

- (a) Middle management attitudes and behaviour affected by managerial motivation and satisfaction;

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1. George A. Lipsky, Saudi Arabia, its people, its society, its culture, H.R.A.F. Press (New York, 1959), p.295.
  2. A. Edwin Fevishman, Studies in industrial and personel psychology, Home Wood, 111, Dorsey Press (1967), p.17.

- (b) Motivation and satisfaction affected by social and cultural factors.
- (c) Thus Middle Management attitudes and behaviour are influenced by societal and cultural factors.

#### Theoretical Framework

Cross-cultural management deals with the behaviour and style of people in management positions from different cultures. Studies in cross-cultural management have become an important issue and subject during recent decades.

Comparative management deals with the systematic selection, identification, classification, measurements and interpretation of similarities and differences among managerial factors, processes, structures and functions, as found in various nations.<sup>1</sup> Therefore, the study of comparative management would seem to have come to a point of necessity.

A multinational enterprise operates in a collective, dynamic environment. The success and viability of the international organization depends upon how it relates to conditions in its environment. Farmer and Richman emphasized the importance of external environment factors on the efficiency and success of the manager:

Most studies of management have taken place with a Black Box labelled management, without much concern for the external environment in which the firm may operate. As long as this external environment is about the same for all firms the approach is valid; however, in cases where the

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1. J. Boddewyn, Comparative Management and Marketing Teaching, Training and Research, New York University Press (New York, 1970).

environment differs significantly... as is the case between nations, present theory of management is inadequate to explain comparative differentials in efficiency.<sup>1</sup>

A major need in the world of multinational business management is to find markets beyond national boundaries. Consequently, transfer of management 'know-how' to other countries, particularly to developing ones, would result. These transfers are very difficult without considering the environmental, institutional infrastructures of socio-cultural factors. In other words, it is difficult to export teachings of U.K. business schools to other countries, and generate an effective manager without due consideration for the culture and sociological influences which have guided his or her development; and it is difficult to transport the person to the business schools of the U.K. and 'make' that person into a manager in an atmosphere devoid of the culture in which he or she will practice.

In general, there are two ways of comparative management study, i.e. cross-cultural theorists, and the universalists. In brief, the universalists claim that management is management wherever practiced, and is a universal profession whose principles can be applied in every organized form of human activity.<sup>2</sup>

Moreover, after a study of management practice in twenty-three countries, Harbison and Myers (1959) suggested the existence of a logic of industrialism which tends to require similar responses in managerial practice.

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1. Richard Farmer and Barry Richman, 'A Model for Research in Comparative Management', California Management Review, Winter 1964, p.56.
  2. Richard Gonzalez and Claude McMillan, Jnr. 'The Universality of American Management Philosophy', Journal of Academy of Management, April 1961, 4 (1), pp.33-41.

In the long run, according to this view, stages of industrial management are associated with managerial practice more than other factors such as culture and economic constraints. However, Harwood Merrill's view is that management philosophy is culture-bound and not universally applicable.<sup>1</sup> Fayerweather states:

The attitude of an executive toward other people governs the intention and frame of mind with which he will approach an administrative relationship. To understand the way in which he will actually conduct the relationship, we need to explore a second set of attitudes, the man's system of values.... In large part these codes are incorporated into the culture of society.<sup>2</sup>

### Significance of the Study

Theories of researchers have sought, by various methods, the determinants of attitudes and job satisfaction for managers. The reasons are many. Primary among these reasons is the mutual benefit that can be realized by both management and employees.

This study provided an opportunity to examine and understand managerial thinking of middle managers who work for the Saudi Basic Industries Corporation (Sabic), and thus augment the existing literature.

In addition, the result of this study could add to the knowledge related to cross-cultural theories, especially as there have been few published studies conducted in the area of work behaviour in Saudi Arabia, and there have been no serious studies found on managerial thinking in a cross-cultural management context among Saudi government employees in general or among public corporations. Another important reason for this study is that even though Saudi Arabia is not an industrialized country like the United Kingdom, it is trying to become

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1. Howard F. Merrill, 'Listening Post', Management News (1963), 36 (1).
  2. J. Fayerweather, International Business Management : A Conceptual Framework, McGraw Hill (New York, 1969), p.18.



even though Saudi Arabia is not an industrialized country like the United Kingdom, it is trying to become industrialized, and it is trying to improve conditions for its people, so the idea of studying the attitudes and motivations is becoming an important topic.

Furthermore, Saudi Basic Industries Corporation (Sabic) came into existence to fulfil part of the Saudi hope of diversification of the national economy. According to the MEED Report, when the Sabic affiliated companies are producing at full capacity, Saudi Arabia will produce about 5 percent of the world's petrochemicals.<sup>1</sup> 38 percent of Sabic petrochemicals will go to the U.S.A., 11 percent to the rest of the world and 51 percent for home production.<sup>2</sup>

In addition to the previous aspects, the researcher interviewed (on the telephone)<sup>3</sup> the Director General of Project Implementation of Sabic, Dr. Abdul Aziz S. Al-Jorbu, who revealed that Sabic is concerned about the following issues:-

- (a) Saudization projects shall function after Saudis are trained and prepared for their jobs;
- (b) a plan to distribute Sabic stocks to a large number of Saudis (individuals, corporations and organizations), to prevent the monopoly of a few individuals buying the stock.

#### Organization of the Study

The study is based on research carried out in Saudi Arabia (see Chapter IV on Methodology). The analytical issues and the literature related to job attitudes in general are discussed in this study, together with the concept of culture, comparative management in cross-cultural research, management and leadership and the literature review of Saudi Arabia.

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1. MEED, September Report, Saudi Arabia, July 1985, p.3.
  2. *ibid.*, Special Report, November 1984, p.8.
  3. The researcher was not able to use a face to face interview, according to Saudi Society tradition. See Chapter IV.

## Introduction

This chapter primarily describes the framework of the study in order to provide a perspective. The general research statement is presented and a summary on the introduction to the study.

## Chapter I - Survey of the literature

In this chapter the theories and research on the subject of managerial attitudes to management are examined. Prior research related to the cross-cultural management is included. Generalized studies which pertain to management and leadership theory are discussed. These are supplemented by specific studies relating to a variety of countries, cultures and industries, to provide for a linkage between the theoretical and practical application in the specific area of the study.

## Chapter II - Saudi Arabian Environment

Webster's dictionary defines environment as: 'the aggregate of all external conditions and influences affecting the life and development of an organization'.

In Saudi Arabia, as in other nations, managerial behaviour is influenced by the environment of the whole society. Three important environmental factors: geographic, social (cultural and religious), and economic, are discussed in this chapter.

## Chapter III - Saudi Basic Industries Corporation (Sabic)

The main purpose of this chapter is to introduce the Saudi Basic Industries Corporation. This chapter is divided into two parts. The first part will introduce the bodies responsible for the Petrochemical Industries in Saudi Arabia, while the second part

presents a descriptive portrait of Sabic, which includes the objectives of its projects, and the human resources, in terms of the number of employees and training.

#### Chapter IV - Design of the Study

This chapter describes the research methodology used in the study, including the general problems which faced the researcher when gathering data in Saudi Arabia.

#### Chapter V - The Research Findings

The data provided by the research instrument are analysed in this chapter.

Part I provides a statistical description of the three groups of middle managers developed through use of the demographic data collected in the Study Survey.

Part II provides the result of a detailed analysis of the similarities and differences found between the three groups of middle managers relative to managerial thinking.

Finally, Part III provides the results of the analyses concerning the similarities and differences between the three groups of middle managers regarding their job satisfaction and motivations

#### Chapter VI - Summary and Conclusions

The results of the research exploration are described in summary form in this chapter. The applied theoretical conclusions are discussed, together with areas of recommendation for further research and inquiry.

CHAPTER I  
SURVEY OF THE LITERATURE

INTRODUCTION

*There are similarities and differences among the managers around the world. Similarities are explained in terms of industrialization or the industrial subculture. Differences are explained in terms of cultural variables. The cultural factors are considered the most important influencing variables.<sup>1</sup>*

Because the business world has become more internationalised with foreign operations steadily increasing, multicultural representation within companies has also grown rapidly. As a result, there has been an increased interaction between employees and managers of different cultures, calling for new management strategies.

Recent studies have concluded that there are major impacts of culture in the ways individuals and groups work. In fact, the cultural impact on the behaviour of people within work systems, appears to be greater than the cultural impact on the systems themselves.<sup>2</sup> As the multinational trend continues, it becomes particularly important for managers to have an international perspective by significantly increasing their level of understanding of not only other cultures, but their own as well.<sup>3</sup>

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1. J.R. Schermerhorn, Jr., J.G. Hunt and R.N. Osborn, Managing Organizational Behavior, John Wiley and Sons (New York, 1985), p.7.
  2. J.N. Adler, 'Cross-cultural Management : Issues to be faced', International Studies of Management and Organization, Vol.13, No.1-2 (1983), p.231.
  3. J.R. Schermerhorn, Jr., et al., op.cit., p.7.

The importance of the understanding of the culture lies in the fact that it is a man-made part of man's environment: the sum of man's knowledge, beliefs, art, morals, laws, customs and other capabilities and habits acquired by man as a member of the society.<sup>1</sup> Being a man-made part of a person's environment, it differs from country to country. Differences in cultures produce differences in beliefs, moral standards and customs. This results in different behaviour of people and accounts for the differences in the attitudes of managers.

In this thesis the view has been taken that the socio-cultural contexts of managers influence their thinking and behaviour. This is recognised by Harris and Moran, who note the influence of culture on organisational behaviour:

culture affects the way a manager views every critical factor in the management process, from decision-making and problem solving to supervision and appraisal.

Management functions will be affected by a belief, value, attitude or assumption which is a part of culture in that it is shared by a large number of persons in any culture.<sup>2</sup>

McCann pointed out management decision-making is culture bound.<sup>3</sup> Neghandi referred to McCann's 'culture-bound' statement as follows:

Their research with Latin American executives seems to suggest that decision-making among their executives is guided by their emotions, attitudes and philosophy toward life rather than by objective criteria used in industrialized societies.<sup>4</sup>

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1. Edwin A. Fleishman, Studies in Industrial and Personnel Psychology, Home Wood, 111, Dorsey Press (1967), p.17.
  2. P.R. Harris and R.T. Moran, Managing Cultural Differences, Houston, Gulf (1970), p.5.
  3. Eugene McCann, 'An Aspect of Management Philosophy in the United States and Latin America', Academy of Management Journal 7 (12) (1964), pp.149-152.
  4. Anant R. Neghandi, 'Advanced Management Know-How in Underdeveloped Countries', California Management Review, No. 10 (3) (1968), pp.53-60.

Cultures are systems of learned behaviour shared by the members of a group, in which the principal model is a complete society, lasting many generations, in which learning within the family during immaturity is the expected method of induction, and in which the total system is dependent upon the stimulus provided by the behaviour of infants and children who have learned how to provide that stimulus to their elders as well as by the way in which elders behave to juniors. Moreover, culture is the total, shared learned behaviour of a society or sub-group. Total learned, shared behaviour of a functionally autonomous society that has maintained its existence through a sufficient number of generations so that at each stage of the life-span an individual is included within the system.

A further definition of culture as made by Baronow should be kept in mind, when future references in this study are made to national stereotypes and their influence on the management process and managerial thinking. Baronow states:

...A culture is a way of life of a group of people, the configuration of all the more or less stereotyped patterns of learned behaviour which are handed down from one generation to the next through the means of language and imitation.<sup>1</sup>

Margaret Mead defines culture as the traditions, customs, and norms, beliefs, values and thought-patterning which are passed down from generation to generation.<sup>2</sup>

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1. Victor Baronow, 'Culture and Personality' in Culture and Management, ed. by Ross A. Webber, Home Wood 111, Richard D. Irwin, Inc. (1959), p.67.
  2. Margaret Mead, Continuities in Cultural Evaluation, Yale University Press (New Haven, 1966).

However, it is not easy to define exactly what is meant by the term 'culture'. According to Schermerhorn, there have been more than 164 different definitions offered in the literature.<sup>1</sup> Kluckhohn and Strodbeck put forward a definition that is often used as 'variations in value orientations'. They explain that 'value orientations are complex though definitely patterned principles', resulting from transactional interplay of the three analytically distinguishable elements of the evaluative process of the cognitive, the effective, and the direct elements'.<sup>2</sup> These elements give order and direction to human problems.

Ruth Benedict explains that the basic issues of human existence are dealt with in all cultures, but 'they deal with them in many different ways'.<sup>3</sup> In her view, societies function as long as they are internally consistent regardless of the premises on which they are based. This position has been supported by others since Benedict, as a common view emerged that looks at culture as experience which has become mentally programmed to interpret new experiences in particular ways. According to G.T. Winston, 'it is a conditioning that is shared with other members of a nation, religion, or group. Such cultural programming "endures and is hard to change"'. Moreover, Winston adds that the changes come slowly, because the ways people think are crystallized into institutions such as in government, legal systems, educational systems, industrial relations systems, family structures, religious organizations, clubs, settlement patterns, literature, architecture and even science.<sup>4</sup>

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1. J.R. Schermerhorn, Jr., **et al.**, *op.cit.*, p.8.
  2. F.R. Kluckhohn and F.L. Strodbeck, Variations in value orientations, Row, Peterson and Company (Evanston, Illinois, 1961), p.11.
  3. Ruth Benedict, Patterns of Culture, Houghton Mifflin (Boston, Massachusetts, 1943), p. 86.
  4. G.T. Winston, Multiculture : A Planning Process, Griddin Publishing (Columbus, Ohio, 1984), pp. 47, 62.

Ayisi attempts a more comprehensive descriptive approach, while emphasising the importance of shared meanings in society. He reviews a number of definitions by eminent contributors and enumerates the major components.<sup>1</sup>

1. As a term, 'culture' is a heuristic device which serves as a conceptual tool for indicating certain features of the important landmarks in the social field, so that certain objects may have a meaningful existence in the social system;
2. culture embodies a reflection of man's struggle for survival and his need to reconcile himself of nature;
3. it 'embodies everything which contributes to the survival of man, and this will comprise not only physical factors but also sociological factors';
4. it comprises 'the ways of behaving... the way we do things';
5. this includes 'the means by which we do things. Implements, artefacts, paintings... and all integrative forces such as religion...';
6. ecological factors have an influence on human behaviour, so 'cultures have a symbiotic affinity with their environments, including geographical factors.

Studies have demonstrated that the relative importance of different needs varies across cultures. They show that the ways various needs manifest themselves are quite different in different cultures. George Winston found considerable difference in the need for achievement among those with different cultural backgrounds. He observed that achievement, for example, was valued in North America much more than in South America.<sup>2</sup> Such findings should be important data for managers in multi-cultural environments.

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1. E.O. Ayisi, An introduction to the study of African culture, Heineman (London, 1979), pp.1-3.
  2. G.T. Winston, Multiculture : A Planning Process, Griddin Publishing (Columbus, Ohio, 1984), pp.68-69.



Hofstede found that nationality was important to management due to political, sociological and psychological differences reflected in the culture. In his study across fifty countries with 116 questionnaires, he notes numerous implications for international managers.<sup>1</sup> In general, one major view that can be deduced from this work is that management is not the same nor is it becoming the same around the world over. Instead, he demonstrates many differences between national cultures.

Considerable attention has been given to cross-cultural comparative management. This has been due to the growth of international business and management over the last few decades.

Ajiferuke and Boddewyn defined comparative management as 'the systematic detection, identification, classification, measurement and interpretation of similarities and differences, among managerial actors, processes, structures and functions as found in various nations'.<sup>2</sup>

Schollhammer added the concept of application by explaining comparative management as follows:

Comparative management theory can be defined as concerned with the systematic detection, identification, explanation of uniformities of regions. The analysis of the management, relevant similarities and variations in a comparative fashion forms the basis of predictive statements about the degree of managerial effectiveness and productive efficiency, and the improvement thereof.<sup>3</sup>

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1. G. Hofstede, 'The Cultural Relativity of Organizational Practices and theories', Journal of International Business, Fall (1983).
  2. M. Ajiferuke and J. Boddewyn, 'Culture and other explanatory variables in comparative management studies', Academy of Management Journal, June (1970), p.8.
  3. H. Schollhammer, 'Strategies in Comparative Management Theorizing', in Comparative Management: Teaching, Training and Research, ed. J. Boddewyn, New York University Press (New York, 1970), p.14.

The number of individuals working for business concerns outside their native country has increased sharply in 20 years. Where the individual cannot successfully adopt or perform in a new culture, the failure is a very expensive mistake for the company. This study deals with the differences and similarities of managerial attitudes and behaviour between three groups of middle managers (from Saudi Arabia, from developing countries, and from developed countries) in Saudi Basic Industries Corporation (Sabic). See Introduction and Chapter IV.

Sabic is a multinational corporation (see Chapter III), employing people of many nationalities coming from different cultural backgrounds, having different role expectations and contradictory or contrasting values (see Chapter V).

In this chapter which consists of six sections, the first section is a review of the different schools of thought relating to cross-cultural behaviour traits that affect managers' thinking; the second section introduces the literature related to job satisfaction in general; the third section deals with comparative management in cross-culture research. The fourth section reviews the conceptual relationship of *management and leadership* which present the current theories of leadership together with the effects of situational factors, such as culture; the fifth section deals with leadership in cross-culture research, and the sixth section reviews the Saudi Arabian literature on job attitudes and motivation.

## 1.1 Cross-cultural School of Thought

The various, yet similar concepts of culture and cross-culture management continue throughout the literature. These differences fall into three schools of thought. The Universal school of thought, the economic cluster theory, and the cultural theory. Each of these schools is discussed within the context of empirical discovery.

### Universal School

The Universal school of thought claims that there are no real differences in managerial principles governing management practices among different countries.

Koontz supported the Universalists view by noting that budgeting, the use of rates of return on investment (ROI), and network planning are scientific and universal principles of management. Koontz contended that those that believe culture determines managerial behaviour fail to separate the 'Science of Management' from the art of managing, which may require modification for use in different environments and cultures. The science is the fundamental, while the art is *the application of those fundamentals*.<sup>1</sup>

Bartels commented that there may be some alternative means of looking at forces which affect the validity of Universality. He stated:

National culture affects the conduct of business in many ways. It determines the relation of business and government, the spirit and limits of entrepreneurship, the roles of labour-management-owner-consumer participants, business ethics, and rules of work and reward... Different cultures nurture different virtues, but no nation

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1. H., Koontz, 'A model for Analyzing the Universality and Transferability of Management', Academy Management Journal, Vol.12 (1969).

has monopoly on the development of traits common to all men; traits which may be conducive to economic development and success. The lesson of comparison is that within every culture are philosophies which could magnify innate common virtues and bring similar achievements in business... whatever may be learned from comparison of cultural roots and their effects on business, more may be learned from the problems of contrasting systems.<sup>1</sup>

The Universal theory is based upon a world managerial culture. Any differences found between managers are accounted for by individual, situational, and organizational differences, rather than by cultural variances.

Child, who reviewed a number of cross-cultural studies, concluded that there was a tendency toward convergence among organizations in different cultures. Organizations were becoming more and more similar across cultures. It would, therefore, seem appropriate to look for applied 'Universal' theories and approaches to management when involved in multicultural operations.<sup>2</sup>

Hofstede's view was contrary to that of Child. Hofstede emphasized the role culture plays in management by stating the following:

Most present day management theories are 'ethnocentric', that is, they take the cultural environment of the theories for granted. What we need is more cultural sensitivity in management theories; we

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1. R. Bartels, 'National Culture-Business Relations: United States and Japan Contrasted', Management International Review, Vol.22, (1982), pp.6-8.
  2. J.M. Child, 'Theoretical Perspectives in cross-national organizational Research', International Studies of Management and Organization, Winter (1982).

could call the result 'organizational anthropology'. It is unlikely to be the product of one single country's intellectual effort; it needs by definition a synergy between ideas from different sources...the convergence of management will never come. What we can bring about is an understanding of how culture in which we grew up and which is clear to us affects our thinking differently from other people's thinking, and what this means for the transfer of management practices and theories. What this can lead to is a better ability to manage intercultural negotiations and multi-cultural organizations like the United Nations, which are essential.<sup>1</sup>

#### Economic cluster

The economic cluster theory holds that managerial thinking and attitudes are influenced to a large degree by the stage of economic and industrial development of the nation. Managerial behaviour, therefore, differs from one country to another, depending upon the stage of economic development and the level of industrialization.

Ajiferuke and Boddewyn found in seven studies which had made a significant contribution to understanding managerial behaviour and had dealt with more than one country. In these studies, there were four characteristics associated with economic development.

1. the application of science and technology to industry;
2. a rapid increase in per capita productivity in population growth;
3. rapid re-structuring in industry, involving urbanisation and a move from agriculture to manufacturing and service industries;
4. development of international relationships.

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1. G. Hofstede, 'The cultural relativity of organizational practices and theories', Journal of International Business, Fall 1983, p.89.

Ajiferuke and Boddewyn report that in these seven studies, the contention is that because 'the logic and imperatives of industrialization "are inescapable", differences in the practice of management and managerial behaviour in different countries, can best be explained by their level of economic development'. While not denying the existence of cultural differences, these studies insist that the stage of economic development 'tends to create a universal culture of the work place, managers, irrespective of their countries, will tend to behave according to its demands':

In a sense these authors are universalistic. They believe that international differences in management will be eliminated as nations of the world 'converge' and become equally industrialised as managers everywhere are forced to use the same methods and tools...<sup>1</sup>

Veblen believed that management practice was a response to technological determinism, or 'machine progress'. The standardization of goods and services resulting from machine production means that men are required to adopt their needs and their motivations to the exigencies of the (machine) process.<sup>2</sup>

Kerr et al believed that industrializing societies must respond to the 'logic' of science and industrialism, which is independent of the nation, the forms of government, and the immediate tradition.<sup>3</sup>

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1. M. Ajiferuke and J. Boddewyn, op.cit., pp.153-163.
  2. T. Veblen, The Theory of Business Enterprise, Scribner (New York, 1928), p.13.
  3. C. Kerr, J.T. Dunlop, F. Harbison and C.A. Meyers, Industrialism and Industrial Management, 2nd ed., Oxford University Press (New York, 1964).

### Cultural Cluster

The cultural theory asserts that managerial behaviour is determined by culture. The Cultural Cluster theory maintains that cultural differences are a major source of variation in cross-cultural managerial attitudes and behaviours.

Oberg notes that the ground rules under which managers operate vary from country to country and it is hopeless to search for a common set of strategies of management.

Cultural differences from one country to another are more significant than many writers now appear to recognize...

If management principles are to be truly universal,... they must face up to the challenge of other cultures and other business climates... (the) universalists claim is hardly warranted by either evidence or intuition at this stage in the development of management theory.<sup>1</sup>

Ajiferuke and Boddewyn surveyed the existing literature of comparative management, selecting 33 studies which had made a significant contribution to understanding managerial behaviour and dealt with more than one country. In 22 of these studies, the researchers tried to establish correlations between managerial behaviour and cross-cultural variations between countries. One of these studies found that:

The principles and functions of management are universal, but that the process of management is culture-bound; hence they concluded that culture (i.e. customs, laws, conditions of country), is significant as a determinant of managerial effectiveness.<sup>2</sup>

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1. W. Oberg, 'Cross-cultural Perspectives on Management Principles', Academy of Management Journal, vol.6 (1963), p.129.
  2. M. Ajiferuke and J. Boddewyn, op.cit.

Hostede's view reflected the importance of culture in management as the following:

Both management practitioners and management theorists over the past 80 years have been blind to the extent to which activities like 'management' and 'organizing' are culturally dependent. They are culturally dependent because managing and organizing do not consist of making or moving tangible objects, but of manipulating symbols which have meaning to the people who are managed or organized... management and organization are penetrated with culture from the beginning to the end.<sup>1</sup>

Three different variables were mostly used to explain the differences and similarities among management, economic, cultural, and psychological. Those who emphasized economic factors claimed that the stage and pace of industrialization, combined with the nature of an economic system, was more important than any other variable for explaining comparative differences and similarities in management among countries. Although it is not easy to define exactly what is meant by the term 'culture', as Whitley and England explain:

Defining culture is a much more difficult task. There is little consensus on a definition of culture, as Kroeber and Kluckhohn (1952) attest in their catalogue of 164 different definitions. Common to these definitions is the inclusion of knowledge, beliefs, art, law, morals, customs, and other capabilities acquired by man as a member of society. The breadth of this concept and limits on our present knowledge have led to a usage of culture as a residual concept in most studies where sampling procedures are adequate.<sup>2</sup>

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1. G. Hofstede, op.cit., p.88.
  2. William Whitley and George W. England, 'Managerial Values as a Reflection of culture and the process of industrialization', Academy of Management Journal, XX, No.3, September 1977, p.440.



Negandhi explains the difficulties of defining culture as follows:

There is no one way of doing things. The principle of equifinality applies to the functioning of social organizations: managers may achieve given objectives through various methods.

There is no universal applicability to either authoritarian or participating democratic management styles. In general, the United States can best be characterized as following democratic participating style, while Germany, France, and most of the developing countries are authoritarian in their management style. The authoritarian style is not necessarily dysfunctional in developing countries. This perhaps might be the 'right type' of leadership. More objective measures are brought to bear in making managerial decision with respect for compensation, objectives, goal setting, etc., in the developed countries; subjective judgement (emotions, religious beliefs) often enters the decision-making process in developing countries.<sup>1</sup>

## 1.2 Comparative Management in Cross-Cultural Research

A systematic and comprehensive conceptualization about business management is of relatively recent origin. Scholars reviewing the evolution of management thought generally trace it back to the scientific management movement which gained remarkable momentum with the publication of Frederick W. Taylor's 'Principles of Scientific Management' in 1911.<sup>2</sup> From there on the field of business management attracted a great number of eminent thinkers who contributed in some form to a systematic identification, classification, and interpretation

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1. A. Negandhi, 'Comparative Management and Organization Theory : A Marriage Needed', Academy of Management Journal (June 1975), pp.334-344.
  2. J.F. Mee, Management thought in Dynamic Economy, University Press (New York, 1963).

of managerial problems, and thus provided a theoretical underpinning for the management discipline. However, differences in emphasis or neglect of certain crucial aspects soon led to the development of various theoretical orientations, some of which developed as 'schools of management', each with its own focus, instrument and following.

Koontz described and analyzed this situation in an article entitled 'The Management Theory Jungle' by grouping the various major contributions to management theory into six schools of thought. The management process school perceives management as a process of getting things done through and with people operating in organized groups. The empirical school identified management as the study of experience and used Cass' analysis as a vehicle for teaching and draw generalizations about management.

- the human behaviour school sought to study management as inter-personal relations since management was getting things done through people;

- the social system school saw management as a system of cultural inter-relationships in which various groups interacted and cooperated;

- the decision theory school concentrated on analyzing and understanding who made decisions, how they were made, and the entire process of a selection of a course of action from among various alternatives;

- the mathematical school viewed management as a 'system of mathematical models and process'. This approach included the contributions of operations researchers, operations analysts, or management scientists, who thought that management or decision-making could be 'expressed in terms of mathematical symbols'.<sup>1</sup>

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1. Harold Koontz, 'The Management Theory Jungle', Journal of the Academy of Management (December 1961), pp.174-188.

Farmer and Richman developed a theoretical model for cross-cultural management research. In the model they described culture as a major variable in determination of both managerial and organizational effectiveness. Their model employed four key concepts. These key concepts were comparative management problems - coordination of human and material resources; external constraints such as economic, 'legal and political, sociological, educational and managerial efficiency'.<sup>1</sup> This model is graphically depicted in Figure 1.1.

Negandi and Prased, on the other hand, developed a model which described management philosophy as an independent factor. They argued that if the environmental and cultural factor were the main determinants of management practices and effectiveness, one would expect close similarities in the management practices of two comparable industrial enterprises. They used as an example, the two American retail chains of Montgomery Ward and Sears Roebuck, which are basically in the same business and confronted with similar market and environmental conditions. Their managerial practices and effectiveness are not the same. Their model identifies basically the same external environment but recognizes management philosophy as an independent variable.<sup>2</sup> The model is shown in Figure 1.2.

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1. L. Kelley and R. Worthley, 'The Role of Culture in Comparative Management: A Cross-Cultural Perspective', Academy of Management Journal, vol. 24, No.1 (1981), p.166.

2. *ibid.* pp.166-167.

FIGURE 1.1

FARMER-RICHMAN MODEL

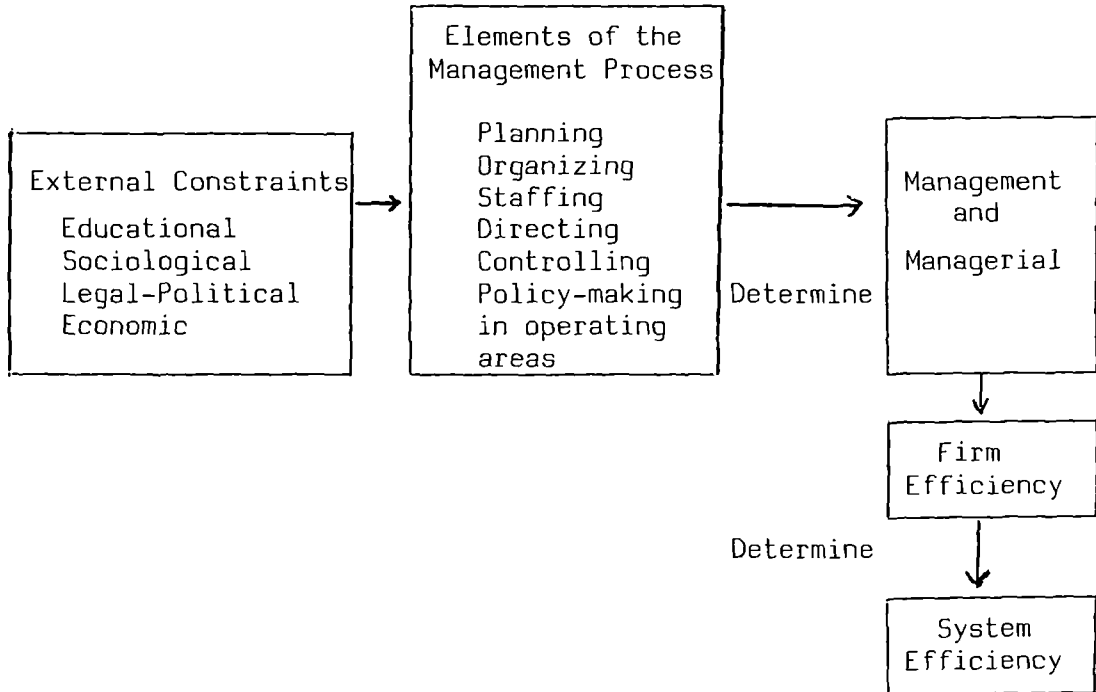
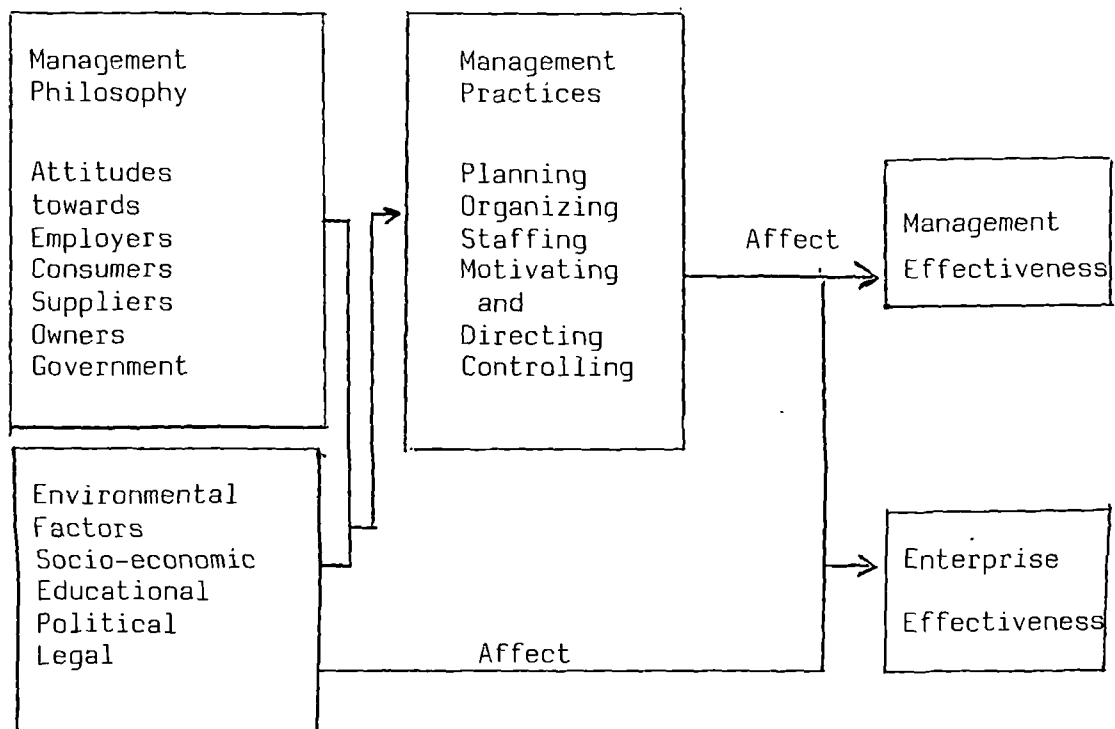


FIGURE 1.2

NEGRANDHI PRASAD MODEL



Sekeran conducted a research study to find out if American organizational concepts and measurements could be transferred to other cultures. The two concepts of job involvement and job satisfaction were examined. The research asked the following two questions:

1. to what extent are the measures of job involvement and job satisfaction developed in the United States appropriate for Indian culture?
2. what, if any, are the similarities and differences among the predictors for job involvement and job satisfaction in the two cultures?

The sample was 267 white collar, randomly selected, bank employees from the United States, and 307 from India. His predictors included the following:

1. Demographic characteristics: age, education, sex, tenure and income;
2. personality characteristics: achievement, affiliation, autonomy, dominance, protestant ethic, locus of control, and tolerance for ambiguity;
3. organizational climate factors; participation in decision-making, communication, stress and self-esteem from the work.

Sekeran found that both measures of job involvement and job satisfaction developed for the United States culture were appropriate and applicable to Indian culture. Correspondingly, findings indicated that the organizational climate variable 'self-esteem from the work place' was important for job involvement in both cultures, as was the

length of time spent in the organization, measuring age and tenure. For job satisfaction, job variety and stress were found to be common predictors in both cultures. Income was found to be a predictor of job satisfaction in the United States, but not in India, a difference attributed to variation in organizational policy. The conclusion of Sekeran 's study was that the United States organizational concepts and measurements were transferable to another culture.<sup>1</sup>

Kelley and Worthley studied the role of culture in cross-comparative management research. In their research, three groups made up the data source: Caucasian-American, Japanese-American, and Japanese managers. The study took place in Hawaii, and the samples consisted of 41 Japanese-American, 27 Caucasias-American, and 62 Japanese managers. The managerial levels, ages and education levels of subjects were similar. The Caucasian-American and Japanese-American groups shared the same economic system, education and, culture. The only common factor between the Japanese-American and Japanese managers was a cultural link. A 15 item questionnaire measured the differences in managerial attitudes. It employed a five-point likert-type scale ranging from 'strongly disagree' to 'strongly agree'.

Kelley and Worthley used two statistical tests. The first test showed a dissimilarity between American and Japanese managers. The results of the second test indicated the role of culture in the formation of managerial attitudes of respondents. Of eleven items predicting significant differences, the Japanese group was separated from at least one American group in all eleven cases and from both American groups on eight of the eleven items. There was a significant difference found between the two American groups on only three items.

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1. U. Sekeran, 'Are U.S. Organizational Concepts and Measures Transferable to another culture : An Empirical Investigation', Academy of Management Journal, vol.2 (1981).

Their conclusion was that 'national' and 'cultural' differences are important in the formulation of managerial attitudes of respondents.<sup>1</sup>

From the comparative management standpoint, Ghiselli and Porter (1966) conducted the first wide-scale international study on managerial attitudes and beliefs. In their research, they tried to answer questions such as what managers think about managing: are their ideas all pretty much the same, or does managerial thinking differ from country to country? And if it does differ, how do the countries group themselves together? They analyzed the management styles of 3,641 managers in fourteen different countries. The countries were clustered into five groups, which were Nordic-European countries (Norway, Denmark, Germany and Sweden); Latin-European countries (France, Spain, Italy and Belgium), the Anglo-American countries, a group which might be called developing countries (Argentina, Chile and India), and, finally, Japan, which stands by itself and does not fit in with any of the country clusters. Some of the findings indicated that Nordic-European managers were less positive than other managers about the capacity of the average person to exercise leadership and initiative. In their feeling about the sharing and value of employee participation, Nordic-European managers equalled other groups. Subjects from the Anglo-American cluster were more democratic than autocratic in orientation. Managers from developing countries were more autocratic than democratic in orientation.

For two other attitudinal dimensions in this international study, the results reveal a tendency to agree among all the countries in the sample, and so suggest that neither cultural factors nor the state of

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1. L. Kelley and R. Worthley, *op.cit.*

industrialization has much impact on attitudes toward participation and attitudes toward employees' internal control of their own jobs. In terms of attitudes toward participation, a consistently positive response was found; yet, Japanese managers were even more strongly in favour of participation and the United States were neutral.

However, the researchers concluded that 25 to 30 percent of the observed differences could be attributed to national origin. The cultural influences were present and substantial. It was not overwhelming, the research stated:

National differences make a consistent and substantial contribution to the differences in managers' attitudes. On the other hand, in terms of the possible differences in responses to the items on the questionnaire, all of the responses tend to cluster fairly closely at one end of the scale. One might take the position that being a manager is a way of life and that as such a French manager might be expected to be more similar to an Indian manager, say than to a French non-manager. The considerable similarity among managers, responses throughout the instrument lends some real support to this belief in the universality of managerial philosophy. On the other hand, one might believe that the fact of being a Frenchman, for instance, outweighs all else; so that a French manager is more like another non-managerial Frenchman in his attitude about management than he is like an Indian manager. In support of this belief, there is the fact that 25 to 30 percent of the observed difference can be attributed in national origin. The cultural influence is present and substantial. It is not overwhelming.<sup>1</sup>

Furthermore, the findings showed that some countries were much more similar to one another than they were to other countries, of the 91 comparisons, 14 countries with each other, about 20 percent showed no consistent relationship, about 20 percent were very

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1. Hair Mason, Edwin E. Ghiselli and Lyman W. Porter, 'Managerial Thinking: An International Study', John Wiley & Co. (New York, 1966), p.9.



dissimilar, and about 20 percent were fairly similar. The countries were not all alike or uniformly scattered. Some of them were like others, and some were different from others. Moreover, the researchers stressed that these clusterings were simple empirical facts which appeared in the data. All the managers were asked the same questions. They were not **a priori** logical groupings forced on the data as a result of prejudged notions about relationships, but were the relationships which stood out from an analysis of the responses as they were. The thing that emerged most clearly from the clusters was the strong pattern of cultural influence in these data. The first three clusters - Nordic, Latin and Anglo-American - all include countries with strong bonds of similarity with many common elements in their cultural background.

In Belgium it was necessary to use a French language questionnaire in the south and a Flemish one in the north. Even though the two parts of Belgium tended to go together, their differences tended to split along cultural lines. North Belgium, with its Protestant history, moved in the direction of the Nordic cluster, while predominantly Catholic south Belgium was more like the other Latin countries. The influence of cultural background and a broad sweep of values was unmistakable.

At first glance, these clusters seemed to be language clusters, tempting the researchers to ask whether this is merely an artifact of translation. They found two responses. First one of the tightest clusters - Argentina, Chile and India - was not a language cluster.

Indeed, it cut across two of the languages, represented in an earlier cluster. Clearly the empirical findings did not support the explanation on the basis of language. Secondly, the close relation of language and culture makes them, to some extent, inextricable. With regard to managerial motivation and satisfaction, the study showed that business firms, no matter in what country, will have to be concerned with the satisfaction of self-actualization and autonomy needs for their managers and executive. Both types of needs were regarded as relatively quite important by managers, but the degree to which they were fulfilled did not live up to their expectations. This gap between perceived actual fulfilment and expected fulfilment could be due either to unrealistic expectations on the part of managers, to actual inadequate fulfilment, or to a combination of both reasons.

It seemed to be a tenable hypothesis that many business organizations in a number of countries were not doing as good a job of providing autonomy and self-actualization satisfaction for managers as they should be, or at least not as good a job as they are doing in the area of social and esteem needs. The latter two types of needs, which were regarded by the managers as of relatively low importance, were also seen by them as relatively well satisfied. Security needs were especially interesting. The 3,641 managers in the sample generally reported that the need for security was relatively highly fulfilled, that the degree of fulfilment was in line with expectation (their satisfaction thus being high), and that they considered this an important need. The fact that security needs seemed relatively well satisfied for managers may reflect the relatively good economic conditions existing in most of the countries at the time of the study.

When the researchers looked at the overall differences among groups of countries with regard to motivations and satisfaction in the managerial job, they encountered fairly large variations in the patterns of motivational feelings. At one end of the scale, there were those that felt very well off, in terms of need fulfilment and satisfaction; whereas with people from other countries there was apparent dissatisfaction. The factors underlying these differences seemed to be not only the degree of economic development, but also the business climate.

### 1.3 Job attitude

As a result of the constant conflict between the complex demands of organizations and the conditional behaviour of individuals, a large number of studies of job attitudes have been conducted.

One of the earlier studies was conducted by Hoppock.<sup>1</sup> In this study he attempted to define and measure job satisfaction. Hoppock noted that 'job satisfaction is any combination of factors that could cause a person to say "I am satisfied with my job"'. Hoppock conducted a census of all workers in the town at New Hope, Connecticut and classified them as (a) unskilled; (b) semi-skilled; (c) skilled manual and white collar; (d) sub-professional and minor supervisory; and (e) professional, managerial and executive. He used a factor analysis of a four-item questionnaire, with a possible score range of 1 to 11 on each item. The result showed that the index of satisfaction - calculated from the item scores - increased as the status of the occupational group increased.

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1. R. Hoppock, Job Satisfaction, Harper and Row (New York, 1935).

Schaffer defined job satisfaction in terms of need satisfaction:

Overall satisfaction will vary directly with the extent to which those needs of an individual which can be satisfied in a job are actually satisfied; the stronger the need, the more closely will job satisfaction depend on its fulfilment.<sup>1</sup>

In this study, Schaffer measured need satisfaction, the intensity of needs and job satisfaction separately for 12 needs. Correlations were significant at the .01 level between job satisfaction and need satisfaction for the first four needs in strength rank. Five of the twelve job satisfaction to need satisfaction correlations were significant at the .01 level.

Maslow<sup>2</sup> developed the basic need satisfaction model. Maslow's theory of human motives emerges sequentially according to a hierarchy of five need levels:

1. Physiological needs which consider the basic needs or drives such as food, water etc.
2. Safety needs which produce a secure environment that is free from threat to continued existence.
3. Belongingness and love needs which related to one's desire to be accepted by one's peers and to develop friendship.
4. Esteem needs, which focus on one's desire to have a positive self image and to receive recognition, attention from others.
5. Self-actualization needs which means a feeling of self-fulfilment or the realization of potential.

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1. R.H. Schaffer, 'Job Satisfaction as related to need satisfaction in work', Psychological Monographs, 67, No.14 (1953), (Whole No. 364).
  2. A.H. Maslow, Motivation and Personality, Harper and Row (New York, 1954).

According to Maslow, these needs that are very largely unsatisfied, tend to create tension within people that leads them to behave in ways that are aimed at reducing the tension and restoring internal equilibrium. The individual will always strive to satisfy basic needs before higher-order needs, and when a need is basically satisfied, it is no longer a primary motivation.

Maslow (1968),<sup>1</sup> proposed in his theory that at the highest level of the hierarchy, a reversal occurs in the satisfaction-importance relationships. He stated that for self-actualization, increased satisfaction leads to increased need strength.

Maslow (1970),<sup>2</sup> claimed that this need hierarchy was instinctual or that such needs could be almost universally observed, even in different cultures.

Herzberg *et al.* (1957),<sup>3</sup> reviewed approximately 2,000 books and articles on the subject. Their review listed over 10,000 references examining job attitude studies under various headings of job dissatisfaction, effects of attitudes factors related to job attitudes, attitudes towards supervision vocational selection and job attitudes, and mental health in industry.

They concluded that positive job attitudes are a tremendous asset to industry, and that it is a contention supported by much of the experimental evidence available. Moreover, to support their

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1. A.H. Maslow, Toward a Psychology of being (2nd ed.), Van Nostrand Reinhand (Princeton, N.J., 1968).
  2. A.H. Maslow, Motivation and Personality (2nd ed.), Harper and Row (New York, 1970).
  3. F. Herzberg and B. Mausner, R.O. Peterson and D.F. Copwell, Job attitudes : Review of research and opinion, Psychological Service of Pittsburgh (Pittsbgh, 1957).

conclusion, they pointed to 'unequivocal' evidence of the relation of attitudes to turnover, absenteeism and accidents.

With regard to the factors of job satisfaction, Herzberg, Mausner and Snyderman (1959)<sup>1</sup> advanced the hypothesis that there are some factors which are job satisfiers and others which are job dissatisfiers. The research was based upon interviews of 200 engineers and accountants in the Pittsburgh area by using a method in which they asked the engineers and accountants to think of a time when they felt especially good about their jobs and a time when they felt particularly bad about their jobs, and then to describe the conditions that led to those feelings. Herzberg et al., found that employees named different types of conditions for good and for bad feelings. That is, although a feeling of achievement led to a good feeling, the lack of achievement was rarely given as a cause for bad job feeling. Instead, some other factor, such as company policy was given as a cause of bad feelings. This theory states that job satisfaction and job dissatisfaction are reactions to different kinds of job aspects, and denies that a given job aspect can be instrumental to any appreciable degree in providing both job satisfaction and job dissatisfaction.

Herzberg, Mausner and Snyderman (1957) summarized the theory as follows:

The three factors of work itself, responsibility and advancement, stand out strongly as the major factors involved in producing high job attitudes. Their role in producing poor job attitudes is by contrast extremely small. Contrarywise, company policy and administration, supervision and working conditions represent the major dissatisfiers with little potency to affect job attitudes in a positive direction. The job satisfiers deal with the factors involved in doing

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1. F. Herzberg, B. Mausner, B. Snyderman, The Motivation to work 2nd edition, John Wiley & Sons (New York, 1959)

the job, whereas the job dissatisfiers deal with the factors that define the job context.<sup>1</sup>

Herzberg, Mausner and Snyderman argue that job content factors (e.g. achievement, recognition, responsibility), seem to contribute to satisfaction, while a deficiency of context factors (extrinsic factor such as pay, hours, and supervisory practices) in a job seems to contribute to dissatisfaction. Thus, the two factors are supposed to function relatively independently of each other.<sup>2</sup>

A deficit of intrinsic or content factors, according to the theory of Herzberg, Mausner and Snyderman (1959), can reduce satisfaction, but a surplus of extrinsic factors will not increase satisfaction. Halpern (1969) reported testing these hypotheses. In particular, Halpern reported that the mean level of satisfaction was the same for both intrinsic and extrinsic factors, although the intrinsic factors accounted for significantly more variance in the measure of overall satisfaction than did the extrinsic.<sup>3</sup>

Evidence for and against the Herzberg et al. hypothesis is still accumulating, and in this regard Vroom's comment is still relevant:<sup>4</sup>

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1. F. Herzberg et al. (1957), op.cit., pp.81-82.
  2. F. Herzberg et al. (1959), op.cit.
  3. G. Halpern, 'Relative Contributions of Motivational and Hygiene Factors to overall job satisfaction', Measures of occupational attitudes and occupational characteristics, ed. J.P. Robinson, R. Athanacian and K. Head, Library of Congress (Washington, D.C., 1969).
  4. V.H. Vroom, Work and Motivation, John Wiley and Sons (New York, 1964), p.38.

Herzberg's conclusion that the variance in job satisfaction below some hypothetical level can be explained in terms of one set of variables can neither be accepted nor rejected at this time. Corroboration of his position will require experimental evidence of non-linearity in relationships, a problem that is worthy of much more attention than it has received. Regardless of the outcome, Herzberg and his associates deserve credit for directing attention toward the psychological effects of job content, a problem of great importance in a world of rapidly changing technology.

The Porter (1961, 62, 63)<sup>1</sup> Need Satisfaction Study, measured satisfaction for a list of job needs based on the hierarchy of needs proposed by Maslow (1954). For each of 13 items he asked:

1. How much is there now?
2. How much should there be? and
3. How important is this to me?

Porter then calculated a degree of perceived need deficiency score, subtracting the 'how much' score from the 'should be' score. He then defined job satisfaction in terms of the difference score, the larger the difference score, the larger the degree of dissatisfaction or the smaller the satisfaction. The method used by Porter (1962)<sup>2</sup> asks the respondent 'How satisfied is one in terms of what he expected from his particular management position'. In the three studies cited, Porter found that there were significant differences in need fulfilment and need satisfaction between bottom and middle managers,<sup>3</sup> and five management levels of management from first line supervisor to President (Porter 1962). He found that need fulfilment and need

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1. L.W. Porter, 'Job Attitudes in Management: 1. Perceived deficiencies in need fulfilment as a function of job level', Journal of Applied Psychology, 46 (1962), pp.375-84.

2. *ibid.*, p.378.

3. L.W. Porter, 'A Study of Perceived Need Satisfaction in Bottom and Middle Management Jobs', Journal of Applied Psychology, 45 (1961). pp.1-10.



satisfaction did not differ significantly between age groups (Porter 1962),<sup>1</sup> or managers in companies of different sizes (Porter, 1963).

On the other hand, in Porter's Need Satisfaction study of the working population, workers expressed generally negative attitudes toward their jobs.

An analysis of the reported characteristics of dissatisfied workers showed a significant or consistent relationship between age, length of service, occupation, income and position with satisfaction. Workers who were found to be flexible and better adjusted, were from a superior, family environment, and were realistic about their situation and goals. Job factors that had a significant relationship to job satisfaction included intrinsic aspects of the job, supervision, working conditions, wages, opportunity for advancement, security, company, and management policy, social aspects of the job, communication and benefits.

Smith, Kendall and Hulin<sup>2</sup> defined and developed instruments for measuring job satisfaction. They defined job satisfaction as the difference between what is expected as a fair and reasonable reward, and what is experienced in relation to the alternative available in a given situation. These dimensions were proposed for measures of satisfaction:

1. They should be directly evaluative rather than descriptive;
2. there should be a time perspective to which they refer; and

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1. L.W. Porter (1962), op.cit.  
2. P.C. Smith, L.M. Kendall and C.L. Hulin, The Measurement of Satisfaction in Work and Retirement, Rand McNally (Chicago, 1969).

3. separate aspects of the job should be described and evaluated.

They also required that job satisfaction be considered in terms of a frame of reference which includes both the expectations and the situation of an individual.

The job descriptive index of Smith et al. has 5 scales which include work with 18 items, pay with 9 items, supervision with 18 items, and co-workers with 18 items. A simple 'Yes', 'No' or 'Don't know' response is required for each item to measure whether or not that item is or was characteristic of the respondent's present job, best job, and worst job. This questionnaire was developed and validated as part of the Cornell studies which surveyed 2,662 employers from 21 plants employing 27,505 persons. In the Smith, Kendall and Hulin Study, there are industrial considerations for the study of job satisfaction structure, job enrichment, automation, and level and method of payment. These are all based on the assumption that factors that effect feelings and attitudes influence the behaviour of employees. Smith, Kendall and Hulin found that there is no really reliable, substantial or general correlation between satisfaction and productivity.

In 1966, Haire, Ghiselli and Porter<sup>1</sup> surveyed 3,641 managers from 14 countries. They found that all managers expressed a high degree of fulfilment and that there were significant differences in need satisfaction between countries. High level management showed higher levels of need fulfilment, and less dissatisfaction than lower level managers. Need fulfilment showed a weak trend in favour of smaller companies, and need satisfaction showed a stronger trend in favour of

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1. M. Haire, E. Ghiselli and W. Porter, Managerial Thinking : An International Study, John Wiley and Sons (New York, 1966).

larger companies. Younger managers expressed less need fulfilment than older managers, but the latter reported no greater need satisfaction which was primarily due to high need expectations at some management levels.

In 1979, Steers and Porter<sup>1</sup> proposed a conceptual model or framework. They assume that motivation is a complex phenomenon that can best be understood within a multi-variate framework. They think that a comprehensive theory of motivation at work must address itself to at least three important sets of variables which constitute the work situation:

1. The characteristics of the individual: these are what individual differences the employee brings to the work situations, such as interests, attitudes and needs. They explain 'interests refer to the direction of one's attention. It appears likely that the nature of an employee's interests would affect both the manner and the extent to which external stimuli (like money) would affect his behaviour'.
2. They also think that employees' attitudes or beliefs may also play an important role in their motivation to perform. For example, employees who are very dissatisfied with their jobs, or with their superior, or any number of other things, may have little desire to put forth much effort.
3. Characteristics of the work environment: these are concerned with the nature of the organizational or work environment. Work environment factors can be divided into two categories, the first: associated with the immediate work environment such as work group (quality, peer-group interaction). Second, those associated with the larger problem of organization - wide actions (such as system), wide reward (such as fringe benefits) and individual reward (such as overall salary system and allocation of status, etc.).

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1. R. Steers and L. Porter, Motivation and Work Behaviour, McGraw, Inc. (1979), p.21.

#### 1.4 Management and Leadership

Hersey and Blanchard (1977)<sup>1</sup> in their overview of the human behaviour literature defined management as 'working with and through individuals to accomplish organizational objectives'. Leadership as 'the process of influencing the activities of an individual or group in efforts towards goal achievement in a given situation'. In this context, leadership is seen as broader and is thought of as a special kind of leadership in which the accomplishment of organizational goals is paramount.

Tannenbaum, Weschler and Massarik (1961)<sup>2</sup> in their definition of leadership based upon interpersonal influence directed toward goal attainment has the virtue of generality. Rather than limited to formal leaders, such a concept of leadership can be applied to all interpersonal influence attempts.

In contrast with these broad concepts of leadership is another viewpoint of leadership and management. This alternative perspective has been discussed in the business administration literature and suggests that management is a more general concept of which leadership is only a component. As Hicks and Gullett (1975)<sup>3</sup> stated:

Leadership is a subclass of management. Managers perform the functions of creating, planning, organizing, motivating, communicating and controlling. Included within these functions is the necessity to lead and to give direction. Therefore, a manager's ability to lead effectively may affect his ability to manage, but a leader needs only to influence the behaviour of others. He is not necessarily required to perform all the functions of managers.

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1. Paul Hersey and H. Kenneth Blanchard, Management of organizational behaviour, Prentice Hall (Englewood Cliffs, New Jersey, 1977), pp. 4, 84.
  2. Robert Tannenbaum, Irwin R. Weschler and Fred Massarik, Leadership and organization, McGraw Hill (New York, 1961).
  3. Herbert G. Hicks and C. Ray Gullett, Organizations Theory and Behaviour, McGraw Hill (New York, 1975), p.300.

A similar concept of management as more than leadership is found in the work of Koontz and O'Donnell (1978):<sup>1</sup>

Although it is true the most effective manager will certainly be an effective leader and that leading is an essential function of managers, there is more to managing than leading... managing requires doing careful planning, setting up an organizational structure with as competent people as possible. Also... the measurement and correction of activities of people through controlling are also an important area of management.

The settlement of this apparent confusion may be made by regarding leadership as a social influencing process that can occur in nearly any interaction among people. Thus leadership is very general concept. However, management may also be considered a general organizational process involving planning, organizing, motivating and controlling,<sup>2</sup> in which leadership attempts on the part of the manager are one behavioural component that provides all four functions.

Drucker states<sup>3</sup> 'There is no substitute for leadership, but management cannot create leaders, leadership qualities become effective'.

In order to determine proper leadership that would suit the needs of a specific organization, one has to have some knowledge and understanding of various leadership styles.

Since no leadership style is entirely good or bad, each one of them can be used in one situation or another. Certainly widely recognized styles of leadership will be explained briefly and referred to later in this chapter.<sup>4</sup>

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1. Harold Koontz and Cyril O'Donnell, Essentials of Management McGraw Hill (New York, 1978), pp.381-82.
  2. Paul Hersey and Kenneth H. Blanchard, Management of organizational Behaviour, Prentice-Hall (Englewood Cliffs, New Jersey, 1977).
  3. Peter F. Drucker, Management Tasks, Responsibilities, Practices, Harper and Row (New York, 1974).
  4. See pp.55-57.

For many years the most common approach to the study of leadership was the function of such traits. Ordway Tead, for example, insists that there are ten qualities: enthusiasm, friendliness and affection, integrity, technical mastery, decisiveness, intelligence, teaching skills and faith.<sup>1</sup> Chester Barnard, on the other hand, lists such factors as physique, skill, technology, perception, knowledge, memory, imagination, determination, persistence, endurance and courage.<sup>2</sup>

If the traits of leadership could be identified, then nature and organizations could become far more sophisticated in their leadership selection process. Only these people who passed the designated leadership traits would be selected as politicians, officers and managers. But research, however, has indicated that the above traits were common among leaders and non-leaders, successful leaders and unsuccessful leaders.<sup>3</sup>

McGregor (1960)<sup>4</sup> postulated two types of organizational leadership - theory x and theory y. Theory x addresses managerial behaviour in terms of belief regarding the work man. Theory x stated that the leader (manager) assumes that the employees are lazy by nature, lack ambition, do not want responsibility, are not intelligent enough, resist change, and want job security. To make them work, they must be forced, coerced, or threatened with punishment; otherwise,

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1. Ordway Tead, The Art of Leadership, McGraw Hill Book Company Inc. (New York, 1935), p.83. From S.G. Hunery Ager and I.L. Heckman Human Relation in Management, 2nd ed., South Western Publishing Company (Cincinnati, Ohio, 1967), pp. 242-43.
  2. Chester I. Barnard, The Function of Executive, Harvard University Press (Cambridge, Mass., 1938), p.260. From S.G. Hunery Ager and I.L. Heckman, op.cit.
  3. James A.F. Stoner, Management, Prentice Hall Inc., (Englewood Cliffs, New Jersey, 1978), pp.439-40.
  4. D. McGregor, The Human side of Enterprise, McGraw Hill (New York, 1960).

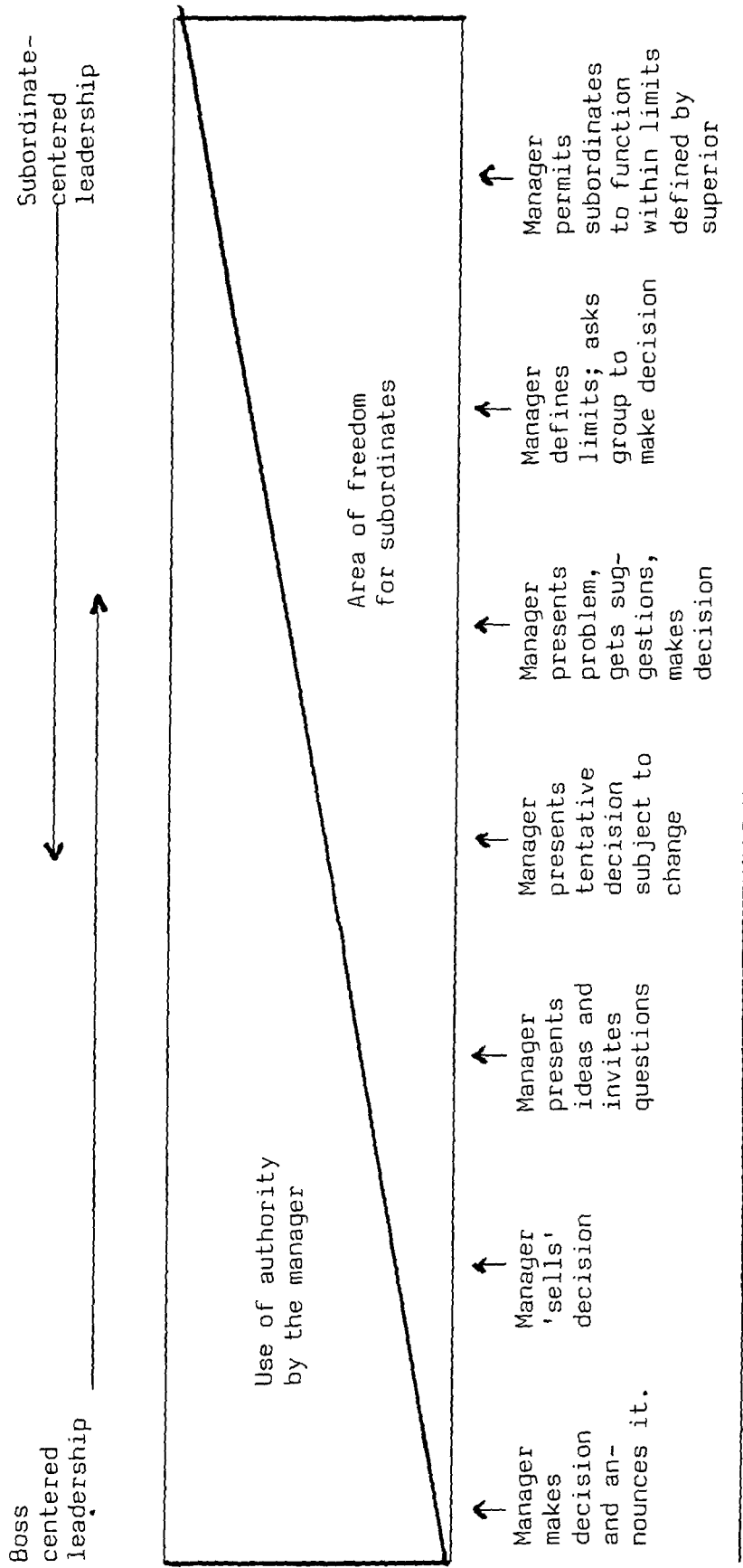
native assumptions under theory and related to a psychological view of human behaviour, suggest that employees enjoy work and are capable of being responsible and contributory participants in an organization if properly motivated. Tannenbaun and Schmidt (1958) analyzed the leadership style on a continuum which discussed patterns of leadership behaviour. The continuum begins from a purely authoritarian pattern, and moving towards the right each managerial pattern becomes less and less authoritarian and more and more democratic until it reaches the extreme right, the democratic pattern. In each stage of the continuum, the manager has a distinctive pattern.

Exhibit 1 presents the continuum or range of possible leadership behaviour available to a manager. Tannenbaum and Schmidt explained their continuum of leadership behaviour as follows:

- The manager makes the decision and announces it. In this case the boss identifies a problem, considers alternative solutions, chooses one of them, and then reports this decision to his subordinate for implementation.
- The manager 'sells' his decision. Here the manager, as before, takes responsibility for identifying the problem and arriving at a decision. However, he takes the additional step of persuading his subordinates to accept it.
- The manager presents his ideas, invites questions. Here the boss who has arrived at a decision and who seeks acceptance of his ideas provides an opportunity for his subordinates to get a fuller explanation of his thinking and his intentions. He then invites questions so that his associates can better understand what he is trying to accomplish. This 'give and take' also enables the manager and the subordinates to explore more fully the implications of the decision.
- The manager presents a tentative decision subject to change. This kind of behaviour permits the subordinates to exert some influence on the decision. The initiative for identifying and diagnosing the problem remains with the boss. Before meeting with his staff, he has thought the problem through, and he presents his proposed solution for the reaction of those who will be affected by it.

EXHIBIT 1

CONTINUUM OF LEADERSHIP BEHAVIOUR





- The manager presents the problem, gets suggestions, and then makes his decision. Up to this point, the boss has come before the group with a solution of his own. But the subordinates now get the first chance to suggest solutions. The manager then selects the solution that he regards as most promising.
- The manager defines the limits and requests the group to make a decision. At this point the manager passes to the group (possibly including himself as member) the right to make a decision.
- The manager permits the group to make decisions within prescribed limits. This represents an extreme degree of group freedom.

However, the researchers suggest that the manager should consider three sets of 'forces' before choosing a pattern of leadership behaviour

#### 1. Forces in the manager

How a manager leads will primarily be influenced by his or her background, values, knowledge and experience. For example, a manager who strongly values individual freedom may allow subordinates a great deal of independence in carrying out their job tasks. Conversely, a manager who believes that the needs of the individual must come second to the needs of the organization may take a much more directive role in his or her subordinate's activities.

#### 2. Forces in the subordinates

The manager can allow greater participation and freedom under the following conditions:

- when subordinates crave independence and freedom of action.
- when they want to have decision-making responsibility.
- when they identify with organization's goals.
- when they are knowledgeable and experienced enough to deal with the problem efficiently.
- when their experience with previous bosses leads them to expect participative management.

Where these conditions are missing, managers may have to lean toward the authoritarian pattern. They can, however, vary their behaviour once their subordinates gain self-confidence in working with them.

### 3. Forces in the situation

The manager must reckon with various situational forces; the organizational climate, the specific work group, the nature of the group's work tasks, the pressures of time, and even environmental factors, which may affect organization members' attitudes toward authority.

Most managers, for example, will move toward one or another pattern of leadership in conformity with the type of behaviour favoured by the organization's hierarchy. If top management emphasize human relations skills, the manager will incline toward an employee-centred pattern. If the decisive, take-charge pattern seems favoured, the manager will tend to be task, rather than employee oriented.

The specific work group will also affect the choice of pattern; a group that works well together may respond more to a free and open atmosphere than to close supervision. The same holds true for a group confident of its ability to solve problems as a unit. But if a work group is too large or too widely dispersed geographically, a participative management pattern may be difficult to use.

The nature of the problem and time pressures are other situational factors that may influence the choice of managerial patterns. For example, a complex problem requiring highly specialized skills and knowledge that only the manager possesses may make direct instructions and close supervision necessary.

Similarly, in situations where quick decisions are essential (as in emergencies), even a democratic manager may use a high degree of authority.

To Tannenbaum and Schmidt, then, the particular leadership pattern a manager uses is not as important as the appropriateness of the pattern for a manager, his or her subordinates, and the work situation. The most effective leaders, in this view, are not authoritative or democratic but flexible, able to select a pattern, that is comfortable for them and appropriate for the situation they are facing.<sup>1</sup>

The concept of the 'best' style of leadership is not a matter of the best but of the most effective style for a particular situation. The suggestion is that a number of leader behaviour styles may be effective or ineffective depending on the important elements of the situation.

According to a leadership contingency model developed by Fred Fiedler (1965)<sup>2</sup>, the following situational variables were used:

- The superior-subordinate relationships, and how the subordinates think of their superior, their trust, faith, likes and dislikes of the boss.
- Task structure - the degree to which the subordinates jobs are defined, whether they are defined clearly or vaguely.
- Position power. Formal authority delegation to him, according to the level of responsibility.

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1. Report by Tannenbaum and Schmidt, 'How to choose a leadership pattern' from S.G. Hunery Ager and I.L. Heckman, Human Relation in Management, 2nd ed., South Western Publishing Co. (Cincinnati, Ohio, 1967), pp.289-301.
  2. Fred E. Fiedler, 'Engineer the job to fit the manager', Harvard Business Review, 51 (1965), pp.115-122.

By manipulating these factors, Fiedler determined eight possible leadership styles which may be effective in a given situation. He accomplished this by matching first good and then poor leader-membership relations with different levels of task structuring, and finally with different pairings of strong and weak leader position power. Fiedler concluded that leadership styles likely to be effective in different sets of circumstances will involve putting together combinations of situational variables that may differ but that appear to be compatible with each other.

He summarized such patterns of relationship by suggesting that the evidence provided by his research:

... shows that both the directive, managing task-oriented leaders and non-directive, human relation oriented leaders are successful under some conditions. Which leadership style is the best depends on the favourableness of the particular situation for the leader. In very favourable or in very unfavourable situations for getting a task accomplished by group effort, the autocratic, task controlling, managing leadership works best. In situations intermediate in difficulty, the non-directive, permissive leader is more successful.

Thus, the literature appears to support the position that there is a relationship between worker or subordinate attitude and managerial leadership practices. The direction and the degree of relationship appears to be a matter to be revealed by further research, but at this point it does appear that worker attitudes and outputs are affected by leadership practices.

Finally, from previous discussion, it appears appropriate to clarify an understanding of the difference between the meaning of the

term 'management', and the closely related term 'leadership', since there appears to be a tendency to use the two interchangeably in the literature. However, in the preciseness of definition, there is a significant difference between the two.

Management has been defined by many, but a basic definition accepted by many is 'getting things done through people'.

Leadership, as McFarland notes, is an 'elusive concept'.<sup>1</sup> Koontz and O'Donnell call it 'the art of including subordinates to accomplish their assignments with zeal and confidence'.<sup>2</sup> Haiman and Scott see it as 'a process by which people are directed, guided, and influenced in choosing and achieving goals'.<sup>3</sup> Davis defines it as 'the ability to persuade others to seek defined objectives enthusiastically'.<sup>4</sup>

By way of synthesizing these views, it is accurate to say that most writers in the field of management feel leadership is a process of influencing people to direct their efforts toward the achievement of some particular goal. As such, the manager must do more than merely lead, but if he/she fails to influence people to accomplish assigned goals, he/she fails as a manager. With this fact established and supported, the survey is now ready to move ahead to a survey of literature regarding leadership across different cultures.

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1. Dalton McFarland, Management : Principles and Practices, the McMillan Co. (New York, 1974), p.484.
  2. Harold Kootz and Cyril O'Donnell, Principles of Management : An Analysis of Managerial Functions, McGraw Hill (New York, 1972), p.557.
  3. Theo Haiman and William Scott, Management in the Modern Organization, Houghton Mifflin Co. (Boston, 1974), p.349.
  4. Keith Davis, Human Behaviour at Work, McGraw Hill Book Co. (New York, 1972), p.100.

### 1.5 Leadership in Cross-Cultural Research

Associated with the Universal theories of leadership is the argument that no real differences exist in the styles of managers in various cultural and economic stages: there is a world-wide management culture. What differences among managers that do exist are a result of non-cultural and economic conditions that are idiosyncratic and do not result in any unified pattern. As Blake and Monton stated about their approach to management training called the Managerial Grid:

The Managerial Grid appears to be an inclusive statement for orienting managerial actions. This conclusion is suggested in organizational settings in the United States, Canada, Europe and Asia... Second, it seems to provide descriptions of managerial alternatives which are equally useful when applied to managerial dilemmas in the U.S., in countries of Europe which are somewhat similar to our own, and in cultures of Asia which are far different. This schema, in other words, seems to be relevant for understanding problems of management wherever men work in concert. A possible conclusion is that sound management of production through people transcends political and cultural boundaries.<sup>1</sup>

Hagen (1972)<sup>2</sup> explains that leader behaviour pattern is an aspect of the influence of culture or personality development. Harbison and Myers (1960) gave another explanation of the differences in managerial behaviour which is based upon various stages of economic development and industrialization with more advanced stages requiring more participative approaches. Both cultural and economic explanations

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1. Robert R. Blake and James Mouton, The Managerial Grid, Gulf Publishing (Houston, 1964).
  2. Everett E. Hagan, On the Theory of Social Change, Dorsey Press (Homewood, Illinois, 1972).

anticipate management variations and are compatible with a contingency leadership model as espoused by Hersey and Blanchard (1972).<sup>1</sup> They emphasized the diagnostic skills a manager must develop to determine the appropriate style of leadership. As Hersey and Blanchard stated in their approach of leadership training which includes effectiveness as a third dimension.

The Tri-Dimensional leader effectiveness model is built on the concept that effectiveness results from a leader using a behavioural style that is appropriate to the demands of the environment... The environment consists of the leader himself, and his followers, superiors, associates, organization, and job demand. ... Once he has analysed the demands of his environment, he must then be able to adopt his Leadership Personality to fit these demands and develop the means to change some or all of the other variables.

Moreover, Hersey and Blanchard suggest effective leadership style varies and is contingent or dependent upon factors such as the leader's and subordinate's personalities and expectations and nature of the task, all of which can be influenced to some extent by the cultural and economic development which are formed and developed within a society.

The research on the leadership beliefs of Australian managers was conducted by Clark and McCabe (1970).<sup>2</sup> This study attempted to indicate the beliefs of Australian managers and how they compared with their counterparts of other nationalities. Clark and McCabe adopted the survey instrument developed by Haire, Ghiselli and Porter (1966), their replication study found consistent results among a sample of 1,330

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1. Paul Hersey and Kenneth H. Blanchard, Management of Organizational Behaviour, Prentice Hall (Englewood Cliffs, New Jersey, 1972), p.109.
  2. Alfred W. Clark and Sue McCabe, 'Leadership Beliefs of Australian Managers', Journal of Applied Psychology, 54 (1970), pp.1-6.

Australian managers and revealed a democratic attitude toward participation, but they have a negative attitude toward the capacity of individuals for leadership and initiative. Moreover, these leadership attitudes of Australian managers fit the pattern of managers in Britain and the United States. This supports the idea that culture has a role in managerial thinking. Haire, Ghiselli and Porter (1966) clustered these three groups under Anglo-American culture. As the Australian culture pattern is closely related to the traditions of these countries, this finding supports that theory that culture influences management beliefs.<sup>1</sup>

In another study by Cummings and Schmidt (1972),<sup>2</sup> using a sample of Greek managers, the findings again were consistent with the original study by Haire, Ghiselli and Porter (1966). This supports the notion of a management practice favouring participative management, yet holding a pessimistic view of human nature in terms of beliefs in the individual's capacity for initiative and leadership.

The findings showed that Greek managers had similar attitudes to those in developing countries, such as Argentina, Chile and India, in their beliefs about sharing information and objectives and participation. On the other hand the pattern of attitudes held by Greek managers suggests both cultural and industrialization influences to their more basic beliefs about employee capacity for leadership and initiative and about the value of allowing employees to exert internal control in their jobs were like those beliefs held by managers from similar cultures of the Latin-European countries of Belgium, France, Italy and Spain.

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1. Clark and McCabe, op.cit.
  2. L.L. Cummings and Stuart M. Schmidt, 'Managerial Attitude of Greeks : The Roles of Culture and industrialization' Administrative Science Quarterly, 17, June 1972, pp.265-272.



## 1.6 Studies in Saudi Arabia

In reviewing Saudi Arabian literature, the researcher found unfortunately there were no serious and scientific studies in cross cultural management context.. Most Saudi studies in recent years focus on administrative affairs, manpower training, performance and a small number are concerned with decision-making and motivation. None deal with job attitudes and leadership.

Ibrahim (1975),<sup>1</sup> by using Thurstone's law of comparative judgement, studied the opinions and judgements of Saudi Arabian workers in the private sector. His sample was 61 factory workers and 16 plant managers or persons who worked as managers. They were selected from different industrial firms in Saudi Arabia. The two samples were obtained separately. The purpose of the study was to gain a general insight of the incentive listed on the test and their relative importance. The results indicated that both groups seem to have over-reacted to the questions. Plant managers over-emphasized the importance of material reward and hence almost ignored other factors. The factory workers over-reacted in preferring the esteem and other rewards which were ignored by their supervisors, over those of a material nature, and hence under-ranking the importance of the material rewards as vital to them in a time of soaring inflation and rising standard of living.

Sahally (1977)<sup>2</sup> pursued the same method as Ibrahim (1975). His sample consisted of 106 technicians and engineers and 17 managers

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1. M.A. Ibrahim, 'Motivating Saudi Workers to adopt to the factory life'. Unpublished Engineering Report, Arizona State University, 1975.
  2. M. Al-Sahally, 'A scaling of importance of organizational incentives to technicians and engineering employees by public sector in Saudi Arabia'. Unpublished Engineering Report, Arizona State University, August 1977.

working in the Ministry of Information in Saudi Arabia. The sample included only Saudi employees in this Ministry. The purpose of this study was to establish their relative scale values according to their importance in satisfying and motivating technicians and engineers employed by the public sector in Saudi Arabia, and to compare the results of the study undertaken by Ibrahim (1975). The results of the study indicated that there is an agreement between public and private sector employees on the relative importance of the test incentives.

Abdulwhab (1979),<sup>1</sup> investigated decision-making in Saudi Arabia. Part of his study's questionnaire was concerned with managers' motivations and needs satisfactions. His samples were 80 Saudi managers who worked in government organizations. This study divided into two groups - managers who had had training in decision-making the year before the study, and managers who had no training in decision-making. The findings showed that managers who had had training in decision-making considered self-esteem/recognition from others as the most important needs; followed by job security, promotion and self-actualization; relation with peers, salary and working conditions were the less important needs. Managers who had had no training considered job security the most important need, followed by self-esteem/recognition from others, and relation with peers and self-actualization; with salary, promotion and working conditions as less

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1. A.M. Abdulwhab, Decision-making in Saudi Arabia, Institute of Public Administration (Riyadh, Saudi Arabia, 1979).

important needs. Also, the managers who had had training in decision-making were more satisfied with self-esteem and self-actualization than managers who had had no training in decision-making.

Also, as mentioned above, no research has been conducted in an attempt to identify the job attitudes and motivations in cross-cultural management context of Saudi managers in general and in Saudi Basic Industries in particular.

Therefore the major departure of this thesis from the body of literature discussed in the previous pages focuses on the analysis of the managerial attitudes of Saudi Basic Industries Co. (Sabic) Saudi-middle managers and compare them with non-Saudi middle managers who work for Sabic.

### 1.7 Summary

In Chapter I discussion has been on relevant literature on the culture in general and in cross-cultural management and on job attitudes. The first subsection introduced the subject of culture. The second subsection analysed the literature related to the cross-cultural management school of thoughts. A discussion of the use of economic, cultural and psychological variables to explain the differences and similarities among managers followed.

The literature emphasized that some observers believed that the stage and pace of industrialization along with the nature of an economic system was more important than any other variable. Culturologists claimed that language, religion, customs and traditions were more important. While others believed that more than one of these factors play a role and they overlap.

The third section deals with literature related to job attitudes in general.

The fourth part deals with comparative management in cross-culture research. What managers consider important in their job does not vary significantly between management levels in Sabic, but there are differences between managers from different cultures.

The findings of a study of managerial thinking in 14 countries showed that national differences made a consistent and substantial contribution to the differences found in managers' attitudes. However, the researchers concluded that 25 to 30 percent of the observed differences could be attributed to national origin. The cultural influence was present and substantial. It was not overwhelming.

The fifth subsection covered other important studies in management and leadership. Leadership was placed into perspective as an essential component of management.

In the sixth part the literature review about the leadership in cross-cultural research was introduced.

The final subsection reviewed the Saudi Arabian literature in job satisfaction and motivation, where unfortunately no serious and scientific studies of job attitudes and leadership were found.

## CHAPTER II

### SAUDI ARABIA : ITS SOCIAL AND ECONOMIC ENVIRONMENT

#### INTRODUCTION

The cultural environment determines what a person will consume and how a person will determine their priority. In general, it represents the total sum of a person's knowledge, belief, customs, and skills acquired. It suggests the way of life and design of life of a group of people living in a specific geographical area.<sup>1</sup>

The importance of the understanding of the culture lies in the fact that it is a man-made part of man's environment - the sum of man's knowledge, belief, art, morale, laws, customs, and other capabilities and habits acquired by man as a member of society.<sup>2</sup> Being a man-made part of a person's environment, it differs from country to country and from region to region even within the same country.

Differences in culture produce differences in beliefs, moral standards, and customs, which results in the different behaviour of people and accounts for the differences in the attitudes of managers.

#### General Character of the Society

Societies in their evolutionary processes are affected by their past experience and ideas.

No society can cut off completely from its roots and be turned into a different society, with new attitudes, social characteristics and cultural notions. Thus, the present social, political and economic practices of any society are the result of its heritage from the past

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1. Robert Coffey, Anthony G. Athos and Peter A. Reynolds, Behaviour in organizations : A multidimensional view, Prentice Hall (Englewood Cliffs, N.J., 1975), pp.79-81.
  2. Edwin A. Fleishman, Studies in Industrial and Personnel Psychology, Dorsey Press (Homewood, Ill., 1977), p.17.

and its capacity to adopt new notions and practices which have already emerged from human experience elsewhere.

Each society is creative in its own way. It develops its own pattern of socialization, and its own type of response to its ecological setting and forces, both animate and inanimate, which surround it. In this way each society develops its own culture, belief, customs, practices, techniques, institutions, objects and artifacts which make a society distinctive. The elements of a culture can be a heritage from the past, they can also be the creative additions of a contemporary generation for a society with outside contacts. Some elements of its culture, can also be the product of cultural diffusion from outside sources.

All cultures are susceptible to change. What differs between them is the tempo and the scale of change. A static culture is one which has become institutionalized occurring over a long period of time. This can be due to the isolation of a society, or to the absence of challenge. A dynamic culture, on the other hand, undergoes change on a continuing basis. It evolves, accepts and accommodates change. New elements are added to it, and old elements dropped. The culture of society has an integrating effect over its members. On the one hand, it is the product of the society and on the other hand it also serves as a framework for shaping and guiding the thoughts, actions and practices as well as the creativity of its members. Culture can be regarded as the soul of the society, and can be valued for its own sake.<sup>1</sup>

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1. E.A. Speiser, 'Culture factors in Social Dynamic in the Near East', in S.N. Fisher (ed.), Social Forces in the Middle East (New York, 1955), p.22.

To begin with let us clarify the term 'cultural' as used in this study. It is an all inclusive term to indicate the religious outlook and practices, the social norms and values, the customs and mores and the specific mental and behavioural attitudes governing the life of people in specific societies.

In order to understand the Saudi middle managers' behaviour in Saudi Basic Industries Corporation (Sabic), it is essential to understand the Saudi social structure and the traditional institutions of this society, its values and the economic environment as important impacts on both past and present patterns of behaviour.

The major purpose of this chapter is to introduce the social and economic environment of Saudi Arabian society. In this process we will examine (i) Arab world cultural environment in general, in brief; (ii) social structure of Saudi Arabia (tribe, village, town); (iii) social values (religion as an origin of social values, family institution as an element in social value, and traditions as a central element in the social values in Saudi Arabia).

The study will then describe the economic environment (i) Introduction of the economic background; (ii) planning in Saudi Arabia; and (iii) development of the manpower.

Before studying the previous aspects, it seems important to give an idea about the Saudi Arabia geographical factors.

## 2.1 Saudi Arabia - geographical factors

### 2.1.1 The Land

The Kingdom of Saudi Arabia is bounded on the north by Jordan, Iraq and Kuwait; on the east by the Gulf, Bahrain, Qatar and the United Arab Emirates; on the south by the sultanate of Oman, and the Yemeni

Republic (North and South), and on the west by the Red Sea. Aside from the country's religious and economic significance, the potential importance of Saudi Arabia's geographical position is quickly apparent. It is strategically located between Africa and the mainland and Asia, lies close to the Suez Canal and has frontiers on both the Red Sea and the Arabian Gulf.<sup>1</sup>

The Kingdom occupies about 2,240,000 square kilometres of the Arabian peninsula. It has 1,760 kilometres of western coast along the Red Sea and 560 kilometres of eastern coast along the Arabian Gulf. The land boundaries in the south and in the north exceed 2,700 kilometres.<sup>2</sup> (see map)

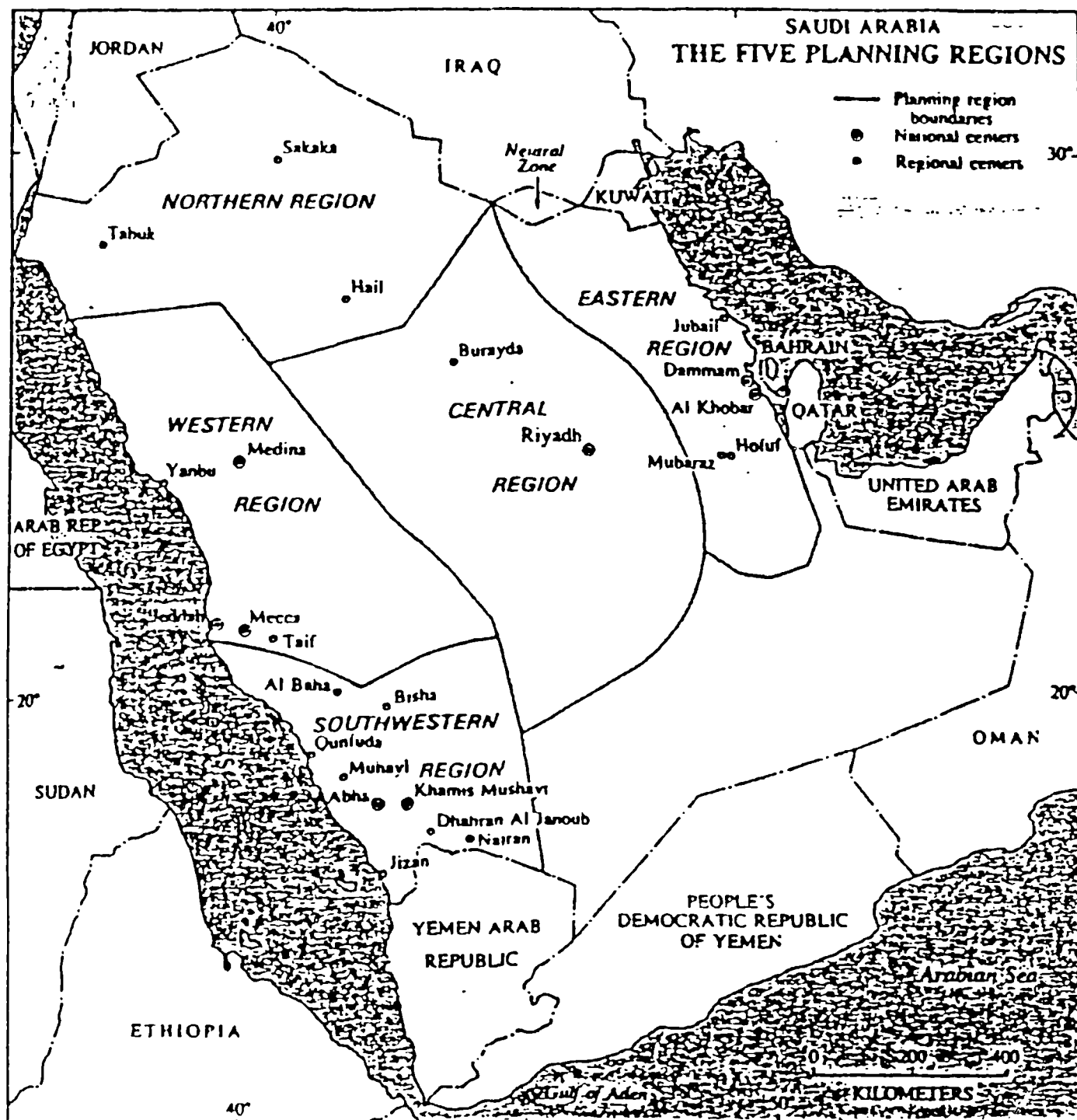
#### 2.1.2 The Geographical Divisions

Geographically Saudi Arabia is divided into four geographical provinces. These four divisions are: Najd, Al Hijaz, Al-Ahasa and Asir.<sup>3</sup> Najd, highland, the heart of the Arabian Peninsula,<sup>4</sup> is a vast crowded plateau, which is bounded on the north by Iraq and Trans-Jordania. These are hills rising a few hundred feet above the plateau. Najd contains the present capital al-Riyadh and covers a large part of the interior of the Kingdom and is vaguely divided into five districts.<sup>5</sup>

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1. George Lipsky, Saudi Arabia, its people, its society, its culture, HRAF Press (New Haven, 1959), p.19.
  2. Kingdom of Saudi Arabia, A Guide to Industrial Investment, 6th edition (Riyadh, 1981), p.1.
  3. K.S. Twitchell, Saudi Arabia with an account of the Development of its natural resources, Princeton University Press (Princeton, New Jersey, 1953), third printing, p.3; see also, Christine Moss Helms, The Cohesion of Saudi Arabia, Croom Helm (London, 1981), p.29.
  4. op.cit., p.6.
  5. Ibrahim Mohammed, Al-Awaji, Bureaucracy and society in Saudi Arabia. Unpublished dissertation, University of Virginia (1971), pp.35-38. See also, Alawi N. Abussund, Administrative Development and Planning in Saudi Arabia. Unpublished dissertation, University of Maryland (1979), pp.35-37.



MAP OF KINGDOM OF SAUDI ARABIA



SOURCE: Saudis in Transition : The Challenges of a Changing Labour Market, Ismail A. Serageldin et al, 1984.

In the northernmost part of Najd is Jabil Shammar (Shammar's mountain), which takes the name from one of the most powerful tribes of Najd. The second district in Najd is al-Qassem which, because of agricultural resources, is one of the most populated areas in Najd. Its cities of Buraida, Unayash and Aras are also important as trade areas.

Southwest of al-Qassem is to be found the third district - Sudayr whose largest city is al-Majma'ah. The fourth district is al-Arid, in the centre of which the capital, al-Riyadh, is located.

This district has a special historical significance because it has been the land of both the House of al-Saud (the ruling family) and the al-Shaikh Muhammad Ibn Abd al-Wahhab, the founder of the famous religious movement in the eighteenth century known as "Whhabism" which still provides ideological and legal bases of the country.

Adjacent to al-Riyadh lies the city of Al-Kharj, which is known for its 3,000 acres of irrigated land and its plentiful water resources. Fifth, north of al-Riyadh are the two districts of al-WashM (of which Shagra is the largest city) and al-Mihmal. Finally, south of al-Riyadh are the oases of al-Hawtah and Al-Harig, the district of Al-Afiaj and the long valley of Wadi al-Dawasir.

Al-Hijaz (boundary barrier) includes the balance of the west coast region, along with the mountain chain decreasing gradually in elevation as it moves northwards and the coastal plain bordering the Red Sea widening slightly. Its major cities are Jeddah, the major business centre of the Kingdom in which is situated the busy seaport of Jeddah, known as the Islamic Port of Jeddah, Mecca and Madina, which are the holy cities of Islam, and Al-Taif, a resort area which has become the Summer Capital since the King and his Cabinet spend three to four months there annually.

Asir which constitutes the third province lies to the south of Al-Hijaz and extends down to the north Yemen, including a coastal plain (Tihamas) along the Red Sea. The area is densely populated in the river-flooded regions, and mountain peaks rise to 10,000 feet with ample rainfall for cultivation.<sup>1</sup> Tihamas are unique in their extensive marshlands and lava fields. To the east of these plains runs a range of mountains, broken here and there by Wadis or Valley. Among the Wadis, most of which have oases, the most important, are Al-Himdh, Yanbu, Fatima and Itwid and Bisha in the Asir region.

Asir is comprised of three separate districts. The first is the highland district of Asir With Abha, the second district is Jaizan, a low-lying coastal district of tihamah, and the third district is Najran, a cluster of fertile little oases connecting the interior borders of Yemen.

Al-Ahsa is the fourth province of Saudi Arabia and stretches from the state line of Najd, which is along Dahran to the Arabian Gulf. It meets the empty quarter in the south, and in the north borders Kuwait and the neutral zone.

Al Ahasa region, also called the eastern province, is the country's wealthiest part, containing its massive petroleum resources.

The principal cities include Al-Hafuf, Al Qatif, Tarut, Al Dammam, Al-Khober, Dahran and Rastanura. The headquarters of the Arabian-American Company<sup>2</sup> (Aramco) is located in Dharam, a few miles from the

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1. Al Farsy Foud, Saudi Arabia, a case study in development, Stacey International (London, 1980), p.24.
  2. In 1933 King Abd Al Azil Al-Saud gave the Standard Oil Company of California a concession covering a large area in the eastern part of the country, and in 1936 the Texas Oil Company joined as well. It became known as the Arabian American Oil Company (ARAMCO) in 1944. See Al Farsy Foud, op.cit., p.35. see also Tim Niblock, State, society and economy in Saudi Arabia, Croom Helm (London, 1982), p.18.

administrative capital and port of Al-Dammam. Rastanura, the world's largest petroleum port, is located to the north of Dharan.<sup>1</sup> Up to the west is the site of the Kingdom's new industrial complex at Al Jubail. The fertile oasis cities of Al Qatif and Al Hofof are also located here.

However, even prior to the discovery of oil in this province, it had already been ranked as an important asset to Saudi Arabia, largely through the celebrated Al Hofof oasis with its more than two million trees which produce about 200,000 of dates per year, making Saudi Arabia the fourth largest date grower in the world.<sup>2</sup>

### 2.1.3 The Population

According to the 1974 census, the population of Saudi Arabia was 7,012,642,<sup>3</sup> about 24 percent of which were nomads. Nomad agglomerations are unevenly distributed among the administrative areas, but in no area except Jizan did the census results indicate that the nomadic population was below 10 percent of the total population. Only five administrative areas have a nomadic total population ratio below 30 percent and in some cases, such as Hail and the frontiers, the nomadic population is in the majority. Table 2.1 gives further details about the distribution of population among administrative regions. 39 percent of the population in Saudi Arabia live in towns having 30,000 inhabitants or more (see Table 2.2 for major urban centre statistics).

According to the United Nations estimates, the population of persons under 15 years of age constitutes 44 percent of the total population of Saudi Arabia. The percentage of persons 65 years and

1. Al Farsy Foud, op.cit., p.26.

2. It was estimated that an average of 200,000 tons of dates are harvested from over 8.5 million date palms, though they have become less valuable as a crop in recent years. See Norman C. Walpole et al. Area Handbook for Saudi Arabia, Foreign Area Studies, The American University (Washington, D.C., 1966), p.227. See also K.S. Twitchell, Saudi Arabia with an account of the development of its natural resources, 3rd. ed. (Princeton, New Jersey, 1953), p.6. There are other districts which grow date palms, such as Al-Qaseem, Al-Kharj in Najd and Al-Madina, Bisha

TABLE 2.1  
POPULATION OF SAUDI ARABIA BY ADMINISTRATIVE AREA

ADMINISTRATIVE AREA	No. of demographic units	No. of families	Sedentary	Nomadic	Population % of nomadic to total population	TOTAL
Al Riyadh	1,992	198,936	965,805	306,470	24.0	1,272,275
Mecca	4,088	325,789	1,513,634	240,474	13.7	1,754,108
Eastern Province	667	120,684	690,188	79,460	10.3	769,648
Asir	4,597	127,131	434,884	246,427	36.2	681,361
Medina	1,742	98,835	282,195	337,099	45.7	519,294
Jizan	4,537	85,483	387,161	15,945	4.0	403,106
Qasim	509	48,724	215,447	101,193	32.0	316,640
Hail	504	45,338	117,210	142,719	54.9	259,929
Tabut	472	33,642	105,388	88,375	45.6	193,763
Al-Baha	1,296	34,323	156,997	28,908	15.5	185,905
Najran	242	26,569	91,555	56,415	38.1	147,970
Northern Frontiers	130	19,345	42,666	86,079	66.9	128,745
Jawf	85	10,243	34,093	31,401	47.9	65,494
Qurayyat	98	5,873	18,432	12,972	41.3	31,404
Frontier Nomads	-	30,000	-	210,000	-	210,000
Saudis resident abroad at time of census	-	-	73,000	-	26.8	73,000
Total	20,995	1,210,915	5,128,655	1,883,987		7,012,642

NOTE: Demographic units: consisting of towns, villages, settlements, farms, waterwells and nomad agglomeration.

SOURCE: Abdel R. Al-Madani and Mohammad Al-Fayez, Population Bulletin of the United Nations Commission for Western Asia, Nos. 10 and 11 (1976), p.186.

TABLE 2.2  
PRINCIPAL TOWNS IN SAUDI ARABIA WITH  
A POPULATION OF OVER 30,000

TOWN	ADMINISTRATIVE AREA	POPULATION
Al Riyadh	Al Riyadh	666,840
Jeddah	Mecca	561,104
Mecca	Mecca	366,801
Taif	Mecca	204,857
Medina	Medina	198,186
Al Damman	Eastern Province	127,844
Al Hofof	Eastern Province	101,271
Tabuk	Northern Province	74,825
Buraida	Al Qasim	69,940
Mubarraz	Eastern Province	54,325
Khamis Mushayt	Asir	49,581
Al Khobar	Eastern Province	48,817
Najran	Najran	47,501
Hail	Hail	40,502
Jizan	Jizan	32,812
Abha	Asir	30,150

SOURCE: Abdel R. Al-Madini and Mohammed Al-Fayez,  
Population Bulletin (1976), p.187.

over is relatively small and the economic participation rate of Saudi males 12 years and older was 65 percent in 1980.<sup>1</sup>

## 2.2 The Social Environment

This part is concerned with the social environment of Saudi Arabian society. In this respect we will look into the character of Arab society in general, the structure of Saudi Arabian society and its basic social values.

### 2.2.1 Character of Arab Society

The term 'Arabs' has two varying meanings. The broader usage applies to all inhabitants in the Middle East and North Africa who speak Arabic, and identify themselves with what is generally recognized as the Arab culture. These countries, the majority of whose inhabitants are Arabs, broadly defined constitute what has come to be the Arab world. In North Africa, these countries are Mauritania, Morocco, Algeria, Tunisia, Libya, Sudan, Egypt; on the Arabian peninsula or Arabia, they are Saudi Arabia, Yemen, the People's Democratic Republic of Yemen, United Arab Emirates Bahrain, Kuwait, Qatar and Oman. In Western Asia, they are Jordan, Syria, Lebanon and Iraq.<sup>2</sup>

The Arabs live in three broad kinds of community, each with its own social and economic structure:

- (i) Desert Nomads: a small and declining number who live wholly within a tribal structure. Tradition has a strong influence on this group.

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1. United Nations Department of Economic and Social Affairs of the Secretariat. Selected World Demographic Indicators by countries, 1950-2000 ESA/PIW, p.55.
  2. Random House Encyclopedia, Random House (New York, 1977), p.19. See also The Europe Year Book, vol.12, Europe Publications Ltd. (London, 1978).

- (ii) Village people: a majority of the Arabs live in villages and make their living by cultivating the land. Like desert nomads, these people are bound by tradition.
- (iii) City people: a powerful minority of Arabs are living in cities. They control economic, political and cultural life.<sup>1</sup>

The majority of Arabian people are Moslem in religion:

This fact has greater significance than it would have elsewhere, because Islam has been traditionally imposed not merely as a religious doctrine, but as a legal and moral code, social system and a culture as well.<sup>2</sup>

Religion is the fundamental motivating force in most aspects of Arab culture, and has its say in particularly every act and moment of life.

Examination of fundamental social characteristics which can be attributed to the influence of Islam are collectivism<sup>3</sup> and fatalism.<sup>4</sup>

A society in which the family, and not the individual is the basic social unit can be described as a collectivist society. Therefore the Arab community is a collection of groups rather than individuals.

For all the Arabs, mutual cooperation between families and groups is imperative. The interest of the individual is normally subordinated to those in the family, from there being traditional principles of loyalty and responsibility as well as for the sake of convenience and mutual advantage. In return for this loyalty and services, the individual receives family support and security, and above all self-fulfilment, for kinship is in many cases, a powerful source of prestige and social status.

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1. Ailon Shiloh (ed.), Peoples and cultures of the Middle East, Random Harvest (New York, 1969), p.
  2. Monroe Berger, The Arab World Today, Doubleday and Company (New York, 1962), p.23.
  3. Sanie Hamady, Temperament and Character of the Arab, Twayne Publishers (New York, 1960), p.90.
  4. Norman C. Walpole et al. op.cit., p.296.



One of the most important characteristics of Arab life is fatalism, which means that whatever happens to anybody is God's will, and hence there is little a person can do to change the course of events. Elaborating on this point, Berger notes:

Fatalism is a way of defeating the fear of the unknown, if one expects something, one is not surprised, but if something unexpected happens, a fatalistic attitude immediately encompasses it as one's appointed, pre-determined share or lot.<sup>1</sup>

This stems from the fact that all Muslims believe that God controls all workings of the Universe and when he creates human beings, their destiny, happiness and misery is already assigned. This does not mean that a person should not exert effort and find out opportunities in life, it rather means everybody accepts what God has assigned to them, despite the fact that they have their own deterministic behaviour.

## 2.2.2 The Structure of Saudi Arabian Society

Saudi Arabian social structure is divided into three divisions - (i) the tribe; (ii) the village; and (iii) the town.

### 2.2.2.1 The Tribe

Originally, Saudi Arabian society was predominantly tribal. The characteristic trait of the tribal organization of Arabian society is that it is based on blood ties. From its smallest unit to the broad federation of tribes, the main social organization of Arabia is the tribal unit or Al-Qabilah, whose members trace their ancestry to one of the two branches of the Arabs, Qahtan and Adnan (who respectively represented a division between the southern and northern Arabs of

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1. Monroe Berger, op.cit., p.176.

the peninsula). The tribal network itself has been divided theoretically into nine successively larger groups - raht (arhat), fashl (fasail), ashira (ashair), fakhadh (afkhadh), batn (butun), qaibla (qabail), shab (shuub) and jumhur (jumahir). These were traced to their 'root', jidhm (that is Qahtan or Adnan).<sup>1</sup>

Tribal ties are still important and people who have a tribal background still boast about it with a sense of pride. Thus, the dynamics of early tribal patterns such as kinship and lineage, have remained the essence of social relations in Saudi Arabian society. Consequently, resultant communal values, such as obligations and interdependence, are still the basic social values in the country.

The Arab tribal system consists of large kin groups, each of which may include a number of cohesive lineages, consisting of a few extended families whose relationship is normatively recognised by other members of the lineages. Mutual obligation and interdependence mainly stem from the facts that (1) members of a lineage rely for their protection on their lineage kin group and the tribe at large; (2) members of the lineage share common economic interests and, therefore, they are obliged to participate and enhance the interests of their group.

#### 2.2.2.2 The Village

The Saudi Arabian village is seen as a local territorial unit dependent on agriculture. There are still some villages which function as trade markets for tribes. The village is also important in the social structure because it is a transitional stage between tribalism and urbanization.

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1. Christine Moss Holmes, The Cohesion of Saudi Arabia, Croom Helm Ltd. (London, 1981), pp.52-60.

Historically, Bedouins settled first in villages through which they acquired their first experiences in a settled society. For this reason, George Lipsky classifies Saudi Arabian villages into two types, tribal and non-tribal. He point out as follows -

Except for the absence of a tribe in many villages, the village kinship system is of the same type as that of the nomads. The extended family descend in the male line, the wife resides with the husband's family, and paternal authority are all present. Except for the relatively recently established villages of settled nomads, the village unit itself replaces the tribe as the largest immediate unit with which the individual identifies himself.<sup>1</sup>

Village kinship relations are important, and in whole villages or many villages, though not all, an important segment of their population may consider themselves related through a common male ancestor. The life and social position of the villager is determined by his membership of a particular extended family and by its position within a larger kin group. Also, as the tribal chief (Amir) is the spokesman for his tribe before the government, community notables, in the same manner, are the representatives of the village. Finally, the loyalty of the villager is strongly identified with the village unit. The villagers who have lately begun to move to the region of the oil industry or to the larger cities because of greater business opportunities and for government jobs, return to their home villages to get married and maintain ties with their villages.<sup>2</sup>

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1. G.Lipsky, Saudi Arabia, its people, its society, its cultures, HRAF Press (New Haven, 1959), p.82.
  2. Norman C. Walpole et al, Area Handbook for Saudi Arabia, The American University (Washington D.C., 1971), pp. 62-63.

### 2.2.2.3 The Town

A great difference persists between the life of tribe and village and that of the town. Whereas tribal and village communities have been characterized by their homogenous (similarities in tradition, culture and customs), urban communities in Saudi Arabia at present are heterogenous (i.e. a mixture of traditional characteristics, on the one hand and modern traits on the other).

Dissimilarity and heterogeneity stem from the historical background of the four regions (as mentioned in geographic factors). However, by grouping together broad similarities, these regions can be classified into two main categories: The major cities in the region of Al-Hijaz and cities in other parts of the country, which because of the religious-historical significance of Mecca and Medinah, and the important location of Jeddah as a trade centre on the Red Sea. These cities social structure, cultural orientation and economic and political organizations are quite different from the rest of Saudi Arabian cities, and mainly because they have always been exposed to Muslim migrations, they are socially and ethnically heterogeneous. Their different cultural traits have been absorbed and assimilated into one culture, which is unique to these cities. Trades and handicrafts are the basic economic activities. Therefore, social organisation is based on occupational patterns and commercial relationships.<sup>1</sup>

Najd, Al-Ahsa and Asir underwent a common historical developments and acquired similar characteristics. Due to their topographical nature and geographical location, they have been well insulated from any mass migration into the area and thus have had very little contact

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1. N. Walpole, op.cit., pp.64-65; see also G. Lipsky, op.cit., pp.64-65.

with the outside world. Consequently, the inhabitants of these areas constitute a relatively homogenous group in terms of their tribal background.<sup>1</sup> In contrast, the Al-Hijaz was more accessible to immigration and influence from the outside world.

Historically, Najd, Al-Ahsa and Asir resembled villages in their activities and social profiles. They were mainly agriculture oriented, and other activities such as handicrafts existed, then social organization was homogenous and centred around large kin groups and lineages. They were usually ruled by a few powerful families.

However, as a result of the discovery of oil, the growth of government activities and the development of a new commercial sector, modernization has come to Saudi Arabia, and the old cities have begun to change rapidly. The city population is increasing with the influx of foreigners and tribesmen. For example, the city of Al-Dammam, the oil port of the Eastern province, is a boom town; in such a place mingle Westerners, Arabs, Africans, Pakistanis, Saudis and others, with their modern suburbs, mansions, new industries and new business.

Other cities, such as Al-Riyadh, the capital, are rapidly expanding, with new, modern office blocks, modern buildings and government departments, and Jeddah is a busy seaport with modern suburbs, modern buildings and small industries. The old cohesive village has given way to a new urban melting pot, in which several separate communities with disparities in origin, wealth and status

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1. Fatine A. Shaker, Modernization of the developing nations : the case of Saudi Arabia. An unpublished Ph.D. dissertation, Purdue University (1972), pp.188-189.

exist. Members of these communities range from numbers of government officials, and wealthy people, to an influx of settled nomads and workers who come to the city for jobs.<sup>1</sup> For instance, Al-Riyadh had expanded from about several thousand in the thirties to 1,272,275 in 1976.<sup>2</sup>

### 2.2.3 The Basic Social Values of Saudi Society

The values related to the views held by human beings, consciously or unconsciously, are about what is right or what is wrong. Social values indicate the standards by which members of an organization are influenced in guiding their behaviour. They also serve as a system of shared beliefs which provide norms for human conduct.<sup>3</sup> Values can be considered at five levels: - (1) at the individual level, the personal values of a person affect and influence his/her actions; (2) at the group level, whether it is a large group or a small one, formal or informal, the values of the group affect the behaviour of the individuals who comprise the group and also the actions of the group itself; (3) at the organizational level, the values of individuals, groups and the total organization interact and affect the organizational behaviour; (4) at the environmental level, organizational behaviour is influenced not only by those who are members of the formal and informal organizations, but also by those who are outside the formal organization, such as suppliers, customers and government agencies; (5) finally, at the cultural level, the values of the society are

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1. G.A.Lipsky, op.cit., pp.86-88; See also I.M. Al-Awaji, op.cit., pp.60-62.
  2. Abdel R. Al Modani and Mohammad Al-Fayez, Population Bulletin of the United Nations Commission for Western Asia, vols. 10 and 11 (1976), p.186.
  3. Peter M. Blau and W.R. Scott, Formal Organizations : A comparative approach, Chandler Publishing Co. (San Francisco, 1962).

influential on its members.<sup>1</sup>

The social-value system in Saudi Arabia is based on three major sub-systems: (1) Religion; (2) the family; and (3) traditions.

#### 2.2.3.1 Religion... as an origin of social values

The Arabian peninsula is the birthplace of Islam and the total population of Saudi Arabia is Moslem. It is an all-pervasive influence in the lives of its adherents, the fundamental motivating force in the phases of their culture. Nyrop states that - 'Religion is the single most important factor in Saudi culture'.<sup>2</sup> But Islam is more than a religion, it is a way of life. All desires and daily acts are coloured by recognition of their appropriateness or inappropriateness in the light of Islamic precepts, and verbal expression is invariably interspersed with references or appeals to God. Therefore, Islam is the source of political legitimacy, the judicial system and the moral code of the society. Al-Awaji summarises its pervasiveness:

Islam is the source of political legitimacy, the judicial system and the moral code of the society. Islam is the primary political and social frame of reference. On the one hand it is the formal religion of the state, and therefore its principles are the supreme authority. On the other hand, it is a social and cultural institution whose system of social conduct and spiritual forces penetrates every aspect of Muslim life.<sup>3</sup>

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1. Fremont E. Kast and James E. Resenzweig, Organizations and Management : A Seven Approach, McGraw Hill (New York, 1974).
  2. Richard F. Nyrop et al., op.cit., p.113.
  3. I.M. Al-Awaji, op.cit., pp.67-68.

The history of Islam goes back to 610 when Mohammed, the Prophet, began his teachings which were based on revelations from God revealed to him through the Angel Gabriel. Mohammed preached Islam for a number of years at his home town Mecca, where he faced tremendous resistance from his fellow Meccans.

As a result he had to move to the city of Medinah, where he established a commonwealth based, not upon the old foundation of consanguinity, but upon religion, with himself as the chief magistrate. Moslems were taught to revere the new institution, planted through the Prophet, by God himself, and to sink their tribal dissensions in the commonwealth of the brotherhood of faith.<sup>1</sup>

The Prophet Mohammed not only promulgated a religion, but also a complete social system containing minute regulations for man's conduct in all circumstances of life, with due rewards and penalties according to his fulfilment (or otherwise) of these rules. In other words, Islam is a social and cultural institution whose system of social conduct and spiritual forces penetrates every aspect of Muslim life.

Furthermore, for Saudi Arabians, it is not only the importance of Islam as a major source of social values and norms that complete the institutionalization of Islamic doctrines and teaching, but also its effect as the source of all legal and political acts that perpetuates and enforces such an institutionalization.

Raphael Patai pointed out about the Arab culture that 'the religion is the fundamental motivating force in most aspects of Arab culture and has its say in practically every act and moment in life.

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1. Alawi N. Abussand, Administrative Development and Planning in Saudi Arabia, unpublished dissertation, University of Maryland (1976), pp.18-24.



It is a complete civilization in itself; it is interested even in the most ordinary acts of the individual. That is, the observance of traditional forms and rites, whether of the 'official' or of the 'popular' kind, is an integral part of everyday life. Therefore, the totality of life is permeated with religion which holds supreme sway over the great majority of the population.<sup>1</sup>

The following quotation from G.F. Grunebaum can be given to explain the Islamic impact on Saudi Arabian life:

Islam aims at comprehending life in its totality. ... The distinction between important and unimportant detail of daily routine loses much of its meaning, when every step is thought of as prescribed by divine ordinance... No sphere is left in which our doings are inconsequential for our fate in the hereafter. The relevancy of our failing will vary according to their moral and social significance, but nowhere shall we find a no-man's land to which religion does not lay claim.<sup>2</sup>

It might be appropriate to end this brief discussion on the comprehensiveness of the Islamic impact on Saudi Arabian life by quoting this statement:

Islam is based on belief in one God, a warm transcendent God to whom man must submit, or resign, his fate. Submission to this God joins men into one community, the House of God (Dar al-Islam). Islam gives man a total explanation of his existence and propounds a moral system which is not so much a set of general principles as a series of practical obligations and prohibitions. Members of the Islamic community do not separate the spiritual from the temporal; everything in society is believed to partake of the religious essence, and all elements of the society are part of the

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1. Raphael Patai, 'The Middle East as a Cultural Area' in Middle East Journal VI (Winter, 1952), pp.1-22; 'On cultural contact and its working in Modern Palestine' in American Anthropologist, XII (Fall, 1942), pp.1-48; 'Nomadism : Middle Eastern and Central Asian', South Western Journal of Anthropology, VII (Winter, 1951), pp.4-415; 'Relationship patterns among the Arabs' in Middle Eastern Affairs, 11 (May, 1951), pp.180-185.
  2. G.F. Grunebaum, Medieval Islam : A study in cultural orientation, 2nd ed., University of Chicago Press (Chicago, 1953), p.108.

collectivity of Islam.<sup>1</sup>

Examples of fundamental social characteristics which can be attributed to the influence of Islam are collectivism and fatalism, which will be discussed later in this chapter.

2.2.3.2 Kinship and the family institution as the central element in the social values in Saudi Arabian society

Kinship and the family are perhaps the common denominator of the Middle East, the importance of which transcends national boundaries and diverse historical backgrounds.<sup>2</sup>

The Arab is known by the family to which he belongs. However great his personal talents, a man without a family to back him is unlikely even to count for much in the community. It is not surprising then that the individual's loyalty and duty to his family are greater than any other social obligation. Family obligations are extended in diluted form to lineage and tribe. An observant Arab stated that status within the family and in the outer group is defined largely by it. 'For the overwhelming majority, the Arabs' station in life, their occupation and their economic position are regulated by the accident of birth. The rights and duties of the individual are drawn in terms of the family, the centre of community life'.<sup>3</sup> Consequently, Arab society starts with the family rather than with the individual and is patterned on it. Relations extend outward from the family and remain within its orbit.

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1. Norman C. Walpole, op.cit., p.106.

2. ibid., p.80.

3. Samia Hamady, Temperament and character of the Arabs, Twayne Publishers (New York, 1960), pp. 87-88.

Moreover, a western observer wrote:

... It becomes evident that an individual derives both status and role entirely from the position of his family and from his position within the family. The greater part of his activities are related to some degree or other with those of other members of this group. It also became apparent that the Arab concept of **all** (kin) differs from the lineal concept typical of our culture and includes individuals other than those of immediate family of procreation and orientation and that a much closer degree of relationship exists between the individual and his collateral relative.<sup>1</sup>

Moreover, the Arab family comprises more than direct members of the nuclear unit of procreation and orientation. Thus, the family consisting of the parents and the children is not what we mean by the basic society unit. Instead, we refer to the joint family, a larger or extended family group consisting of the parents, their children, grandparents, uncles and aunts, and ascendant and collateral relatives to the third or fourth degree or more.<sup>2</sup>

The role of the Arab family differs from the role of the family in the west, where the freedom and independence of the individual outweigh his obligation to the family, while with the Arab, membership in the family defines his identity and primary social relationships, and provides him with security and status. His personal freedom and individuality are secondary to the needs and demands of the broader kinship group in which he is inextricably bound, from birth to death.<sup>3</sup>

The Saudi Arabian family is typical of an Arab family. George Lipsky states:

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1. Rodger P. Davis, 'Syrian Arabic Kinship Term', Southwestern Journal of Anthropology, V (Autumn, 1949), p.249.
  2. Samia Hamady, op.cit., pp.88-89.
  3. Summer Scott Huyette, Political adaptation in Saudi Arabia : A study of the Council of Ministers, Westview Press (1985), p.40.

All social relations in Saudi Arabia are indirectly if not directly tied to family considerations and the family is the fundamental and essential repository of every individual's personal identity... In practice, family obligations take the precedence over all others.<sup>1</sup>

### 2.2.3.3 Traditions as a central element in the social values in Saudi Arabian Society

The primary development of Saudi Arabian society has evolved out of three factors, the first of which are the Arab traditions, i.e. practices deeply rooted in history and still strongly maintained. These traditions are perhaps the main source of the family's social legitimacy. The other source is Islam which, on numerous occasions, asserts the priority of the family and the kin. Both the Koran (the holy book) and Sunnah (the body of Islamic tradition based on Prophet Mohammed's words and practices) have frequently called upon the Moslem to favour kin. However, according to Reuben Levy, Islam was a continuity of pre-Islamic Arab traditions in many moral issues such as the following where he stated that:

The same sentiment is to be found in the Koran, in a verse that, characteristically begins by bidding the believer to serve Allah and associate nought with him, and continues; show kindness towards parents, kinsfolk, orphans, the poor, the **Jar** (neighbour), whether kinsman or alien, to fellow-workers, wayfarers and slaves.<sup>2</sup>

Neither religion, family system nor tradition can be understood apart from one another. Therefore, when we refer to 'tradition as the central element in the social values', we have in mind a combination of these factors, religious doctrines and practices, the family institution and essential customs, norms and practices which reflect the cul-

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1. George Lipsky, op.cit., p.45.

2. Reuben Levy, The Social Structure of Islam, University of Cambridge Press (Cambridge, 1962), p.193.

tural system of the society of which religion comprises only one subsystem. Such traditions include social attitudes, conceptions and ranking of things (time, place, money, life, death, etc.).

To conclude this discussion, it may be said that both tradition and Islam regard the family institution as a central element in the social life in Saudi Arabian society, as well as in other parts of the Arab nation. Thus, because of the nature of the traditional economy in the Arab world which is mainly characterized by pastoral and agricultural pursuits; handicrafts and trade, the family has continued to function as an economic organization as well as social unit.<sup>1</sup>

The development of an industrial economy in Saudi Arabia has not yet provided an available substitute for the family role. As George Lipsky states:

In recent years the increase in wealth, the repression of the more violent forms of intertribal rivalry and the limited but significant impact of western cultural elements in Saudi Arabia have challenged many of the traditional social practices and, with them, underlying values. It is doubtful, however, that the core of traditional values has yet been shaken, and it is likely that tradition continues to define the basic meaning and goals of Saudi individual and social life.<sup>1</sup>

However, since the aim in this section is to study the cultural environment of the Saudi middle managers in Saudi Basic Industries Co. (Sabic), and how the socio-cultural environment affects the middle managers goals and behaviour, the analysis will be limited to relevant values and characteristics which are deemed to be relevant to the subject.

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1. George Lipsky, op.cit., p.295.

### Collectivism

Arab society is described as a collectivist society, where the family, not the individual, is the basic social unit. Therefore, the Arab community is a collection of groups rather than of individuals; and this is the case with all the Arabs - whether urban, peasant, or bedouin - in whatever familial groups, family, house, kin, sub-tribe of the same family or tribe, mutual aid and co-operation within its ranks is imperative.<sup>1</sup> Consequently, the interests of the individual are subordinated to those of the family, from the binding traditional principles of loyalty and responsibility, as well as for the sake of convenience and mutual advantage. In return for his loyalty and services, the individual receives family support and security, and above all, self-fulfilment; for kinship is, in many cases, a powerful source of prestige and social status.<sup>2</sup>

As advanced previously, predominance of the social and collective over the individual has its roots in the powerful impact and control of tradition and religion. Consequently, a man becomes more concerned about how to avoid the disapproval or condemnation of his particular group and community at large than with fulfilling his own self-interest.

Since personal relationship is the centre of all the individual's obligations and responsibilities, the Arab is not used to being impartial and objective in assigning jobs, or distributing benefits. 'To take care first of one's own people, irrespective of merit or order of priority, is his duty; it means fulfilling part of his elementary

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1. Samia Hamady, op.cit., pp.90-91.

2. *ibid.*

roles.<sup>1</sup> Elaborating on this point, Louis G. Koninghaure notes:

Since the entire social structure has historically been based on kinship, it is not surprising to find a certain amount of influence being exercised in favour of relatives. In this society, it is taken for granted that an individual will use his position to benefit his relatives, and failure to do so would generally be regarded as morally irresponsible.<sup>2</sup>

### Fatalism

The average Arab is a fatalist, who believes that whatever happens to him is 'God's will'. God is the ultimate cause of today's rain, tomorrow's sunshine, the success or failure of a marriage, or the outcome of a business venture. Man must do his best, but only if God wills it will he be successful.<sup>3</sup> But even more so, man has limited control over his own life, for it is God who has fore knowledge of all events, and who has predetermined every thing for man.<sup>4</sup> This determination is the result of many factors. Foremost among them is religious indoctrination. Such determinism is seen as manifested in the meaning of the word 'Islam' itself. Literally translated, Islam means 'peaceful submission'.<sup>5</sup> The submission pre-supposes an acceptance of all that God has revealed in human history. Moreover, determinism could be inferred from the Koranic verses repeatedly insisting on man's dependence on forces mightier than himself.<sup>6</sup>

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1. Samia Hamady, *op.cit.*, p.95.
  2. Louis G. Koninghaure, 'Civil Service in Saudi Arabia', a report, Ford Foundation (Riyadh, 1963), p.8.
  3. Norman C. Walpole, *op.cit.*, p.296.
  4. W.M. Watt, What is Islam, G.P. Putman's Sons (New York, 1947), p.37.
  5. *ibid.*, p.10.
  6. Mohammed Droz, 'The origin of Islam' in The Straight Faith, edited by Kenneth Morgan, The Ronald Company (New York, 1958), p.8.

Although there are also many passages in the Koran which grant man free choice, to either accept or reject and emphasize man's free will in such a manner that there is enough leeway to sustain an attitude of freedom and responsibility.<sup>1</sup>

However, economic factors play a great role in shaping the Arab's outlook on his destiny. 'The average Arab has been leading a deprived and miserable life for ages. His fatalistic attitude is the result of a subsistence economy where people live in material want until death.'<sup>2</sup> Furthermore, being closely and infinitely tied to his family and kin, and subjected to severe public opinion regarding his conformity, the individual to survive has to resign himself to these external forces and accept his fat (lot), and chance to explain the frustration of his plans, lack of achievement, misfortune, and even little things as it comes to him. Therefore, Samia Hamady argues that when he notes:

The impact of fatalistic philosophy on the Arabs is therefore due not so much to religious doctrine of determinism (though it does seem to encourage a fatalistic behaviour) as to the nefarious influence of political subjugation, economic poverty and social tyranny. The Arabs picked from the Koran only the passages that can support significantly their improvident outlook on life and in which they can find a religious excuse for their inactivity and stagnation.<sup>3</sup>

Fatalistic attitudes have produced negative consequences towards creativity and utility of time. This point has been further

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1. Samia Hamady, *op.cit.*, p.188.
  2. *ibid.*, p.185.
  3. *ibid.*, p.188.



elaborated by Al-Waji when he notes:

... whether the individual consciously believes in deterministic doctrines or merely is influenced by social norms which are severely sanctioned by public or community opinion, or both, he simply tends to accept his family's prerogatives, and the passage of time as forces beyond the domain of his own will. His conformity with what he considers right in the cultural sphere is one of his strongest motives. He values and seeks the approval from his fellowmen, for he lives in a society where the familial group is the basic social unit, and the individual finds it hard to survive socially if he chooses to go his own way. And, as he submits to the power of his group, he gives up his own personal freedom.<sup>1</sup>

## 2.3 The Economic Environment

### 2.3.1 Introduction

The Saudi Arabian economic system is a mixture of Public Planning and Private enterprise. It recognises the value of private initiative and efforts with the framework of state guidance and direction. The government's economic philosophy, based on these principles is oriented toward economic development within the framework of free enterprise, and the individual's right to pursue his own financial destiny. Beside that, Saudi Arabia is an emerging country, which is striving to advance economically and socially to achieve the level of highly advanced nations. Within a relatively short period of time, it has made long strides towards socio-economic progress.

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1. I.M. Al-Awaji, op.cit., pp.76-77.

For example, thirty-five years ago, the gross national income was dependent only on agricultural production, and the breeding of livestock and pilgrimage.<sup>1</sup>

However, Saudi Arabia's oil operation began in 1927, with a concession granted to Frank Holmes covering 30,000 square miles in Al-Ahase Province, which is now the major oil producing province of Saudi Arabia.<sup>2</sup> Holmes concession collapsed through failure to meet the obligations specified in the agreement.<sup>3</sup>

The Standard Oil Company of California (SOCOL) was negotiating at that time in Bahrain, an island off the shores of Saudi Arabia in the Arabian Gulf, and its success prompted the company to negotiate with Saudi Arabia on May 29, 1933. According to this agreement, the company would lend the government £30,000 and pay £5,000 in rent per year.<sup>4</sup> After four years of exploration, Socol was successful in finding oil in 1938, and in May 1939, the first American tanker left Saudi Arabia with oil. The Kingdom of Saudi Arabia received \$10 million in revenues.<sup>5</sup>

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1. Muhain R. Tarabzune, Petroleum and Industry, an analysis of the effect of capitalizing exploration and development cost in the Petroleum Industry, with emphasis on possible consequences in Saudi Arabia. First edition (Jeddah, Saudi Arabia, 1984), p.70.
  2. op.cit., p.69.
  3. ibid.
  4. Farouk M.H. Akhdan, 'Multinational firms and Developing Planning', a case study of the impact of the Arabian American Oil Company (ARAMCO), on the development of the Saudi Arabian economy. Unpublished dissertation, University of California (1974), pp.17-56.
  5. David Howarth, The Desert King, McGraw-Hill (New York, 1964), p.252.

As a consequence of the oil production, the Kingdom's revenues increased tremendously. However, this did not last long, for World War II began shortly after. As a result of the war, oil production was halted, as were the oil revenues. The annual pilgrimage was also stopped because of the war. To complicate matters further, the country was hit with a severe drought, leading to the loss of a great number of the herds and a decrease in the already small agricultural production of the country. The people of Saudi Arabia were on the verge of starvation, which led the British to help by sending food.<sup>1</sup>

In 1945, oil production started again and oil revenues began to increase. There are three major oil companies working in Saudi Arabia. The first of these is the Arabian American Oil Company (ARAMCO). With a concession for 66 years that started in 1933, Aramco produces nearly 94% of Saudi Arabian crude oil, and has 9.3 billion barrels of oil reserves. The Saudi government owned 25 percent of Aramco in 1972, 60 percent in 1973, and 100 percent ownership at present.

The second company is the Arabian Oil Company, with over 4,000 square kilometres for 40 years starting from 1960. It signed contracts, and produces oil from the shared fields which are the neutral zone 'an area between Saudi Arabia and Kuwait'. The concession was

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1. D. Howarth, *op.cit.*, p.247.

granted to the Japanese Petroleum Trading Company Ltd., for its undivided half-interest.

The third company, Getty Oil Company, holds a concession to produce oil on shore in the neutral zone, with an additional 1,000 square kilometres off shore for a concession of 60 years starting from 1949. This company is a joint venture of the Saudi government and Japanese Petroleum Trading Co. Ltd.

In January 1965, the Saudi Government concluded another concession agreement with French-owned Société Auxiliaire de la Régie Autonome des Pétroles (Auxirap) to explore for petroleum in the Red Sea; this agreement is for 30 years.<sup>1</sup>

### 2.3.2 Planning in Saudi Arabia

Planning is considered an important function of the state in almost all societies. It is critically important and vital in developing economies which need to rapidly catch up with other countries in more advantageous situations. Planning is predetermined action to achieve a certain goal or set of goals; these goals are shaped by the socio-economic circumstances of a given society. The second comprehensive plan of Saudi Arabia (1975-80) indicates that 'Planning implies the efficient use of a country's resources in accordance with certain rationally-determined priorities for the attainment of nationally cherished goals. Since goals are culturally, historically and politically oriented, a country's development plan essentially reflects its fundamental values and principles'.

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1. Fouad Al-Farsy, Saudi Arabia : A Case Study in Development (1980), p.45; also M.R. Tarabzune, op.cit., p.74.

In spite of the fact that formal planning in Saudi Arabia started only in the 1970s, planning discussions go back to the later 1950s. When Saudi Arabia faced tremendous financial difficulties arising from the monetary crisis caused by the decline in oil revenues, especially in 1956.<sup>1</sup> Government oil revenues fell from \$340.8 million to \$290.2 million.<sup>2</sup>

As a result of the economic difficulties that faced the country, Prime Minister Faral established an Economic Development Committee in 1958, and appointed a new governor for the Saudi Arabian Monetary Agency (SAMA)<sup>3</sup> in order to overcome the financial crisis. The new governor of SAMA suggested the formation of an economic development committee.<sup>4</sup> This EDC was charged with analysing the future prospects of the different projects, creating a five-year programme for economic development, and indicating the sources of finance both from resources of the Kingdom and from foreign aid. The Prime Minister approved the formation of the committee comprising six financial, economic and industrial advisers of the government, among whom was the governor of SAMA.<sup>5</sup> After six month's of the committee's existence, it was reorganized under the supervision of the Minister of State for Financial and Economic Affairs, who was entrusted to nominate 'reliable qualified Saudis from various ministries to be added to the committee'. The additional members were the Deputy

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1. The main reason for the monetary crisis was the decline in oil in 1956 and the war between Egypt and U.K., France and Israel.
  2. Saudi Arabia Monetary Agency (SAMA) Annual Report, 1970, p.3.
  3. Anwar Ali was a highly qualified Pakistani, who had been an expert of the fund (for more details see Arthur N. Young, Saudi Arabia : The Making of a Financial Giant (1982), p.96.
  4. Said M. Adam, 'Report on the Development of Planning Organization in Saudi Arabia', Saudi Arabia, June 1965, pp.5-6.
  5. *ibid.*

Minister of Commerce and the Director-General of Agriculture, Education, Health, Oil and Minerals, and Communications.

The Committee had a difficult responsibility as this was the first time comprehensive planning had been attempted in Saudi Arabia. There was a lack of data, lack of efficient personnel and lack of organizational apparatus to coordinate the functions of planning.<sup>1</sup>

In 1960 Prime Minister Faisal asked the International Bank for Reconstruction and Development (IBRD) for a mission to Saudi Arabia to study the economic problems and make recommendations as to the best ways of developing the Kingdom's resources, and for providing a sound foundation for future economic development. The mission sent to Saudi Arabia was comprised of experts from various fields, who made several visits to different areas in the Kingdom, for the purpose of examining their economic potential. The mission's final report became a milestone in the history of planning both from the standpoint of objectives to be achieved and as organizational methods to be used.<sup>2</sup>

The basic recommendation contained in the report was that Saudi Arabia should begin with a programme of modest economic development to be accelerated yearly.<sup>3</sup> The mission's report further recommended that an economic development board be created to plan, co-ordinate and ensure implementation of all economic development activities in the public sector.<sup>4</sup> Several guiding principles for the economic development of the

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1. Said M. Adam, op. cit., p.8.
  2. International Bank for Reconstruction and Development. Unpublished report of IBRD's mission to Saudi Arabian Government entitled 'An Approach to the Economic Development of Saudi Arabia' (May 1960).
  3. *ibid.*, p.57.
  4. *ibid.*, p.59.

Kingdom were also presented in the report. Financial and economic stability were to be maintained as a necessary prerequisite to sound economic development. Investments by the government should be made in projects which did not receive private support, and the initial projects receiving investments should be kept relatively few and be limited to those which would disseminate the maximum benefits to the greatest number of people. The projects most immediately in need of government support were recognised as the development of water resources, the improvement of crop and livestock production, the improvement of communication facilities, and Education and Health. On the organizational level, the report recommended engaging a competent staff to plan economic development projects before they are started. The actual projects would be carried out by the particular minority concerned and not by the planning organization.<sup>1</sup>

After thorough study of the IBRD Report by the Council of Ministers, many of the recommendations were accepted.

As a result, the Supreme Planning Board was created by Royal Decree Number 50, January 1961. Its membership consisted of the Prime Minister as Chairman, and the Minister of Finance, Petroleum and Mineral Resources, Communications, Agriculture, Health and Commerce. According to Article Six of the Royal Decree 'The terms of reference of the Supreme Planning Board should be to plan and draw up the policies of economic development amongst the various ministries and departments, supervise and follow up their execution'. These terms of reference exclude the private sector, the Board's function being confined to economic development among the various ministries. The second exclusion

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1. op.cit., p.57.

was the social aspect of development despite the fact that social change is more urgently needed than anything else. In practice, however, the Supreme Planning Board worked as a sub-committee of the Council of Ministers, concentrating its efforts on reviewing the budget requests of the different ministries to ensure that excessive requests for funds were not recommended. 'It has been primarily engaged as a kind of sub-committee of the Council of Ministers concerned with reviewing the development budget to insure that business-like practices were being followed, a task which the budget office would undertake for the whole budget.'<sup>1</sup>

The authority of the Board as a planning body, and the power of its decisions were not well defined. Its relation with the Council of Ministers, as the top authority, was ambiguous:

The nature of the work of the Board was not accurately defined, and several modifications were inserted on its formation ... Besides, we found its relation with the Council of Ministers from one side and the Ministry Department from the other wise, was not clearly indicated, especially the points relating to supervision and following up the execution of projects.<sup>2</sup>

There was repetition and overlapping. The same people who as ministers initiated the request were also the persons who reviewed them on the Board table. Not only that, but also what the Board might discuss today might be a subject of longer discussion in the Council of Ministers tomorrow. With six ministers attending both discussions, the ministers who were members of both the Council of Ministers and the

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1. Said M. Adam, op.cit., p.16.

2. *ibid.*



Board of Planning were kept busy conducting routine work in their respective offices, a task which could have been handled by divisional officers. Consequently, Ministers had no substantial time for discussing important issues either in the Council of Ministers or in the Planning Board.

Although a Secretary-General of a planning body is usually expected to play a genuine role in achieving its objectives, the only statement dealing with the subject was the provision of Article Four of the Royal Decree issued for the creation of the Board, which reads: 'The Secretary General shall be entrusted with the Board and executive function of Planning.'

Probably one of the Board's most challenging obstacles was the general lack of technicians, qualified administrators, and experts in the various fields with which the Board was concerned. It was not realized by the Board that without a great many qualified personnel, the planning was impractical.

Although it is generally accepted among planners that data are the basic function of the planning structure, the Board did not consider this essential fact. There was no statistical system qualified to provide the required planning data. Hence, a rough estimation was the tool used. The only statistical agency in the country, which has been established only recently, was and still is located at the Ministry of Finance. At that time it had neither the competence, the orientation, nor the institutional position which might help in planning matters.<sup>1</sup> There was also an absence of direct communication between the Board and this statistical agency.

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1. David G. Edans and W.P. Snaveley, 'Planning for Economic Development in Saudi Arabia', Middle East Journal, vol.1 (Winter, 1970), p.124.

The Economic Development Committee and the Supreme Planning Board were designed to be central planning agencies but failed in this task due to the inadequacies described earlier. Therefore, a United Nations Reconnaissance Mission was invited to study the situation. The Mission visited the country in 1964, and recommended the establishment of new organizations for development planning. Also, the government signed an agreement with the Ford Foundation to provide the country with a team of experts to study its administrative and organizational problem. The Ford Foundation team and the U.N. Mission resulted in the creation of the Central Planning Organization (CPO), by the Royal Decree Number Nineteen dated January 19th, 1965. The same decree established planning units in each ministry or independent agency in the government to be the link to the Central Planning Organization in all planning matters.<sup>1</sup>

By resolution of the Council of Ministers and a Royal Decree in January 1965, the Central Planning Organization was charged with several functions. It was to report on the economy of the Kingdom the scope of progress achieved and projected developments. The organization was also to prepare a five-year economic and social development plan to be approved by the Council of Ministers. It was to develop a budget for development to be incorporated into the state budget through constant consultation with the Ministry of Finance and National Economy. In addition, the organization was to advise the King on technical matters when necessary and assist ministries in their planning affairs.<sup>2</sup>

The organizational structure of the CPO calls for twelve economic advisers. The number may be increased or decreased according to the need - who are to be assisted by a staff of administrative and clerical personnel. The organization for the Fiscal Year 1974-75 is composed of

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1. Council of Ministers' Resolution No.430 (May 13, 1963), p.3.

2. *ibid.*

the President, Vice-President, Advisory Committee, four departments, and economic unit and a branch for the CPO in Jeddah to supervise its activities in the western region. The four departments are the planning department, research department, general department and follow-up department. The planning department is broken down into sections, such as education sector, manpower sector, etc.

Under the CPO system of planning, specific projects are initiated by the Ministries through their planning units. These plans are submitted to the CPO for review and evaluation in terms of feasibility and possible overlap with other programmes. The plans must fit the general scheme of development, the objectives of the ministry and the financial ability of the government. Through its evaluation and review procedures, technical assistance to Ministries and coordination of the many different plans submitted to it, the CPO develops a comprehensive national plan. This plan is subject to the approval of their King. All budget reviews and monitoring functions are confined to the Ministry of Finance and National Economy, leaving the CPO to perform only the planning function.

The specific objectives the government hoped to achieve through its planning are:

- (1) to increase the rate of growth of the gross domestic product;
- (2) to develop human resources so that the various elements of society will be able to contribute more effectively to production and participate fully in the process of development; and
- (3) to diversify the sources of national income with reduced dependence on oil through increasing the share of other sectors in the gross domestic product.<sup>1</sup>

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1. Kingdom of Saudi Arabia Central Planning Organization, First Five-Year Development Plan 1970-75, p.23.

These objectives were translated into definitive policies.

### 2.3.3 Development of Manpower

In the final section of this chapter, the discussion will focus on the manpower problems facing Saudi Arabia in its drive for development. The nature of the problem, the sources of the problem, and the institutions involved in the solution of that problem are considered. Manpower is an important aspect of the development of Saudi Arabia, as has already been shown.

The manpower problem in Saudi Arabia may be described as having two dimensions, quantity and quality. That there is a problem of quantity means that there are often not enough people with the capability to implement development programmes. As mentioned in the previous pages, the qualitative dimension means that even those personnel who have the capacity to be good administrators, often need additional training to be really effective.

The quantity dimension of the manpower is the result of the vast and rapid economic development which Saudi Arabia is undergoing and the country presently requires a large reserve of manpower whereas the Saudi population is relatively small,<sup>1</sup> and projected targets in the Five-Year Plan of 1970-75 to be met through the various sets of activities of governmental organization. The First Five-Year Development Plan had an initial budget of SR 56,223 million (about \$17.2 million). Health and Social Services received 4.4 percent, while human resources development received 18.1 percent of the total appropriation. The main objectives of the First Five-Year Plan were to build the infrastructure necessary for the development process. The Second Five-Year Plan was to

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1. Saudi Arabia has 7,012,642. Saudi Arabia Monetary Agency (see Population in previous pages); Statistical Summary 1975-76, 1st issue (Riyadh, Saudi Arabia), p.18.

concentrate on developing the human resources of the country.<sup>1</sup>

The Second Five-Year Plan was to commence in 1975-80. The appropriation for this plan was SR 498,230.2 million (\$140,997 million). Human resources development constituted 15.9 percent and social development 6.7.<sup>2</sup>

The Third Five-Year Plan 1980-85 had a budget of SR 783,000 million (\$235,000 million).<sup>3</sup> This plan also concentrated on developing the human resource development which received 22.2 percent of the total appropriation and social development 12.4 percent. The Fourth Five-Year Plan commenced in 1985 and should end in 1990. The appropriation for this plan was SR 1,000 billion. Human resources development constituted 27.1 percent and social development 17.9 percent.

The use of these plans met with success in achieving an increase in the growth of gross domestic product. Table 2.3 showed the enormity of change in GDP at the three stages of the Kingdom's development, in the First Five-Year Plan, GDP rose SR 17,398.6 (1969-70) to SR 139,599.6 (1974-75). This increase resulted from the dramatic increases in the price of oil in September 1973 and January 1974 which led to a doubling of the oil revenues.

The GDP in the Second Five-Year Plan for 1975-80 jumped to SR 385,806.5. Moreover, the Third Five-Year Plan for 1980-85 started with SR 518.0 in 1980-81 and fell to SR 358.1. The main cause of this was the sharp decline of the oil sector, as crude oil exports fell from over 9 million barrels per day (Mbd) in 1981/82 to less than 4 Mbd in 1984/85.

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1. Kingdom of Saudi Arabia, Ministry of Planning, First Development Plan 1970-75, p.     and Second Development Plan 1975-80, p.
  2. *ibid.*, p.529.
  3. *ibid.*, Third Five-Year Plan, 1980-85.

TABLE 2.3  
SAUDI ARABIAN GROSS DOMESTIC PRODUCT  
(IN MILLIONS OF SAUDI RIYALS)

YEARS	GDP
1969-1970	17,4
1970-1971	22,9
1971-1972	28,3
1972-1973	40,5
1973-1974	99,5
1974-1975	39,6
1975-1976	164,5
1976-1977	205,0
1977-1978	225,4
1978-1979	249,5
1979-1980	385,8
1980-1981	518,0
1981-1982	522,2
1982-1983	411,8
1983-1984	380,4
1984-1985	358,1

\* Excludes import duties

SOURCES: (1) Central Department of Statistics, Ministry of Finance, Statistics Indicator, Okadh Publishing Co. (Jeddah, 1985).

(2) Fourth Development Plan, Kingdom of Saudi Arabia, Ministry of Planning 1985-1990, Table 2.2, p.14.

TABLE 2.4  
STUDENTS IN HIGHER EDUCATION  
ENROLMENT BY SEX AND YEAR

UNIVERSITY	1969-1970		1973-1974	
	Male	Female	Male	Female
King Saud	3,348	259	5,062	505
King Abdul Aziz	321	170	2,982	957
University of Petroleum and Minerals	450	-	1,240	-
Islamic	551	-	732	-
Girls Colleges	-	80	-	1,019
TOTAL	4,570	509	10,016	2,481

SOURCE: Saudi Arabia, Statistical Year Book 1974  
Vol. 10 (1974), pp.49-54 and Women's  
College Statistical Book, 1977, 1979, p.8.

TABLE 2.5  
STUDENTS IN HIGHER EDUCATION  
ENROLMENT BY SEX AND YEAR\*

INSTITUTION	1984/1985		1989/1990	
	Male	Female	Male	Female
King Saud	17,536	4,891	18,730	5,670
King Abdul Aziz	10,089	3,994	16,379	6,095
King Faizal	1,465	1,185	3,535	1,861
University of Petroleum and Minerals	3,496	-	4,533	-
Islamic	3,400	-	4,630	-
Imam Mohammed	9,344	-	14,970	-
	5,654	4,084	6,470	5,480
Girls Colleges	-	14,172	-	20,000
Total	51,484	28,326	69,247	39,106

\* Excludes non-regular male and female students in King Abdul Aziz University and Imam Mohammed University.

SOURCE: King of Saudi Arabia, Ministry of Planning,  
 Fourth Development Plan 1985-1990, p.289  
 Table 11-12.



Furthermore, Saudi Arabia is characterized by a youthful population, for it is estimated that more than 49 percent of its total urban and rural population fall in the 1-15 years age bracket. The economic impact of the small Saudi population is further reduced by the absence of most women from the workforce, because the formal education for girls only began in 1960. But female enrolments began to show significant increases in 1970. There were 509 female enrolments in higher education in 1970, 2,481 in 1973/74 (Table 2.4), 12,665 in 1979/80, 28,326 in 1984/85 and in 1990 there will be 39,1006 (see Table 2.5). The other factor related to the absence of most women from the workforce is the physical segregation of females (see Chapter 4) from males whereby women work in separate quarters, and this sexual segregation would lead to occupational segregation and would not give women the opportunity to learn as a result of their interaction with men in the workplace.<sup>1</sup> Table 2.6 shows that the number of Saudi men in the labour force was growing at about 24 percent between 1975 and 1980, and in 1980-85 the Saudi labour force grew at an average annual rate of 3.7 percent compared with Saudi females in the labour force increased at an average annual rate of 1.5 percent.

However, one of the major problems facing Saudi Arabia, as mentioned earlier, is meeting its labour needs in the vast rapid economic development which Saudi Arabia is undergoing presently. Saudi Arabia is trying to solve this problem by importing the necessary labour from outside (see Table 2.7). In this table, total employment in the Kingdom has grown by 1,420,000 during the Third Plan Period; the Saudi

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1. Aisha M. Al-Mana, Economic Development and its impact on the study of women in S.A, unpublished dissertation, University of Colorado (1981), p.141 (Société d'Etudes pour developement Economique et social (SEDES) (1979), pp.35-36.

TABLE 2.6  
ESTIMATED AND PROJECTED VALUES OF THE SAUDI  
ARABIAN LABOUR FORCE SELECTED YEARS  
(THOUSANDS OF WORKERS)

SEX	1975	1980	1985	1990*
Saudi Men	1,156.5	1,366.4	1,649.2	1,984.1
Saudi Women	96	126.8	136.8	176.6
Total	1,252.5	1,493.2	1,786.0	1,160.7

\*Projected

SOURCE: Third Development Plan, Table 2.5  
Fourth Development Plan, Tables 2.6 and 5.7

TABLE 2.7  
LABOUR FORCE FROM 1979-1990

NATIONALITY	1970	1975	1980	1985	1990
Saudi	993.4	1,253.0	1,493.2	1,786.0	2,160.7
Non-Saudi	172.4	494.0	1,532.8	2,660.0	2,059.8
Total	1,165.8	1,747.0	3,026.0	4,446.0	4,220.8

SOURCE: Kingdom of Saudi Arabia. Third Development Plan 1980-1985, p.35. Fourth Development Plan 1985-1990, pp.36, 184.

TABLE 2.8  
TOTAL SAUDI WORKING-AGE POPULATION AND  
CIVILIAN LABOUR FORCE 1984/1985 and 1989/1990

	1984/1985			1989/1990		
	Males	Females	Total	Males	Females	Total
Working-Age Population	2,686.0	2,659.0		3,237.0	3,210.0	6,449.0
Labour force participation rate 1%	61.4	5.1		61.3	5.5	33.5
Labour force	1,649.2	136.8	1,786	1,984.1	176.6	2,160.7

SOURCE: Kingdom of Saudi Arabia, Ministry of Planning  
Fourth Development Plan 1985-1990, p.89.

component of this growth accounted for only 292,800 or approximately 21 percent. The Saudi labour force grew at an average annual rate of 3.7 percent, compared to non-Saudi growth rate of 11.7 percent. The share of Saudis in the total labour force declined from 49.4 percent in 1979/80 to 40.2 percent in 1984/85..

During the Four Plan Period 1985-90, total employment will decline by 225,500, thus reversing the earlier growth in the employment of foreign workers from an average annual increase of 11.7 percent in the Third Plan to an average annual decline of 5.0 percent during the Fourth Plan. In this Fourth Plan the government will change the pattern of employment in the Kingdom, while the non-Saudi workers will decline, the economy will absorb a substantial number of new Saudi entrants to achieve the goal of the Saudi government by increasing Saudi females in the labour force from 5.1 percent in 1984/85 to 5.5 percent by 1989/90. The total Saudi population in 1984/85 of working age will grow at an average annual rate of 3.8 percent during the Fourth Plan period. In all, the number of Saudis engaged in civilian activities is expected to increase from 1,786,000 in 1984/85, as shown in Table 2.8.

The quality in manpower in Saudi Arabia is the result of the history of the country. Only one part of the country, Al-Hajaz, had ever experienced formal government administration. Because Al-Hajaz contains the Islamic Holy cities of Meccah and Medinah (see geographical factors in this chapter), which are annually visited by pilgrims from all over the world, the administration of the province, therefore, had to deal with different kinds of administrative responsibilities and services. Until the unification of the Kingdom, the remainder of the area had been governed in a traditional manner characterized by personaletic

leadership by tribal Sheiks (see 'social environment' in this chapter).<sup>1</sup>

Another historical factor in the quality problem is the education system. The school practiced the traditional method of rote learning with strong emphasis on religion. At the college level there was little emphasis on management and administrative sciences.<sup>2</sup> Many managerial positions are filled by college graduates who have not received training in managerial or administrative activities. The problem of manpower development in Saudi Arabia poses serious obstacles to economic and social progress of the Kingdom. As against the abundant natural and financial resources, Saudi Arabia is suffering a lack of national trained manpower. This is partly resolved by the import of huge numbers of foreign labourers.

Hence one of the main goals of the Second Development Plan was to develop human resources. Further, it was estimated that Saudi Arabia would need increases of 160 percent in foreign labour and 16 percent in Saudi labour to meet the demands necessary to carry out the Second Development Plan objectives. Table 2.9 shows that foreign management growth was 6.1 percent against 1.3 percent for Saudis. Professional foreign growth was 7.8 percent against 4.5 percent for Saudis, and technicians and sub-professionals foreign growth was 49.9, while Saudis was only 8.4 percent. Moreover, skilled and semi-skilled workers foreign growth was 154.5 percent while Saudis was 118.4 percent.

The demand on foreign manpower was large during the Second Five-Year Development Plan as compared with the First and Third plans.

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1. See Al-Awajy, op.cit., pp.43-51.
  2. *ibid.*, pp.47-49.

TABLE 2.9  
ESTIMATED SAUDI AND NON-SAUDI MANPOWER  
BY OCCUPATIONAL GROUP 1975 AND 1980  
 (IN THOUSANDS)

OCCUPATIONAL GROUP	Saudi			Non-Saudi		
	1975	1980	Increase	1975	1980	Increase
Managers	7.4	8.2	1.3	6.3	12.4	6.1
Professional	48.8	52.9	4.5	15.7	23.5	7.8
Technical and Sub-Professionals	25.0	33.4	8.4	31.4	81.3	49.0
Clerical Workers	62.5	99.6	32.1	31.4	121.8	90.4
Sales Workers	82.3	97.2	14.9	47.1	112.6	65.5
Service Workers	105.2	134.5	29.3	47.1	145.2	98.1
Operatives	70.0	57.1	17.1	25.1	51.4	
Skilled Workers	70.1	93.5	23.4	47.1	101.9	26.3
Semi-Skilled Workers	170.0	265.0	93.0	62.8	162.5	99.9
Unskilled Workers	244.0	296.4	52.4	-	-	-
Farmers	311.2	281.0	30.2	-	-	-
Bedouins	114.4	98.7	16.2	-	-	-
TOTAL	1.286.0	1.518.0	232.0	314.0	812.6	498.6

SOURCE: Ministry of Planning, Second Development Plan 1975-80  
 (Riyadh, 1976), p.217.

Average annual growth in foreign labour during the Second Plan was at 16.5 percent against 2.5 percent for Saudis. This was due to the Plan's emphasis on infrastructures which absorbed large numbers of the Labour force.<sup>1</sup>

Moreover, the manpower problem in Saudi Arabia is not only the number of skilled and unskilled workers available, as discussed previously, but also of the general attitudes towards work, the motivation to initiate and develop business projects.

Saudi Arabia is facing a lack of adequate technical and managerial experience (as previously discussed) that is necessary to assist decision-making in planning, co-ordination, and setting up of projects, and in building administrative organizations according to scientific principles, and developing sound work methods that would enhance achievement of objectives according to performance standards, and at the same time fully utilising available resources and adhering to time schedules laid down for specific projects.

However, the huge expansion in funds allocated for development and projects in Saudi Arabia led to the appearance of some behavioural problems which hinder government agencies from the effective performance of their functions of providing a high quality of work.<sup>2</sup>

Human behaviour in organizations can be positive or negative, depending upon whether it is directed towards the organizational goals or personal goals, as Sargent and Williamson in defining attitudes

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1. 'Means and Ways for sufficiency in manpower in government administration', a research paper presented to the symposium on Saudi manpower in Government administration, Public Administration Institute (1983), pp.24-26.
  2. Al Tawail, 'Public Administration in the Kingdom of Saudi Arabia', Amman-Jordan, September 1986, p.53.

stated:

Attitudes are treated as fairly consistent and lasting tendencies to behave in certain ways - primarily positively or negatively - toward persons, activities, events and objects. Some would say they reflect the deeper inner core of personality.<sup>1</sup>

Moreover, workers come to organizations as whole human beings, with motives, skills, abilities, values and attitudes which interact with group norms in the organisation and the results of such interaction affect work behaviour and organizational effectiveness in the achievement of desired goals. Thus administrative leadership and training play an important role in providing employees with positive values and behavioural attitudes.

However, studies conducted on Saudi Arabia's manpower behaviour problems indicated that the major behavioural problem of manpower are the following:-<sup>2</sup>

- Immateriability of time
- Use of official authorities for personal goals
- Favouritism and nepotism.

Immateriability of time is manifested, as a behavioural problem, leaving work early, idleness during working hours, wasting time allocated for work and production on private business and activities not related to work or talking to a colleague, reading a newspaper, drinking tea or coffee, and sometimes unexcused absenteeism.

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1. S. Stansfeld Sargent and Robert C. Williamson, Social Psychology, the Ronald Press Company (New York, 1960) (3rd ed.), p.473.
  2. Al-Awaji, 'Bureaucracy and Society in Saudi Arabia', University of Virginia, unpublished thesis 1971; also, Naser Al-Adaily, Human and organizational behaviour in administration, IPA (Riyadh, 1981). See also, the research papers presented at the following seminars which were organized by the Department of Executive Development Programmes at IPA.
    - Seminar on work time (1982)
    - Seminar on Incentive System in the Civil Service (1982).
    - Seminar on the Importance of Administration for Development (1975).

According to Holden:-<sup>1</sup>

Nothing ever got immediate attention in Saudi Arabia, in my experience, and few things get belated attention either the prevailing attitude to time, indeed, made largely irrelevant any distinction between now and later, by finding most things into the bottomless pit of never. The wages of Jeddah could this attitude A.M.T. or Arabian 'Ma aleesh' time, because as every Middle Eastern traveller knows, 'Ma aleesh' means 'never mind', and never minding time in Saudi Arabia was the chief national occupation.

Moreover, such behaviour regarding time is caused by the absence of adequate internal supervision within the organization to this effect.

L. Koningham stated that there is:-<sup>2</sup>

Almost universal tardiness, newspapers being read during working hours, absence from desks and offices, horseplay in the halls, and gathering around for general discussion instead of working. The causes are numerous, such as, lack of responsibility and accountability being assigned to supervisors, lack of training for supervisors, lack of interest in the work, inability to perform duties, and in some cases insufficient work to keep employees busy.

This problem has many unhealthy effects on administration and society, such as excessive increase in administrative costs, causing harm to the interests of citizens and beneficiaries of government services, and causing damage to the public interest and to the national economy.

Another difficulty is taking advantage of institutional positions and authority for personal interests. By this is meant the use of official property for personal purposes such as housing, transportation allowances, and compension for fictitious activities such as field trips, extra pay for committee services, consultations and overtime

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1. David Holden, Farewell to Arabia, Waltier and Company (New York, 1966), p.123.
  2. Louis G. Koningham, 'Civil Service in Saudi Arabia', a Report, Ford Foundation (Riyadh, 1963), p.3.



assignments. Another way of meeting the demand for money is through an extra job 'moonlighting', which not only diverts the energy of the officials from their formal responsibilities, but also may cause conflicts of interests as well. George Lipsky bluntly describes this problem in the following words:

It is in keeping with old practice in the area for officials at all levels to take advantage of their position to enrich themselves. Those who did not do so would be regarded as stupid or eccentric.<sup>1</sup>

Therefore, it is not that government salaries are low, but that values and living expectations have changed beyond the capacity and limitation of the monthly salaries. There are identifiable bases and means of this behaviour as Al Awaji stated:

First, as a result of the Prevailing Particularistic social values, the spirit, or the commitment to the national interest, is very weak among the populace. People regard the public purse as a productive cow whose milk or even meat is a gift for whoever is in a position to utilize it to its maximum capacity...

Second, they are overimpressed with western influence. The influx of materials, cars, and means of modern living (villas and modern appliances) has caused many of them to seek extra financial resources by different means and methods .... Thirdly,... over-centralization of authority in the hands of a few officials may facilitate corruption. Also, the lack of an effective system of financial control makes corruption an easy adventure.<sup>2</sup>

In the early 1960s, the government issued and distributed a form called 'From where did you get this?', according to which government employees would list all their properties, so that the government could uncover any embezzlement after comparing their income with their holdings. However, no one bothered to fill out these forms, and no one bothered to collect them, so the regulation was forgotten.<sup>3</sup>

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1. George Lipsky, op. cit., p.178.

2. Al-Awaji, op.cit., pp.242-44.

3. Al-Jawail, 'The Procedures and Instruments of administrative development in Saudi Arabia', unpublished thesis, Univesity of Pittsburg (1970), p.46.

### Favouritism and Nepotism

This behaviour of serving personal interests, regardless of their merits in relation to the public interests, is undertaken not according to what the official mandates of the employees organizations may require them to do, but rather in line with the behavioural patterns generally defined and sanctioned by the society as a whole. Such behaviour allows the illegal achievement of personal goals, as previously mentioned. As a social phenomena, nepotism has its own roots in social values and customs, which give kinship, friendship and family ties precedence over the public interest, and which allow personal relations and exchange of interests to influence the official conduct of public business. Moreover, favouritism can be attributed to the citizens' ignorance of the relevant laws, regulations and methods and to the weak sense of the public service which some government officials have, and this is a serious problem because it involves the acceptance of legally unacceptable demands and the granting of special favours in cases where special favours are not to be accepted at all.<sup>1</sup>

However, the Saudi Arabian government has recognized that the long-term approach to the solution of the quality aspect of the problem is through a re-evaluation and modification of the educational system to ensure that it is directed toward fulfilling its role in achieving the national goals.

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1. For more details see Al-Awaji, op.cit., pp.231-36; also Al-Tawail, 'Public Administration in the Kingdom of Saudi Arabia', the Twentieth Congress of Administrative Sciences, Amman-Jordan, September 1986, p.55.

The C.P.O's Economic Report of 1974 noted: 'The principal vehicles for manpower development in Saudi Arabia are the programmes of education and training'.<sup>1</sup>

Up to 1926, there was no public education in Saudi Arabia, the only schools were religious schools in the Mosques. Since the creation of the Ministry of Education in 1954, public education has expanded rapidly both in numbers of students surveyed and in the variety in the curriculum which is offered. In 1954/55, the number of schools were 466, with 52,740 students and a budget of \$21,621,621.<sup>2</sup>

The initiation of oil production created a demand for administration and technicians in the public and private sectors, more modern education was necessary to satisfy the demand. However, the past two decades have seen a rapid increase in the number of Saudi students (see Table 2.10).

The growth of higher education has also been noteworthy. In the early 1950s, Saudi Arabia did not have a University. The opening of Riyadh University in 1951 (the King Saudi University), was followed by three others in the 1960s. Three more were established in the 1970s.<sup>3</sup> Between 1972 and 1980, the number of departments of Saudi Universities increased from nineteen to fifty-one. Enrolment at these Universities increased from 9,500 to 48,000 during the same period,<sup>4</sup> and during 1980-1990, total higher education enrolment grew to 108,353, as Table 2.11 indicates.

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1. Central Planning Organization, Economic Report (Riyadh, 1974), p.53.
  2. Norman G. Walpole (ed.), op. cit., p.91.
  3. Kingdom of Saudi Arabia, Ministry of Finance and National Economy, Central Department of Statistics, Statistical Indicators (Riyadh, 1980), p.49; also Kingdom of Saudi Arabia, Ministry of Finance and National Economy, Central Department of Statistics - Statistical Yearbook (Riyadh, 1980), p.501.
  4. Kingdom of Saudi Arabia, Statistical Indicators (1980), p.49. also Kingdom of Saudi

TABLE 2.10

SAUDI ARABIA MALES AND FEMALES EDUCATION  
1970-75 (ACTUAL) AND 1985-90 (ESTIMATE)

LEVEL OF EDUCATION	MALE					FEMALE				
	1970	1975	1985	1990	1970	1975	1980	1990		
Elementary	267,529	416,140	672,000	1,871,000	114,800	224,000	476,000	676,000		
Secondary	37,389	80,140	167,000	217,000	4,400	23,500	115,000	166,000		
High School	8,207	18,324	74,000	100,000	350	4,400	64,000	98,000		

SOURCE-- Saudi Arabia, First Five-Year Development Plan 1970-75, p.143.  
Also, Saudi Arabia, Ministry of Planning, Fourth Five-Year Plan 1985-90, p.275.

TABLE 2.11  
GRADUATE STUDENTS WITH BACHELOR'S DEGREES  
IN 1985-1990 (ESTIMATED)

UNIVERSITY	MALE		FEMALE	
	1985	1980	1985	1990
King Saud	1,808	2,820	547	560
King Abd Al-Aziz	1,041	990	500	475
King Faisail	220	410	100	185
The University of Petroleum & Minerals	469	600	-	-
Islamic Imam Mohammed	743 978	830 1,900	-	-
Umm Al Qura	424	720	429	600
Girls Colleges	-	-	2,050	2,910
TOTAL	5,743	8,270	3,636	4,730

TOTAL ——— 13,000 ———

SOURCE\* Kingdom of Saudi Arabia, Ministry of Planning  
 Fourth Development Plan 1985-1990, p.289.

Moreover, the estimates in Table 2.11 suggest that about 13,000 graduates with Bachelor's degrees will join the labour force during the period 1985-90.

In addition to the growing opportunities for University education at home, a number of students are studying abroad in various countries. In 1985, there were approximately 15,000 Saudis studying abroad. Nearly 70 percent of them doing their undergraduate or postgraduate work abroad in the U.S.A. Another 20 percent studying in the Arab countries, most of them in Egypt, 9 percent studying in Europe, and 1 percent elsewhere in the world.<sup>1</sup>

In addition, the Kingdom of Saudi Arabia recognised the necessity to provide opportunities for management development. The majority of Saudi Universities King Saud, King Abdal Aziz, King Faisal, King Fahad, and Al Amam offer administration or management as a field of specialization at their colleges. For example, King Saudi University in Riyadh has been teaching Public Administration as a specialized field of study since 1976, when its College of Commerce was changed into the College of Administrative Sciences. Before that date, the College of Commerce used to offer two major fields of specialization, the first in economics and political science, and the second in accounting and business administration. When its name was changed to College of Administrative Sciences, it started offering a Bachelor's Degree in Public Administration as a separate field of specialization.<sup>2</sup> Table 2.12 shows estimates of students enrolled at Saudia University in the field of administration, as well as graduates in this field, during the period 1980-85.

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1. Middle East Research Institute, University of Pennsylvania (MERE) Report 'Saudi Arabia' (1985), p.25.
  2. Mohammad A. Al-Tawail, op.cit., p.48.

TABLE 2.12  
ESTIMATES OF STUDENTS AND GRADUATES IN THE  
FIELD OF ADMINISTRATION 1980-1985  
THE THIRD DEVELOPMENT PLAN

UNIVERSITY	MALE	FEMALE	TOTAL	GRADUATE
King Saud (Riyadh) College of Administration	4,100	900	5,000	750
King Abdal-Aziz (Jeddah) College of Economics and Administration	5,700	1,500	7,200	980
King Faisal (Dammam) College of Administrative Sciences	200	100	300	50
King Fahd (Dhahran) College of Industrial Management*	N.A.	-	N.A.	N.A.

\*Statistics are not available (N.A.) because the College of Industrial Management was established during the period of 1985 (The Third Development Plan)

SOURCE: Kingdom of Saudi Arabia, Ministry of Planning  
Third Five-Year Development Plan (1980-1985)

In addition, to provide for formal education, a number of training institutes and agencies have been established, which include the following: Public Administration Institute, Central Training Committee, the Manpower Council, and the General Organization for Technical Education and National Training. Each of these will be discussed briefly.

In 1960 the Institute of Public Administration (I.P.A.) was established as a result of the recommendation of the United Nations Advisory Group. The Institute was intended to perform many functions. It was to conduct research and training which would raise the quality of civil servants, and to provide advisors to government agencies with administrative problems. Also, the I.P.A. was to publish and file all laws, bills and decisions of the government. It was to be a link with other nations in the study of administrative problems. The Institute was also expected to solicit advice and assistance from other institutions specializing in the study of developing countries with experience similar to that of Saudi Arabia.<sup>1</sup>

In addition the Institute provides scholarships for the study of Public Administration abroad and publishes a periodical with the latest news of research in modern public administration.<sup>2</sup> To fulfil its training mission, the budget allocations for the Institute have grown from SR1,300,000 in the Fiscal Year 1961-62 to 171,000,000 Saudi Riyals in 1984-85.<sup>3</sup>

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1. For more detail, see Al Tawail, op.cit., pp.41-45; also Aba-Alkhail, 'The Role of Administrative Reform in Facing Economic Changes', a study presented to the Twentieth Congress of Administrative Science, Amman, Jordan, September 1986, pp.7, 10-11.
  2. Institute of Public Administration Annual Report 1967-68, IPA (Riyadh, 1968), pp.8-9.
  3. Mohammed Al-Tawail, op.cit., p.43.



The Institute offered training activities during the third Five-Years Development Plan 1980-85 for senior management and development. The most common media for training are conferences and symposia, where views are exchanged and problems are discussed, and so far 2,714 officials have participated in these activities.<sup>1</sup> Also, IPA offers pre-service training. Some 2,851 trainees are estimated to have enrolled during 1985. Moreover, through 1982-83, 2,139 persons have successfully completed pre-service training.<sup>2</sup> There are also in-service training programmes in 16 different fields (Public Administration, Finance, Accounting, Clerical work, computer usage, etc.). Through 1982-83, a total of 26,490 trainees successfully completed in-service training.<sup>3</sup>

In 1978, the Central Training Committee was established to formulate general policies for training of public officials and to organize scholarships for training abroad. So far, about twenty-three thousand employees have been granted scholarships and sent abroad for training. The Committee played a role in co-ordinating training proposals submitted by different government agencies and integrating them into an annual training plan for the Kingdom.<sup>4</sup>

In 1980, the Manpower Council was established to serve the critical problem areas of manpower planning, development, training, placement and evaluation.<sup>5</sup>

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1. Kingdom of Saudi Arabia, Ministry of Planning, Fourth Development Plan 1985-1990, p.302.
  2. *ibid.*
  3. *ibid.*
  4. Mohammed Aba-Alkhail, *op.cit.*, pp. 10, 15.
  5. Mohammed Al-Tawail, *op.cit.*, p.23.

The establishment of the Manpower Council can be considered as a result of applying the strategy of the Third Development Plan (1980-85), which emphasized increasing the total number of Saudis in the labour force, increasing the productivity of Saudi manpower in all sectors, distributing Saudi labour force among the more developed and more productive sectors, and minimizing dependence on foreign manpower.<sup>1</sup>

Finally, in 1980, the General Organization for Technical Education and Vocational Training (G.O.T.E.V.T.) was established to implement plans and programmes for the development of technical education and vocational manpower of technical education includes industrial, commercial, agricultural, secondary schools and polytechnics (International Technical College ; while vocational training includes pre-vocational training for persons requiring specialized training to qualify for occupational entry or acceptance by a vocational training centre, vocational training for adults and youths, on-job training in collaboration with private companies or public corporations; training of vocational instructors and development of curricula and instructional materials.<sup>2</sup>

#### 2.4 Summary

This chapter has examined the environment of Saudi Arabia. As a background for this examination, the geographical factors (land and population), the social environment (social structure, the basic social values such as religion, family and tradition), and the economy of the country have been examined. Arab society in general has been brought into focus.

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1. For more details see Mohammed Al-Tawail, op.cit., pp.23-25. Also Kingdom of Saudi Arabia, Ministry of Planning, Fourth Development Plan 1985-90, pp.311-313.
  2. For more details see Mohammed Aba-Alkhail, op.cit., pp. 9, 15. Also Fourth Development Plan, op.cit., pp.293-301.

Saudi Arabia is the second largest in the Arab World after Sudan,<sup>1</sup> (in area), most of which is uninhabited desert with little or no annual rainfall. Saudi Arabia is divided into four geographical provinces (Najed, Al-Haz, Al-Hasa and Asir).

From previous discussion on the Saudi social environment, one can appreciate the impact of the social value system on the Saudi middle managers in Saudi Arabia Basic Corporation (Sabic), and one can learn from such an examination of basic values, norms and patterns of relations which may further guide the analysis of the interaction between the Saudi middle managers and their social environment. It is conceivable, for the purpose of this study, to amalgamate the social values in their relation to Saudi middle managers into one main concept, so that future analysis of these relationships can be systematically guided. Therefore, as conclusions from previous examination have revealed that social structures, social values, and patterns of relationship in Saudi Arabian society all centre around the primary group (family, kin, tribe and intimate friends) to whom the prime loyalty and responsibility of the individual is essentially directed. From understanding the cultural factors in terms of belief and customs, one can anticipate what the managers would expect from subordinates and vice-versa. From studying the cultural environment, one can determine what a person will consume and how a person will determine the priority of his needs. But even though the managers provide leadership to the organization they are associated with, the manager's leadership style is conditioned by the socio-cultural environment in which he has been raised. For example, a manager who has been raised in a joint family

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1. Sudan occupies about 2,505,813 square kilometres according to the Europe Year Book 1978.

system is likely to behave rather differently in a similar situation than a manager who has not been raised in a joint family system. The family system and its traditional processes of decision-making are reflected in his attitudes toward decision-making, and relations with his peers. A person who has been raised in Saudi culture learns to relate himself/herself to other persons around him/her; he/she knows what kind of behaviour he/she expects from others. Social norms are part of his/her life, they are the unstudied assumptions and constitute the most sacred and cherished beliefs on which behaviour is based.

The history of Saudi Arabia's oil sector began approximately half a century ago, when oil was discovered near Dharam (in the east province of the country). In 1938 it began to export oil, but up to 1962, Saudi Arabia was still experiencing difficulties in meeting its expenditure. Beginning in 1963, there was a gradual increase in oil production and, therefore, in revenues, but the dramatic increases in the price of oil in September 1973 and January 1974 led to a doubling of oil revenues.

The increases in oil revenues made necessary new forms of administration, and the expansion of infrastructure and services as well as programmes aimed at utilizing the oil revenues to create an alternative base for the economy (details of the alternative base will be the subject of Chapter 3).

Saudi Arabia is faced with sharp shortages of well qualified personnel, both in quantitative and qualitative terms, an issue which resulted in the importation of a large number of expatriates. At the same time, the government has been taking steps to develop human resources. Intensive education and training programmes both inside the Kingdom and abroad have been adopted in order to provide the country with the required personnel.

### CHAPTER III

#### SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

##### 3.1 INTRODUCTION

The main purpose of this chapter is to introduce the Saudi Basic Industries Corporation (Sabic).

The chapter is divided into two parts. The first part will introduce the bodies responsible for the Petrochemical industry, i.e. General Petroleum and Mining Organization (Petromin), Saudi Industrial Development Fund (SIDF), the Public Investment Fund (PIF), the Ministry of Industry and Electricity, and the Royal Commission for Al-Jubail and Yanbu. The second part of this chapter will be devoted to the analyses of the Saudi Basic Industries Corporation, which includes the objectives of Sabic's projects, and the human resources, in terms of the number of employees, and training.

The rapid economic growth achieved by the Kingdom of Saudi Arabia over the past decades relied almost entirely upon the export of crude oil. Recognising that the reserves of oil and natural gas were depletable and that future demand for them could diminish, Saudi Arabia embarked on a programme of rapid industrialisation in order to provide other products, which would contribute to the Kingdom's continued economic growth. This programme incorporated a strategy that would promote balanced regional development of the Kingdom and extend economic benefits to a large number of Saudi citizens across a wide geographic area.

Saudi Arabia has by far the largest reserves of crude oil in the world, natural gas is also abundant, yet these resources are finite. It is estimated that the oil reserves will start to decline toward the middle of the next century.<sup>1</sup> The Kingdom could use the natural gas, which is largely flared, and the crude oil, which is largely exported, to form the basis of a petrochemical industry.

The fundamental goal of Saudi industrialisation is to foster diversification of the economy away from dependence on the oil sector, to achieve greater economic self-sufficiency and protection from external supply disruption, and to gain the cost advantages from domestic manufacturing activities.

### 3.2 General Petroleum and Mineral Organization

In 1962, General Petroleum and Mineral Organization (Petromin) was established to develop the Kingdom's important natural resources.<sup>2</sup> Petromin is envisaged as a major contributor to the development of Saudi Arabia through its participation in various industrial and commercial activities related to the Petroleum sector. The power of Petromin is rather all-encompassing; it is not only authorised by the government to hold an interest or participate in companies or organizations engaged in activities similar to its own, but also has

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1. There may well be some 530,000 million barrels of oil under the ground in the Kingdom, but only about half of this, that is 248,100 million barrels is recoverable. There are, nevertheless, varying estimates of oil and gas reserves. Gas reserves should in any event be able to last for another 40 years at the present rate of extraction. C.F.E. O'Sullivan, Middle East Economic Digest (Saudi Arabia, July 1980), p.19. Sheikh Ahamed Zaki Yamani, 'The Politics of Oil', Saudi Business and Arab Economic Report (May 198), p.39.
  2. Kingdom of Saudi Arabia, Ministry of Petroleum and Mineral Resources, regulation of general petroleum and mineral organizations, Royal Decree, No. 25 (1962).

the authority to buy, annex or amalgamate such companies or organizations.<sup>1</sup>

Petromin has undertaken a number of activities in the field of oil, such as oil production, refining, transportation, distribution and marketing. Among its undertakings have been the implementation and administration of the policy of petroleum and mineral products in Saudi Arabia; to import indirectly, or through the agents, the mineral needs of the Kingdom. Another of its undertakings was the preparation (on its own or through others) of both theoretical and practical oil research and studies; as well as the actual operation entrusted to it by the government with regard to exploration, production, refining, transportation, distribution and marketing of petroleum and mineral resources in Saudi Arabia and abroad, the establishment of domestic and or foreign oil related companies or enterprises.<sup>2</sup>

However, as development proceeded and the number of projects increased, 'Petromin' began to run into administrative constraints. Thus, in December 1975, after the establishment of the Ministry of Industry and Electricity, the responsibility for Petroleum, gas and mineral projects was transferred to the Ministry of Industry and Electricity, which left Petromin free to concentrate on oil marketing, refining and distribution.<sup>3</sup>

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1. Petromin's goals and evaluation of its performance appear in several studies including Abdulhady W. Taher, 'The Middle East Oil and Gas Policy', Journal of Energy and Development, Spring 1978, and Joboral E. Suraisry, 'Petromin, its activities and role in the development of the Economy of Saudi Arabia', University of Colorado, unpublished paper, 1977.
  2. Ragael El Mallakh, Saudi Arabia Rush to development, Croom Helm (1982), p.70.
  3. See Petromin in the series of OPEC Publication on National Oil Companies, February 1980.

### 3.3 Saudi Industrial Development Fund (SIDF)

SIDF was established in 1974 with injection of SR5,000 million between 1974 and 1979; in addition, the fund received a special Government allowance of SR14,000 million during this period for the specific purpose of financing the electrification programme in the Kingdom by providing interest-free loans to the electricity industry.

The fund has effectively assisted the expansion, replacement and modernization of new and existing industrial projects and firms through the extension of medium and long-term loans. However, there are some administrative procedures before such loans are made by SIDF. For example, they will study any application carefully, including the firm's prescribed form along with a feasibility study, highlighting the technical and financial viability of the project. If the project is likely to be viable in all respects, SIDF may grant loans up to a maximum of 50 percent of the total project cost of 100 percent Saudi owned firms. In the case of joint venture projects, for example, Sabic, the Saudi participation in the equity capital must be up to at least 50 percent to be entitled to the maximum loan available from SIDF. The loan ratio will go down *pari passu*. If Saudi participation in the equity is 50 percent or less, the SIDF financing will not exceed 30 percent. However, no loan will be considered by the SIDF if Saudi equity is less than 25 percent of the total. Moreover, investors' equity capital must be spent before they can draw the SIDF loan.<sup>1</sup> SIDF imposes a charge of 2.5 percent of the eligible projects costs on each loan. This is charged once. The fee in effect becomes 5 percent or more on the loanable amount depending on the extent of the financing of the total project cost.<sup>2</sup>

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1. Kingdom of Saudi Arabia, A Guide to Industrial Investment (Riyadh, 1981), 6th edition, p.40.

2. *ibid.*



### 3.4 Public Investment Fund (PIF)

PIF was established in 1971, and the fund has effectively assisted the expansion, replacement and modernization of new and existing industrial projects and firms through the extension of medium and long-term loans. PIF was established with a capital of SR1,000 million between 1971-73, which grew up to SR16,800 million at the end of 1978. PIF has two main objectives: financing investment in commercial projects under the Government, and to buy shares in newly established companies and resell them, at their normal prices and under easy terms, to individuals of low-bracket income, if these companies prove to be profitable.<sup>1</sup>

PIF is required to examine and approve feasibility studies of the projects, the statement of their costs, period of execution and proposed manner of financing. When the project is approved, the financial assistance will be in the form of direct loans or guarantees

### 3.5 The Ministry of Industry and Electricity

Government emphasis on diversification of the economy through industrialization has led to the creation of the Ministry of Industry and Electricity, which is an off-shoot of the old Ministry of Commerce and Industry. The Ministry of Industry and Electricity was established in October 1975, with the following responsibilities:

- Realization of steady and balanced industrial development in the Kingdom;
- creation of a suitable atmosphere for the protection and encouragement of domestic industries in a manner that will ensure that the targets of the Kingdom's projected industrial plans are fully achieved;
- Design policies and adopt suitable actions so that less developed regions of the Kingdom will attain sufficient industrial growth.

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1. Kingdom of Saudi Arabia, A Guide to Industrial Investment, (Riyadh, 1981), 6th edition, p.41.

2. *ibid.*

A number of autonomous bodies such as the Industrial Studies and Development Centre and Saudi Basic Industries Corporation (SABIC), and the Electricity Corporation were put under the chairmanship of the Minister of Industry and Electricity.<sup>1</sup>

### 3.6 The Royal Commission for Al Jubail and Yanbu

This is a high-powered commission headed by His Majesty, King Fahad, established to implement the policy of increasing the export value of the Kingdom's hydrocarbon resources. The Royal Commission for Al Jubail and Yanbu was established in 1975. Its objective is to develop two industrial cities at Al-Jubail on the Arabian Gulf (the East Coast) and Yanbu, on the Red Sea West Coast) with all the infra-structural facilities required by the basic industry projects to be undertaken by Petromin and Sabic. The Commission's day-to-day functions are managed by a Secretary General in Riyadh, and two Directors General - one at al-Jubail and one at Yanbu.<sup>2</sup>

The Commission is one of the most ambitious development projects ever attempted. The cities are to be based near a full range of refining and Petrochemical manufacturing entities, together with a full blown steel manufacturing capability.<sup>3</sup>

Moreover, the Commission enjoys an independent corporate status. The Commission has the freedom to choose the best approach 'without being bound by the administrative and financial rules and regulations currently in force'.<sup>4</sup> Furthermore, it has its own budget which is

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1. Fohad Al Fursy, Saudi Arabia : A Case Study in Development, Stacey International (London, 1978), p.3.
  2. Kingdom of Saudi Arabia, A Guide to Industrial Investment (Riyadh, 1981), p.35.
  3. The Royal Commission for Jubail and Yanbu Regulations.
  4. Alawi N. Abusslihd, Administrative Development and Planning in Saudi Arabia, unpublished Dissertation, The University of Maryland (1979), p.103.

characterized by great flexibility to achieve the various goals that have been specified.<sup>1</sup>

However, Al-Jubail industrial city is located on the Arabian Gulf approximately 80 kilometres north of Dammam in the Eastern Province<sup>2</sup> (see map). Yanbu industrial city is located on the Red Sea, about 330 kilometres north of Jeddah in the Western Province of the Kingdom,<sup>3</sup> see the attached map .

The reasons for choosing Al-Jubail and Yanbu to be the industrial cities are indicated below:-<sup>4</sup>

Al-Jubail is a natural choice for a large petrochemical-based industrial complex for several reasons:

- it is close to a ready and relatively inexpensive source of fuel and raw materials;
- it lies on the coast with access to an unlimited supply of sea water for industrial cooling purposes; deep navigable waters are found just ten kilometres out into the Gulf, making it an excellent choice for a large port complex for ocean-going vessels. Finally, Jubail is adjacent to large undeveloped areas, and yet not far from the cities of Dammam, Dhahran, and Al Khabar.

Yanbu is attractive because of its excellent geographical location near the Suez Canal and the markets of Europe.

However, the goal behind the creation of Al-Jubail and Yanbu is to broaden the economic base of Saudi Arabia's industry. The product mix to be manufactured at Jubail and Yanbu was carefully planned to exploit the Kingdom's major mineral resources.

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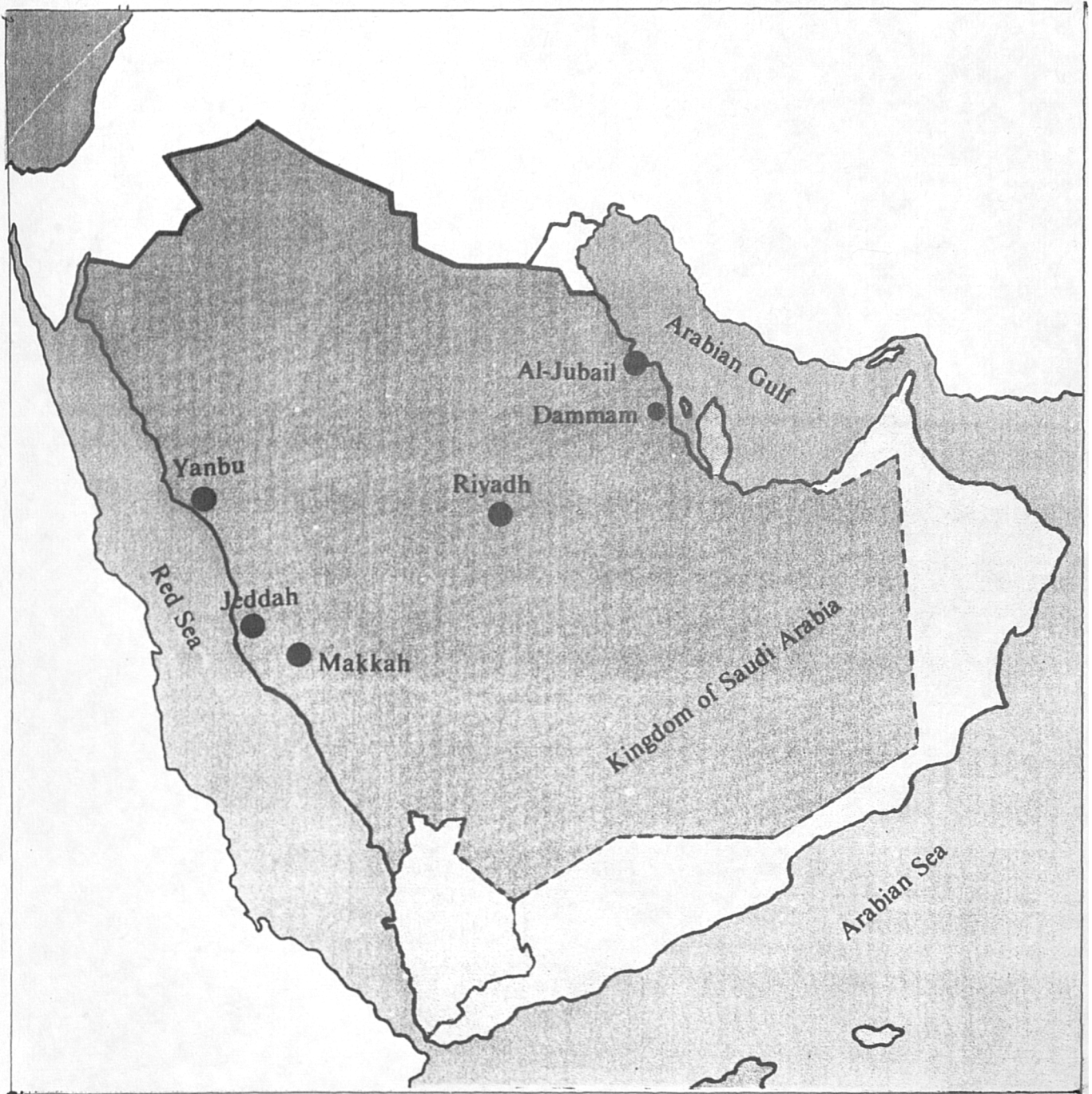
1. op.cit.

2. The Royal Commission for Al-Jubail and Yanbu, The Annual Report 1980/81, p.19.

3. *ibid.*, p.35.

4. Jubail Industrial City, November 1981, pp.12-13.

MAP OF INDUSTRIAL CITIES



SOURCES: Saudi Basic Industries Corporation  
(Sabic) 1984.

The starting point for this industrial transformation was a plan for the development of large hydrocarbon-based and energy-intensive primary industries.<sup>1</sup> The economic and strategic impact of these primary industries was to be further extended by a number of secondary and tertiary industries which would use the primary outputs as their raw materials to manufacture additional products.<sup>2</sup>

The primary industries include major new products and lube oil refineries, petrochemical, fertiliser, iron and steel. Secondary industries include plastics, paint, insulation, anti-freeze, adhesives, reinforcing bars and appliances.<sup>3</sup>

### 3.7 The Establishment of Saudi Basic Industries Corporation

This section will analyse four issues: the first part examines the establishment of Sabic as a legal entity and its objectives. The second part looks at the reasons for adoption of joint venture model. The third reviews the Sabic projects, how the technical capability has been utilized in accomplishing the objectives of Sabic, and the last part concerns Sabic's human resources.

X Sabic was established by Royal Decree No. M/66 dated 7th September 1976, as a joint stock corporation under the authority of the Ministry of Industry and Electricity, with SR.10,000 million (\$2.937 billion) as capital, divided into ten (10) million shares. According to Article (3), the objectives of the corporation shall be:

- (a) implementation of petrochemical, fertilizer and other hydrocarbon-based industries;
- (b) implementation of iron and steel, and aluminium industries;

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1. The major part of the development of primary industry within Al-Jubail and Yanbu is the responsibility of two government corporations, the General Petroleum and Mineral Organization (Petromin) and the Saudi Basic Industries Corporation (Sabic).
  2. Yanbu Industrial City, November 1981, p.7.
  3. Jubail Industrial City, November 1981, pp.16-18.

- (c) implementation of other basic industries which the private sector cannot undertake, with the concurrence of the Ministry of Industry and Electricity;
- (d) execution of projects necessary to supply the corporation with the raw material requirements;
- (e) marketing industrial products inside and outside the Kingdom.

### 3.7.1 The Needs for Joint Ventures in Sabic's Point of View

#### 3.7.1.1 Human Resources Needs:

As mentioned in the previous chapter, Saudi Arabia has inadequate human resources, both in quantity and quality. However, there are often not enough people with the capability to implement development programmes. The quality that even those personnel who have the capability to be good administrators have, often need additional training to be really effective. So Sabic needs include general managers, marketing personnel, and experienced production or technical personnel. This expertise is required to establish the basic industries. Sabic felt that the joint venture approach with foreign companies was the best way of ensuring technological transfer.<sup>1</sup>

The main advantage to Sabic was the relative availability of managerial and necessary technical skill.<sup>2</sup> Sabic's human resource needs will be discussed later in this section.

#### 3.7.1.2 Marketing the Product Need:

The second important need for joint venture is the marketing of the product, which is one of Sabic's objectives. As mentioned earlier, marketing these products inside and outside the Kingdom is

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1. Industrialization of Saudi Arabia - Strategy and Policy, Washington, D.C., Office of Commercial Attache, Royal Embassy of Saudi Arabia, November 1976, p.5.

2. Saudi Basic Industries Corporation (1984), pp. 8 & 14.

crucial to the survival of Sabic. These, they hope, will enable the company to have a substantial share of the production and marketing of petrochemicals, both at home and abroad. The market for petrochemicals is currently depressed, and the anticipated \$3 million p.a. (or more) worth of petrochemical products has no real market access. However, the joint venture was an attempt to divert these products through the partnership to the foreign markets (especially the Western markets). By so doing, the problem of no market access for the company will be substantially reduced if not eliminated.

Sabic is expected to be effective when all petrochemical projects on-stream will require it to fight for a major share of the international market. Industry sources<sup>1</sup> claim that Sabic's total production of petrochemicals will add only 5 percent or so to World capacity. But this seems to have cut little ice with existing producers in Western Europe and the United States, who are aware of the cost-competitiveness of Saudi petrochemicals and the outdated nature of much of their own plant.<sup>2</sup> The pressure to place tariff barriers up against Saudi petrochemicals or even to bring anti-dumping cases will be strong.<sup>3</sup> However, Saudi officials counter by saying that if the EEC and the US put up tariff barriers, Saudi exporters could increase sales to Far East markets. Downstream producers there could then sell into Western Europe and the US, undercutting local manufacturers. Thus it is argued that even if Saudi

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1. MEED, September Report (Saudi Arabia, July 1985), p.53.

2. *ibid.*

3. MERI, *op.cit.*, p.63.

petrochemicals are denied direct access to western countries, the end products are still likely to find their way in through Asia,<sup>1</sup> in order to enable Sabic to meet its obligation. The Royal Decree guaranteed Sabic the right to establish other companies and participate in other local or foreign companies:

The corporation may in addition establish Saudi companies and participate in others, or establishments conducting activities of similar nature or conducting activities that may assist in realizing its objective; and the corporation may buy these in whole or in part.<sup>2</sup>

The attraction of the joint venture approach was the best way of ensuring technology transfer and commitment, and reduces the probability that a project will turn into a 'white elephant', as too often occurs with government projects.<sup>3</sup> The foreign companies, which have shares of the profits, have an incentive to insist on efficient operation.<sup>4</sup>

Equally important was the insistence that foreign partners should be responsible for the marketing of products.<sup>5</sup> The Chairman of Sabic's Board stated that:

The ability of the Partners to commit themselves to the marketing of the products of the joint ventures is the most essential factor in ensuring the viability of the project.<sup>6</sup>

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1. MEED, op.cit., p.53.

2. Kingdom of Saudi Arabia, Bye-laws of Saudi Basic Industries Corporation 1976, Article 3.

3. Ali D. Jahany, Michel Berne and J. Wilson Mixon Jr., Saudi Arabia Economy, Croom Helm (1986), p.121.

4. *ibid.*

5. Middle East Research Institute, University of Pennsylvania (MERI) Report (Saudi Arabia, 1985, pp.61-62.

6. Quoted in MERI, op.cit., p.63.



Moreover, by engaging in joint ventures, Sabic avoids having to acquire the skills and contacts necessary for effective marketing overseas. In other words, because the markets for intermediate products are subject to failure, joint ventures are useful for attaining economies of scale and shared output. However, high barriers to entry and exit plus incompleteness of capital for a large product is lower with a joint venture. Both of these reasons for creating joint ventures are more common to the resource sector (particularly the petrochemical industry because of the different stages of production with petrochemical materials, e.g. polyethylene, and inherent risk due to the large scale of investment. Finally, the technical know-how and management expertise intangible assets) are not easily exchanged via markets to the satisfaction of both suppliers and buyers.<sup>1</sup>

According to Al-Zamel (Chairman of Sabic's Board):

Marketing channels are in the hands of Exxon, Mobil and Dow. Our production will go to the same markets through forcing them to buy a production ratio... sufficient to keep our new plants going this will require that the partners market be not less than 75 percent of our production.<sup>2</sup>

The needs for joint venture from the foreign partners' point of view are characterized by the items readily capitalized, the capital itself, the raw material supply and the technology, where the foreign partners look for local partners as means of spreading the

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1. Paul Williams Beamis, Joint venture performance in Developing Countries, unpublished dissertation, University of Western Ontario (1984), pp. 185-186. (John A. Stuckey, 'Vertical Integration and Joint Venture in the Aluminium Industry').
  2. Quoted in Yassin El-Ayouty and Jerry Flint, 'Moreover', Forbes 22 April, 1982, p.84 and Middle East Economic Digest, December 1982.

introduction of their technology to as many markets as possible. The availability of crude oil, Shell-oil, for example, receives an entitlement of one billion barrels of oil over a 19-year period for its role in the \$3 billion SADAF Project.<sup>1</sup> Such entitlements are for a limited period, given the current glut, but do provide long-term assurance of supply, if market conditions change. (These entitlements were valuable when the agreements were signed.) During that period, the official price of crude oil was about \$18 per barrel, in contrast to "Spot" price of over \$40.<sup>2</sup> Moreover, Sabic plants will have access to relatively cheap natural gas. Saudi Arabia charges \$0.50 per million, British thermal unit (BTU), compared to an international price of \$2.00-4.50 per million BTU.<sup>3</sup> Finally, the attraction of the joint venture approach for the foreign partners is the terms on which the Sabic operation is financed, the partners are required to provide 15 percent of the equity investment, another 60 percent is provided by the government 'public investment fund' (PIF), and the remaining 10 percent is provided by commercial banks. The PIF loans are on very favourable terms: 3 percent to 6 percent with the rates rising as the projects become profitable.<sup>4</sup>

However, some of the partners, e.g. the USA Joint Venture partner, Celanese Corporation and Texas Eastern Corporation are already selling to Western Europe,<sup>5</sup> and, the Japanese partners set on

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1. See Figure 3.1.

2. Jehany, Bjerme and Mixon Jr., The Saudi Arabia Economy, op.cit., p.123.

3. MEED, Special Report (Saudi Arabia, July 1985), p.53.

4. Saudi Basic Industries Corporation, The Fourth Annual Report (1980), pp. 11-12.

5. MEED, Special Report (Saudi Arabia, November 1984), p.8.

making their own task easier by phasing out their existing base petrochemical plants to make way for the Sabic output.<sup>1</sup>

It is still too early to say with much certainty what success Sabic will have in its industrial projects, but we can summarise what Sabic already achieved. Sabic's entry into world marketing began in April 1983, with its historic first shipment of 35,000 tonnes of methol to Japan. When Sabic's plants are operating at full capacity in 1988,<sup>2</sup> the Kingdom will be able to supply 5 percent of the world's petrochemical needs. Sabic aims to sell some 38 percent of its export to the USA, and 11 percent to the rest of the world.<sup>3</sup>

During 1984, Sabic sales earned more than \$4500 million, about half of this coming from export.<sup>4</sup> Moreover, Sabic sales earned SR3872 \$100.3 million, 70 percent of this coming from export during 1985.<sup>5</sup>

### 3.7. 2 Sabic's Projects

This section provides a brief introduction about the nature of Sabic products, and a brief description of the Sabic's petrochemical projects in terms of indicating the partners, capital investment and the output.

The Sabic industries concentrate primarily on bulk chemicals; the product is ethylene, which serves as a 'building block' for many other petrochemical products and immediate derivative. These include

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1. MERI, op.cit., p.63.
  2. MEED, op.cit., p.8.
  3. MEED, Saudi Arabia : Special Report (November, 1984), p.8.
  4. MEED, Saudi Arabia : Special Report (July 1985), p.55.
  5. Al Jazerah daily newspaper (Riyadh), July 5, 1986, p.12.

ethyleneglycol, ethylene dichloride, vinyl chloride monomer and polymer, polyethylene, ethanol, styrene and polystyrene; other products are methanal, ammonia and urea for use in fertilisers.

Sabir has 13 projects (see figure 3.1). Sabir/Shell project is the largest Sabir petrochemical project. SADAF in Al-Jubail: SADAF was established on 28th September 1980, with capital investment of approximately SR10 million, which is a 50/50 participation by Sabir and Shell Oil Company.<sup>1</sup> SADAF plans a total output of around 656,000 metric tons of ethylene, styrene 293,000 tons, ethylene dichloride, 454,000 tons, 281,000 tons of ethanol and 377,000 tons of caustic soda.

Sabir Mobil Project Yanpet : It was established on 19th April 1980; set up at Yanbu. This company, a joint venture with Mobil corporation, with 50 50 capital participation, has a capital of SR8 million. Yanpet began production in 1985 with planned output of 455,000 tons of ethylene, 220,000 tons of ethylene glycol, 205,000 tons of liner low-density polyethylene per year.

Arabian Petrochemical Company Petrokemya : is wholly Sabir owned. This project was established on 20th May 1981 with approximate capital investment of SR3 million, and capacity of 500,000 tons of ethylene per year. This project is set up at Al-Jubail Sabir/Exxon. The Jubail petrochemical company, 'kemya', a joint venture with the Exxon corporation with a 50 50 capital participation by each partner, was established on 26th April, 1980. It has approximately SR4500 million invested capital. The capacity is 260,000 tons of liner low density polyethylene.

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1. Saudi Basic Corporation, The Seventh Annual Report (1983), pp.24-32. See also, Jehany, Berne and Mixon Jnr. Saudi Arabia Economy (1986), pp.124-125; also Time Niblock, State, Society and Economy in Saudi Arabia, Croom Helm (London, 1982), pp.242-273; also see MEED, Saudi Arabia: Special Report (November, 1984), pp.4-8.

FIGURE 3.1  
SABIC PROJECTS

Project Name	Joint Venture Signing	Partner	Location	Feedstock	Product	Capacity (in MTPA)
Saudi Arabian Fertiliser Co. (SAFCO)	1980	Saudi Arabia Fertilisers Company.	Al Dammam	Methane	Urea Sulphuric Acid Melamine	330,000 100,000 20,000
Saudi Iron & Steel Company (HADEED)	19.3.79.	Deutsche Entwickburg Gesellschaft, Germany	Al-Jubail	Iron ores Limestone Natural Gas Scrap Iron	Rods and Bars	800,000
Jeddah Steel Rolling Mill Co. (SULB)	29.5.79	Wholly owned by HADEED	Jeddah	Steel Billets	Rods and Bars	140,000
Saudi Methanol Company (ARRAZI)	24.11.79	Japanese Consortium (lead by Mitsubishi)	Al-Jubail	Methane	Chemical Grade Methanol	600,000
Al-Jubail Federation Co. (SAMAD)	4.12.79	Taiwan Fertiliser Company (Taiwan)	Al-Jubail	Methane	Urea	500,000
Saudi Yanbu Petrochemical Co. (YANPET)	19.4.80	Mobil Chemical Company, U.S.A.	Yanbu	Ethane	Ethylene Ethylene Glycol LLDPE HDPE	455,000 200,000 205,000 90,000
Al-Jubail Petrochemical Co. (KEMYA)	26.4.80	Exxon Chemical Company, U.S.A.	Al-Jubail	Ethylene	LLDPE	260,000
Saudi Petrochemical Co. (SADAF)	26.9.80	Shell Oil Company, U.S.A.	Al-Jubail	Ethane Salt Benzene	Ethylene Ethylene Dichloride Styrene Ethanol Caustic Soda	655,000 454,000 295,000 281,000 377,000
National Methanol Co. (IBN SINA)	3.2.81	Celanese Texas Eastern, U.S.A.	Al-Jubail	Methane	Chemical Grade Methanol	650,000
Arabian Petrochemical Co. (PETROKEMYA)	20.5.81	Wholly owned by SABIC	Al-Jubail	Ethane	Ethylene	500,000
Eastern Petrochemical Co. (SHARQ)	23.5.81	Japanese Consortium lead by Mitsubishi	Al-Jubail	Ethylene	LLDPE Ethylene Glycol	130,000 300,000
National Industrial Gases Co. (GAS)	14.2.83	Saudi Private Sector	Al-Jubail	Air	Nitrogen Oxygen	146,000 438,000
National Plastic Co. (IBN HAYYAN)	18.12.83	Luck Group South Korea	Al-Jubail	Ethylene Ethylene Dichloride	Vinylchloride Monomer Polyvinyl chloride	300,000 200,000

The Saudi Methanol Company (Al-Arazi) was established on 24th November, 1979, at Al-Jubail, as a joint venture between Sabic and the Japanese Mitsubishi Company. It had a capital investment of approximately SR 900,000,000 was owned as a 50/50 participation by Sabic and the Japanese partners, and had a capacity of 130,000 tons of Linear Low Density polyethylene and 300,000 tons of ethylene glycol per year. The National Plastic Company (Ibn Hayan), was established on 18th December 1983, at Al Jubail with a capital of SR 438 million as a joint venture between Sabic and South Korea's Lucky Group, with 85 percent capital participation by Sabic and 15 percent by the Lucky group. It is to use ethylene and ethylene dichloride to produce vinyl chloride monomer (300,000 tons per year) and polyvinyl chloride 120,000 tons per year. Another joint venture between Sabic and South Korea's Lucky Group was the establishment of Sharg at Al-Jubail.

Four of the Sabic companies differ from the others in that they produce output which is not petrochemical feedstock.

Saudi Arabia Fertilizer Company (SAFCO), was established in 1965,<sup>1</sup> the oldest of the Kingdom's gas-based petrochemical industries. Safco's ammonia/urea complex in Dammam commenced operation in late 1969.<sup>2</sup> 41 percent capital participation by Sabic, 10 percent by the Safco's employees, and 49 percent is owned by other shareholders. It has a capacity of 330,000 tons of urea, 100,000 tons of sulphuric acid, and 20,000 tons melomine per year.<sup>3</sup>

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1. From Ragaal El Mallakh/Dorothea, H.El Mallakh, 'Energy, Developmental Planning, and Industrialization' in Hugh George Hambleton, The Saudi Petrochemical Industry in the 1950s (Saudi Arabia, 1982), p.51.
  2. Saudi Arabian, Fertilizer Company (1982), p.1.
  3. See also Tim Niblock, pp.267-273.

Sabic/Taiwan - the Jubail Fertilizers Company (SAMAD) is a joint venture with Taiwan Fertilizer Company of national China. It was established on 4th December 1979 with a capital investment of approximately SR.9,000,000 owned 50/50 by Sabic and Chinese partners, with capacity of 500,000 tons of urea.

Two other companies produce steel: Sabic/West Germany's Korf Stahi. The Saudi Iron and Steel Company (Hadeed) was established on 20th March 1979. Hadeed joint venture involves West Germany's Korf Stahi, has a capital of approximately SR 3 million owned 95 percent by Sabic and 5 percent by DEG Deutsche Entwicklung Gessellschaft). Hadeed has a capacity of one million tons of steel reinforcement bars per year.

The other project is the Jeddah Steel Rolling Mill Company (SULB) which was established on 29th May, 1979. It was agreed to expand and modernize Jeddah Steel Rolling Mill jointly by Sabic and Korf Industries, and Handel of West Germany. The capacity of the expanded Mill is 140,000 tons of reinforcing rods and bars.<sup>1</sup> This capacity is to increase to 450,000 tons.<sup>2</sup>

Moreover, Sabic has moved to the implementation stage of industrial projects in the Gulf region. Representing the government of Saudi Arabia, Sabic owns 2 percent of the Aluminium Smelter of Bahrain (ALBA), which has expanded its production capacity to 170,000 MTPA metric tons per year). Sabic also has a 20 percent participation in the six-nation venture. GARMCO, Gulf Aluminium Rolling Mill Company, is designed to produce 40,000 MTPA of aluminium in Bahrain for the construction industry. Participants with Sabic in this project are Bahrain, Kuwait and Iraq, with a 20 percent share

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1. Saudi Basic Industries Corporation, Seventh Annual Report (1983), p.27.
  2. Arab Marketing policy for petrochemicals mooted: an interview with Ibrahim bin Salama, Managing Director of Sabic, Saudi Gazette, 27 March, 1985, p.3.

each; and Qatar and Oman each with a 10 percent share.<sup>1</sup> (see Figure 3.2)

### 3.7.3 Human Resources:

In the assessment of Sabic's human resources two issues will be dealt with: the corporation's total number of employees and training.

#### Number of Employees

As Chart 3.1 shows, the total number of employees required for the direct management and operation of all Sabic's industries total 7,054, of all technical and administrative categories when all these industries reach the stage of operation. It can be noted that this total number is only for the stage of operation which has actually commenced for four of the industries. For the remaining industries, such a stage started in 1985-86.<sup>2</sup> However, the total number of employees required for Sabic's industries up to 1990 is about 12,500 of all technical and administrative categories.<sup>3</sup>

As Chart 3.2 shows, the total employees actually recruited up to the end of 1984 was 6,737, of whom 3,173 were Saudis' and 3,562 non-Saudis'.<sup>4</sup>

#### Training:

Sabic's employees are provided with two types of training programmes: Pre-service training and In-service training.

Pre-Service Training (Qualifying Intensive Base) which is applied to most Trainees:

Before an employee is assigned to a position with Sabic, he must go through a training programme, regardless of previous education or

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1. Saudi Basic Industries Corporation, Seventh Annual Report (1983), p.25. See also, Tim Noblock, op.cit., pp.267-273; see also, Ragael and Dorothea El Mallakh, op.cit., pp.71-74.
  2. Saudi Basic Industries Corporation, Seventh Annual Report (1983), p.35.
  3. *ibid.*, p.17.
  4. Sabic's Projects Status, Third Quarter, 1984 (for Official use), (September 1984), p.8.



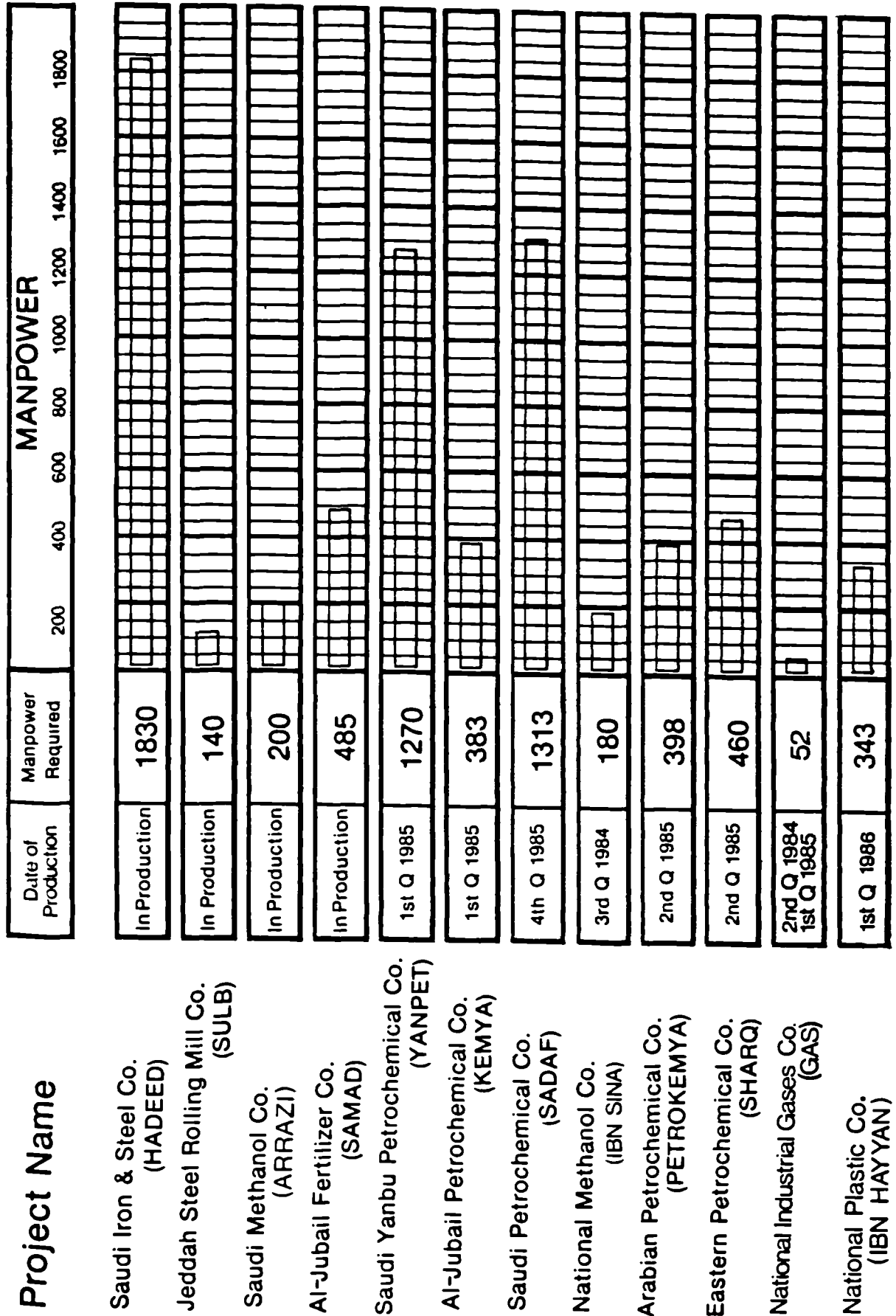
FIGURE 3.2  
SABIC : HEAVY PROJECTS OUTSIDE SAUDI ARABIA

Project	Partners	Location	Feedstock	Products	Capacity (in MTPA)
Aluminium Bahrain (SABIC act as representatives of Saudi government)	Government of Bahrain; Kaiser Aluminium; Breton Industries	Bahrain	Alumina	Ingots, Rolling Slabs, Billets, Liquid Metal.	170,000
Gulf Aluminium Rolling Mill Co. (GARMCO)	Governments of Bahrain, Kuwait, Oman, Qatar and Iraq.	Bahrain	Alumina	Sheets, Circles, Corrugated Sheets, Can Stocks	40,000
Gulf Petrochemical Industry Co. (GPIC) under construction	Government of Bahrain and Kuwait	Bahrain	Natural Gas	Ammonia Methanol	1,000 1,000

SOURCE:- SABIC, May 1983.

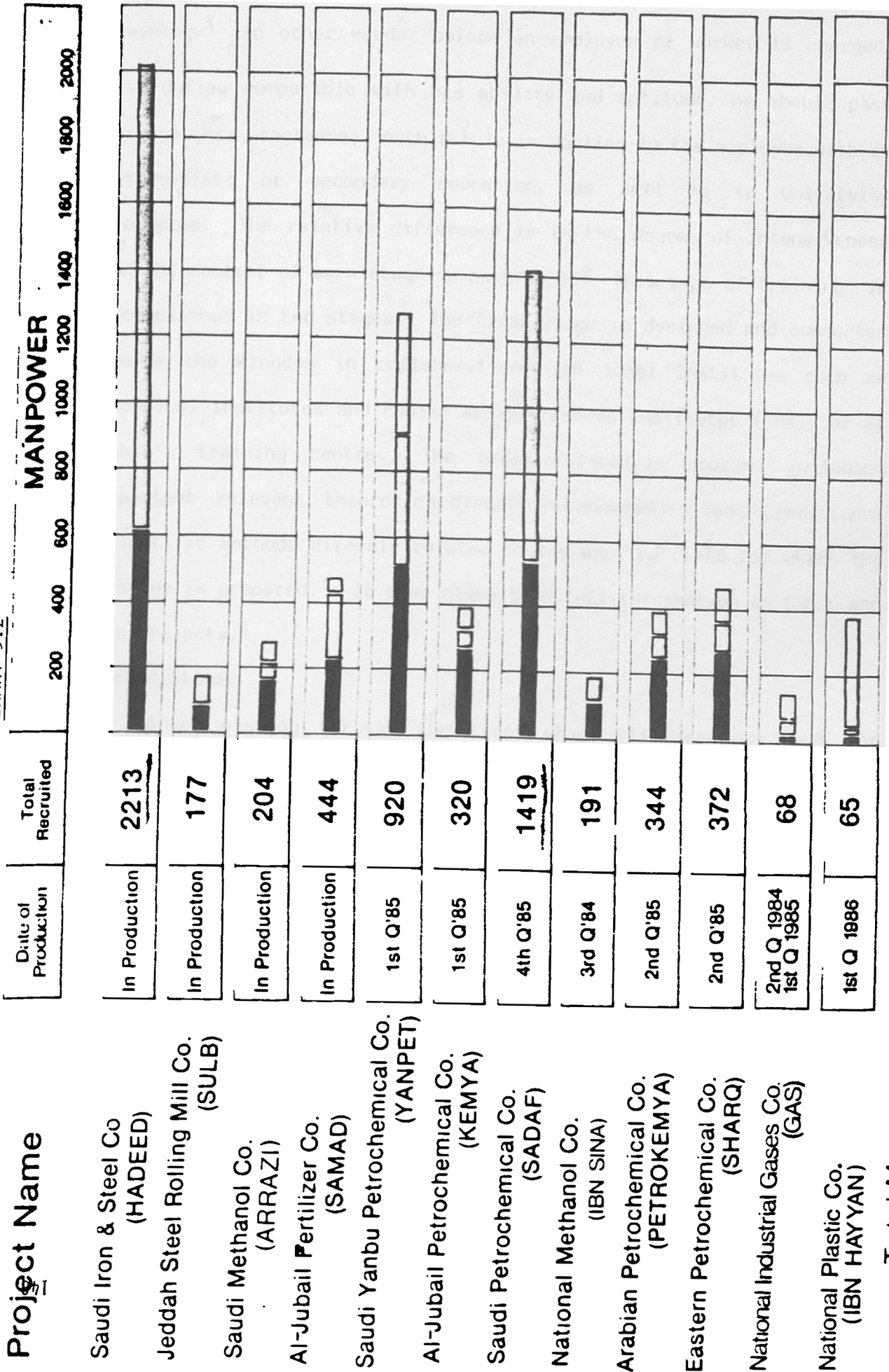
CHART 3.1

# OPERATIONAL MANPOWER AT FULL CAPACITY



Total Manpower Required → 7054

CHART 3.2



SAUDI 3175

NON SAUDI 3562

SEPTEMBER 1984

TO BE RECRUITED

training.<sup>1</sup> In other words, before an employee or worker is charged with duties compatible with his ability and aptitude, he should pass through this programme; such a rule is applied to the employee with an intermediate or secondary education, as well as to University graduates. The relative difference is in the degree of intensiveness and the content of each stage in each case.<sup>2</sup> This type of training is accomplished in two stages. The first stage is designed and conducted inside the Kingdom in collaboration with local institutes such as technical institutes and Public Administration Institutes (IPA), or at Sabic's training centre. The trainee receives courses including important relevant theoreticaldirectional knowledge, and traditional scientific methods directly related to the applied field for which the trainee is prepared.<sup>3</sup> It also gives them full information on Sabic and its projects.<sup>4</sup>

#### Second Stage:

After passing through the first stage, trainees are sent for further training outside Saudi Arabia, to the U.K. or U.S.A. This is necessary to qualify them to take up their respective jobs with Sabic.

In the third stage, the trainees are then sent to the project of the relevant foreign partners, in the U.S.A., Europe, Japan and Taiwan, where they receive technical training in plant operation, maintenance, and direct management, etc.<sup>5</sup>

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1. Sabic 1984.
  2. Saudi Basic Industries Corporation, Fourth Annual Report (1980), p.34.
  3. *ibid.*, pp.34-35.
  4. Saudi Basic Industries Corporation, Sixth Annual Report (1982), p.39.
  5. Saudi Basic Industries Corporation, Seventh Annual Report (1983), p.16.

The second type of training is In-Service. This type of training is accomplished in three ways - (i) On-the-job training during the conduct of the work; (ii) On-the-job training, programmes are conducted at the local plants or training centres such as (PAI); (iii) On-the-job training at training centre of Sabic's partners abroad, or other international plants that are similar to its own.<sup>1</sup>

It is worthwhile mentioning that the first training programme started in September 1980 for secondary and intermediate school graduates which included 370 trainees. They were trained for one year at Local Technical training centre and Public Administration Institute (PAI). Followed by one to three years on-the-job training at the plants of Sabic's partners in the U.S.A., Europe, Japan and Taiwan. The second programme was commenced in February 1981, involving 260 trainees, to be followed by the third one in October of the same year, when 1,000 trainees were involved.<sup>2</sup> The fourth programme was in 1983 which involved about 2,500 trainees.<sup>3</sup> As a result of applying this method, the principle assignments within Sabic's Headquarters and projects are now undertaken by a group of Saudis, trained specifically for their respective jobs. Most of them are Engineers, Economists, Administrators and Accountants.<sup>4</sup> As mentioned earlier, the total number of employees required for the direct management and operation of all Sabic's industries up to 1990 are about 12,500 people, which comprises all technical and administrative categories. Sabic plans to

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1. op.cit., p.16.

2. Saudi Basic Industries Corporation, Fourth Annual Report (1980), p.10.

3. Saudi Basic Industries Corporation, Seventh Annual Report (1983), p.36.

4. Fourth Annual Report (1980), p.34.

achieve Saudization levels of 75 percent by the year 1990 and hope to increase it in the subsequent years to at least 90 percent.<sup>1</sup>

### 3.8 Summary

Since the hydrocarbon resources are the special interest to the Kingdom's economy, the Government has decided to undertake direct investment in this field. For this purpose, it established the Saudi Basic Industries Corporation (Sabic) in 1976 to set up several petrochemical and metallurgical projects together with overseas investors.

The various joint venture partners in petrochemical industries with Sabic are the world's leading companies, such as Shell, Mobil, Dow, Exxon, Mitsubishi and other large Japanese companies. Through their international networks, these companies will assist in making the Saudi Arabian petrochemical products. In conclusion, one cannot but be struck by how a small dynamic group of technocrats from the Saudi Ministry of Industry and Electricity, Sabic, the Royal Commission for Jubail and Yanbu, and other entities as well as executives from Mitsubishi, Mobil, Shell, Exxon, Dow, Celanese and other companies, have, despite divergent interests, pooled their abilities to create a great new industry. These efforts, backed up by a host of administrators, engineers and other professionals in the U.S.A., U.K., Japan, and elsewhere, virtually assure the viability of these ventures, thereby laying a firm basis for future industrial development.

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1. Saudi Basic Industries Corporation, Seventh Annual Report, pp.17 and 36.

CHAPTER IV  
METHODS AND PROCEDURES

4.1 INTRODUCTION

This chapter presents the methods and procedures adopted by the study in its empirical explorations regarding the managerial attitudes of Saudi middle managers in Sabic and compare them with non-Saudi middle managers.

At the outset, the study will discuss the major difficulties of conducting research in Saudi Arabia. In this sense, a general profile of the Saudi Arabian culture will be provided.

Introducing the research procedures, the design of the research population, the sources of the data and the research instrument will be discussed. In addition, an account is given of the statistical techniques used. Finally, the scope and limitations of the study are followed by a brief summary of the chapter.

4.2 Major difficulties facing the researcher in Saudi Arabia

As pointed out in Chapter II, the influence of religion, tradition and customs permeate all aspects of Saudi society. This has resulted in the fact that Saudis have become very sensitive to the values, customs, traditions, norms and expectations of their society. Sensitivity to, and consideration for, the feeling of others, is one of the important characteristics of the Saudi society which stems directly from Islam (see Chapter II). So it is essential for researchers to be equally sensitive towards the Saudis if misunderstandings are to be avoided. The key to good research may be to design a research strategy

to fit a particular context. Bouchard noted that methods are means to ends - no more, no less. The key to good research lies not in choosing the right method, but rather in asking the right questions and picking the most powerful method for answering that particular question. Methods are neither good or bad, but rather more or less useful for answering particular questions at a particular time and place.<sup>1</sup> It seems that the 'right questions' and the 'best methods' to apply to Saudi Arabia are likely to be those which take into account the religion and traditional values which generally shape many aspects of the Saudi Arabian lives and behaviours. Since methods which are of conventional use in the western industrial societies may have serious and unanticipated effects when modified to suit the Saudi context, any researcher is strongly advised to design and apply research techniques and methodologies which take into consideration the Saudi culture. In order to explain this point, the following pages will identify some of the most important Saudi culture issues which may affect research design in this area.

#### 4.2.1 Sexual Segregation

Women in Saudi Arabia are veiled before strangers, which involves covering with clothes their entire body including the face. As a result of this situation, women are not allowed to work in any place where they will meet men. In other words, a woman is not allowed to have any direct contact with a man (other than her father, brothers, husband and son).

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1. C. Bouchard, Methods of Social Research, McGraw Hill (New York, 1976), p.402.



However, the idea of sexual segregation is not only a religious issue, but rather involves other cultural constraints and social patterns of seclusion and exclusion that are equally restrictive to women.

Islam does not prohibit any face-to-face meeting between women and men as long as she is wearing long dresses, covering her hair, except the face and hands, avoiding any attractiveness such as perfume and make-up. But Islam decrees 'Say to Muslim women to avoid attracting attention, and say to Muslim men to look at them without attraction in the eyes. That means there is no harm in meeting'. In a society such as Saudi Arabia, with its segregation of the sexes, organisational difficulties occur at all levels of the organisation, and specially at the higher levels, where professional women have to communicate face-to-face with men for discussion, negotiations, exchanging ideas, and thoughts. Since face-to-face meeting between Saudian women and men are not allowed, communication between them follows two ways - writing formal letters and using the telephone.

Sabic is a government corporation and all its employees are men. It was, therefore, impossible to interview the middle managers directly as women are not allowed to enter the offices according to the Saudian system. Thus sexual segregation prevented the researcher from using direct interview methods in the study, and, therefore, other alternatives have been used. This is a manifestation of how traditional patterns of behaviour continue in Saudi Arabia where sexual segregation has been and continues to be a way of life.

#### 4.2.2 Unawareness of the value of time

Saudis do not seem to budget their time in the same way as western societies do. Time is a much more flexible commodity in the Arab world generally. This may be a result of their fatalistic attitudes (see Chapter II). Therefore, Saudis do not like to be hurried in doing their duties as 'haste comes from the devil' according to an ancient Arab proverb. Thus patience is a very important consideration which has to be in the mind of any researcher conducting research in Saudi Arabia. A researcher should be prepared for the fact that everything takes a little longer.

#### 4.2.3 Personal relationship and connections

One of the most important points in conducting research in Saudi Arabia is to establish trust. This may take a relatively long time, but if an Arab puts his trust in a person, he will be helpful in providing the researcher with substantial information. In Saudian society, personal relationships and connections are very important. If the researcher is a woman, as indicated earlier, certain research activities - interviewing, access to male managers, and so on - are difficult to carry out. In this situation, the development of a network of personal contacts, who can act as proxies for the woman or gain her introductions is vital. Consequently, she is not able to collect her information by herself from any government or public organization where the men control all the major work. As mentioned previously, the only available methods of communication between men and women are writing formal letters and using the telephone. These methods have important disadvantages. The major weakness is formalistic. By 'formalism' we mean what is suggested by Fred Riggs:

By formalism I wish to distinguish the extent to which a discrepancy exists between the prescriptive and the descriptive; between the formal and effective power; between the impression given by the constitutions, laws, regulations, organization charts and statistics

and actual practices and facts of government and society. The greater the discrepancy between the formal and the effective, the more formalistic is a system.<sup>1</sup>

Elaborating on this point, Al Waji argues 'Bureaucratic behaviour in Saudi Arabia is, in the main, formalistic'.<sup>2</sup> Therefore, it seems clear that having and using personal relationships and connections are necessary to gather as much information as possible.

#### 4.3 The research procedure

Discussing the procedures adopted by the study, we will reflect on four issues. These are the description of the methods of sampling, the statement of the sources of data and the research.

##### 4.3.1 The research sample

The subject of the study was the total population of approximately 240 middle-level managers in Saudi Basic Industries Corporation Sabic).

The number of middle-level managers in Sabic was taken from the headquarters of Sabic in Riyadh, the researcher contacted the office of each company's executive director to confirm the number in his company. The decision to study the total population rather than to take a sample arose from the size of the population which was small. The study limited its inquiry to an analysis of similarities and differences in managerial thinking between Saudi-middle managers and

1. Fred Riggs, The Ecology of Public Administration, Asia Publishing House (New York, 1961), p.91. (Quoted from I.M. Al Waji, 'Bureaucracy and Society in Saudi Arabia', an unpublished Ph.D. dissertation, University of Virginia (1971), p.226).
2. I.M. Al Waji, op.cit.

non-Saudi middle managers. Since a sample from a population of 240 middle managers in Sabic would not allow for accurate inferences to be made statistically, the entire population of 240 was surveyed to provide for parameters for use as comparisons. Thus, the data was collected from the Sabic population.

The data from Sabic middle managers showed that the middle managers came from different countries. The countries are not all alike. There are similarities between some countries and not between others. The countries represented are as follows:- Saudi Arabia, U.S.A., India, Japan, Jordan, West Germany, Great Britain, Canada, Egypt, Pakistan, Republic of China, Sudan and the Philippines.

The researcher grouped them into three groups or clusters:

- i) Saudi Arabia;
- ii Developing countries group: India, Jordan, Egypt, Republic of China, Sudan, Pakistan and Philippines;
- iii Developed countries group: U.S.A, U.K., Canada, West Germany and Japan.

The middle-level management included section managers, department managers, general managers, and, in general, those who had to assume co-ordination planning and control between the low-level management and the top management.

#### 4.3.2 Data collection

Because the researcher was a woman, she was not allowed to meet the participants for the traditional reason, as Saudi society practices sexual segregation, as indicated earlier in this chapter. Data collection was accomplished in two ways.

First, the survey of Sabic headquarters at Riyadh, Al Jubail and Al Dammam were accomplished through two volunteers. Volunteers were senior students in the Public Administration Department at King Saud University. They were given full instructions by the researcher in regard to the administration of the questionnaire (see Appendix A). In addition, the researcher wrote an explanatory letter (see Appendix A , which explained the purpose of the questionnaire and the importance of objectivity in dealing with its contents, and requesting the co-operation of the executive in the research. Names were not included in the text, so that everyone could feel free in their response to some of the crucial items. In addition, contact was made with the executive directors of all the companies under study to secure their approval and assistance.

The survey of Al Riyadh, Al Jubail and Al Dammam took one week of the volunteers' time, and they distributed the questionnaire by themselves. The manager was asked to complete the questionnaire and place it in a box while the volunteers waited. However, whilst some questionnaires were completed and returned quickly, others were mailed to the researcher after two weeks.

Second, the survey of Jeddah and Yanbu was accomplished through the post. The questionnaire was enclosed with a short letter requesting the co-operation of the executive in the research, and explaining the purpose of the questionnaire, together with an instructional note on how to fill it out. After five weeks, the survey of Jeddah and Yanbu was accomplished through the use of a postal survey after several telephone calls from the researcher to the vice executive director in each company, to encourage the return of forms which may have been misplaced or inadvertently forgotten by the manager. This procedure took six weeks from the time the questionnaire had been received. Of the 154 returned questionnaires, only 139 were used for this survey. The other 15 returned questionnaires were eliminated either because they were incomplete or because they were not middle level managers. Top or lower level managers were not included in this study. However, there was approximately a 64 percent rate of return. Moreover, in gathering relevant publications, documents, reports and statistics, the researcher was often faced with the problem that many of the reports written in Sabic are confidential, and in view of this many officials who the researchers tried to interview by telephone were either hesitant to provide assistance or asked that reports should not be quoted nor the official's name mentioned. Nonetheless, sufficient data were gathered from Saudi statistical reports, government reports, United Nations reports and unpublished works on Saudi Arabia.

#### 4.3.3. The research instrument

The study was designed to determine the extent of similarities and differences in the managerial thinking among the middle level managers in Saudi Basic Industries Corporation (Sabic), both Saudi and non-Saudi middle managers from the two categories mentioned previously in this chapter. Also, as mentioned in the introduction, this research was the first attempt to study managerial thinking among middle level managers in Saudi Arabia in general and in Sabic specifically. Since there has been no serious study before, the descriptive and analytical approach was used. An exploratory study needs to be undertaken when nothing is known or there is no information on the problem to be investigated, and extensive work needs to be done initially before one can scientifically investigate the matter.<sup>1</sup>

The aim of using this approach was to:

- (1) rely on simple direct methodologies, in order to avoid being significant in the statistical sense only; and
- (2) to explain what kind of relationship exists between the middle managers;
- (3) to relate these findings to the training of middle managers in Sabic and to consider possible areas for further investigation in Saudi Arabia. It is hoped that this study will shed some light on this important subject.

The survey was conducted using forty-eight questions (see Appendix A). The basic survey instrument consisted of three parts.

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1. Uma Sekeran, 'Research Methods in Business', package specially for business for ADSC 361, April 1981, p.45.

These are:-

PART ONE : Manager Profile

This part of the survey instrument consisted of fifteen questions designed to provide responses which would permit the classification of the data into general categories. These categories were:-

- (1) Social Background: (i) country of citizenship; (ii) sex; (iii) age; (iv) marital status; (v) father's occupation; (vi) monthly income.
- (2) Education and training background: (i) level of education; (ii) college attended; (iii) attending training.
- (3) Experience background (i) years working before joining Sabic; (ii) previous employer(s); (iii) years working for Sabic.

PART TWO : Managerial thinking toward leadership's ability and training

This part of the research instrument was designed to seek the similarities and differences among the Saudi middle managers and non-Saudi middle managers in Sabic in the following variables.

- (i) Leadership style in decision-making;
- (ii) Leadership behaviour pattern;
- (iii) Leaders thinking regarding authority;
- (iv) Managerial thinking toward training.

This part of the research instrument consisted of ten questions. These items were designed to ascertain the manager's thinking toward leadership ability. According to Robert Tannenbaum and Warren H. Schmidt, there are four styles of leadership. These styles moving from authoritarian leader behaviour at one end to democratic leader



behaviour at the other<sup>1</sup> (see Chapter 1). The first is characterized as 'tells style': decisions are announced to subordinates so that they may be carried out without question. The second style of the leadership is 'sells style': the possibility of resistance is at least recognized; the manager therefore resorts to persuasion to get the acceptance, willingly, of decisions already reached. A third style is 'participates style': a decision is not made until a problem has been put to members of the group and their comments and suggestions have been heard. The manager is willing to share information and involve his subordinates in decision-making, and he will try to get their ideas so that they can contribute effectively. He must make the final decision, and he is responsible for the result. This form of participative decision-making demanded good faith, the manager must be able and willing to accept and implement the ideas of the subordinate with regard to important aspects of the job. The fourth style of leadership is characterized by 'delegates style': the manager delegates to the group the right to make decisions. His function is limited to one of the defining the nature of an issue and indicating the limits within which a decision must be made. What is finally done will reflect the majority of opinion in the group.

Each of the four styles will be a basis for identifying attitudes held by the three groups in the middle-level of management in Sabic, and the determination of whether or not they are the same in all these groups.

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1. Robert Tannenbaum and Warren H. Schmid, 'How to choose a Leadership Pattern', Harvard Business Review, 36 (2), March-April, 1958, pp.95-101.

PART THREE : Managerial attitudes toward job satisfaction and motivations

Examining the job satisfaction and motivation of Sabic middle managers, the study looked into certain aspects regarding satisfaction with the job itself through (i) job interest; (ii) job variety; (iii) job challenge.

The superior-subordinate relationships among Sabic middle managers have been explored in terms of the respondents' views regarding six issues. These are i the respondents assessment of their relationship with their subordinates; (ii) their assessment of their relationship with their immediate superiors; (iii) the respondents' opinions regarding their superior's priorities at work; iv the respondents' opinions regarding their superiors methods of supervision; v their confidence in their superior's ability; (vi) the support obtained from their superiors.

Focusing on the motivation aspects, the study examined their source of motivation when taking up their jobs, their motivation in keeping their present jobs, and the middle managers' propensity to change their jobs. Furthermore this study attempted to explore additional aspects of managerial thinking, their knowledge of goals and responsibility in their departments, their participation in the development of their department's plans and goals, their attitudes to carrying more responsibilities, their job load, and their opinion regarding the efficiency reports.

The answers from the instruments were tabulated within each of the surveyed groups to obtain the results.

A comparison was made between the results from each group in order to discover any difference that might arise because it provided the most efficient method of determining the similarities and differences in the attitudes between managers within the three groups. The research for this study was conducted in Saudi Arabia during six months from January 15th to April 15th, 1985, from January 1st to February 15th, 1986, and finally from January 20th to March 5th, 1987.

The questionnaire was designed by the researcher for Sabic middle managers and was given a primary translation from English to Arabic by the researcher. It was subsequently submitted to a team of translation specialists working at King Saud University headed by Dr. Mukhtar Balloul (see Appendix B , and separately given a translation by another group in order to obtain a valid and accurate translation which would best serve the purpose of the study. In addition, to measure the validity of the questionnaire, a pilot test was conducted by the researcher with a randomly chosen sample of 10 percent of Sabic's department managers at the headquarters in Riyadh. The questionnaire items were finally answered by those respondents, with the researcher noting any ambiguity, misunderstanding or sensitivity that might occur, some respondents' clarification on some items, which they receive immediately.

The positive reaction of the respondents towards the questionnaire items and their interesting comments were noted and taken as an indication that the questionnaire was meaningful and valid. In a research project such as this, it is important that questionnaire data collected is authenticated. In asking middle managers whether they have good or poor relations with staff under them, there will be a natural inclination - sometimes an unwitting one - to put the best light on relations and reply 'good'. Similarly, when asked whether they are dictatorial or con-

cerned, middle managers will be inclined to go for the latter whether or not this is true. Under normal circumstances, personal interviews with questionnaire respondents, and other forms of cross-checking, would have been employed in attesting the validity of such responses. As a woman in Saudi Arabia, I was precluded from this course of action, and, as a consequence, much of the data collected has to be taken at face value. I fully recognise, however, that had the country and the circumstances been different, then checking the validity of the data responses would have been accorded a priority.

Two steps were taken to approve and administer the questionnaire. Firstly, a letter signed by the Director of the Liverpool Institute of Public Administration and Management at the University of Liverpool, Mr. Morton R. Davies, to Sabic. The letter explained the nature, importance and objectives of the study, and requested their assistance (see Appendix C). Secondly, the questionnaire was covered by a letter from the Manager of Public Relations in each company encouraging each General Manager, Departmental Manager and Section Manager to co-operate by returning the questionnaire (see Appendix D).

All data were keypunched, verified, and computerized in order to produce the highest attainable level of accuracy. To facilitate statistical analysis and interpretation, the researcher used the Special Package for Social Sciences (SPSS programme. The data collected using the research instrument was analysed by several statistical techniques. These included percentages, means, frequency distributions and frequency statistics like chi-square. All the chi-square tests were significant at the 0.5 level for independence to locate significant relationships. Furthermore, the condition of chi-square was not completely satisfactory because there was a limitation, the researcher was restricted by the given population size, we treated all of it but did not have any alternative because there were so many variations between the level of response on the questionnaire where the population size was different from one question to another.

#### 4.4 Scope and limitation of the Study

The scope of the study is limited to:-

1. Saudi Basic Industries Corporation (Sabic).
2. The study is directed to the examination of the similarities and differences in managerial thinking regarding leadership ability and job satisfaction motivation among Saudi and non-Saudi middle managers.
3. The middle management included three groups: Saudi middle managers, developing countries middle managers, and developed countries middle managers (Section managers, departmental managers, general managers, those who had to assume responsibility for co-ordination, planning and control between the low management and the top management .
4. Middle managers who have to supervise subordinates.
5. The researcher was very careful during the construction of the survey instrument, in order to achieve a good result of the questionnaire items, by following these steps:
  - i The questionnaire sought only information which could not be obtained from non-survey data;
  - ii The questionnaire requested only data essential to the subject matter;
  - iii Respondents were given clear and complete instructions on how to answer each item;
  - (iv Questions were presented in good psychological order, proceeding from general to more specific responses;
  - v The questionnaire had a central topic.

#### 4.5 Summary

The main concern of this chapter has been the design of the research. The methods and procedures adopted by the study in the empirical investigations concerning the similarities and differences in managerial thinking among the Saudi and non-Saudi middle managers in Saudi Basic Industries Corporation (Sabic).

As an introduction to the discussion of the research methods and procedures, the study examined the major difficulties of conducting research in Saudi Arabia. Describing the research procedures, the discussion has been limited to three topics, which are the design of the research population, the sources of the data and the research instrument.

The design of the research population, the subject of the study was the total population of approximately 240 middle level managers. The data showed that the middle managers came from different countries (Saudi Arabia, U.S.A., India, Japan, Jordan, West Germany, U.K., Canada, Egypt, Pakistan, the Republic of China, Sudan and the Philippines). They were grouped into three groups:- Saudi Arabia group, Developing Countries group and Developed Countries group.

The questionnaire is the only source of data as far as the attitudes and behavioural manifestations of Sabic middle managers are concerned. The opinions of the respondents have been interpreted in terms of leadership's style in decision-making, leadership behaviour pattern, leader 's thinking with regard to authority. Furthermore, they have been examined in terms of managerial thinking towards training. Job satisfaction among the respondents has been examined relative to four aspects. These are (i) the job itself; (ii) job variety; (iii) job challenge; (iv) superior subordinate relationship. Job attitudes, also have been examined in terms of motivation to join Sabic, the motivation to produce (keep working for Sabic), and the propensity to change the job. Additional aspects of managerial

thinking have been developed by the study. These are (i) their knowledge of goals and responsibility in their departments; (ii) their participation in development of their departments' plans and goals; (iii) their attitudes to carry more responsibility; (iv) their job load, and (v) their opinion regarding the efficiency reports.

CHAPTER V  
THE RESEARCH FINDINGS

Introduction

Middle managers work in a frustrating situation, as they are caught between two responsibilities. On the one hand, there are the top management demands to have work accomplished quickly and accurately. On the other hand is the problem of the ability, often limited, of the lower level of employees to meet these demands. Middle management has the responsibility to respond to orders and directions in meeting the expectations of top management, and at the same time it has the responsibility for mobilizing the lower level of employees to do the work well and on time.

There are many factors which may limit the effectiveness of middle management. For example, lack of job satisfaction, lack of motivations, or lack of knowledge as to the goals of the organization, and planning policies to achieve them. If the responsibilities and objectives of each middle manager's job are not clearly spelt out, the ability of the individual to function is limited. Other factors may also be involved. If the middle manager is to play an active and dynamic role, he must be included in the planning and development of the goals and objectives of his department or section. Middle management consists of a large number of people compared with top management in the organizations. Their prime importance is that they form the link between top management and the lower level employees. Without middle management, it would be virtually impossible to implement policies. Middle managers are not only the head of



departments or sections, they also perform staff functions. For best results in the roles and duties, they require a high level of education, leadership, and creative talent.

This chapter presents the findings of the study based on the research instrument described in Chapter 4. Part one of this chapter provides a description of Sabic middle managers (i.e. demographic data). Part two provides the results of analysis of the differences and similarities found between these middle managers relative to managerial thinking regarding the leadership ability and training. Part three contains the results of similar analysis regarding job satisfaction and motivation.

#### 5.1 : Characteristics of Sabic Middle Managers

The satisfaction a person seeks in his work is as diverse and complex as the number of individuals employed. Each person has his own physical, mental, and emotional structure, but he also shares certain needs common to all human beings. Because of this last factor, workers have some commonality in the needs they seek to satisfy at work.

The number of studies published relating to job factors and employee job attitudes has steadily increased every decade (see Chapter I . The results of the study are viewed as a whole; a relatively clear picture begins to emerge regarding what workers want from their work and which factors of employment contribute to job satisfaction. It will be noted that the same job factor can be the source of dissatisfaction to one employee and the source of satisfaction to another.

The number of job factors affecting workers' attitudes are many. Aspects of the individual's life away from the job that could influence his attitudes would be his nationality. For example, in one study which compared Mexican and American workers, Slocum (1971)<sup>1</sup> found Mexican operators to be significantly more job satisfied than their American counterparts who were undertaking similar jobs. In accounting for the results, Slocum argues that by and large Mexican workers are not highly motivated to work, once basic family needs have been met. The fulfilment of those needs, therefore resulted in higher job satisfaction for Mexican workers. American workers, on the other hand, have higher expectations that higher order needs will be met on the job, and are dissatisfied with the fulfilment of only lower order needs. Also, an individual's age could influence his attitudes. For example, Herzberg et al (1957)<sup>2</sup> suggest that job satisfaction increases with age, because the individual comes to adjust to his work and life situation. Job satisfaction starts high, declines and then starts to improve again with increasing age.

Aspects of the individual's job satisfaction would be his educational level. A study by Vollmer and Kinney (1955),<sup>3</sup> showed this effect. They examined the responses of several thousand

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1. Michael M. Gruneberg, Understanding job satisfaction, The Macmillan Press Ltd. (London, 1979), p.101. J.W. Slocum, 'A comparative study of the satisfaction of American and Mexican operators', Academy of Management I. 17 (1971), pp.89-97.
  2. F. Herzberg, B. Mausner, R.O. Peterson and D.F. Capwell, 'Job attitudes : Review and Research Opinion, Psychological Service of Pittsburgh (Pittsburgh, 1958).
  3. Michael M. Gruneberg, op.cit., p.96; H.M. Vollmer and J.A. Kinney, 'Age, education and job satisfaction', Personnel, 32 (1959), pp.38-43.

civilian employees in various institutions throughout America. Their results indicated that more college than highschool-educated employees reported dissatisfaction with their jobs. Similarly, more highschool-trained employees reported dissatisfaction than lower trained grammar school educated employees. Vollmer and Kinney argue that because of the greater educational investment, it is reasonable to assume that college-trained employees generally expect more out of life in terms of higher paid jobs, better working conditions, etc. Thus, for relatively low level jobs, they have higher expectations at what a job should offer and, therefore, lower satisfaction with what they get. Furthermore, father's occupation has influenced individual's attitudes toward education and job. According to Blau (1956), the individual's social structure influences his career outcome in two ways, first by shaping the social development of the individual, and thus his or her career orientation, self-concept, value, interest, and second by affecting the occupational opportunities available to the individual.<sup>1</sup>

As part of the normal process of growing up, a person probably learns more about the world represented by his father's occupation than about any other occupation. In addition, wage is an important factor in job satisfaction. Pay means more to the individual, than just the potential of material goods. It can be an indication of achievement and recognition, or, conversely, of failure. Porter and Lawler (1968), in their study of managers, found that job satisfaction increases with a higher level of income. It was also found that

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1. P.J. Blau, J. Gusted, H. Parnes, and R. Wilcock, 'Occupational choice : a conceptual framework', Industrial and Labour Relations Review, 9 (July, 1956), pp.531-43.

pay represented 'a form of recognition for a job well done ... a market achievement'.<sup>1</sup>

A comparison of Sabic/middle managers background followed, which provided a profile of the middle managers, as well as the nature of the differences and similarities. This part of the survey instrument consisted of fifteen questions designed to provide responses which would permit the classification of the data into general categories. These categories were:

1. Social background
  - sex
  - country of citizenship
  - age
  - marital status
  - father's occupation
  - monthly income
2. Education and training
  - level of education
  - college attended
  - training
3. Experience background
  - years working before joining Sabic
  - previous employer
  - years working for Sabic

A description of the middle managers characteristics appears in Tables 5.1 - 5.13.

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1. L.W.Porter and E.E. Lower, Managerial Attitudes and Performance, Richard D. Irwin (Hon. UoD, Ill. 1968.

## Social Background

### . Sex

All the employees in Sabic are males, because women are not allowed to work in this kind of corporation (see Chapters 2 and 4).

### - Country of citizenship

Table 5.1 shows that of the respondents, eighty-four middle managers were from Saudi Arabia, twenty-nine from developing countries, and twenty-six from developed countries. From Table 5.1 it will be seen 39.6 percent of the middle managers were not from Saudi Arabia, and this was not surprising. As indicated earlier in Chapter 3, Sabic established a petrochemical industry in Saudi Arabia, and it is a joint venture between Saudi Arabia, Japan, Korea, Taiwan, the United Kingdom, U.S.A., West Germany and the Arabian Gulf States. Therefore, this kind of project needs very highly qualified personnel from the management and engineering fields, as well as from other professions. Also, Saudi Arabia, like many other developing countries has a lack of qualified employees at all levels, especially in the administrative field. M. Sadik pointed out that -

With new technology, modifying and expending the uses of the existing equipment, more highly qualified personnel are even more needed along with new organizational methods of operation, and when those people could not be updated to accommodate the new demands imposed on the plans, failing to adopt its role to its new objective, an administrative gap appeared and gradually widened. Therefore, the administrative failure which occurred in the fact of new technology had begun to manifest itself year after year.<sup>1</sup>

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1. Mohammed Sadik, The Evaluation of Government and Administration in the Kingdom of Saudi Arabia, Institute of Public Administration (Riyadh, 1963), p.196.

TABLE 5.1  
SABIC'S MIDDLE MANAGERS

County of citizenship	Freq.	%	TOTAL	
Saudi Arabian	84	60.4	84	60.4
Developing Countries	29		29	20.9
Indian	7	5.0		
Taiwanese	7	5.0		
Pakistani	7	5.0		
Sudanese	3	2.2		
Jordanian	3	2.2		
Egyptian	1	0.7		
Phillipino	1	0.7		
Developed Countries	26	0.2	26	18.7
America	13	9.4		
West German	5	3.6		
British	4	2.9		
Japanese	3	2.2		
Canadian	1	0.7		
Total			139	100.0

The problem was also recognised in a report by the Ford Foundation team, which stated:

The basic problem of the present administration in Saudi Arabia is the lack of trained and qualified employees on all levels. This is a result of the lack of specialists in administration, who can introduce modern administrative techniques and methods, and give needed training to the government employees.<sup>1</sup>

However, to solve these problems, Sabic has engaged experienced non-Saudi personnel as required, and at the same time they have a Saudiasation programme to achieve Saudiasation by 1990 in the maximum number of positions, without sacrificing quality and loss of production. This Saudiasation is to affect all levels of jobs.<sup>2</sup>

- Age

Table 5.2 presents the Sabic middle managers age profile which shows that the majority of Saudian middle managers (60.7 percent) were between 25 and 35 years of age, 19.0 percent were 36-40 years old, 17.9 percent were over 40 years of age, and only 2.4 percent were less than 25 years of age. Considering twenty-nine middle managers from developing countries, the majority of them (65.5 percent) were over 40 years of age, 17.2 percent were between 36 and 40 years old, 13.8 percent were between 31 and 35 years old, and only 3.5 percent were between 25 and 30 years of age. Of twenty-six middle managers from developed countries, 80.8 percent were over 40 years of age, and only 19.2 percent were between 36 and 40 years of age.

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1. Ford Foundation, 'The aspects which affect the administrative reorganization in Saudi Arabia', Ford Foundation Team (Riyadh, 1963), p.3.
  2. Saudi Iron and Steel Company, 'Manpower Development', Saudiasation programme (1982), p.1.

TABLE 5.2

AGE PROFILE OF SABIC MIDDLE MANAGERS

Age Profile	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Under 25	2	2.4	-	-	-	-
25-30	29	34.5	1	3.5	-	-
31-35	22	26.2	4	13.8	-	-
36-40	16	19.0	5	17.2	5	19.2
Over 40	15	17.9	19	65.5	21	80.8
Total	84	100.0	29	100.0	26	100.0
Mean	3.155		4.448		4.808	
Medium	3.000		4.737		4.881	

TABLE 5.3

MARITAL STATUS OF SABIC MIDDLE MANAGERS

Marital Status	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Single	11	13.1	2	6.9	-	-
Married	73	86.9	27	93.1	26	100.0
Total	84	100.0	29	100.0	26	100.0



In order to see if there is a significant difference between the three groups in their ages, analysis of variance of the mean (see Table 5.2) was performed. From this table most of the Saudi middle managers may be considered to be relatively young. Almost 60.7 percent fall between the age of 25 and 35, while the managers from developed and developing countries were much older; 80.8 percent and 65.5 percent were over 40 years of age, and this is not unexpected, as they are considered experts.

- Marital Status

As is evident from Table 5.3, 86.9 percent of Saudian middle managers were married, whereas only 13.1 percent were single. While 93.1 percent of the middle managers from developing countries were married, and 100 percent of the middle managers from developed countries were married. The married middle managers were asked to indicate the number of children in their families. The findings are shown in Table 5.4. According to these findings in this table, among the 86.9 percent of married Saudian group, 46.6 percent have between one and two children, 27.4 percent have between three and four children, and only 13.7 percent have more than four children, and in the case of developing countries group 29.6 percent who have between one to two children, 55.6 percent have between three to four children, and only 7.4 percent have more than four children. In the developed countries group, 57.7 percent have between one to two children, 30.7 percent between three to four children and 7.7 percent have more than four children. These differences were considered reasonable, because the Saudian group were relatively young, and, therefore, were likely to have been recently married after completing their education.

TABLE 5.4  
SIZE OF SABIC MIDDLE MANAGERS' FAMILIES

No. of children	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
None	9	12.3	2	7.4	1	3.9
1	14	19.2	2	7.4	3	11.5
2	20	27.4	6	22.2	12	46.2
3	12	16.4	8	29.6	5	19.2
4	8	11.0	7	26.0	3	11.5
more than 4	10	13.7	2	7.4	2	7.7
Total	73	100.0	27	100.0	26	100.0

TABLE 5.5  
OCCUPATION OF THE FATHERS OF SABIC MIDDLE MANAGERS

Father's Occupation	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Business owner	23	32.9	6	35.3	4	20
Foreman	11	15.7	4	23.5	3	15
Military	3	4.3	-	-	-	-
Professional	16	22.9	4	23.5	8	40.0
Farmer	11	15.7	2	11.8	2	10.0
Technical	2	2.8	-	-	2	10.0
Others	4	5.7	1	5.9	1	5.0
Total	70	100.0	17	100.0	20	100.0

- Father's occupation

As a further dimension in the explorations regarding the background of Sabic's middle managers, Table 5.5 shows that, among eighty-four respondents of Saudian middle managers (32.9 percent), their fathers' occupations were business owners; of the remaining responses, 22.9 percent of the fathers were professionals. Thus, the Saudian group came from middle class backgrounds which include: businessmen, middle level civil servants, and professionals, such as engineers, lawyers, doctors, professors and schoolteachers.<sup>1</sup> 35.3 percent of the developing countries group gave their fathers' occupations as business owners and 23.5 percent gave the occupation of their father as working with the government, and the same percentage indicated their fathers were professional. In the case of the middle managers from developed countries, 40 percent of the fathers were professionals and 20 percent were owners of businesses.

Education and training

- level of education

Table 5.6 presents the level of education of the Sabic middle managers. Saudian middle managers were generally highly educated; 81.6 percent had a Bachelor's degree or higher qualification, which supports the following statement from Sabic's Seventh Annual Report.<sup>2</sup>

It is worthwhile to mention that the University graduates, including B.A. or B.Sc., M.A. and Ph.D. holders constitute a majority of Sabic Saudi manpower.

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1. Westview Special Studies on the Middle East, 'Political adaptation in Saudi Arabia', a study of the Council of Ministries U.S.A., Westview Press, Inc., (1985), p.33.
  2. Saudi Basic Industries Corporation, Seventh Annual Report (1983), p.50.

TABLE 5.6  
LEVEL OF EDUCATION OF SABIC MIDDLE MANAGERS

Educational level	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Secondary	14	18.4	2	6.9	3	12.5
University	51	67.1	23	79.3	16	66.7
Higher	11	14.5	4	13.8	5	20.8
Total	76	100.0	29	100.0	24	100.0

TABLE 5.7  
TYPE OF COLLEGE EDUCATION GRADUATES  
IN SABIC MIDDLE MANAGEMENT

Subject of study	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Business Administration	18	29.0	4	16.0	8	36.4
Public Administration	7	11.3	1	4.0	-	-
Engineering	31	50.0	19	76.0	13	59.1
Others	6	9.7	1	4.0	1	4.5
Total	62	100.0	25	100.0	22	100.0

93.1 percent of middle managers from developing countries had a Bachelor's degree and above, and 87.5 percent of middle managers from developed countries had a Bachelor's degree or above. Furthermore, as Table 5.7 shows, 50 percent of the Saudi middle managers who had received University education had studied engineering, while 40.3 percent hold Business and Public Administration degrees compared to 76 percent of the middle managers from developing countries, and 59.1 percent of the middle managers from developed countries, who hold degrees in engineering, and 20 percent of the middle managers from developing countries who hold degrees in Business and Public Administration, and 36.4 percent of the middle managers from developed countries who hold degrees in Business Administration.

- Training attended

Probing the question of training, the survey disclosed that 68.7 percent of the Saudi group had received training since they joined Sabic. The training took place in Saudi Arabia on the Sabic Training Programmes 9 percent and the national training institutions (16 percent), and 75 percent of the Saudi group had received training abroad, as shown in Tables 5.8 and 5.9

Considering the middle managers from developing countries, 27.6 percent had received training since joining Sabic, and 23.1 percent of the middle managers from developed countries also had training since joining Sabic.

TABLE 5.8  
DISTRIBUTION OF SABIC MIDDLE MANAGERS BY TRAINING

Training	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	57	68.7	8	27.6	6	76.9
No	26	31.3	21	72.4	20	23.1
Total	83	100.0	29	100.0	26	100.0

TABLE 5.9  
DISTRIBUTION OF SABIC MIDDLE MANAGERS BY TRAINING PLACE SINCE THEY JOINED SABIC

Training place	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Sabic Training Programmes	5	9.0	-	-	-	-
National Training Institution	9	16.0	1	12.5	1	16.7
Abroad	43	75.0	7	57.5	5	83.3
Total	57	100.0	8	100.0	6	100.0

### Experience background

#### (a) Previous experience

Tables 5.10 and 5.11 show that 66.3 percent of Saudian middle managers had previous experience. 52 percent of them worked with Petroleum Companies, 42 percent worked either with the public sector or government, and only 6 percent gained their experience from the private sector. Comparing these results with non-Saudi middle managers, 100 percent of the middle managers from both developed and developing countries had previous experience. 62.0 percent of the managers from developing countries obtained their experience from Petroleum Companies, 28.6 percent from the public sector, and 9.4 percent gained their experience either from government or the private sector. In the case of middle managers from developed countries, 83.3 percent had their experience in Petroleum Companies, 11.1 percent worked with the private sector, and only 5.6 percent worked with the public sector.

However, these results could be attributed to that because Sabic established petrochemical industries in Saudi Arabia, and this kind of project needs very highly qualified people from the management and engineering field as well as from other professions.

#### b) Length of working experience for Sabic

Table 5.12 shows 41.7 percent of the Saudian group had been working for Sabic between two and four years. 38 percent between five to seven years, and 16.7 percent had over seven years' working experience for Sabic. Comparing the developing countries group, 34.5 percent had been working for Sabic between two and four years and 31.1 percent had over seven years experience. In the case of developed

TABLE 5.10  
DISTRIBUTION OF SABIC MIDDLE MANAGERS  
BY PREVIOUS EXPERIENCE

Previous experience	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	55	66.3	29	100.0	26	100.0
No	28	33.7	-	-	-	-
Total	81	100.0	29	100.0	26	100.0

TABLE 5.11  
DISTRIBUTION OF SABIC MIDDLE MANAGERS  
BY PREVIOUS EMPLOYMENT

Previous employment	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Public sector	13	26.0	6	28.6	1	5.6
Government "	8	16.0	1	4.7	-	-
Private "	3	6.0	1	4.7	2	11.1
Petroleum Companies	26	52.0	13	62.0	15	83.3
Total	50	100.0	21	100.0	18	100.0



countries group, 61.6 percent had been working for Sabic between two and four years and 30.8 percent between less than a year to one year.

- Financial background

Level of monthly income

Six categories of income (monthly take-home pay) of our respondents have been drawn up. Table 5.13 summarises their distribution among Sabic middle managers. As was evident from Table 5.13, the monthly income of Saudian group varies markedly. 42.8 percent receive SR 11,000 to 17,000. 35.7 percent receive less than 11,000, and 21.4 percent receive more than 18,000. Comparing the developing countries group, the majority of them (48.2 percent) receive monthly income between SR 11,000 to 17,000, 24.5 percent receive less than SR 11,000, and 17.2 percent receive more than SR 18,000. Considering the group of developed countries 53.8 percent receive less than SR 11,000, 23.1 percent had a monthly income between SR 11,000 to 17,000, and 23.1 percent had more than SR 18,000.

A summary of Sabic middle managers' characteristics indicates little differences in the demographic characteristics of the three groups. The Saudi middle manager and his counterpart from developing and developed countries are similar in all characteristics, except for age, where the majority of the Saudi group may be considered as being relatively young.

An interesting finding in the social background of the Saudi group is the occupation of their fathers. Despite the fact that the majority of the nation's population are peasants, labourers and

TABLE 5.12  
DISTRIBUTION OF SABIC MIDDLE MANAGERS BY YEARS  
WORKING FOR SABIC

Previous employment	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Less than 1	3	3.6	5	17.2	8	30.8
2 - 4	35	41.7	10	34.5	16	61.6
5 - 7	32	38.0	5	17.2	1	3.8
More than 7	14	16.7	9	31.3	1	3.8
Total	84	100.0	29	100.0	26	100.0

TABLE 5.13  
SABIC MIDDLE MANAGERS BY LEVEL OF MONTHLY INCOME

Monthly Income*	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Less than SR7000	11	13.1	6	20.8	11	42.3
7,000 - 10,000	19	22.6	4	3.8	3	11.5
11,000 - 13,000	16	19.0	9	31.0	4	15.4
14,000 - 17,000	20	23.8	5	17.2	2	7.7
18,000 - 20,000	11	13.1	5	17.2	2	7.7
More than 20,000	7	8.3	-	-	4	15.4
Total	84	100.0	29	100.0	26	100.0

\* SR = Saudi Riyal = \$3.65 in 1985-86.

bedouins,<sup>1</sup> only 2.9 percent of the fathers of participants fall within these categories, while the rest of them were business owners and professionals. Another factor of interest was that their family size remains quite small while the norm in Saudi Arabia is to have a large family.<sup>2</sup> It should be noted that because the majority of them were very highly educated, they probably recently married after having left college.

However, there are some differences between the three groups, such as their previous experience. Non-Saudi middle managers had more previous experience than Saudi middle managers. Another difference was the number of years working for Sabic. Saudian and the developing countries groups, had longer periods than the developed countries group.

This summary shows that the Saudian middle managers are middle aged, come from middle class backgrounds, have small families, are highly educated, the majority of them had training before and after joining Sabic; the majority of them had previous experience with petroleum companies; the majority of them have been working for Sabic between five to more than seven years; the majority of them have a monthly income between eleven to twenty thousand Saudi Riyal.

The middle managers from developing countries are over thirty-six years old, come from middle class backgrounds, have small families and are very highly educated. The majority of them had training before joining Sabic; all of them had previous experience, about half of them have been working for Sabic between five to more

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1. Al-Waji, Ibrahim Mohammed, op.cit., p.170.

2. George A.Lipsky, op.cit., p.69.

than seven years. The majority of them had a monthly income between eleven to twenty thousand Saudi Riyal.

Middle managers from developed countries are over forty years age and came from middle class backgrounds. They are very highly educated, have small families, and the majority of them had had training before joining Sabic. All of them had previous experience; the majority of them have been working for Sabic between less than one year to four years, and the majority of them had a monthly income between seven thousand to thirteen thousand Saudi Riyal.

## 5.2 Managerial Thinking towards leadership ability and training

Organizations are greatly influenced by the background, experience, knowledge and personality of the leaders who provide direction to the whole organization. It is the leadership that decides an organization's objectives, policies, the extent of delegation of authority, patterns of communication and the future direction of the firm.

The leaders perform the role of directing the people in organizations in any country, but they are not stereotyped. They have their attitudes, feelings and preferences which show in a work situation. Emphasizing the importance of leadership, Peter Drucker states that:

There is no substitute for leadership but management cannot create a leader, it can only create the conditions under which potential leadership qualities become effective.<sup>1</sup>

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1. Peter F. Druker, The Practice of Management, Harper and Row (New York, 1954), pp.278-80.

Leadership has two major characteristics - style and behavioural patterns. A leadership style evolves from the personal needs an executive seeks to satisfy as he carries out his leadership functions. Behavioural patterns are the characteristics that habitually define his daily actions. If the style is autocratic, for instance, then the behaviour will be domineering and stringently directive; if the style is bureaucratic, then the behaviour will be more standardised to routines; or if the style is democratic then the behaviour will be of the participative type.<sup>1</sup>

The leadership style is different from one environment to another, which may have a different political system, a different economic system, where the needs of the people are different and a different cultural system in which the values and aspirations of the subordinates are not the same. Also, management calls for many different types of action from a single leader and in consequence a manager will sometimes be one type of leader, sometimes another type, and sometimes a leader who is difficult to classify.

In other words, 'leadership like medicine, is never general'.<sup>2</sup> Despite this variety in kinds of actions taken by any one manager, most managers are basically of one or other category of leadership in the great bulk of their action.<sup>3</sup>

The primary focus of Part II of this chapter is an analysis of the findings concerning the opinions of middle managers. Each of the specific opinions was summarized and the overall difference was

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1. James J. Crilbin, Effective Managerial Leadership, American Management Association, Inc. (1972), pp.111-15.
  2. *ibid.*, p.10.
  3. Robert B. Buchele, The Management of Business and Public Organizations, McGraw Hill, Inc. (1977), pp.175-76.

tested for significance. This was followed by a discussion of the individual testing of each of the specific opinions for significant difference.

In this section as stated earlier, we tried to seek the similarities and differences between the Saudi middle managers and non-Saudi middle managers in Sabic on the following variables:-

- The managerial thinking toward leadership's ability
  - Leadership style in decision-making
  - Leadership behavioural patterns
  - Leaders thinking regarding authority
- Managerial thinking toward training.

#### 5.2.1 The managerial thinking on the leadership's style in decision-making

Every organization no matter how big it is, bases its work on decision-making which leads to the failure or success of the organization.

The administrative operation is based on decision-making which is carried out in all spheres such as planning, organizing, directing and following up, and in all other activities of the administration such as production and supplying. Decision-making is considered the most important element of the administrative operation. It is the centre of the administration and the tool of the leadership. Any development or reform of the administration is based on the best decisions that are made for them.<sup>1</sup> The successful leader is the one who has a combination of talent and qualification as well as knowledge, which help him develop his ability to accept responsibility,

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1. M. Assaf, The Principle of Management, Dar Al-Nasher Al-Arabi (Cairo, 1976), pp.503-527.

and to understand what is going on in the minds of his subordinates, to know their point of view about the different matters, and to encourage them to use all their capacities.

Decision-making is simply defined as achieving objectives.<sup>1</sup> But, in the administrative context, almost every decision will involve a group of people, not just an individual. Also, every decision will impact on the decision-makers. Decision-making in administration, therefore, has a collective dimension. In the widest sense, it is a pattern of interaction between individuals, through which the social mechanisms that sustain effective collective activity are developed and maintained. As for leadership, decision-making is an essential factor since 'leadership' and the capacity to make decisions are inextricably bound up with each other.<sup>2</sup>

There are two principal styles of leadership often used by leaders. Autocratic style, where the leader makes decisions affecting the group without anyone else's advice or suggestions. In this style of leadership, group activity is centred around the leader and group members are expected to do as they are directed.

In the second - Democratic style - the leader attempts to obtain the ideas of the group through discussion or consultation. The leader believes in the value of each individual who works within that administration, and of working to fulfil the human needs of groups.

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1. M.C. Hughes, Leadership in the Management of Education, Commonwealth Secretariat (London, 1981).
  2. M.B. Sharaf, 'Leadership in Public Administration', Master's thesis, U.A.R. (The Hague, 1963), p.58.

In this style, work is based on appreciation of the groups, taking their circumstances into consideration, and the general benefit of the organization as well. Good human relations, co-operation and sharing responsibilities will encourage groups to achieve their best work, while maintaining satisfaction and self-confidence and achieving the goals of the organization.<sup>1</sup>

Use was made of two styles of leadership - Autocratic and Democratic, isolated by Tannenbaum and Schmidt.<sup>2</sup> These two leadership styles were represented by the following items in question 48 all of which are adopted from Tannenbaum and Schmidt.

Autocratic leaders-centred methods

- Leader makes decisions and gives orders to subordinates.
- Leader makes decisions and 'sells' subordinates on doing what he says.

Democratic-participative methods

- Leader presents ideas and invites questions.
- Leader presents tentative decisions subject to change.
- Leader presents problems, gets ideas and suggestions before making decisions.
- Leader defines the limits and requests the group to make a decision. Leader permits the group to make decisions within prescribed limits.

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1. Fred J. Carvell, Human Relations in Business, MacMillan Publishing Co. Inc., 2nd edition (New York, 1975), p.130. See also, Paul Hersey and Kenneth H. Blanchard, Management organizational behaviour, Prentice Hall Inc., (Englewood Cliffs, New Jersey, 1977), 3rd edition, p.82. Also, R.G. Owens, Organization Behaviour in Education, Prentice Hall (1982), 2nd. edition.
  2. R. Tannenbaum and W.H. Schmidt (1958), op.cit.



Table 5.14 shows that the majority of the three groups of Sabic middle managers believe that by far the most effective ways for the manager to make a decision is to be the democratic-participative method. This style was chosen by 79.8 percent of the Saudi middle managers; 58.4 percent of the developing countries group, and 68.4 percent of middle managers from developed nations.

Democratic style 'give and take' enables the manager and the subordinate to explore more fully the implications of the decisions.

As Robert B. Buchele states:

... in management 'democratic' denotes genuine two-way communication especially consultation by the superior with the subordinates on setting goals suggesting new ideas, and deciding how to effectuate changes.... this type can be broken down into two sub-types:

Individual centred: The manager who communicates effectively with individual subordinates and understands their personal problems and talents.

Group-centred. The manager who understands not only the psychology of individual subordinates but also the sociology and dynamics of the work group, the team aspect.<sup>1</sup>

However, there were no significant difference between the three groups of Sabic middle managers regarding leadership style in decision-making where the majority of them believe in democratic style of leadership.

If one looks at the various leadership styles (autocratic and democratic), it will be found that the democratic style of leadership is the most considerate of human relations, because it is based on a group rather than individuals. For example, in this style all policies are a matter of group discussion.<sup>2</sup> When technical advice is

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1. Robert B. Buchele, The Management of Business and Public Organization, McGraw Hill Inc. (1977), p.178.
  2. M. Assaf, The Principle of Management, op.cit., pp.468-474.

TABLE 5.14

COMPARISON OF SAUDI AND NON-SAUDI MIDDLE MANAGERS'  
THINKING OF THE MANAGERIAL STYLE

Managerial style	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Manager makes the decision and announces it	11	13.9	5	20.8	5	26.3
Manager 'sells' his decision	5	6.3	5	20.8	1	5.3
Manager presents his ideas and invites questions	31	39.3	9	37.5	7	36.8
Manager presents a tentative decision subject to change	2	2.5	1	4.2	-	-
Manager presents the problem, gets suggestions	23	29.2	3	12.5	2	10.5
Manager defines the limits and requests the group to make a decision	2	2.5	1	4.2	4	21.1
Manager permits the group to make decisions within prescribed limits	5	6.3	-	-	-	-
Total	79	100.0	24	100.0	19	100.0

needed, the leader suggests two or more alternative procedures from which a choice can be made. The members are free to work with whoever they choose, and the division of tasks is left to the group. The democratic leader is objective in praise and criticism, and tries to be a member of the group in spirit, without doing too much of the work. The democratic leader always tries to share information and ideas among group members. In fact, democratic leadership automatically involves a human relations approach, in that all members of the group are seen as important contributors to the final decision. So the leader in democratic style takes human relations as a basic element in achieving the success of the organization.

However, the major task of any leader is to get work done by other people, and his success as a leader depends upon his ability to enlist and maintain follower commitment and collaboration for the attainment of group or organizational goals. In this respect, the leader's behavioural pattern which affects his daily action will be explored.

### 5.2.2 Leadership Behavioural Patterns

Behavioural patterns are the characteristics that habitually define the leader's daily actions. The results which the leader achieves are totally determined by his own specific behaviour.

According to Fayol's principles of management, group cohesion is an important element in administration which extends to the principle of leadership unity.<sup>1</sup> The effective leader is one who does not hesitate to fit the individual needs of the followers into the framework of

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1. M. Assaf, op.cit., p.66.

the overall work goals. All workers must work in a co-ordinated way, and as long as communication is maintained, co-operation will develop, so that the organization functions as one unit. Also, the worker's initiative must be taken into consideration by the leader to create a kind of self-worth for each worker and simultaneously to create group cohesion which will benefit the organization.

The leader motivates his followers to achieve good self-realisation, while directing their abilities towards work goals, create a good work environment which has effective rewards to encourage desirable behaviour. Also he builds group cohesion by encouraging co-operation and group discussion of work problems. On the other hand, the leader must be strong in initiating structures, and should show high consideration for the members of his work group. For example, the leader should make his or her attitude clear to the staff, and try out new ideas with the staff, as well as criticising poor work, speaking clearly and making speech understandable. The leader must also encourage work and try to make it pleasant to be a member of staff.

In his book on management (1976), M. Assaf has identified the following points<sup>1</sup> related to those mentioned above.

1. Praising

Everyone enjoys receiving praise for a job well done. So praising every member of the work group is important, because every worker likes to know that his or her work is right and appreciated, so as to give more and better work in the future. Therefore, the

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1. M. Assaf, op.cit.

leader helps to fulfil the worker's need by giving sincere praise.

## 2. Supplying objectives

In supplying the objectives for the organization, the leader defines objectives which will allow members to work together. Effective objectives are more often the result of conscious deliberate action.

## 3. Providing security

A leader can provide a large measure of security by maintaining positive, optimistic attitudes, even in the face of adversities.

## 4. Suggestion

Suggesting often permits the subordinate to retain a dignity and a sense of participation, more than would be the case if a direct order were given.

## 5. Inspiration

Many persons work more productively in organizations when their leader lets them know that the work they are doing is worthwhile and important. Thus a member is more likely to work towards organizational goals after being inspired by the leader in this way.

An attempt was made to discover the sorts of leader behaviour most preferred by Sabic middle managers. The Fleishman et al. pattern was adopted,<sup>1</sup> (except the item asterisked).

'Needle' men to greater effort.

\*Let men do their work the way they think best

Stress being ahead of other work groups.

Emphasise quantity of work.

Insist that his men follow standard ways of doing things in every detail.

Express appreciation when a man does a good job.

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1. E.A. Fleishman, E.F. Harris and H.G. Bunt, Leadership and Supervision in Industry, Ohio State University (Columbus, Ohio, 1955),

- Rule with a firm hand
- Treat his men with consideration
- Set a good example to his own men by being competent and keen on the job
- \*Foster good relationships all round.

The questions were designed to identify the similarity and difference between Sabic middle managers in the managerial thinking of the effective pattern of managerial behaviour to get effective results from the subordinates. If they chose more than one statement, they were then asked to place their choices in order of effectiveness, i.e. 1st, 2nd, etc.

Table 5.15 shows that the majority of Saudi middle managers believe that by far the most effective way for a leader to 'get the best' out of his subordinates is to have a good relationship with the group. 54.8 percent of them thought the manager should express appreciation when a man does a good job, and 48.8 percent of them said the manager should treat his men with consideration. Or, in other words, Saudi middle managers gave human relations a high priority. While 58.6 percent of the middle managers from developing countries respondents emphasised the quantity of work, 55.2 percent thought the manager should express appreciation when a man does a good job. In other words, they thought these patterns of behaviour should be the main concern.

In the case of the middle managers from developed countries, a high majority was given to the idea that the manager should treat his men with consideration (65.4 percent), and at the same time a great emphasis was placed on the quantity of the work (53.8 percent).

TABLE 5.15

TEST FOR SIGNIFICANCE OF SAUDI AND NON-SAUDI MIDDLE MANAGERS' THINKING TOWARD THE BEHAVIOUR PATTERN OF LEADERSHIP

The most effective ways to get the best out of the subordinate	SAUDI MIDDLE MANAGERS						DEVELOPING COUNTRIES MIDDLE MANAGERS						DEVELOPED COUNTRIES MIDDLE MANAGERS						b* χ <sup>2</sup>						
	High		Average		Low		High		Average		Low		High		Average		Low			Total					
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%		N	%	N	%		
1. Needle men to greater effort	6	7.1	14	16.7	17	20.2	37	44.0	3	10.3	7	24.1	4	13.8	14	48.3	-	-	4	15.4	5	19.2	9	34.6	.5209
2. Let his men do their work the way they think best	23	27.4	23	27.4	10	11.9	56	66.7	7	24.1	7	24.1	5	17.2	19	65.5	8	30.8	8	30.8	1	3.8	17	65.4	.6217
3. Stress being a head of other work group	5	16.0	22	26.2	14	16.7	41	48.9	4	13.8	7	24.1	5	17.2	16	55.2	1	3.8	5	19.2	5	19.2	11	42.2	.6898
4. Emphasise quantity of work	26	31.0	23	27.4	3	3.6	52	62.0	17	55.6	6	20.7	-	-	23	79.3	19	53.8	8	30.8	-	-	22	81.6	.2258
5. Insist that his men follow standard ways of doing things in every detail	14	16.7	25	29.8	11	13.1	50	59.6	5	17.8	7	24.1	5	17.2	17	58.6	1	3.8	8	30.8	3	11.5	12	46.1	.5866
6. Express appreciation when a man does a good job	46	54.8	19	22.6	1	1.2	60	78.6	16	55.2	10	34.5	3	10.3	26	89.7	12	46.2	8	30.8	-	-	20	77.0	.7529
7. Rule with a firm hand	3	3.6	11	13.1	25	29.8	39	46.5	3	11.3	4	13.8	4	13.8	11	37.9	4	15.4	6	23.1	2	7.7	12	46.2	.0300
8. Treat his men with consideration	41	48.8	12	14.3	4	4.8	57	67.9	11	37.9	9	31.0	9	31.0	20	69.0	17	65.4	4	15.4	-	-	21	70.8	.1045
9. Set good example to his own men by being competent and keen on the job	27	32.1	12	14.3	5	6.0	44	52.4	12	4.4	2	6.9	-	-	14	48.3	7	26.9	2	7.7	-	-	9	34.6	.3523
10. Foster good relations all round	20	23.8	33	39.3	7	8.3	60	71.4	3	10.3	9	31.0	6	20.7	18	62.1	2	7.7	13	50.0	1	3.8	16	61.5	.0407

\*(a) The ranges given to determine the most effective way to get the best out of the subordinates. High effectiveness, average effectiveness and low effectiveness.

(b) χ<sup>2</sup> with 18df at .05 level of significance

Table 5.15 illustrates the results of the chi-square comparison of the middle managers thinking towards the effective leader's behaviour.

There were significant differences between them, where the raw chi-square value of .0300 (rule with a firm hand) and .0407 (foster good relations all round) were less than .05. In other words, these variables are dependent on each other.

### 5.2.3 Authority

One of the characteristics of leadership is the leader's authority. The concept of authority has been used as a formal or legal concept, similar to the term 'right'. This usually means that a manager has the 'right' to command subordinates and expect obedience from them. This definition implies also the right to delegate or withhold authority from subordinates. Closely allied with the concept of authority is that of legitimacy, which means that subordinates accept and respect the manager's authority.

Herbert A. Simon's view of authority considers the psychological relationships between the one who commands and the one who obeys. In his approach, the acceptance of authority is based upon personal factors such as respect for the ability of the superior.<sup>1</sup>

In order to determine middle management's views about authority, they were asked - 'In your opinion what is authority?'. As Table 5.16 shows there were significant differences between the three groups. 42.7 percent of Saudi middle managers thought authority comes from a combination of a legally-derived base and the individual's powers of persuasion. Whereas 37.5 percent of the managers from developing countries thought the authority was the source of the laws and regulations, and 37.5 percent thought it came through the manager's skills and knowledge.

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1. Herbert A. Simon, Public Administration, Alfred Knoff (New York, 1958), p.182.



In the case of the middle managers from developed countries, 36 percent thought the source of authority came from the person's ability to persuade, and 32 percent thought it came from both law and regulations, and a person's powers of persuasion.

In comparing the differences between the three groups, there were very strong relationships between the nationalities and the managers' attitudes towards the source of authority. In other words, these variables were dependent on each other, moreover these results support the validity of this questionnaire.

The conclusion of data collected revealed both similarities and differences between the three groups of Sabic middle managers in leadership style.

Both similarities and differences were found between them. The three groups believe that, the most effective style of decision-making is the participating style. Respondents showed differences in their thinking, effective pattern of leadership behaviour, and their opinion of the source of authority where Saudian middle managers (54.8 percent) thought the effective pattern of leader behaviour should stem from having a good relationship with the group, and 42 percent thought the source of authority comes from a person's power of persuasion.

Chapter II described in some detail the distinctive aspect of Saudian society, especially those which embody traditional values, customs and expectations, all of which play a significant role in the individual life in Saudi Arabian society.

TABLE 5.16

CHI-SQUARE\* COMPARISON OF SAUDI AND NON-SAUDI MIDDLE MANAGERS'  
THINKING REGARDING THE SOURCE OF AUTHORITY

Managerial style	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
(a) Determined by law and regulations	23	28.1	9	37.5	4	16.0
(b) Acquired by a person according to effectiveness and ability to persuade others	12	14.6	4	16.7	9	36.0
(c) Acquired by (a) and (b) above	35	42.7	2	8.3	8	32.0
(d) Acquired by a person through his skills and knowledge	12	14.6	9	37.5	4	16.0
(e) Acquired through social position	-	-	-	-	-	-
(f) Other (please specify)	-	-	-	-	-	-
<b>Total</b>	<b>82</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>

$\chi^2 = 0.00053$  with 6df at 0.05 level of significance.

The cultural influence appears to be the key explanation of managerial thinking together with the profound impact on the thinking of Saudian middle managers of their traditional attitudes to the religion, the extended family and kinship system, and the importance of good social relationships.<sup>1</sup>

Religion is the fundamental motivating force in most aspects of Saudian culture, and has its impact on practically every act and moment in life. It is involved in even the most ordinary acts of the individual. That is, the observance of the traditional forms and rites, whether of the 'official' or of the 'popular' kind. It is an integral part of everyday life. Therefore, the totality of life is permeated with religion which holds supreme sway over the great majority of the population. Examples of the fundamental social characteristics which can be attributed to the influence of Islamic social relations:

Moslems believe that, on the final day of judgement, God will decide the fate of each man to go to heaven or to hell. Therefore, piety and adherence to the Islamic concept of proper social relations are important because they bear directly upon one's position in the after world... Good deeds, such as the forgiving of someone who has wronged you or the giving of alms may improve one's status in paradise.<sup>2</sup>

Moreover, all social relations are at least indirectly tied to the family and the tribal unit:

Family ties play a significant role both in business and Government, and disregard of them is generally regarded as reprehensible.<sup>3</sup>

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1. See Chapter 2.

2. Norman C. Walpole **et al.** (1966), *op.cit.*, p.79.

3. *ibid.*, p.69.

The dominant relationships in Saudi Arabian society are personal; the members of a kin group are expected to give aid and assistance to their paternal kinsmen and, in turn, may call upon them in time of need.

Their thinking concerning the participation by their subordinates decision-making has come about as a result of the religion and traditional values.

So the individual has the right to participate in the process of group decision-making, which may in substance be called democratic.<sup>1</sup> According to Islam, democracy must take place in all work: 'The Holy Quran says ... discuss the subject with them, so if you decide go ahead by 'depending on God'. Moreover, the leadership in the tribe is vested in a Sheikh, his possession of authority implies the presence of inherited qualities and respected personal superiority. The choice of a Sheikh depends on a number of special qualities, such as leadership ability, generosity, courage, luck, prestige and wisdom. The Sheikhly position does not necessarily pass from father to son, but by reason of his superior mental and physical qualities. The Sheikh exerts most of his influence over the tribesmen as the leader of the Council. The Council at the level of the Camp Unit is composed of all responsible adult males and the Sheikh holds open Council, and during these meetings the tribesmen discuss all matters of importance to the local unit.

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1. George A. Lipsky, op.cit., pp.75-77. Also see Abdul Malik A. Al-Sayed, Social Ethics of Islam, Classical Islamic Arabic Political Theory and Practice, first printing, Vantage Press (U.S.A., 1982), pp.64-65.

The Saudi middle managers should be sensitive to the values, customs, traditional norms and expectations of this society.

To an unspecified extent, such values still adhere in the developing countries like Saudi Arabia, and may be a factor in the thinking of Saudi middle managers.

#### 5.2.4 Middle managers thinking towards training

The importance of training is to close the gap that is left by education and to give more specific preparation for a particular skill. Training is not and could not be a substitute for education, rather it consolidates education and complements it. In other words, 'Training is what will work in gaps left by inadequacies of education, the dislocation of apprenticeship and the decay and division of family and elders'.<sup>1</sup> At this point, it is better to provide a working definition of what one means by training. Hitherto, training was defined as:

Training has for some people the unfavourable implication of 'narrow education', and consequently many management training programmes are referred to as 'management development', management-education or even 'management-orientation'. By whatever name it is called, many training activities of these enterprises exist for the purpose not only of promoting employees' learning of job-related skills, but also to increase his service ability or worth to the enterprise as well as himself. Given this broad implication of training, one would need to include in 'training' any activity ranging from the acquisition of simple skills to the development and change of complex socio-emotional attitudes. Thus the accountant not only learns to audit and put the accounts of the enterprise in order, he also learns the necessary attitude for co-operation with other sections of the enterprise, as well as directing his financial policies to the aims and objectives of the enterprise. Training,

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1. Bernard B. Schaffer (ed.), Administrative Training Development, Praeger Publishers (New York, 1974), p.1.

therefore, becomes not just an end in itself but a means to an end - training brings one of the many tools available to an enterprise to help it reach its goals.<sup>1</sup>

By the same token, training is an inherent part of administration, supervision and leadership.<sup>2</sup> If the training is inadequate, the solution can only be more or better training.<sup>3</sup>

However, it should be emphasised that training is not always the way to better performance and achievement. The working conditions and the climate of the job, including the attitude and competence of the immediate supervisor, may influence performance far more than the technical ability and competence of the people on-the-job. Training, then, is one but only one, of the elements required for high achievement.<sup>3</sup> There are several types of training. Pre-service training is usually the responsibility of the educational system which should orient itself to the needs of both public and private sectors. At the university, the vocational or special institute level, there should be a close relationship between teachers and potential employers. This type of relationship would help ensure that graduates of the educational system are properly prepared for their employment. In-service training may be accomplished in many ways. On-the-job training during the conduct of work is one way; another is special classes during the day; yet another method is to utilize courses at a specialized central training centre such as the Institute of Public Administration (IPA) in Saudi Arabia.

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1. Olotunji Olagunju, 'Some Aspects of Training and Training Schemes in Public Enterprise'. The report of the Conference on Public Enterprise in Nigeria, Institute of Administration, Ahmadu Bello University Zaria, April 27-30, 1970, p.17.
  2. Hamer C. Rose, 'The development and supervision of training programs', American Technical Society (Chicago, 1964), p.10.
  3. Bernard B. Schaffer (ed.), op.cit., p.1.

Responsibility for training rests with the management of an organization, since they are the people who know the necessary qualities needed in their subordinates. Analysis of the training requirements in a public agency is not something that can be done once and for all. It is a continuous process.<sup>1</sup> Therefore, senior administrators and supervisors must continually be on the alert to discover the needs of their employees in training.<sup>2</sup>

Furthermore, there is wide consideration given to the importance of training in the industrial countries. Companies in the U.S.A., for example, IBM, EXCROX, Boeing and McDonald Douglas reportedly invest heavily in training, spending up to 3.5 percent of sales revenue on training.<sup>3</sup> Moreover, in West Germany there is a conviction that in times of unemployment, it is 'preferable to have unemployed skilled workers rather than unemployed unskilled workers'.

Similarly, in Japan, the volume of training had increased in recession, with state spending being maintained and the private sector's outlay actually rising.

In the U.K. the current recommendation from the Association for Management and Business Education (AMBE):<sup>4</sup>

There is insufficient stress on the urgent problem of meeting the needs of the vast number of managers already in post who have had no formal training or development, there is a serious danger that unless separate attention is given to the needs of those in smaller firms, we

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1. O. Glenn Stahi, Public Personnel Administration, Harper and Row Publisher (New York, 1962), p.227.
  2. *ibid.*, p.288.
  3. Fiona Thompson, 'Lesson on training goes unheeded : training and education courses', Executive Post, No. 330, 5th March, 1987, p.34.
  4. AMBE, representing 85 major providers of business and management education in the Polytechnics and Colleges sector.

will risk disenfranchising a very significant proportion of the U.K. managerial labour force from receiving sufficient management development.<sup>1</sup>

Moreover, in April 1987, the AMBE published two key reports stressing the need to improve the scope and manner of business and management training.<sup>2</sup>

Our members agree that a large-scale expansion of business and management education is needed, but to achieve it employers must show a major change of attitude and there must be substantial extra investment by government.<sup>3</sup>

The efficiency of any organization depends directly on the ability of its members to do their job - that is, on their training. Newly hired employees almost always need some training before they can take up their work, while older employees require training both to keep them alert to the demands of their present job and to fit them for transfers and promotions.

Training also motivates employees to work harder. Employees who understand their jobs and what is expected of them are likely to have a higher morale. And the very fact that management is confident enough of their abilities to invest in training, provides a sense of assurance that they are valued members of the organization. This is particularly important in dynamic companies undergoing changes in technology and methods. Such change as automation is resisted when workers fear that they will not be competent to assume the new jobs that are being created.<sup>4</sup>

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1. Training and Education Courses : 'It's back to the classroom', Executive Post, No. 348, July 9th, 1987, p.38.

2. *ibid.*

3. *ibid.*

4. Strauss and Sayles, Personnel, the human problems of management, Prentice-Hall Inc., (New Jersey, 1960), p.490.



For these reasons, Saudi Basic Industries Corporation (Sabic) paid more attention to the training for effective management. Sabic developed a systematic training programme to train its technical and administrative staff whether working in its headquarters or assigned to its projects (see Chapter 3). Sabic training programme started by conducting successive qualifying training programmes inside Saudi Arabia. The qualifying stage is then followed by on-the-job training inside the country at Sabic plants, or abroad at the plants of Sabic partners or other similar Plants in the U.S.A., Europe and Japan.<sup>1</sup>

The purpose of this section is to examine the opinions of Sabic middle managers towards the training programmes they have attended, also their opinion regarding training programmes to their subordinates. Analysis shows (see Table 5.8) that the majority of Saudi middlemanagers have attended training since they joined Sabic. Table 5.9 shows 9 percent of them have attended training programmes in Sabic Plants, 16 percent of them in other national institutions, such as the Institute of Public Administration, which develops a training programme for middle managers as indicated in the following statements:

Since the middle management programme is the most important in our Institute, and it also features in almost all in-service training programmes of developing countries ... The Institute included in its middle management training programme (a) substantive subjects, elements of public administration personnel management, financial administration, organization and methods, administrative law; (b) technical subjects such as accounting, statistics, development and public relation.<sup>2</sup>

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1. Saudi Basic Industries Corporation, The Seventh Annual Report (1983), pp.34-36.
  2. Mohammed Sadick, 'Training Programmes to fulfil development needs in Education for development Administration'. A symposium. International Institute of Administrative Science (Brussels, 1966), pp.150-51.

Furthermore, 75 percent of Saudi middle managers have received training abroad. As we mentioned in previous pages, training is one of Sabic's prime goals to achieve the effective management that Sabic desires:

One of Sabic's primary goals is the development of Sabic manpower. In order to produce a highly competent workforce capable of operating the large industries which Sabic is developing, a systematic training programme has been instituted. Nearly all Saudi employees at Sabic participate in this programme.<sup>1</sup>

Moreover, training courses ranged in time from one month to twenty-four months. Table 5.17 shows that 54.3 percent of Saudi middle managers had their training period between one month to six months, 15.2 percent from seven months to twelve months, 4.4 percent from thirteen to eighteen months, and 26 percent of Saudi middle managers from nineteen to twenty-four months; as shown in Table 5.17 the training needs for Saudis who are employed on the basis of formal education are satisfied. In this regard the crucial part is to determine whether the Saudi middle managers benefit from these training programmes which Sabic offer.

As mentioned in previous pages, Sabic developed a systematic training programme, and nearly all Saudi employees at Sabic participate in this programme. However, the intention here is to explore the middle managers' thinking about the usefulness of these training programmes for them and for their subordinates.

As mentioned in a previous section (Table 5.8), 68.7 percent of Saudi middle managers had attended training since they joined Sabic. Table 5.18 shows that 60 percent of them thought these programmes

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1. Saudi Basic Industries Corporation (1984), p.10.

TABLE 5.17  
TRAINING PERIOD

Training Experience	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
1 to 6 months	25	54.3	8	100.0	6	100.0
7 to 12 months	7	15.2	-	-	-	-
13 to 18 months	2	4.4	-	-	-	-
19 to 24 months	12	26.1	-	-	-	-
Total	46	100.0	8	100.0	6	100.0

were useful in some ways and not so useful in others. In other words, the training programmes were useful in the technical skill (middle managers in Sabic are engineers, scientists and administrative personnel, as we ascertained in section one of this chapter).

However, these programmes were not useful in providing human skills, i.e. the ability to understand human problems inside the organization, and ignored the fact that the middle manager's function involves the organizing of human as well as non-human resources. This may be attributed to the different cultural backgrounds of Saudi middle managers as trainees and the trainer, especially as the majority of these trainers had attended training abroad, or even if they have had it inside Saudi Arabia, in many cases the trainer was a foreigner. Also in any culture there are certain prescribed and customary ways of doing things. As a person grows up in his culture, he learns to relate himself to the other persons around him. He learns the kind of behaviour expected of him and what he can expect from others. These norms are part of the individual's way of life sanctioned by his society. They are the unstated assumptions, the most sacred and cherished beliefs on which behaviour is based. A manager cannot ignore them. Very often he shares these values with the people he is managing. For example, the collectivist (as opposed to Western 'individualist') nature of social relationships in Saudi Arabian society, those values which might validly be expected to influence management education and training. However, 31 percent said that the training programmes were very useful and 8.9 percent thought they were fairly useful in helping them cope with the practical aspects of their work. (see Table 5.18)

TABLE 5.18  
RESPONDENTS' OPINIONS OF THE TRAINING  
PROGRAMMES THEY HAD ATTENDED

Training Useful	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Very useful	14	31.1	3	37.5	2	50.0
Fairly useful	4	8.9	3	37.5	2	50.0
Useful in some ways and not in others	27	60.0	2	25.0	2	-
Very unuseful	-	-	-	-	-	-
TOTAL	45	100.0	8	100.0	4	100.0

TABLE 5.19  
CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
REGARDING THE TRAINING PROGRAMMES FOR THEIR SUBORDINATES

Adequacy of training Programmes	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Very adequate	6	9.4	1	5.0	-	-
Fairly adequate	30	46.8	9	45.0	8	44.4
Adequate in some ways and inadequate in others	20	31.3	10	50.0	9	50.0
Very inadequate	8	12.5	-	-	1	5.6
Total	64	100.0	21	100.0	18	100.0

\* $\chi^2 = .311$  with 6df at .05 level of significance

In the case of middle managers from developing countries, 27.6 percent had received training since they joined Sabic, and 37.5 percent of them who answered this question thought these programmes were very useful, 37.5 percent thought they were fairly useful, and 25 percent thought they were useful in some ways and not in others.

With regard to middle managers from developed countries, 23.1 percent had received training since joining Sabic (see Table 5.8), and 50 percent of them thought these programmes were useful and 50 percent thought they were fairly useful. The next questions were designed to explore the middle managers' thinking about the adequacy of these training programmes for their subordinates.

As Table 5.19 shows, 46.8 percent of the Saudi group thought these programmes were fairly adequate, 31.3 percent said that they were adequate in some ways and inadequate in others. 12.5 percent thought they were very inadequate, and only 9.4 percent thought the programmes were very adequate.

In the case of middle managers from developing countries, 45 percent thought these programmes were fairly adequate, 50 percent thought they were adequate in some ways and inadequate in others, 5 percent said that they were very adequate, and non thought they were very inadequate. 50 percent of the middle managers from developed countries thought the programmes were adequate in some ways and inadequate in others, 44.4 percent thought they were fairly adequate, 5.6 percent thought they were very inadequate, and non thought they were very adequate.

Table 5.19 illustrates the results of the chi-square comparison of Saudi middle managers and non-Saudi middle managers regarding their thinking of the training adequacy to their subordinates. Since chi-square value was .317 with 6df at .05 level of significance, this means the differences between the three groups were more than 5 percent. There were no significant differences between them regarding their opinion as to whether this training programme for their subordinates was either fairly adequate or adequate in some ways and inadequate in others.

The need for manpower training in Sabic is so great that it eagerly grasps at any device which promises assistance and improvement in production. Despite the fact that Saudi Arabia has made strenuous efforts to overcome its problems in the field of education and training, such eagerness could be expensive in money and in time especially as public enterprise in Saudi Arabia, like any developing country, faces the problem of lack of adequate technical and management skill. Many of the education and training systems existing in Saudi Arabia are unable to supply, at the right time and in sufficient numbers, the qualified persons needed for the country's development. Bharadwaj comments on this situation:

... inadequate planning and coordination at the national level; the limited number of institutions and agencies; inadequate faculty resources and teaching material; insufficient management consulting and research activity. With no links with training, inadequate interest in training for top management, junior executive, first line supervisors, and self-employed entrepreneurs; insufficient attention to management training for small and medium-sized business, inadequate links between national development, organizational development, and management development have con-

tributed to weak training policies. In most developing countries, there seems to be hardly any training need analysis at the national level. Often, even existing facilities for management development are not fully utilized. Evaluation of the effectiveness of management development activities is universally difficult.<sup>1</sup>

Therefore, for the training to be more effective, it is essential to have a clear strategy that holds together education and training (schools, universities, training institutes and employing organizations) which develop people on the job. By 'strategy' is meant that the linkages between them are analogous to transmission lines. The education system in Saudi Arabia should be oriented towards the goals of industrial society. Educational programmes and methods should encourage interest in new ideas in general. The educational system should try to change young people's attitudes towards technical professions; efforts to make general and technical educational programmes more effective by linking with the country's industrial development aims, and cover the very considerable activities in industry and in the public service. A system of human skill generation, like a system of electric power generation, should be designed to carry varying loads, and it must have some built-in flexibility to meet such loads. The system analysis approach makes it easier to identify in operational terms major problem areas, and it compels the analyst to examine the critical inter-relationships between various manpower and education programmes. It provides a logical starting point for building a strategy of human resources development,

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1. B.L. Bharadwaj, 'Management Development in the Developing Countries', cited in Training Handbook, edited by B. Taylor and J. Lappit, McGraw Hill Book Co. (London, 1975), p.160.



ineffective linkage between education and training, or faulty design which results in the failure of the total system to carry the loads expected of it.

In addition, evaluation of the training programme in Sabic and in Saudi Arabia in general, is not just a matter of the final evaluation (which aims to assess what the trainers learned from the programme as a whole). Evaluating the programme must also include an assessment of the content of the programme, and the implementation of the training programme. In other words, there is a need for a continuous process of assessment and monitoring. This evaluation may be done by written descriptions and observations, and by noting the thoughts and complaints of the trainers, as well as inviting them to express their opinion. Giving tests to the trainers during the programme, so as to follow their achievement and compare its result with the test given at the beginning of the programme may be an effective way of evaluation.<sup>1</sup>

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1. A. Abdulwahab, 'Theoretical bases and evaluation of practical activities', Institute of Public Administration (1971).

## 5.3

Managerial Attitudes toward Job Satisfaction and Motivation

If you look at a group of persons who are performing the same job, you will note that some do it better than others, ... whether the group consists of secretaries, clerks, assembly workers, salesmen or managers.... The difference in performance among people doing the same kind of work reflects two different kinds of variables. One is the ability or skill of the individual to perform the job and the second refers to the motivation to use this ability or skill in the actual performance of the job.<sup>1</sup>

Moreover, motivation refers to the set of drives or strivings actually operating in the personality of an individual. Motivation depends on the satisfaction of the needs that an employee brings to work and the efforts of the manager in meeting the needs.<sup>2</sup>

Motivation is the key to an individual's productive life, most workers spend a major portion of their working hours in work organization. Organizational themes constitute a central interest for many people in this society. The ways people manage their work lives differ. Some find their jobs interesting or make the jobs interesting, they become committed and involved. These individuals make creative use of their energies and organizational resources to accomplish more things for themselves and their organizations. In addition, they play productive roles in society by becoming good providers for their families, by contributing their fruitful skills and talents to produce goods and services, and by sharing their accomplishments with others in the society. There are, however, other people who are bored and alienated from their jobs and search for every opportunity to decrease their work commitment. These individuals not only waste their energies but also consume

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1. Victor H. Vroom and Edward L. Deci, Management and Motivation, Penguin Books (1978), pp. 9-10.
  2. Abraham Maslow, 'A theory of human motivation', Management of organizations, edited by G. Herbert and C. Ray Gullet, McGraw-Hill (New York, 1976).

organizational resources for non-productive uses.<sup>1</sup>

Furthermore, in their widely read book In Search of Excellence, Peters and Waterman, Jr., emphasize the difference between the successful and unsuccessful companies, is the way they bring out the great energies and talents of the people they employ:

Technology changing tastes, changing fashions, all play a part... No one can dispute their importance. But I question whether they in themselves are decisive. I believe the real difference between success and failure in a corporation can very often be traced to the question of how well the organization brings out the great energies and talents of its people.<sup>2</sup>

According to Carvel, Human Relations in Business, motivation refers to the set of drives or striving actually operating in the personality of an individual. It is based on two factors - one the basic need the worker brings to work, and the other a sincere effort on the part of the management to satisfy them.<sup>3</sup>

Once behavioural scientists were awakened to the need for studying human motivation, research studies were conducted in a number of areas of human behaviour (see Chapter I). For instance, Herzberg studied motivation in terms of two factors - the motivators and the satisfiers. Motivators provide long range motivation and can be achieved through meeting such employee needs, as opportunities for advancement, challenging work, more authority in areas of decision making, recognition of work or effort, and other similar factors. Satisfiers are those factors that are work related

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1. H. Chung Kae, Motivation theories and practices, Grid Inc. (Columbus, Ohio, 1977), p.4.
  2. Thomas Watson, Jr., 'One may speculate : a business and its beliefs', p.46. Quoted in Thomas J. Peters and Robert H. Waterman, Jr., In Search of Excellence, lessons from America's best-run companies, Harper and Row, Publishers (New York, 1982), p.280.
  3. Fred J. Carvel, Human Relations in Business, McMillan Book Co. (Toronto, 1970).

and do not contribute towards positive motivation; their absence, however, affects motivation negatively.<sup>1</sup>

Maslow developed a five-level hierarchy of human needs: physiological needs, security needs, social needs, esteem needs, and self-actualization needs. Physiological needs are the lowest level of needs and self-actualization needs are the highest level of needs. If an employee is to be motivated, the management must make efforts not only to satisfy the needs that the employee brings to work but also try to recognize the level or needs he has so that proper efforts can be made to satisfy them.<sup>2</sup>

To motivate managers and professional employees, an organization should take several factors into consideration. The following factors are 'motivational' factors based on Herzberg's classification.

1. Jobs should provide challenges sought by the employees.
2. There should be less and less reliance on rules and regulations.
3. More authority should be delegated to the managerial and professional employees to allow them a freer hand in making decisions in area of their expertise.
4. They should be encouraged to participate in professional meetings and conventions which serve as a training device.
5. Opportunities should be provided for general growth and development.
6. The organization should recognize the achievement of an employee by some form of appreciation.

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1. Frederick Herzberg, 'New approach in Management orientation and job design', reprinted in Studies in Industrial and Personnel Psychology, edited by Edwin A. Fleishman, Dorsey Press (Homewood Ill., 1976), pp.286-287.

2. Abraham Maslow, op.cit., see Chapter 1.

However, no single plan can be universally successful in motivating employees even in the same country. People are individuals, and each individual is different and has his own hopes and aspirations, likes and dislikes. What might motivate one manager might not motivate another under the same actor circumstance. For instance, a Saudian manager with a large family might not be motivated by money, whereas a British manager with a similar income working in the same organization and with a smaller family might be motivated by money. The two managers might thus be on two different levels of needs.

Sabic middle managers are the products of different cultures and may have different values, objectives, and attitudes which may be similar in some respects and different in others.

Sabic middle managers were asked to give their views about the aspect of their jobs which gave them the most satisfaction and enjoyment. When the data from 139 middle managers were inspected, four major categories of satisfaction seemed to emerge:-

1. Satisfaction with job itself -
  - (a) through job itself
  - (b) through job variety
  - (c) through job challenge
2. Satisfaction from superiors-subordinates relations.
3. Motivations behind their working for Sabic -
  - (a) job itself
  - (b) social relation of work
  - (c) social and family ties in the home
  - (d) lack of appropriate alternatives.

4. Additional aspects of managerial thinking -
  - (a) Middle managers knowledge of goals and responsibility in their departments
  - (b) participation in development of their departments plans and goals
  - (c) carry more responsibility
  - (d) job loading
  - (e) efficiency report

Tables 5.20 - 5.45 examine the differences and similarities between the three groups with regard to motivations and satisfaction in the managerial job.

#### 5.3.1 Satisfaction with job itself

By this is meant the theme which emerges with considerable strength, and which is shown in the satisfaction which the middle managers derive from using their specialist technical or professional competence. This made the job interesting, challenging, involving a variety of activities and produced the feeling of satisfaction. The middle managers were answering the questions related to the job:

Does your job involve work which is -

- (a) inherently interesting
- (b) has variety
- (c) provides you with challenge

How much does your work matter to you?

- (a) very important
- (b) important
- (c) not important

In evaluating your present job, would you say it is:

- (a) very satisfactory
- (b) satisfactory
- (c) unsatisfactory

'Very satisfactory' meant that all the objectives of the job have been met. 'Satisfactory' meant that most of the important objectives were met, but that performance would be better. 'Unsatisfactory' meant that some objectives were met, but that most of the objectives were not met.

As Tables 5.20-23) show, there were no real differences between the three groups of Sabic middle managers in their satisfaction with the job itself. The majority of Sabic middle managers said their jobs were inherently interesting, have variety and they felt their jobs provided them with a challenge. Also the majority of them said that these qualities in the work are very important to them. The majority of the three groups of Sabic middle managers felt that their work was very important to them.

In analysing middle manager thinking towards job satisfaction, it was found that managers in general are satisfied with their job, in other words most of the important objectives were met, but that performance could be better.

As we mentioned above, there were no differences between the three groups of Sabic middle managers towards satisfaction in the job itself. A study by Hackman and Lawler (1971) has clarified the relationship between job characteristics and job satisfaction. The study examined the job attitudes of employees at the telephone company. They examined the job characteristics by looking at the expressed higher order needs of individuals, such as the desired opportunity for personal growth and the opportunity to do challenging work. They found that those who did not feel a great need to have an opportunity for growth or for doing challenging work were less dissatisfied with jobs offering little variety.

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1. Michael M. Gruneberg, 'Understanding job satisfaction' (1979), pp.43-44; quoted from J.R. Hackman and Lawler, 'Employee reactions to job satisfaction characteristics, Journal of Applied Psychology, 55 (1977), pp.259-86.

TABLE 5.20

CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS  
SATISFACTION WITH JOB ITSELF

Job Involvement	SAUDI MIDDLE MANAGERS				DEVELOPING COUNTRIES MIDDLE MANAGERS				DEVELOPED COUNTRIES MIDDLE MANAGERS				TOTAL	X <sup>2</sup> with a degree of freedom significance							
	YES		NO		YES		NO		YES		NO				Freq.	%					
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%									
(a) Inherently interesting	30	88.4	5	11.6	35	100.0	16	84.2	3	15.8	19	100.0	10	90.9	1	9.1	11	100.0	65	100.0	.8450
(b) Has variety	41	93.2	3	6.8	44	100.0	17	89.5	2	10.5	19	100.0	14	100.0	-	-	14	100.0	77	100.0	.4750
(c) Provides you with challenge	30	78.9	8	21.1	38	100.0	15	78.9	4	21.1	19	100.0	9	75.0	5	25.0	14	100.0	71	100.0	.9550

TABLE 5.21

CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS  
THINKING TOWARD THEIR JOB QUALITIES

Importance of Job qualities	SAUDI MIDDLE MANAGERS				DEVELOPING COUNTRIES MIDDLE MANAGERS				DEVELOPED COUNTRIES MIDDLE MANAGERS				TOTAL	X <sup>2</sup>							
	Very Important		Not Important		Very Important		Not Important		Very Important		Not Important				Freq.	%					
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%									
Interest	60	78.9	16	21.1	-	-	13	56.5	9	39.1	1	4.3	14	63.6	8	36.4	-	-	-	-	.069
Variety	30	41.7	37	51.4	5	6.9	5	21.7	15	65.2	3	13.0	11	50.0	11	50.0	-	-	-	-	.1961
Challenge	41	58.6	21	30.0	8	11.4	15	57.7	11	42.3	-	-	15	68.2	5	22.7	2	9.1	2	9.1	.310

X<sup>2</sup> - with 4 df at .05 level of significance.



TABLE 5.22

CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS  
THINKING OF HOW THEIR JOB MATTERS TO THEM

Job Importance	SAUDI MIDDLE MANAGERS				DEVELOPING COUNTRIES MIDDLE MANAGERS				DEVELOPED COUNTRIES MIDDLE MANAGERS			
	Freq.	%	Mean	S.D.	Freq.	%	MEAN	S.D.	Freq.	%	Mean	S.D.
Very important	76	92.7	1.085	.322	24	82.8	1.172	.384	23	88.5	1.115	.320
Important	5	6.1			5	17.2			3	11.5		
Not important	1	1.2			-				-			
Total	82	100.0			29	100.0			26	100.0		

TABLE 5.23  
CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
TOWARDS THEIR JOB SATISFACTION

Satisfaction level	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Very satisfactory	23	27.7	6	20.7	8	30.8
Satisfactory	52	62.7	22	75.9	14	53.8
Not satisfactory	8	9.6	1	3.4	4	15.4
Total	83	100.0	29	100.0	26	100.0

$\chi^2$  with 4df at .05 level of significance = .5973.

Another study by Locke (1965), examined the relationship between success in a task and satisfaction. He notes the most successful might report themselves satisfied because of their success, when in fact it was their enjoyment of the task which led to greater effort and hence greater success (achievement). In other words, satisfaction may cause greater achievement rather than be caused by it.<sup>1</sup>

Haire and his colleagues: 'Managerial thinking : an international study' (1966), produced a study which was based on a sample of 3,641 managers from 14 countries (see Chapter 1). They note that there is a very strong tendency for managers to express similar beliefs about their work. 'In this sense, the values, perceptions, and attitudes of management can be said to be universal. To be a manager is to have a philosophy of management much like other managers everywhere.'<sup>2</sup>

Furthermore, no individual can make an effective contribution unless he knows what he is expected to do, and this is best reduced to definite terms, to stated objectives. He needs to have a clear grasp of the extent of his authority. He must know when he has the right and/or duty to take independent action. He should know and understand his relationships with other people in the organization. A man likes to feel that his superior has an interest in him as an individual and not as a means to an end, that his superior is anxious for him to succeed. In the following section, Sabic middle managers motivation regarding the above factors will be discussed.

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1. E.A. Locke, 'The relationship task success to task liking and satisfaction', Journal of Applied Psychology, 49 (1965), pp.379-85.
  2. Haire, Chisell and Porter, An International Study, Wiley (New York, 1966), p.9.

## 5.3.2

Satisfaction derived from superior/subordinate relationships

Supervision is found at all levels in an organization from upper management which supervises middle management, which in turn supervises its subordinates and so on.

The supervisor will only get work done efficiently and effectively if he can motivate his subordinates by satisfying their individual needs. In other words, supervisors must support or help subordinates achieve some degree of satisfaction for their ego and other human needs.

Likert's principles of modern leadership imply that in order to be supportive, a supervisor should be sensitive to the needs and feelings of his subordinates, respect and trust them, be receptive to their ideas and suggestions, and have a sincere concern for the welfare of his men.<sup>1</sup>

The primary means for a supervisor to motivate his subordinates is to show that he is conscious of their needs, ambitions, fears, and of the fact that each person in the group is an individual. The insensitive supervisor who is, perhaps, unintentionally aloof, cold, impersonal and uninterested, usually finds it very difficult to get his people to make any extra effort.<sup>2</sup>

The primary focus of this part is an analysis of the findings of the differences and similarities between Saudi and non-Saudi middle managers in their assessment of superior-subordinate relationships in Sabic.

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1. Fred J. Carvell, *ibid.*, p.11.

2. *ibid.*

First their relationship with subordinates will be discussed. This is followed by testing whether there is a significant difference between the three groups by using chi Square test. As Table 5.24 shows, 82.5 percent of Saudi middle managers assert that they have good relationships with their subordinates, 17.5 percent said they have a satisfactory relationship. In the case of the middle managers from developing countries, 70 percent assert that they have good relationships with their subordinates, and 30 percent have a satisfactory relationship. While 56 percent of the middle managers from developed countries evaluated their relationship with subordinates as good, and 44 percent said it was satisfactory. Table 5.24 shows there were significant differences between the three groups. Tested by  $\chi^2$  test significant at .05 level, where the difference was less than .05 significant level ( 0233). In other words, there was a significant relationship between middle managers-subordinates relationship nationalities. The Saudian group perceive they have a good relationship with their subordinates more so than non-Saudian groups.

It is believed the reasons behind this attitude were the varying cultural, social and economic values. Superiors who are from one type of social and economic background may find it difficult to understand the attitudes and behaviour of employees from a different cultural background.<sup>1</sup>

Next the middle managers' relationship with their supervisors will be discussed. This relationship was examined by exploring:

1. Superior's priorities at work.
2. Job autonomy (superior's method of supervision).
3. The support obtained from superior.
4. Confidence in superior's ability.
- 5, Middle managers satisfaction from their superiors' relationship.

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1. Fred J. Carvell, op.cit., p.7.

TABLE 5.24

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
TOWARDS THEIR SUBORDINATES

Relationship with subordinates	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Good	66	82.5	14	70.0	14	56.0
Satisfactory	14	17.5	6	30.0	11	44.0
Poor	-	-	-	-	-	-
Total	80	100.0	20	100.0	25	100.0

$X^2$  with 2 df at .05 level of significance = .0233.

Superiors' priorities at work

Elucidating the nature of the middle managers' superiors' priorities at work, our respondents were requested to specify which of the following are stressed by their superiors (a) getting the job done; (b) training, advancement and encouragement of subordinates; (c) both (a) and (b).

Table 5.25 shows that, 48.8 percent of Saudi middle managers indicated that their superiors are interested in having the job done; 46.3 percent thought that their superiors are primarily interested in having the job done as well as the training, advancement and encouragement. In the case of the middle managers from developing countries, 71.4 percent indicated that their superiors are interested in having the job done, 25 percent suggested that their superiors are primarily interested in having the job done as well as the training advancement and encouragement of their subordinates, and 3.6 percent thought that their superiors are interested in their training, advancement and encouragement, of the middle managers from developed countries, as is shown in Table 5.25. 88 percent thought that their superiors are primarily interested in having the job done, and 12 percent said that their superiors were interested in having the job done as well as the training, advancement and encouragement.

The examination of the statistical significance differences between the three groups by using chi-square test significant, revealed that there appears to be no difference between the three different groups.

Job autonomy (Superior's methods of supervision)

In relation to job satisfaction in the context of the study, job autonomy is defined in terms of the manager having a degree of freedom to make decisions about his job in his department/section in scheduling his work, selecting the equipment to be used and deciding on procedures to be adopted. A sense of autonomy implies that the manager feels that he has had some freedom to plan for the group in his department. Freedom in making decisions concerning his job is, therefore, a prerequisite of developing a skill, so it is hardly surprising that those with a high need for personal growth are more satisfied when they are given autonomy to determine their own methods.

Work superiors differ in the degree to which they watch and check on the performances of their subordinates. Katz et al<sup>1</sup> define this dimension as 'the degree to which the supervisor checks up on his employees frequently, gives them detailed and frequent instructions, and, in general, limits the employees' freedom to do their work in their own way'.

The relationships between closeness of supervision and subordinates' efficiency is attested to by several studies. Katz et al report that compared to their high producing colleagues, low-producing supervisors were found to indulge in close supervision as defined above.

Argyle et al<sup>2</sup> also report from their study that 'foremen of high-producing sections exercised general rather than close supervision.

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1. D. Katz, N. Maccaby and N.C. Morse, 'Productivity, supervision and morale in an office situation', Ann Arbor Institute for Social Research (1950).
  2. Michael Argyle, Godfrey Gardener and Frank Cloffi, 'The Measurement of Supervisory Methods', Human Relations (1958), xx, 1, 23-40.



TABLE 5.25  
CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
OF THEIR SUPERIORS' PRIORITIES AT WORK

Superiors' priorities at work	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
(a) Having the job done	40	48.8	20	71.4	22	88.0
(b) Your training advancement and encouragement	4	4.9	1	3.6	-	-
Both (a) and (b)	38	46.3	7	25.0	3	12.0
Total	82	100.0	28	100.0	25	100.0

$X^2$  with 4 df at .05 level of significance = 0.067

TABLE 5.26  
CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
OF THEIR SUPERIORS' METHODS OF SUPERVISION

Superiors' methods of supervision	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Loosely	13	16.5	5	18.5	4	15.4
Moderately	19	24.0	-	-	13	50.0
Closely	47	59.5	22	81.5	9	34.6
Total	79	100.0	27	100.0	26	100.0

$X^2$  with 4df at .05 level of significance = .009

General supervision **vs** close supervision gives subordinates an opportunity to make decisions for themselves and enables supervisors to concentrate on training them to do a better job. General supervision relies on the satisfaction that people derive from deciding how to do a good job more or less in their own way.<sup>1</sup>

The managerial thinking concerning job autonomy was established by asking these questions:

Q.26 How closely does your superior supervise you?

Q.28 Are you given much freedom to do the job in the way you prefer?

Q.29 In general, how much personal influence do you see your superiors having on what goes on in your department/section.

Question 29 was intended to be exploratory rather than definitive, analysing the results of the three cultural groups of Sabic middle managers in regard to the methods adopted by the superiors who supervise them. As Table 5.26 shows, the majority of both Saudi middle managers and developing countries middle managers indicated that their superiors adopted a close approach to supervision where the majority of middle managers from developed countries were supervised by a moderate supervisory approach. Turning to analysing the results of the second question in regard to the degree of freedom they have to do the job the way they prefer, as Table 5.27 shows 53% of Saudi middle managers did not have much freedom.

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1. George Strauss and Leonard R. Sayles, The Human Problems of Management, Prentice-Hall, Inc. (Englewood Cliffs, New Jersey, 1963), fourth printing, p.124.

Almost every middle manager in our study referred to some sort of problem in his relationships with his superiors. In some cases the problems seemed to be that the manager felt that his superior disregarded his own opinions, did not trust his abilities, acted in an authoritarian, insensitive fashion, supervised him closely and bypassed him, dealing directly with the manager's staff.

However, as Table 5.27 shows there are some Saudi middle managers who have freedom; 30.1 percent said that they have quite a lot of freedom, whereas 13.3 percent thought that they have no freedom at all, and only 3.6 percent of Saudi middle managers feel they have a great deal of freedom to do their job the way they wanted.

In the case of the middle managers from developing countries, 62.1 percent of them did not have much freedom to do their job the way they would prefer, 20.7 percent have quite a lot of freedom, 13.8 percent have no freedom at all, and only 3.4 percent have a great deal of freedom to do the job in their own way. Of the middle managers from developed countries, 48 percent judged they do not have much freedom, 40 percent felt they have no freedom at all, and 12 percent that they have a lot of freedom to do the job in their own way.

In comparing the differences between the three groups, Table 5.27 shows there were no apparent significant differences in the degree of freedom in their job.

The next question relates to the degree of influence that a superior has on what goes on in the middle manager's department/section. The question, worded very generally, was intended to be exploratory rather than definitive.

As Table 5.28 shows there were no significant differences between the three groups of middle managers where the majority of them felt their superiors have quite a lot of influence (51.8% of Saudi middle managers, 41.4% of middle managers from developing countries, and 60% of middle managers from developed countries).

However, there were different points of view where some superiors exercised more centralised control, or in other words, held more authority themselves. Each middle manager had his own unique opinions. In the following pages a selection of comments will be presented which indicate many of the middle management's viewpoints about their feelings.

For example, some of Saudi middle managers described their superiors in the following terms: 'He operates a dictatorship issuing instructions to be followed and hence he knows what goes on in every section'.

Another manager expressed his views as follows:

My superior always controls the work, he does not give me even a small chance to act by myself. He thinks I should be controlled and directed by him all the time, and has no trust in me to do the job on my own. He is always very loathe to give information. This happens with all Saudis because we are a 'third world nation' as foreigners say.

In case of some middle managers from developed countries:

I cannot approve my employees vacations. I cannot send him on a trip without the approval of my superior.

One manager said of his superiors:

In most cases the jobs in the department were done in the way in which the superior wanted them done.

Some middle managers from developing countries expressed their views as follows:

He speaks to my staff directly or asks them to do something for him without telling me.

Furthermore, some Sabic middle managers thought their superiors have good influence in the work department/section as shown from the following statements. Some Saudi middle managers described this influence as follows:-

My superior and most of my subordinates are Saudis, therefore, we have a joint influence which is well-shared, co-operation between us is very good. We keep each other very well informed and always discuss important matters before reaching decisions.

Another Saudi middle manager whose superior trusts his abilities:

As Director of a large department, I have to take most of the decisions which concern the work requirements in manpower finance, supervision, deviation, modification and improving. My superior delegates much of this work to me.

Another Saudi middle manager described his superior:

He has many years of experience, more than 27 years, which makes him more aware than anyone else of the problems which arise. He needs to approve any action and controls all department activities. His immediate intervention in minor affairs as well as major ones is always evident.

TABLE 5.27

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
OF THE DEGREE OF FREEDOM TO DO THEIR JOB

Degree of freedom to do the job	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
(a) I have a great deal of freedom to do the job in my own way	3	3.6	1	3.4	-	-
(b) I have quite a lot of freedom	25	30.1	6	20.7	3	12.0
(c) I do not have much freedom	44	53.0	18	62.1	12	48.0
(d) I have no freedom at all	11	13.3	4	13.8	10	40.0
Total	83	100.0	29	100.0	25	100.0

$X^2$  with 6df = .0586 P = .05 level of significance

TABLE 5.28

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING  
OF THEIR SUPERIORS' INFLUENCE ON THEIR JOB

Superiors' influence	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
(a) He has a great deal of influence	19	22.9	9	31.0	5	20.0
(b) He has quite a lot of influence	43	51.8	12	41.4	15	60.0
(c) He has a little influence	19	22.9	8	27.6	5	20.0
(d) He has no influence	2	2.4	-	-	-	-
Total	83	100.0	29	100.0	25	100.0

$X^2$  with 6 df = 0.5 level of significance = .7589.

Middle managers from developing countries expressed their feelings as follows:-

My superior provides advice and brings to my attention points or alternatives which I may have missed in formulating my decision or recommendation.

Another manager said:

My superior offers guidance and counselling.

In the case of Sabic middle managers from developed countries, their point of view of their superior's influences are as follows:-

My superior helps me by keeping me up-to-date on daily activities and participation in some decision-making.

Another manager replied:-

His influence helps to bring about discipline, increasing efficiency of staff members.

A number of respondents commented that they have some freedom to do their job in their way. This point is very important, because it may affect their job satisfaction, because autonomy is one of the most effective ways to increasing job satisfaction, by giving the subordinates more freedom to do their work in their own way.

This approach helps to develop the talent and abilities of subordinates, who can take pride in results that are directly attributable to their own decisions. In other words, it is hard to train people to take the risk of decision-making without placing them in a position where they have to make these decisions.

Support gained from superiors when necessary

We attempted to assess another aspect of the supervisory relationships.

Q.27 Do you feel that your superior will stand up for you when necessary?

This aspect refers to the perceptions of the supervisor's personal concern and supportiveness for his subordinates.

A study of skilled tradesmen at a Naval Air station reported by Wilson et al.<sup>1</sup> indicated that supervisors of high and low effectiveness groups were similar to each other in certain leadership behaviours, but they differed from supervisors of medium effectiveness groups. The former were describing subordinates as less hypercritical, more helpful and more sympathetic.

As indicated in Table 5.29, the findings indicated that there were no significant differences between the three groups of Sabic middle managers in their feeling with regard to whether their superior would support them when necessary. The majority of the three groups (56.0 percent Saudi middle managers, 62.5 percent developing countries and 56.0 percent developed countries middle managers) felt their superiors would usually support them when necessary.

Confidence in superior's ability

Every group has definite expectations about what qualifications a good supervisor should possess. If a supervisor lives up to these expectations, his subordinates will feel that he deserves his job, that

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1. R.C. Wilson, H.P. Beem and A.L. Comney, 'Factors influencing personnel', Psychology, 6 (1953), pp.313-25.



TABLE 5.29

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' SUPPORT GAINED  
FROM THEIR SUPERIORS WHEN NECESSARY

Gained support from superior	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Never	2	2.4	-	-	-	-
Rarely	12	14.3	2	6.5	5	20.0
Usually	47	56.0	18	62.5	14	56.0
Always	23	27.3	9	31.0	6	24.0
Total	84	100.0	29	100.0	25	100.0

$\chi^2$  with 6df at .05 level of significance = .7580.

he has legitimatised his claim to authority.<sup>1</sup>

The feeling that the superior should have technical skill is particularly strong among groups who take pride in their work and feel a close identification with their occupation. If subordinates feel that the superior is a master of a skill, they themselves regard as important, then in a way he has beaten them in a fair race, he has earned his job and is respected for doing so.<sup>2</sup>

Misshawk (1971)<sup>3</sup> confirms, for example, that employees look for more than human relations skills in their supervisors, whatever their occupational levels. For high, medium and low level skill groups Misshawk found that all regarded technical and administrative skills of importance to their job satisfaction in addition to human relation skills. After all, being nice and pleasant to one's subordinates is not of itself enough to ensure job satisfaction. There are situations in which pleasantness of the supervisor is secondary to success in the task. For example, under enemy fire, the soldier is not interested in how nice the officer is, but whether the leader has the skill to get him out alive.

In our attempt to explore Sabic Middle Managers' point of view with regard to their superiors' ability in work.

Q.31 How important do you think it is for a work group to have confidence in the ability of the superior?

Q.32 How confident do you feel about the ability of your own superior?

Q.31. Is intended as a 'lead' to the question following it, in itself it is thought to have little value, apart perhaps from the 'free'

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1. G.Strauss and L.R. Sayles, 'Personnel, the Human Problems of Management', op.cit. (1963), p.162. Corvis Collins, 'Ethnic behaviour in Industry; Sponsorship and Rejection in New England Factory', The American Journal of Sociology, vol.51 (1946)pp.293-98.

2. G. Strauss and L.R. Sayles, *ibid.*, p.182.

3. M.J. Misshawk, 'Supervisory Skills and Employee Satisfaction',

responses it prompts.

Table 5.30 summarises our findings which show slight differences in percentages between the three cultural groups of Sabic middle managers, where 41.5 percent of Saudi middle managers felt little confidence in their superior's ability, 39 percent had no confidence at all. Middle managers from developing countries were the same as Saudian managers, where 51.7 percent said that they felt little confidence and 31 percent felt no confidence at all in their superior's ability. The middle managers from developed countries had a different point of view where 40 percent said that they felt no confidence at all, and 36 percent who felt little confidence in their superior's ability.

Table 5.31 explains the findings concerning Sabic middle managers thinking of the importance of having confidence in the superior's ability. There was no statistical difference in the middle managers' opinions about the importance for the group as to having confidence in the superior's ability where the majority of middle managers (63.9% of Saudian, 62.1% from developing countries and 80% of the managers from developed countries) think that it is very important for a group to have confidence in the ability of their superiors.

#### Satisfaction from superiors' relationships

As the findings in Table 5.32 indicate, there were no statistical differences between the three groups of Sabic middle managers, where the majority of them have a good relationship with their supervisors. However, there were some similarities and slight differences

TABLE 5.30

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' CONFIDENCE  
IN THE ABILITY OF THEIR SUPERIORS

Confidence in superiors' ability	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
I feel very confident in his ability	1	1.2	1	3.4	-	-
I feel quite confident in his ability	8	9.8	-	-	3	12.0
I never really thought about it	7	8.5	4	13.8	3	12.0
I feel little confidence in his ability	34	41.5	15	51.7	9	36.0
I feel no confidence at all in his ability	32	39.0	9	31.0	10	40.0
Total	82	100.0	29	100.0	25	100.0

$X^2$  with 8 df at .05 level of significances = 62.50

TABLE 5.31

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS' THINKING OF  
THE IMPORTANCE TO HAVE CONFIDENCE IN THE SUPERIORS ABILITY

Importance to have confidence in superiors ability	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
a. I think it is very important	53	63.9	18	62.1	20	80.0
b. I think it is quite important	26	31.3	11	37.9	5	20.0
c. I do not think it has much importance	3	3.6	-	-	-	-
d. I do not think it has any importance	1	1.2	-	-	-	-

$X^2$  with 6df at .05 level of significance = .5567

TABLE 5.32

CHI-SQUARE COMPARISON\* OF MIDDLE MANAGERS'  
RELATIONSHIP WITH THEIR SUPERIORS

Superiors' relationship	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Good	58	69.0	15	51.7	14	56.0
Satisfactory	24	28.6	14	48.3	10	40.0
Poor	2	2.4	-	-	1	4.0
Total	84	100.0	29	100.0	25	100.0

$\chi^2$  with 4 df at .05 level of significance = .2933.

between the three cultural groups of Sabic middle managers in their thinking concerning their superiors' relationship.

As noted earlier (Chapter I), three issues are seen to be central in the cross-cultural studies of managerial thinking and behaviour.

1. The possible existence of an emerging worldwide 'culture' of industrial organizations whose influence may be manifested by a commonality of views on aspects of managerial work, for example, the Saudi group's view on their satisfaction with the job itself.
2. Social-cultural influences in the national environment on managerial thinking and behaviour. For instance, the findings concerning the Saudian middle managers' motivation and the leadership pattern.
3. The national stage of economic development, for example, the strong concern which the Saudian group expressed concerning their needs for good working conditions (see following pages).

As shown in the previous pages, the data from the study conform to these patterns. However, Saudian middle managers emerge as distinctive in a number of ways in the relationship with their superiors.

Saudi middle managers, when compared to non-Saudi middle managers in terms of relationship with their superiors, in this study, generally, shared the same attitude as non-Saudi middle managers regarding the good relationship with their superiors. The good relationships can be attributed to a number of factors which would seem to depend on the leader's willingness to 'stand up for his men'. Presumably, an important factor in subordinate job satisfaction is that

they are concerned with their personal growth and development and training besides encouragement. It is important to point out that, as we have shown earlier (see Chapter II), it is in the nature of Saudi Arabian society that respect for authority of age and experience is a central value, and the fact that, the superiors are generally older than their subordinates, would seem to bear this out.

Also, there were similarities of opinion concerning the importance for the group in having confidence in the ability of their superiors. Furthermore, there were similarities regarding negative attitudes towards the relationship with the superior. The negative attitudes related to the feeling of lack of confidence in the superior's ability, showed by the majority of the three groups.

Differences between the three groups were slight in most of the components in this section. In job autonomy, the Saudian group and developing countries group reported that their superiors supervised them closely. In other words, their superiors give detailed instructions, telling them exactly how and in what sequence they wanted the work done. These procedures tend to make a man feel like an automation, for they curtail his area of freedom and make it difficult for him to learn, even by making mistakes. In the case of the developed countries group, they were given moderate supervision. In other words, they have a little more freedom than other groups, but not enough to satisfy their needs for job autonomy.

Some of the most important investigations have been conducted by the Survey Research Center at the University of Michigan, the General

Electric Company and Yale Technology Project.<sup>1</sup> These studies have used a number of different research techniques and have defined 'effective supervision', in several different ways: in terms of objective measures of productivity, the morale of the supervisors' subordinates, and evaluation by the supervisors' superiors.

The Michigan studies investigated a series of departments of approximately the same size, one group of which had high productivity, the other of which had low.<sup>2</sup> The departments did roughly the same sort of work and had personnel more or less of similar age, training and aptitude. Two of these groups, in the Prudential Insurance Company, consisted of girls who did the routine clerical work required to keep insurance records up to date. The only difference between these divisions (other than that half had high productivity and half low) was that they dealt with different geographical areas (although all departments were located in the home office). Similar studies were made in railroad section gangs, in an automobile assembly plant, in a tractor plant, and in two government agencies.

The Michigan Studies were based on interviews with supervisors, their superiors and their subordinates. In the General Electric Study, foremen were observed doing the job, and the findings were based on what the observer actually saw.<sup>3</sup>

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1. Quoted from Strauss and Sayles, *op.cit.*, pp.124-126.
  2. *ibid.* These studies have been summarized in Robert L. Kahn and Daniel Katz, 'Leadership productions in relationship to productivity and morale', *Group Dynamics*, Darwin Cartwright and Alvin Zander, eds., Row Peterson (Evanston, Ill. 1953), pp.612-28. See also Nancy C. Morse, 'Satisfaction in White Collar Jobs', Ann Arbor Survey Research Center, University of Michigan (1953).
  3. *ibid.* Quentin D. Pronder, 'The Effective Manufacturing Foreman' in Proceedings of the Tenth Annual Meeting (Madison, Wisc.), Industrial Relation Research Association (1957), pp.51-54; General Electric Company, Public and Employee Relation Research Service, 'The Effective Manufacturing Foreman' (Processed, 1957), pp.295-314.



The Yale Study combined the observational and the interview approaches. These studies all came roughly to the same conclusion, namely that general supervision is more effective than close supervision.

Low production supervisors in the studies cited were unable to take this approach. They 'were found to check upon their employees more frequently to give them more detailed and more frequent instructions, and in general to limit their freedom to do this work in their own way'.<sup>1</sup>

The general supervisor by contrast is primarily interested in results, and he permits his subordinates to decide how to achieve these results. He sets goals, tells his subordinates what he wants accomplished, fixes the limits within which they can work, and (in cases where the subordinates are adequately trained), lets them decide how to achieve these goals. In other words, he gives each subordinate the maximum freedom he can handle consistent with the time limitations of the organization.<sup>2</sup>

It is important to point out that in cases where Sabic middle managers are adequately trained, as we have seen in Part I of this chapter, general supervision is a way of satisfying their needs for autonomy and self-expression. In other words, general supervision can be defined as a situation where the superior sets goals, points out how the subordinate's contribution fits into the overall plan and then delegates authority to them (within clear limits) so that they can decide by themselves how to achieve these goals.

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1. Charles R. Walker, Robert H. Guest and Arthur N. Turner, The Foreman on the Assembly Line, Harvard University Press (Cambridge, 1958).
  2. Quoted from Strauss and Sayles, *ibid.* For a critical approach to this type of research, see Michael Argyl, Godfrey Gardner and Frank Cioffi, 'The Measurement of Supervisory Methods', Human Relations, vol.X no.4 (Fall, 1957), pp.295-314.

From previous results regarding the superior-relationship, there were similarities between the three groups of Sabic middle managers in managerial thinking and behaviour, the reason could be attributed to some Universals. Managers with higher rates of advancement everywhere wanted to be more productive and to get work done operating under less authority. However, these results confirmed Bass' study (1979), where he studied the managers from twelve national areas. He examined similarities and differences in their attitudes, values, beliefs, how they cope with the same organizational problems, and how those problems relate to their career advancement. The findings of the research showed that there were some universals. Managers everywhere wanted to be more productive and to get work done with less authority.

### 5.3.3 Motivations behind middle managers working for Sabic

People join organizations and work in them to satisfy their needs. They will behave in a manner that will satisfy their needs. At a given moment, an individual has a variety of needs, some can be satisfied in a particular organization while others cannot. An organization cannot satisfy the multiple needs of an individual simultaneously because different criteria are necessary to satisfy each of the needs. At the same time, the organization is limited in terms of providing its members with the means necessary to satisfy all of these needs. What makes it more difficult is the fact that each individual has a unique set of needs that seek gratification. However, if the person's needs can be satisfied as a result of his work, he will remain a member of the organization and contribute to the organizational aims and objectives.

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1. Bernard M. Bass and Philip C. Burger, 'Assessment of Managers: An International Comparison', The Free Press (New York, 1979), p.173.

Motivation refers to the set of strivings actually operating in the personality of an individual. Motivation depends on the satisfaction of the needs that an employee brings to work and the effort of the manager in meeting these needs.<sup>1</sup>

As we mentioned early in Chapter 1, the basic need satisfaction model was developed by Maslow (1943, 1954). Maslow's theory of human motives emerges sequentially according to a hierarchy of five need levels:

Physiological	The need for food, drink, shelter and relief from pain.
Safety and security	The need for freedom from threat, i.e. the security from threatening events and/or surroundings.
Belongingness social and love	The need for friendship, affiliation, interaction and love.
Esteem	The need for self-esteem and esteem from others.
Self-actualization	The need to fulfil oneself by maximizing the use of abilities, skills, and potentials.

According to Maslow, those needs that are largely unsatisfied tend to create tension within people that leads them to behave in ways that are aimed at reducing the tension and restoring internal equilibrium. The individual will always strive to satisfy basic needs before higher-order needs. Once the basic need has been filled, it occupies a less important role.

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1. A. Maslow, op.cit.

In the following pages we will explore variables that motivate the middle managers to join Sabic. We denote the source of motivation upon which the respondents decide to take up their job when joining Sabic. Three sources of motivation for joining have been specified by the study, which are:

- (a) Wages/Salary.
- (b) Security.
- (c) Working Conditions.

Our respondents were requested to specify what they believe to be the most important motivating factor in joining Sabic.

The three groups seem to be different from each other in their ranking of the most important motivating factor in joining Sabic, as shown in Figure 5.1. As this figure shows, Saudi middle managers reported that the working conditions were the most important factor in their motivation for joining Sabic.

Sabic provides pleasant working conditions such as heating, lighting, ventilation, etc., which are pleasant and comfortable and meet employees' physical needs, also provides protection and safety in an environment for the employees that is free from hazards and diseases related to work. Furthermore, Sabic provides free medical care for the employees and their families; also housing for the employees and their families or housing allowance equivalent to three months' wages, if suitable housing is not available. Moreover, Sabic provides social services, such as places for prayer, eating, appropriate recreation facilities, a saving plan for the employees and payment to the dependents of a deceased employee, the full wages of the month in which he died regardless of the actual days worked during that month; in

FIGURE 5.1  
NEED MOTIVE

Needs category	Saudian Middle Managers	Developing Countries Middle Managers	Developed Countries Middle Managers
1. Wages	Working conditions	Wages	Wages
2. Security	Wages	Security	Working condition
3. Working conditions	Security	Working condition	Security

A rank of 1 is most important, 3 is least important.

FIGURE 5.2  
MOST IMPORTANT FACTOR FOR SATISFACTION

Rank	Saudian Middle Managers	Developing Countries Middle Managers	Developed Countries Middle Managers
1	The job itself	The job itself	The job itself
2	Social relations at work	Lack of other appropriate alternatives	Immediate group of colleagues
3	Others/type of projects, size of organization, etc.	Social relations at work	Social/family in the locality
4	Social/family relations in the locality	-	-
5	The lack of other appropriate alternative	-	-
6	Immediate group of colleagues	-	-

A rank of 1 is most important, 6 is the least important.

addition it undertakes the costs of transporting his body.<sup>1</sup>

The most important factors for the middle managers from developed and developing countries were the wages/salary. Basic salary level which related to educational qualification and years of experience, which is in the range of SR6035-16490, plus 10 percent of every year of experience of the minimum wages of the grade which the middle manager is assigned. Beside the monthly wages, Sabic provides many bonuses such as air tickets for the foreign employee and his family; he is legally entitled to a maximum of four every year, a monthly transportation allowance or providing a means of transportation from his living place to the working place, and an annual housing allowance at the minimum equivalent of three-months wages, if suitable housing is not provided for the employee and his family.

This result conforms to Maslow's (1953) theory of needs where the money was the means to satisfy the basic needs. He designed a hierarchy of human needs. Satisfying basic needs in today's civilization requires money, which pays for rent, food, medical bills, clothing and transportation.

In exploring further aspects of motivation, we denote the source of the middle managers motivation in maintaining their present job and in continuing working for Sabic. Six alternative sources of such motivation have been specified by the study. These are:-

- (a) the job itself;
- (b) social relations at work;
- (c) social and family ties in the locality;
- (d) immediate group of colleagues;
- (e) lack of other appropriate alternatives;
- (f) others.

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1. Labour regulations, Saudi Basic Industries Corporation (Sabic), Kingdom of Saudi Arabia, Ministry of Labour and Social Affairs, Office of the Deputy Ministry of Labour Affairs, General Directorate of Industrial Relations, 1981-82.

The three groups showed an agreement concerning the job itself as the most important factor in providing satisfaction in their work. The satisfaction which the managers derive from using their specialist technical or professional competencies, makes the job interesting, involving a variety of activities, and producing the feeling of being 'the expert' in a particular area.

However, the three groups did not differ from each other in regard to the first factor, but were different with regard to other factors (as Figure 5.2 shows), where Saudi middle managers' second most important factor was social relations at work and the least important factor was immediate group of colleagues, the group of middle managers from developing countries placed as the second most important factor the lack of other appropriate alternatives, and the least important was social relations at work, while for the middle managers from developed nations the second most important factor in providing satisfaction in their work was the immediate group of colleagues and the least important was the social/family relations in the locality.

However, from our results in this study, we can see that the three groups - Saudian middle managers, middle managers from developing and developed countries in ranking their need importance to their job satisfaction differ from Maslow's theory (1954, 1970) of human motives emerging sequentially according to a hierarchy of five needs and such needs could be almost universally observed, even in different cultures (see Chapter I), in terms of a need-satisfaction hierarchy, as we saw when we considered applying Maslow's theory to a wide range of actual work situation in other countries (environments) it reflected different results, because not all the people (culture) follow the same steps in the need-satisfaction hierarchy or sequence. Moreover, we

would say that different cultures, economic systems and religion influence an individual's need-satisfaction.

We would point out that it is hard to find empirical support for theories of universal human needs, especially in motivation, because of the influence of individual differences and cultural differences. Neither Maslow nor Herzberg, or anybody else, could determine that people in the U.K. or U.S.S.R. or in Japan or in Saudi Arabia have the same cause for needs-motivation.

To understand people's needs and behaviour in work you must understand not only individual differences, but also the cultural differences as a whole, and where we want to apply any human needs theory to any environment, we should modify this theory to make it appropriate for the needs of this particular environment.

Moreover, there are some other important factors which have a bearing on the managers' satisfactions and motivations. For example, an individual will work better if he is consulted on matters about which he knows and if his suggestions are seriously considered. He will most certainly expect to be consulted beforehand about proposed changes which directly affect him. He does get a sense of achievement through being given responsibility, and being made to see that he is carrying out a worthwhile job. He can hardly experience a sense of achievement if he does not know what he is supposed to be doing or how well he has done it. Nor is it easy if the whole job is somebody else's idea or if other people make it evident that they think his job a poor one. It is not enough to tell the man himself how well he is doing. It should be made known to others so that he feels that those who deserve merit are rewarded when that merit exists.



Not unexpectedly, the most interesting factor is reasonable pay. Of itself, it does not motivate but when seen as a reward in recognition of achievement or merit, it effectively reinforces these factors.

The above-mentioned factors of managers' motivation lead to the next section, where we will discuss them in more detail.

#### 5.3.4 Additional aspects of managerial thinking

The middle manager's responsibility is not only to hand orders downward and report complaints upward, he is responsible for the process of getting the job done. Orders from the top are used for direction and as a source of authority. Thus, while the middle manager cannot overcome serious deficiencies above or below him, his position is crucial in effective administration.

As Mooney described it, the manager's job 'consists primarily of solving problems'.<sup>1</sup> An elaboration of this definition is provided by Thomas R. Reid, who described the manager's function as triangular - 'making judgements', 'initiation of action' and 'getting the results'.<sup>2</sup> Felix Nigro, elaborating on Reid's triangular model, noted that '... the executive must be adept not only in making judgements, but also in translating them into action... He will achieve results when he has a clear idea of his exact responsibilities.'<sup>3</sup>

The middle manager's ability to achieve implementation of the plans and programmes developed by top management depends on several factors: (1) clear orders and direction from the top; (2) the middle manager's understanding; and (3) his ability to translate orders into

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1. Paul Mooney, 'A fundamental job of management' in Felix Nigro, Public Administration Readings and Documents, Rinehart and Co. Inc. (New York, 1951), p.32.
  2. Thomas R. Reid, Management on the Line: Management Responsibilities of line operating officials, Rinehart and Co. Inc. (New York, 1951), pp.38-41.
  3. Paul Mooney, op.cit., p.38..

roles of action for subordinates, and the ability of the subordinates.

Human beings are not like machines. If a machine is functioning properly, it is possible to predict its output if the input is known. Human beings are much more complex than machines and in any person there are many factors which may affect his output. Policies presented by top management to middle management for implementation may not have the desired and predicted output. Crucial factors in determining the output of middle management are its understanding and awareness of policies, attitudes and motivations towards a policy and full involvement with it. Middle managers must have a clear understanding of the motives behind a plan or programme, and be an integral part of the policy if success is to be achieved.

... the bare policy pronouncement and letter of administrative orders and instructions are too frugal a diet to nurture full understanding of institutional goals. For their own purposes, middle managers need to know the motivations, intentions, and reasons that go into directives handed down to them.<sup>1</sup>

Middle managers are the central force in the implementation process. In order to design processing plans and strategies for implementation they need to have full knowledge of the purpose and dimensions of the goals or objectives to be achieved. Awareness in this area also leads to a clearer understanding of middle management's responsibilities. If the middle management participates in the planning process, it takes them less time to understand new plans or policies and devise the means of implementation. The aim at this part of the study is to explore some of the attitudes and views of Sabic's middle managers toward responsibilities, management participation in planning for their department, and whether they prefer to stay in Sabic or not.

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1. Fritz Morstein Marx (ed.), Elements of Public Administration, Prentice-Hall, Inc., (New York, 1946), p.406.

Perceptions of the departments/sections' goals and responsibilities

As has been seen, in order for a manager to be responsible, he must have a clear understanding of the goals and the objectives of his department/section. Table 5.33 shows that only 19.7 percent of Saudi middle managers thought the goals and responsibilities in their department/section were very well clear, and 39.5 percent felt that they were quite clear, and 40.8 percent felt they were generally clear, but could not be exactly defined while 7.1 percent of middle managers from developing countries thought the goals and responsibilities in their department were very well clear, and 25 percent said they were quite clear, and 67.9 percent said that they were generally clear, but could not be exactly defined. In the case of the middle managers from developed countries, 8.0 percent thought the goals and responsibilities in their department/section were very clear, and 36 percent felt that they were quite clear, and 56 percent said that they were generally clear, but could not be exactly defined. These figures make clear that in only 14.6 percent of the Saudian group was there a complete clarity of the goals of their particular department/section.

In comparing the differences between the three groups, there were no significant differences in their assessment of their goals and responsibilities in their departments/sections.

The best method for the middle managers to gain an understanding of their department's procedures and new revised policies of programmes is to participate in the study of the planning process. If the planning process is kept confidential until the plans are approved, this did not help middle management's understanding of the plans once adopted.

TABLE 5.33

CHI-SQUARE COMPARISON\* OF SABIC MIDDLE MANAGERS' KNOWLEDGE OF GOALS AND RESPONSIBILITIES IN THEIR DEPARTMENTS/SECTIONS

Knowledge of goals and responsibilities in	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Goals and responsibilities are very clear	15	19.7	2	7.1	2	8.0
Goals and responsibilities are quite clear	30	39.5	7	25.0	9	36.0
Goals and responsibilities are generally clear	31	40.8	19	67.9	14	56.0
Total	76	100.0	28	100.0	25	100.0

$X^2$  with 4df at .05 level of significance = .1058

TABLE 5.34

CHI-SQUARE COMPARISON\* OF SABIC MIDDLE MANAGERS' PARTICIPATION IN DEVELOPMENT OF THEIR DEPARTMENTS PLANS AND GOALS

Participation in development of departments' goals	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
You have participated in the study of the plan and the determination of your department's goals	42	57.5	14	60.9	20	80.0
You have not participated and given an opinion	7	9.6	1	4.3	3	12.9
Plans and goals were determined by high ranking officials, your role is to execute	23	31.5	8	34.8	-	-
You have not participated in the study of the plan and you have no knowledge of it	1	1.4	-	-	2	8.0
Total	73	100.0	23	100.0	25	100.0

$X^2$  with 6df at .05 level of significance = .0246.

Table 5.34 indicates that 57.5 percent of Saudi middle managers participated, 9.6 percent said that they had not participated and given opinions, 31.5 percent said that the plans and goals were determined by high ranking officials and their role was to execute the plans, and 1.4 percent had not participated and had no knowledge of the planning process. Among the middle managers from developing countries 60.9 percent had participated in the study of the plans and the determination of the department's goals, 4.3 percent had not participated and given an opinion, 34.8 percent thought the plans and goals were determined by high-ranking officials and their role was to execute the plans. In the case of the middle managers from developed countries, 80 percent had participated in the study of the plans and the determination of their department's goals, 13 percent had not participated and given an opinion, and 8 percent had not participated and had no knowledge of it.

In investigating the differences and similarities between the three groups, it was found that there was a statistically significant difference in the middle managers' participation in the planning process in their departments/sections. As shown in Table 5.34,  $\chi^2$  with 6df at .05 level of significance was .0246, this means the difference between them was less than .05, in other words these variables were not independent of each other, where the majority of the middle managers from developed nations (80 percent) had participated in the creation of departmental plans and determination of goals, where only 42.5 percent of Saudi middle managers had not participated and not even had any knowledge about them, and their role as middle managers is only the execution of such plans. This could not be attributed to one explanation, the non-Saudi middle managers are planners and consultants

in modern managerial techniques, who are brought into Sabic for their skills and professional expertise, thus they are more involved.

As explained in Part I of this chapter, Saudian middle managers are very highly qualified people, but less experienced than non-Saudi middle managers, but they are going to learn and grow in competence, and if they are going to find opportunities to satisfy their higher level needs in the process, it is essential that they find a genuine challenge in their job. This is unlikely, if the job is defined for them by a formal imposition from their superiors who simply tell them what they want done.

To be sure, Saudi middle managers will sometimes set unrealistic goals, particularly the first time they approach a task like this. Experience has indicated that the usual problem is that the goals are set too high, not too low, while the superiors can, through judicious advice, help the subordinates adjust to unrealistic goals. There may often be greater long-run advantages in permitting the subordinates to learn by experience than simply by telling them where their planning is unrealistic or inadequate.<sup>1</sup>

Moreover, participation which grows out of the assumption of theory Y offers substantial opportunities for ego satisfaction for the subordinate and thus can affect motivation towards organizational objectives. It is an aid to achieving integration. In the first place, the subordinates can discover the satisfaction that comes from tackling problems and finding successful solutions for them. There is a greater sense of independence and of achieving some control over one's destiny. Furthermore, there are the satisfactions that come by

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1. Douglas McGregor, *op.cit.*, p.69.

way of recognition from peers and superiors for having made a worthwhile contribution to the solution of the organizational problems.<sup>1</sup>

Viewed thus, participation in the planning process is a key to the knowledge necessary for effective implementation. In addition, and perhaps more importantly, there is evidence that Saudi middle managers are willing to assume greater responsibility if they participate in planning.

In the question related to this point we asked them, whether they would be willing to assume greater management responsibility than they have at present. As Table 5.35 indicates, 87.8 percent of Saudian middle managers would prefer to assume greater management responsibility, whereas only 40.9 percent of middle managers from developed countries wanted to assume greater management responsibility.

This result conforms to our results and discussion in previous pages. Saudian middle managers have little opportunity to participate in the creation of departmental plans and determination of goals. At the same time the majority of them (80 percent) are seen as willing to assume more responsibility if they were given the opportunity. In the case of middle managers from developing countries, they are also willing to assume more responsibility. We could attribute this to two factors: **first** in previous discussions (motivation behind working for Sabic), middle managers from developing countries placed as the second most important factor in providing motivation in continuing working for Sabic, the lack of other appropriate alternatives, so they are willing to assume more responsibility (87.8 percent), thus Sabic has to depend on them, as a result they will stay in their work for longer. **Secondly**, they are going to learn and grow in competence, if they find opportunity to satisfy their higher level needs of

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1. op.cit., p.130-31.

satisfaction which come by way of recognition from peers and superiors for having made a worthwhile contribution to the solution of an organizational problem. In the case of middle managers from developed countries, the majority of them (80.0 percent) have participated in the study of their departments' plans, so it is not surprising to find the majority of them were not willing to carry more responsibility, because they already have enough and the next section will confirm this conclusion.

#### Job Loading

In exploring further aspects of Sabic middle managers concerning their responsibilities, Table 5.36 shows that 68.4 percent of Saudian middle managers work overtime in order to complete their assignments, 51.0 percent of middle managers from developing countries, also work overtime and 96.2 percent of the middle managers from developed countries work overtime in order to complete their assignments. In testing for the significance of differences, there were strong statistically significant differences between the three groups.  $\chi^2$  with 2df at .05 level of significance = .0013, means that there is an association between job load and nationalities. In other words, these results were dependent on each other.

Moreover, this result confirms our results and discussion in the previous section, and explains the reasons behind middle managers from developed countries being unwilling to carry more responsibilities, because the majority of them (96.2 percent) already work overtime so they have no time to take on more responsibilities.



TABLE 5.35

SABIC MIDDLE MANAGERS' OPINIONS TO CARRY MORE RESPONSIBILITIES

Carry more responsibility	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	72	87.8	21	80.8	9	40.9
No	10	12.2	5	19.2	13	59.1
Total	82	100.0	26	100.0	22	100.0

TABLE 5.36

CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS WORKING OVERTIME

Working overtime	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	54	68.4	15	51.0	25	96.2
No	20	31.6	14	49.0	1	3.8
Total	74	100.0	29	100.0	26	100.0

$\chi^2$  with 2df at .05 level of significance = .0013.

TABLE 5.37

CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS WHO WORK OVERTIME

Working overtime	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Frequently	16	30.8	5	33.3	20	80.0
Occasionally	36	69.2	10	66.7	5	20.0
Total	52	100.0	15	100.0	25	100.0

$\chi^2$  with 2 df at .05 level of significance = 0.002

Moreover, Table 5.37 shows that 30.8 percent of the Saudian group work overtime frequently, and 69.2 percent occasionally. 33.3 percent of the developing countries group were working overtime frequently, and 66.7 percent work occasionally; whereas 80 percent of those from developed countries work overtime frequently and 20 percent work overtime occasionally.

As a result of test significance, there seems to be similarities between the Saudian group and developing countries group, but there was a strong statistically significance difference between the two groups and the developed countries group. Again these results support our previous results and discussions regarding the Saudian and developing countries middle managers participation in their department/section plans and goals to have an understanding of the motives behind a plan or programme and be an integral part of the policy if success is to be achieved. Also these results support our results regarding the middle managers from developed countries, who had heavy responsibilities, therefore they were not willing to carry more responsibility.

Furthermore, we asked Sabic middle managers if they were paid for working overtime. Table 5.38 shows that 71.4 percent of Saudi middle managers were not paid for working overtime, 68.0 percent of the middle managers from developing countries were not paid for working overtime, and 92.0 percent of the middle managers from developed countries were not paid for working overtime.

However, the three groups did not significantly differ with regard to pay for working overtime, where the majority of them did not get paid.  $\chi^2$  with 2df at 0.05 level of significance was higher than .05

meaning that these variables were independent from each other. But by looking at Table 5.38 even these groups were not statistically significantly different. By looking at the percentage, there were differences between them. 28.6 percent of Saudi middle managers were paid, 32 percent of the middle managers from developing countries were paid, and only 8 percent of the middle managers from developed countries were paid. These results could be one of the reasons why the middle managers from developed countries were not very satisfied with their working for Sabic (see Table 5.23). They did not want more management responsibility (see Table 5.35), because they had enough as the majority of them were working overtime (see Table 5.37).

Moreover, comparing the wages between the three groups, as Table 5.39 shows, there were statistically significant differences between them. Whereas the majority of middle managers from developed countries (53.8 percent) had a monthly income between SR7,000-10,000, the majority of the Saudian middle managers (42.9 percent) had a monthly income between SR11,000-17,000, and the majority of middle managers from developing countries (48.3 percent) had a monthly income between SR11,000-17,000.

These results were very surprising at first sight, but when we looked at the length of service for Sabic (see Part I Table 5.12), we found out that 55.7 percent of Saudi middle managers and 48.2 percent of developing countries' middle managers have been working for Sabic from five to more than seven years, whereas only 7.5 percent of the middle managers from developed countries have been working for Sabic for this period. Furthermore we looked at the correlation between the monthly income and length of service as Table 5.40 shows there

TABLE 5.38  
CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS  
WORKING OVERTIME REWARD

Working overtime reward	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	20	28.6	8	32.0	2	8.0
No	50	71.4	17	68.0	23	92.0
Total	70	100.0	25	100.0	25	100.0

$\chi^2$  with 2df at 0.05 level of significance = 0.0828.

TABLE 5.39  
CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS' MONTHLY INCOME

Monthly income	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Less than SR7000	11	13.1	6	20.7	11	42.3
7000 - 10,000	19	22.6	4	13.8	3	11.5
11,000 - 13,000	16	19.1	9	31.1	4	15.4
14,000 - 17,000	20	23.8	5	17.2	2	7.7
18,000 - 20,000	11	13.1	5	17.2	2	7.7
More than 20,000	7	8.3	-	-	4	15.4
Total	84	100.0	29	100.0	26	100.0

SR = Saudi Riyal = 3.63 US Dollars in 1985-86.

$\chi^2$  with 10 df at 0.05 level of significance = .0293.

TABLE 5.40

CHI-SQUARE COMPARISON BETWEEN MONTHLY INCOME AND PREVIOUS  
SERVICE FOR SABIC MIDDLE MANAGERS

Previous Service for Sabic Monthly Income	YES		NO	
	Freq.	%	Freq.	%
Less than SR7000	23	20.9	5	17.9
7000 - 10,000	16	14.5	9	32.1
11,000 - 13,000	21	19.1	8	28.6
14,000 - 17,000	21	19.1	6	21.4
18,000 - 20,000	18	16.4	-	-
More than 20,000	11	10.0	-	-
Total	110	100.0	28	100.0

$X^2$  with 5df at 0.05 level of significance = .0307.

were statistically significant relationships between the previous service and the monthly income. Among the middle managers who had no previous service, 50 percent of them were receiving between SR7,000-10,000, and 50 percent were receiving from SR11,000-17,000. Whereas among the middle managers who had previous service, 36.2 percent had their monthly income between SR18,000-more than 20,000.  $\chi^2$  with 5df at .05 level of significance = .0307. This means there is significant evidence for an association between middle managers' previous service and their monthly income.

#### Efficiency report

The efficiency report is the most commonly used method for determining the suitability of an employee for his job promotion, awards or transfer. The larger the organization and the more centralized its personnel operations in Saudi Arabia, the greater the dependence on the use of efficiency reports. Efficiency reporting is done by those with direct supervision over the subjects of the reports. This may not be the best method of evaluating employees, but it is the most widely used method in Saudi Arabian organizations. As far as Sabic is concerned, efficiency reports are used for determining the suitability of an employee for his job promotion. Indeed, as the following quotation from Sabic's Labour Regulations reads:

A periodic report shall be prepared about the employee at the end of each year which shall contain the following:

- his work performance
- his behaviour and attitude to his supervisors and fellow employees
- his work attendance
- extent of assuming responsibility

Employee's performance shall be evaluated in the report by one of the following ratings:

Excellent, very good, good, satisfactory, poor

Employee shall be eligible for increase of salary if his rating in the annual report is at least 'good'.

Employee shall be eligible for promotion to a higher position if the following conditions exist:

- a higher position is vacant necessary.

Employee's rating is at least 'good' in the last annual report.<sup>1</sup>

Therefore, if the employee evaluation system is poor, then the selection of personnel for positions through promotion or transfer will be poor. This not only hurts the organization by hindering development but also is disadvantageous to the employee who may be put in a job for which he has no competence.

In addition, employees may continue in positions for which they are not suited:

The management of the organization, acting usually through their Chief Personnel Officer, has two main responsibilities. Firstly, in the interest of the organization, to get the work done as efficiently as possible. This requires placing staff of the right quality in the right places in the right numbers. This is the primary responsibility, but the employee's attitude to his job is very important and this will not be satisfactory unless the management shows a feeling of responsibility towards employees. A second responsibility, therefore, in the interests of the staff, to help them develop their potentialities. This requires posting people, as far as possible to work that is congenial to them, and providing good supervision and training on the job.<sup>2</sup>

If efficiency results are used correctly and fairly, they serve the best interests of the organization and the employee.

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1. Sabic Labour Regulation, Kingdom of Saudi Arabia, Ministry of Labour and Social Affairs, Office of the Deputy Minister for Labour Affairs, General Directorate of Industrial Relations (1981-82), pp.10-11.
  2. Andrew Robertson (ed.), 'Studies in Management' No.62, Staff Reporting and Staff Development, George Allen and Unwin, Ltd. (London, 1967), p.9.

Once an employee has been selected and inducted, he does not stay put on a single job for the duration of his tenure with a particular company. Hopefully, he will be promoted; transfers are always likely, but if conditions are unfavourable he may be demoted or even laid off.<sup>1</sup>

Promotional Policy is a crucial area of personnel management, both for the organization<sup>5</sup> and for the individual employees. For the organization it ensures a steady supply of trained people for higher-level positions. Promotion provides information and the special skills that employees bring to the new jobs into which they are promoted and also provides an excellent means of selection.

Seeing a man in action, however, over a period of years in a less important position, enables management to make a realistic assessment of both the person and the attributes he brings to his work. Furthermore, when man reaches the top rung of the promotional ladder, he is more widely trained in company operations and is able to assume a greater range of positions. If business declines, he will be easier to re-assign, because he is intimately familiar with lesser-skilled jobs 'below' his present position.

Organizations that are failing to expand or that are actually contracting have special problems in filling higher-rated jobs.<sup>2</sup>

Also promotion provides employees with a powerful incentive to win advancement by proving their performance. The knowledge that successful performance of one's job may lead to more remunerative assignments is a powerful incentive. The individual gains additional

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1. Strauss and Sayes, Personnel, the human problems of Management, Prentice-Hall (Englewood Cliffs, New Jersey, 1960), p.458.

2. *ibid.*, pp.458- .



job satisfaction through his own efforts and in a manner consistent with the goals of the organization itself. Management provides the opportunity for attaining the kind of satisfaction that comes with more challenging, interesting work, higher pay, and more desirable working conditions, the employee himself, however, must attain this satisfaction through his own efforts.<sup>1</sup>

Transfer from one department to another are of two kinds: short-run transfers and long-run transfers. Short-run transfers provide temporary changes in job assignment necessitated by normal day-to-day problems of scheduling workload balancing and breakdown. Longer run transfers are used to solve more enduring problems.

Remedial transfers are used to shift an employee who has failed to make a satisfactory adjustment to his job.

Changing manpower needs changes in the overall organization may also create a need for long-run transfers. With shifts in technology or in the company's pattern of business, the manpower needs of some departments may decline while the needs of other departments increase. In order to safeguard the jobs of long-service employees, and to avoid losing the skills of trained personnel,<sup>2</sup> it is necessary to have a comprehensive system for transferring employees from one department to another.

Therefore, before comparing Sabic middle managers' perceptions about the efficiency report, we asked them how they had got their present positions.

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1. op.cit., pp.458-59.

2. ibid., pp.475-77.

As Table 5.41 shows that 50.6 percent of Saudian middle managers got their present positions by promotion, and 40.5 percent by direct appointment, and only 8.9 percent by transfer from another department. Whereas 51.9 percent of managers from developing countries got their present positions by direct appointment, and 48.1 percent by promotion, 62.5 percent of themiddle managers from developed countries got their present positions by direct appointment, 29.2 percent by promotion, and only 8.3 percent by transfer from another department.

We compared the similarities and differences between the three groups of managers regarding their perceptions about the efficiency reports. The results in terms of the importance of the efficiency reports for promotion obtaining a new assignment, show that there was no significant difference between the three groups of Sabic middle managers, as seen in Table 5.42.

The great majority of the participants thought the existing form gives officials in specialized departments a clear picture about the employee under consideration.

We asked Sabic middle managers who wrote the efficiency reports for the employees under their immediate supervision. Table 5.43 shows that the majority of Sabic middle managers did write the reports for their own subordinates.

TABLE 5.41

CHI-SQUARE COMPARISON REGARDING THE WAY SABIC  
MIDDLE MANAGERS OBTAINED THEIR PRESENT POSITIONS

The way they obtained their present positions	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Direct appointment	32	40.5	14	51.9	15	62.5
Promotion	40	50.6	13	48.1	7	29.2
Transfer from another department	7	8.9	-	-	2	8.3
Total	79	100.0	27	100.0	24	100.0

$X^2$  with 4df at .05 level of significance = .1773

TABLE 5.42

CHI-SQUARE COMPARISON OF THE MIDDLE MANAGERS' BELIEF IN THE EXISTING  
REPORT FORM GIVING THE OFFICIALS IN THE SPECIALIZED DEPARTMENT  
CLEAR OF THE EMPLOYEES UNDER CONSIDERATION

The importance of efficient report for promotion and assignment in new post	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	66	82.5	16	72.7	17	68.0
No	14	17.5	6	27.3	8	32.0
Total	80	100.0	22	100.0	25	100.0

$X^2$  with 2 df at .05 level of significance = .2525.

TABLE 5.43

CHI-SQUARE COMPARISON OF THE MIDDLE MANAGERS' AUTHORITY TO FILL OUT  
THE EFFICIENCY REPORTS FOR THEIR IMMEDIATE SUPERVISION

The person who fills out the efficiency report	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
You personally	50	73.5	6	46.2	15	75.0
You and asst.manager	14	20.6	5	38.5	5	25.0
Director/General manager only	1	1.5	-	-	-	-
Director/General manager with your consultation	3	4.4	2	15.3	-	-
Total	68	100.0	13	100.0	20	100.0

$\chi^2$  with 6df at .05 level of significance = .3118.

There was clearly substantial evidence that management has great confidence in the efficiency reports, and the efficiency reports system in Sabic does fulfil its purpose. This in turn may lead to the selection of suitably qualified personnel for management positions.

#### Propensity of change in jobs

Exploring the propensity of our respondents to change their present jobs, they have been requested (a) to indicate if they would like to change their jobs, given that the opportunity arose. As may be seen from Table 5.44, 62.7 percent of Saudian middle managers would like to change their jobs, and 51.9 percent of middle managers from developing countries would like to change their job, and 76 percent of middle managers from developed countries would like to change their job.

Then we asked them (b) to indicate whether they would like to move to another job in Sabic or would like to join another employer. Table 5.45 shows that 68.6 percent of Saudian middle managers would like another job with Sabic, and 31.4 percent would like to quit Sabic, where 58.3 percent of middle managers from developing countries would like another job with Sabic, and 41.7 percent would like to quite Sabic. In the case of middle managers from developing countries, 73.7 percent expressed their intention to quit Sabic and only 26.3 percent would like another job with Sabic.

Looking at the significant differences between the three groups regarding working for Sabic, there were significant differences,  $\chi^2$  with 6df at .05 level of significant was .0464. In other

TABLE 5.44

THE VIEWS OF SABIC MIDDLE MANAGERS  
WHO CHANGE THEIR JOB

Change job	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
Yes	52	62.7	14	51.9	19	76.0
No	31	37.3	13	48.1	6	24.0
Total	83	100.0	27	100.0	25	100.0

TABLE 5.45

CHI-SQUARE COMPARISON OF SABIC MIDDLE MANAGERS  
CONTINUING WORKING FOR SABIC

Continuing working for Sabic	Saudian Middle Managers		Developing Countries Middle Managers		Developed Countries Middle Managers	
	Freq.	%	Freq.	%	Freq.	%
a. Another job in Sabic	35	68.6	7	58.3	5	26.3
b. Another job with another employer	6	11.8	2	16.7	6	31.6
c. A similar job with another employer	7	13.7	1	8.3	3	15.8
d. Move out	3	5.9	2	16.7	5	26.3
Total	51	100.0	12	100.0	19	100.0

$X^2$  with 6 df at .05 level of significance = .0464.

words, there was significant relationship between the nationalities of these groups, and their continuity to work for Sabic.

As we have seen in these results (Table 5.45), the majority (73.7 percent) of developed countries middle managers expressed their intentions to move out of Sabic, the reason could be attributed to many reasons, such as lack of job autonomy (see Tables 5.27, 5.28, 5.29), heavy workload with lack of financial incentive. As shown in Tables 5.36, 5.37, 5.38, the majority of them were working overtime frequently with no pay. Since the main motive for non-Saudi middle managers to work for Sabic was the wage/salary, it seems the pay incentive associated with developed countries is job satisfaction. In the case of the developing countries group (who share with developed countries group in this connection), as we have seen, wanted more responsibility (Table 5.35) and also the majority of them would like to continue working for Sabic (Table 5.43).

Pay can serve as a strong incentive for employees to increase productivity. The incentive value of money largely depends on how it is:

Moreover, French (1974) proposed that:

Wage(s)... also affect the fulfilment of needs for belonging and esteem... Salary levels themselves have prestige and status values and operate as indicators of relative worth... In addition, salaried status tends to carry more prestige than wages status, since it is usually assumed that the former connotes more job security... And, finally wage payments are probably related to the fulfilment of self-actualization needs. When we consider that the worker's life and existence

are much broader than his job, it became apparent that financial resources open many avenues for self-actualisation off the job.<sup>1</sup>

In other words, pay can, in theory, be used to satisfy all of the needs of workers from the lower physiological need to the higher psychological need.

Sales (1968) implied a very similar feeling to French when he stated that;

Hypothesis says that once employees obtain a satisfying level of economic reward, they go on to other needs and presumably are less concerned with money. However, the level of reward which is satisfying can rise rapidly over time. Further, money is a means of satisfying higher needs, e.g. the individual who ... seeks to live his life off the job engaging in 'creative' consumption.<sup>2</sup>

All of these statements indicate that money means more than a mere representation of economic advantage to the receiver.

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1. L. French, The Personnel Management Process, Houghton Mifflin (Boston, 1979), p.259.
  2. L.R. Sales, Behaviour of Industrial Work groups : Prediction and Control, John Wiley and Sons (New York, 1968), p.76.



#### 5.4 Summary

This chapter presented an analysis of the findings based upon the responses to the research questionnaire. The principle findings in the various sections can be summarised in relation to the three parts of this chapter.

##### Population characteristics

There were little or no differences in the demographic characteristics of the three groups. They are similar in all respects except for age - the majority of non-Saudi middle managers were over 40 years old, whereas the majority of Saudian middle managers were between 25-35 years old. There were also differences in their previous experience. All non-Saudi middle managers had previous experience, while only 66.3 percent of Saudi middle managers had previous experience. Another difference was the number of years working for Sabic. Saudi middle managers have longer periods working for Sabic than non-Saudi middle managers.

##### Managerial thinking regarding leadership's ability and training

Both similarities and differences were discovered between the groups relating to leadership's style. The three groups believe that the most effective style of decision-making is the democratic style, but they have differences in their belief in effective patterns of leadership's behaviour, and their thinking to the source of authority. The majority of Saudi middle managers thought the effective pattern of leader behaviour should stem from having a good relationship with the group, and they thought the source of authority comes from a combination of a legally derived base plus the individual's powers of

persuasion. Non-Saudi middle managers believed that the effective leadership behaviour pattern should be concerned with emphasising the quantity of the work and at the same time be concerned with human relationships. Furthermore, as we have already stated concerning the source of authority, the Saudi group believed authority to be a combination of a legally-derived base and the individual's powers of persuasion. The developing countries group believed authority comes from a combination of law, regulation and a manager's skills and knowledge. Whereas the middle managers from developed countries believe the source of authority comes from the person's ability to persuade.

There were no statistically significant differences between Sabic middle managers regarding their thinking of the adequacy of Sabic training programmes for their subordinates.

#### Managerial attitudes towards job satisfaction and motivation

The analysis of data collected revealed both similarities and differences between the three groups of Sabic middle managers in their thinking regarding job satisfaction and motivation. The three groups feel they are satisfied with their job itself. They stated that their jobs involved work which gives them interest and provides them with a challenge. They agreed on the importance of these factors, also the majority of our respondents assessed their work as being very important to them.

Differences between the three groups were noted in their satisfaction from the superior-subordinate relationship. The Saudi group perceive they have good relationships whereas the majority of non-Saudi groups have satisfactory relationships, we may contribute this

difference to the varying cultural, social and economic values. Supervisors who are from one type of social and economic background may find it difficult to understand the attitudes and behaviour of their subordinates from a different cultural background. Middle managers relationships with their superiors were analyzed in terms of the superior's priorities at work, job autonomy, the support gained from the superiors and their confidence in the superior's ability.

Both similarities and differences were found between the three groups of Sabic middle managers. There were no differences between them regarding their satisfaction with the job itself, where the majority of the three groups feel that their jobs were inherently interesting, have variety and provide them with a challenge, and the majority of them were satisfied with the job itself. Respondents showed slight differences in their relationship with their subordinates. The results regarding the superiors' relationships can be categorised into the following six components:

1. Superior's priorities of work;
2. superior's authority;
3. superior's methods of supervision;
4. the support obtained from superior;
5. confidence in superior's ability;
6. satisfaction from middle manager-superior relationships.

Again some similarities and some differences were also found in these factors between the three groups.

Findings demonstrated the similarity in their thinking regarding the good relationships with their superiors. These good relationships contribute to a number of factors which would seem to depend on a superior's willingness to 'stand up for his men', he is concerned with their personal growth and advancement and training besides encouragement and having the job done satisfactorily.

Also there were similarities of opinion regarding the importance for the group or having confidence in the ability of their superiors. Furthermore, there were similarities regarding negative attitudes related to feelings of lack of confidence in their superiors' ability.

Differences between the three groups were slight as far as job autonomy was concerned. There were differences in the degree of supervision, as both Saudi and developing countries middle managers were supervised by close supervision, unlike the middle managers from developed countries who were given moderate supervision.

In comparing the opinions of Sabic middle managers towards their motivations in working for Sabic, findings demonstrated the differences in the ranking of the most important motivating factor in joining Sabic (see Figure 5.1). The Saudian group ranked working conditions as number one, wages as number two and security ranked as the least important motive. Wages were the most important motivating factor, security was number two and working conditions ranked as the least important motive by middle managers from developing countries. In the case of middle managers from developed nations, wages were number one, working conditions number two and security was the least important motive in joining Sabic.

Further aspects of motivation were explored such as the source of motivation in their present job and the reasons for continuing working for Sabic. Six alternative sources of motivation exist:

1. The job itself;
2. social relations at work;
3. social and family ties in the locality;
4. colleagues;
5. lack of other alternatives; and
6. other miscellaneous factors.

Some similarities and differences were found in these factors between the three groups.

Findings demonstrated the similarities in the ranking (Figure 5.2) by showing that **the job itself** was the most important factor.

Differences between them regarding other factors - **social relations at work** was number **two** for Saudian, number **three** for developing countries managers, and was **not important at all** for the developed countries group. **Lack of other appropriate alternative** was number **three** for the developing countries group, **fifth** for Saudian and **nothing** for developed countries group. **Immediate group of colleagues** was number **two** for middle managers from developed nations, sixth for the Saudian group, and **not important** for the developing group. **Social/family in the locality** was ranked as the **third** for managers from developed countries, **fourth** for Saudian and not important for developing countries, middle managers. Finally, **others** such as types of project, size or organization, etc. were number **three** for the Saudian group and **not important** for other groups.

Additional aspects were looked at, such as participation in the department/section plans, middle managers' perceptions towards carrying more responsibilities and their opinion regarding the workload and efficiency report.

The study shows that there were differences between the three groups. The Saudi group have little opportunity to participate in the creation of their departmental plans and determination of goals. They are willing to assume more responsibility, but at the same time they want more autonomy, because, as we know, responsibility without autonomy is very demoralising, a perception shared by the developing

countries group. This is contrary to the experience of the developed countries group, the majority of them have participated in the study of the plans and the determination of their departmental goals and have a heavier workload than Saudian middle managers. This could be attributable to the fact that the developed countries middle managers are planners, consultants in modern managerial techniques, expatriates brought to Sabic for their skills and professional experience. Thus they are more involved in these kinds of activities.

Findings show more differences between the three groups in their satisfaction in working for Sabic. The majority of the developed countries group were not very satisfied. It seems the reason could be the lack of incentive, as we have seen in Tables 5.37,38. The majority of them were working overtime frequently with no pay, and since the main motive for them was the wage/salary, it is natural that they should feel dissatisfied. Saudian and developing countries groups were very satisfied with working for Sabic, but they want more responsibility and autonomy.

The efficiency report was considered important for promotion or for obtaining a new assignment by Sabic middle managers. The majority of the participants do think the efficiency reports give an accurate indication of the ability of employees. This in turn may lead to the selection of suitable qualified personnel for managerial positions, and this may be one of the reasons for satisfaction with the job.

CHAPTER VISUMMARY, CONCLUSION AND RECOMMENDATION

The purpose of the study was to explore and analyze the managerial thinking of Saudi middle managers in Saudi Basic Industries Corporation (Sabic) and compare them with the non-Saudi middle managers in Sabic.

The study relied only on Saudi Arabian middle managers, middle managers from developing countries and middle managers from developed countries who work for Sabic. The specific objective of the study was to compare these three groups' managerial thinking.

In particular, as may be seen in the Introduction, this research was the first attempt to study managerial thinking among middle level managers as cross cultural context in Saudi Arabia in general and in Sabic specifically, since there has been no serious study before, we used the descriptive and analytical approach (see Chapter V).

The survey concerned certain questions to be answered. These questions concerned managers' assumptions regarding human nature, managerial attitudes and motivations.

The review of selected literature introduced the concept of culture and its general impact on individuals and organizations, and also reviewed the different schools of thought relating to cross-cultural behaviour traits that affect managers.

The review of the literature showed that knowledge of similarities and differences in cultural values and practices would be very helpful in undertaking international assignments and for researchers. Also in this chapter (Chapter I), the study focused on leadership styles practised by managers of an organization. These styles of

leadership were broken down into the following categories: democratic and autocratic. It was then learned that managers should be flexible in picking a leadership style and should know which style is most effective.

Saudi Arabian environment factors were discussed in this study. These factors were geographical factors, social factors and economic factors.

An effort was made to secure information about Saudi Basic Industries Corporation (Sabic), which is affiliated to several multinational corporations in joint venture arrangements for specific projects. The various joint venture partners in the Petrochemical Industries with Sabic are the world leading companies such as Shell, Mobil, Dow, Exxon, Mitsubishi and other large Japanese Companies.

#### 6.1 Summary of Procedures

The questionnaire was designed to determine the extent of similarities and differences in the managerial thinking among the middle level managers, both Saudis and non-Saudis in Sabic.

The questionnaire comprised forty-eight questions, covering the following aspects: the first part of the survey instrument tapped demographic information, including the sex, age, education, income, experience and family background of the managers. The second part concerned the leadership style. The first question of this survey instrument adopted from the Tennenbaum and Schmidt Study (1958), tapped the leadership style of managers' democratic and authoritative style. A second question adopted from the study by Fleishman et al (1955), was composed of questions regarding the leader's behaviour. The third part of the survey instrument con-



cerned the managerial attitudes towards job satisfaction and motivations.

Data collection was accomplished in two ways. The first way, the survey of Sabic headquarters at Riyadh, Al Jubail and Dammam was accomplished through two volunteers. Volunteers were Senior Students in the Public Administration Department at King Saud University, who were secured from that department. The volunteers were given full instruction by the researcher in regard to the administration of the questionnaire. The second way was by mail to Jeddah and Yanbu. There was approximately 64 percent rate of return.

## 6.2 Summary of findings

Findings were presented in three parts. The first part was based on demographic characteristics of Sabic middle managers such as sex, nationality, age, education and training, family background, experience and income level. The second part was based on the managerial thinking towards leadership style and training.

In the area of thinking toward leadership style, there was similarity in the groups. The majority of them believed in the democratic style in decision-making. However, there were differences between them regarding patterns of leadership behaviour. The majority of the Saudian group thought the effective pattern of leader behaviour should stem from having a good relationship with the group. In other words, they gave consideration to having good relations in their work, whereas non-Saudian groups gave more consideration for the task than relationship with the groups.

The cultural influence appears to be the key explanation of managerial thinking, together with the profound impact on the thinking of Saudian middle managers of their traditional attitudes to the religion, the extended family and kinship system, and the importance of good social relationships, as examined in Chapter II. Moreover, there were differences between the three groups with regard to the source of authority. The Saudian group believed the source of authority is a combination of a legally derived base and individual's power of persuasion; the developing countries group believed the authority to be a combination of law, regulations and a manager's skill and knowledge; managers from developed countries believed it comes from a person's ability to persuade. There were no significant differences between them with regard to training programmes in Sabic.

Part III in Chapter V, tapped managerial attitudes towards job satisfaction and motivation. The three groups were satisfied with the job itself, have similarities regarding positive and negative attitudes related to their relationships with their superiors. Respondents showed differences in some components. On job autonomy, Saudian and developing countries groups thought that they were supervised by close supervision; the developed countries group thought that they were supervised by moderate supervision. There are also differences in the ranking of the most important motive for joining Sabic. Working conditions was number one for the Saudian group, wages were number one for the non-Saudian groups.

Differences were found regarding the participation in their departments/sections' plans and determination of goals. The Saudian

group thought they had less opportunity to participate than non-Saudian groups. Finally, the research findings reveal differences in the satisfaction levels associated with different nationalities working for Sabic. Middle managers from developed countries were not very satisfied; Saudian and developed countries groups were very satisfied. Managers are human-beings, not machines without feelings. The three schools of management thought outlined at the beginning of this work - universal, economic cluster culture - are in a sense "scientific" schools of thought or "ideal types". As such, they can overlook the fact that humans have personal, sometimes intangible, motivations and desires. Any attempt to relate research findings to these schools of thought has to bear this in mind and therefore not be too mechanistic in approach.

### 6.3 Conclusion

When managers think about managing, are their ideas all pretty much the same, or does managerial thinking differ from country to country.

The above quoted from Haire, Ghiselli and Porter (1966) is repeated for emphasis, for this quote is the basis upon which the conclusions of this study were drawn.

Conclusions with both theoretical and practical implications can be drawn from this research.

First, the results of the descriptive study provide empirical data regarding the managerial thinking of Saudi middle managers in Sabic, which can be added to the literature that exists concerning Saudi Arabia culture, particularly that of human behaviour in multinational corporations, whether they are a joint venture, foreign branches or contracted with the government bodies. Countries, mostly developed countries (60.13%) are involved in various economic activities in Saudi Arabia.<sup>1</sup> While the results of the study indicate significant differences of perception among the three groups that there may well be a case for introducing training for expatriates to help them to understand their colleagues, superiors and subordinates' attitudes and to help them cope with the foreign environment.

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1. 'The Multinational Corporations, Pros and Cons' (Riyadh, Saudi Arabia Chamber of Commerce and Industry Research Department (1988) p. 57

Second, in earlier discussion (Chapter V), it was noted that three major explanatory trends tend to predominate in accounting for common and key factors of managerial thinking and behaviour in cross-cultural studies.

1. The universality of factors of industrialization and business organization;
2. The impact of the national stage of economic development;
3. social-cultural influences.

As observed in Chapter I, it is unlikely that distinctive aspects of managerial thinking can be explained by reference to a single one of these explanatory trends. This proved to be the case with Sabic middle managers. In the discussion earlier (Chapter II), we explored Saudi Arabian Society as an important factor in trying to understand the approach of Saudi middle managers in Sabic, in terms of their values, traditions, attitudes, ways of behaving, explanations, world view, and the meaning and significance which they attach to phenomena in their world. In this study, we have attempted to use this as our framework in the questionnaire survey and in the interpretation of the data. It can be seen from the foregoing discussion that there are aspects of managerial thinking in Saudian middle managers which appear to reflect an acceptance of universal managerial behaviour, which means that managers all over the world exhibit a converge of behaviour patterns in some cases. For example, we noted in this study a common concern with important aspects of the managerial role. Aspects such as involvement in a job, which is inherently interesting, has variety, and provides a challenge, all might be viewed as universal managerial attitudes.

As indicated in Chapter II, during the past two decades, the growth of Saudi Arabia's revenues from the export of petroleum has been remarkable. The oil revenues received by the Saudi government increased from \$334 million in 1960 to \$84.5 billion in 1980. As a result of the oil revenues, there were significant economic developments.

The increase of oil revenues led the government to adopt large-scale development programmes aimed at improving social services e.g. health, education, housing and social welfare, as well as programmes aimed at utilizing the oil revenues to create an alternative base for the economy.

The rapid growth of oil income has also had a profound effect upon the society. But most important, it has resulted in rapid urbanization, diffusion of education among the population, increased contact with the outside world, growth of communication... etc. People expect to benefit from the advantages of modern society, villas, cars, and consumer products are the norm for the Saudian people in general. Their expectations regarding work have changed. They demand suitable modern equipment, high standards of safety, pleasant locations, recreational facilities and medical care... etc.

We have noted the concerns over working conditions which Saudian middle managers in Sabic reported in terms of the source of motivation when taking up their present job, because of the increased expectations which middle managers now have as we have just described.

Third, a conclusion can be drawn regarding the impact on managerial thinking concerning satisfaction and motivation by national cultural and economic development, and the cultural industrial organization (Universal) factors.

The result of the study, however, showed that there were similarities between the three groups in the middle managers' thinking toward superiors-subordinates' relationships, in terms of the respondents' views regarding their superior's priorities of work, the training gained by the respondents from their superior, and qualities expected in their superiors. This could be labelled as universal thoughts (culture of industry and organizational life). Generally speaking, national boundaries did not make much difference to the way in which managers tried to advance themselves. Managers with higher rates of advancement everywhere are concerned with personal growth and want to be more effective and to get work done operating under more autonomy. In other words, Saudian middle managers (in Sabic) will inevitably come from the educated elite, the group which has been most thoroughly immersed in the imported milieu, and may not differ greatly in their thinking in this respect from their expatriate colleagues. The study showed that wage was an important factor for both developing and developed countries middle managers (in Sabic), but not Saudian middle managers. However, this attitude of non-Saudi middle managers can be attributed to economic reasons, which motivate them to live in an environment such as Saudi Arabia, which is very strict with its many prohibitions. Since Saudi law forbids women to drive, expatriate wives resent their immobility, and are aggravated by the restrictions on their activities and dress dictated by local custom, and the unavailability of alcoholic

beverages. They resent the Saudi dictates and the absence of theatres and other cultural outlets. So they come to Saudi Arabia to save enough money to enjoy a better life in their home country. In the case of the Saudian middle managers, as we discussed in previous pages, in the past twenty years, economic development has transformed the rural and nomadic society into a highly urbanized society and produced increases in education levels, changes in occupations, introduction of new tastes and attitudes, and the creation of new unfulfilled demands, and as a result of all these factors, Sabic provides pleasant working conditions to meet employees' needs (see Part III, Chapter V).

Results regarding the middle managers' motivations for joining Sabic, showed that the job itself was the main factor for the three groups of Sabic middle managers. However, we could attribute this to 'universal' managerial attitudes. As mentioned in Part III, Chapter V, Sabic middle managers are professional and very highly educated, and they derive satisfaction from using their specialist technical or professional competencies. Their satisfaction stems from finding the job interesting, being involved in a variety of activities and producing the feeling of being 'the expert' in a particular area. However, the three groups have differences in ranking other factors, the results support the concept of cultural impact in the managerial motivation. For example, social relations at work was number two for Saudians, number three for developing countries and was not important at all for the developed countries group. These results support the culture school of thought. In other words, one should not treat motivational theories as something univerrally accepted and applicable.

Finally, findings regarding the level of job satisfaction indicated that there was a significant difference between the three groups of Sabic middle managers, middle managers from developed countries were not very

satisfied with working for Sabic. However, we could attribute this to the pay incentive, as the majority of them were working overtime, frequently with no pay, since as we discussed in previous pages, were the first motive for joining Sabic, however, this aspiration was not satisfied.

Saudi and developing countries middle managers were very satisfied with their job with Sabic. Thus, it is apparent Sabic has satisfactorily met a need, which these managers regard as important. The relative dissatisfaction of the managers from developed countries may be explained by the limited tenure of their appointments. Their short term attachments to SABIC in particular and the Government policy of Saudisation in general may be important factors that conditioned their responses concerning their working conditions.

From the above discussion, one significant aspect of these findings for this study is that of the 139 Sabic middle managers belonging to different countries, developing and developed countries. Both similarities and differences were found between them. However, we cannot attribute these similarities and differences to one single explanation. As we noted earlier in this chapter, three major explanatory issues tend to be central in the cross-cultural studies of managerial thinking and behaviour.

- Impact of national culture
- Impact of the stage of economic development
- Impact of industrial organizational culture

Therefore, we agree with Haire and his colleagues in their conclusion (Managerial Thinking : An International Study, 1966).

Cross-cultural studies of managers are fiendishly complex; no single 'explanation' for similarities and differences is likely to be adequate; the emergence of a world-wide 'culture' of industrial organization, the influence of national cultures, and the stage of economic development are not alternatives, but interconnected influences on managerial thinking behaviour.



From this study we found that there was a very strong tendency for middle managers to express similar beliefs about their work. For example, they were satisfied with the job itself. This satisfaction is derived from using their specialist technical professional competence. This made the job interesting and challenging involving a variety of activities and produced the feeling of satisfaction. Furthermore, there are similarities regarding job autonomy in terms of the middle manager wishing to have a degree of freedom to make decisions about his job which helps to determine the amount of skill which one can apply in particular situations. Only a job which allows the individual to apply a skill can reasonably be expected to allow possibilities for growth in self-esteem due to the successful completion of the task, if the skill aspect is removed then successful performance is someone else's success. However, this does not necessarily mean that group projects cannot lead to feelings of success, simply that the individual must be able to feel that he has had some responsibility for the group's success. Responsibility for making decisions concerning one's job is therefore a prerequisite of applying a skill, so it is hardly surprising that those with a high need for personal growth are more satisfied when they are given responsibility to determine their own work methods.<sup>1</sup> In this sense, the values, perception and attitudes of management can be said to be Universal. That implies that to be a manager is to have philosophy of management much like other managers everywhere.

However, there are specific social and cultural influences on the managerial thinking and behaviour from within the national environment. The cultural influence appears to be the key fronts in explaining the

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1. J.R. Hackman and E.E. Lawler 'Employee reactions to job satisfaction characteristic', Journal of Applied Psychology, 55 (1971), pp.259-286.

managerial thinking of Saudian middle managers. In particular their attitudes to religion, the extended family and the kinship system, and the importance of good social relationships have been noticed. For instance, the findings concerning leadership patterns of behaviour, where the majority of them thought the effective pattern of leader behaviour should stem from having a good relationship with the group (see p.199, Chapter V).

The economic cluster theory holds that managerial thinking and attitudes are influenced to a large degree by the stage of economic and industrial development of the nation. As indicated in Chapter II during the past two decades, the growth of Saudi's revenues from the export of petroleum and petroleum products has been remarkable. It has resulted in rapid urbanization diffusion at education among the population increased contact with the outside world, growth of communication, etc. Correspondingly people's expectations have also changed. They expect to benefit from the advantages of modern society, and this at the same time explains the affect of their needs of thinking about society and the individual's relationship with the state.

Their expectations regarding work have also changed. They demand suitable modern equipment, high standard of safety, pleasant locations, medical care, etc. This is reflected in this study by the Saudian middle managers in Sabic who reported in terms of the sources of their motivation when taking up their present jobs. The working conditions were particularly important which reflects the increased expectations of Saudian middle managers. These results are consistent with the hypothesis of the economic cluster theory.

#### 6.4 Recommendations

As the preceding paragraph is concerned with an effort to identify a set of assumptions associated with the study, the researcher will attempt to abstract from these assumptions of managerial behaviour some reasonable

solutions pertaining to the information acquired through her investigation. It is perhaps appropriate to preface the discussion of the issues with two notes for action.

First: we have to acknowledge that there is at present no way of judging with any degree of accuracy the extent to which Sabic management have developed distinctive features. We have noted that Sabic was established only in 1976. Most of the Saudian middle managers in Sabic will have been educated and trained on the western model, and as our data confirms most have worked with expatriate managers, others have taken over from an expatriate boss (reflecting Sabic policy for Saudiazation). Facing the problem of scarcity of technical capacity and shortage of qualified manpower, Sabic solved this problem by borrowing expertise from other countries and at the same time improving the quality of Saudian manpower by training them inside and outside the country.

Second: we have also shown that traditional values still adhere in contemporary Saudi Arabia as a fundamental aspect of the life of the individuals, even those, such as middle managers, who were educated and trained outside Saudi Arabia. These values support the culture school of thought. From the research the primary observation regarding middle managers' motivations showed that both Saudi and development countries middle managers stress the importance of their needs for autonomy and self-actualisation at work. The majority of Saudi and developing middle managers seemed to have only a general understanding fo their departments' plans and goals. This may be due to the lack of participation by them in the planning processes of their departments which determine goals and objectives, while they had a strong ambition to assume more responsibility if given the opportunity to participate in the planning processes of their

departments. Participation would lead to greater understanding of the motive behind plans. Moreover, participation encourages them to accept responsibility for an activity, because they are self-involved in the work, and therefore, they want to see it work successfully. They become interested in and receptive to team work, because they see in it a means of accomplishing a job for which they feel responsible. These results support the Universal school of thought.

Middle managers from developed countries frequently have a heavy workload with no reward. The data showed that the majority of them were not very satisfied with their working for Sabic, and since the wages were the primary motivation for their working there, the pay system was affecting their satisfaction and motivation. Therefore, there needs to be a review of the pay system and workload to motivate them to carry out their work efficiently and effectively. This result is evidence that satisfaction with pay is an important element in job satisfaction. People compare themselves in terms of inputs as well as outputs. Presumably, such factors as level of skill, amount of effort, responsibility and past experience are some of the considerations which an individual weighs up on the input side. The equity of payment for this input is related to the amount of pay that similar individuals receive for similar inputs. If they feel the input side more or higher than output side (amount of pay), then they will be dissatisfied. Chung elaborated on this by saying:

..pay dissatisfaction is measured by the difference between what they feel they should receive. If the difference is against their favor, it leads to dissatisfaction. Pay dissatisfaction is manifested in forms of low motivation, sabotage, absenteeism and quitting. These undesirable behaviours contribute to low productivity. Pay satisfaction is also considered a prerequisite for implementing a new managerial system.

When people are not satisfied with pay, they will not respond positively to such motivational systems, as job enlargement, job enrichment and management by objectives.<sup>1</sup>

The other observable outcome of the study focuses on the variable leadership qualities and motivation that are culturally influenced by the Saudi Arabian, developing and developed countries nationalities. Thus a recommendation is made for multinational corporations to develop multi-cultural programmes for multi-national managers. On the surface, it would appear that the recognition of the importance of pay lends support to the universal school of thought; but this is not the case for the Saudian group, as pay is of much less importance. Saudis are looking for something more for satisfaction, for a worthwhile career, for job fulfilment, for achievement.

As mentioned in previous pages, multinational corporations operating in Saudi Arabia belong to more than 54 foreign countries. Saudi Arabia like any developing country faces the problem of lack of adequate technical and managerial skills; consequently, multi-management ability is a very important issue in working in Saudi Arabia.

A management expert coming into a society new to him needs to know a number of general and specific things about it. Culture is a reflection of the society and its patterns of behaviour. In order to be able to understand the behaviour patterns, it is necessary to understand the ways in which the fundamental activities within the society are carried out. Matters on which it is necessary to have information include how the society maintains itself. The economy,

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1. Kae H. Chung, Motivation Theories and Practices, Grid Inc., (Columbus, Ohio, U.S.A., 1977), p.137.

the political system, the social system, and the educational system. The foreign experts must have a good understanding of how the local culture enters into everybody's working life. How it is dealt with or ignored and at what cost. The researcher believes a cross-cultural training programme is extremely important in exposing the managers to the different cultures, customs and living conditions, or where he will work and live. This training should reduce the culture shock conflict, and improve the managers' chances of a quicker recovery from shock and frustration.

Harris and Moran (1979) in their study of managing cultural differences believe that:

When an organization assigns a representative to a foreign culture, it has a responsibility to provide that person with as much useful information about that country and its people as possible - it can save time, energy, money and gain goodwill everywhere. So too, when an employee receives such an overseas assignment, self-preservation dictates that the individual seeks out as much culture specific data as feasible to facilitate one's own and family's adjustment to the strange circumstances. Furthermore, it will contribute to the successful accomplishment of one's mission.

Multinational corporations could prepare a programme for the cross-cultural training of managers by:

- examination of the social, political and economic policies of the foreign country;
- dissemination of information on the local, cultural, religious and welfare systems;
- encouragement of an attitude of cultural objectivity to discover why people act the way they do and a realisation that their way of behaving may be best for them;
- orientation to the culture and language.

In this way, the managers of the multinational corporations would become more aware and informed of the potential problems that may arise in managing the cultural differences in international business situations.

#### 6.5 Suggestions for further research

The present study is the first to be undertaken on cross-cultural influences, not only on the three groups of middle managers in Sabic but also in Saudi Arabia in general. The research concentrated on the similarities and differences between Saudis and non-Saudian middle managers in Saudi Basic Industries Corporation, regarding some aspects of human behaviour and attitudes. It is, therefore, not unreasonable to emphasise the urgent need for research into other aspects of Sabic, its environment and its management. In this sense, it is difficult to select areas which seem to demand priority, but related to issues raised by the present study. The following are suggested productive avenues for future research:

1. There is a need to investigate and identify more clearly those features of Saudian society which might be compatible or incompatible with western management concepts and practices. This knowledge might enable both the managers to reduce the contradiction between the demands of the organization and the expectations of society and training in cross-cultural management.
2. Future study would benefit from taking into account the effects of other factors such as age, level of income, level of education, on the attitudes towards leadership style, job satisfaction and motivation in cross-cultural studies.

3. The present research studied only middle-level managers from different nations. Future studies could consider the evaluation of the subordinates who must work for the middle managers on a day-to-day basis.

4. Future research could also include managers. Their ideas could give another perspective to the political issues. Perhaps they would express their expectations of their subordinates middle managers (Saudians and non-Saudians), and give insight into their perception of the organizations.

5. The researcher very strongly recommends a future researcher to study and evaluate training programmes in Sabic, which Sabic considers as a major strategy for Saudi manpower development to achieve Saudization, as mentioned earlier (Chapter V).

6. The researcher also recommends that future research involves personal interviewing. Interviewing would perhaps lead to a more complete respondents' analysis, the problems which respondents experience with their job, and could be an effective means of eliciting information from respondents.

7. Associated with this, the researcher would encourage researchers in this field who are interested in cross-cultural studies to pay careful attention to language differences in translation and to cultural differences which may influence respondents' feelings or responses to the items on the questionnaire.



## APPENDICES

Dear Sir,

My name is Norah Abdullah Aba-ALKhail and I am a lecturer at the Department of Public Administration, College of Administrative Sciences, King Saud University. At the moment, I am on study-leave at the Department of Public Administration, University of Liverpool in the United Kingdom.

In partial fulfilment for the requirement of the degree of Ph.D. in Public Administration, I am undertaking a research project entitled "Leadership and Selected Aspects of Administrative Behaviour in the Public Corporation in Saudi Arabia". To this end, I would like to seek your cooperation in answering the questions on the attached questionnaires. The questions deal with work and work-related aspects only.

I emphasised strongly here that the information obtained will be used in the strictest confidence, and therefore, your name is not required.

Thank you for your cooperation.

Yours sincerely,

Norah Abdullah Aba-Alkhail

## NOTE

Don't mention your name or any thing would indicate your identity.

When you answer the question, mark ( x ) or (✓) in front of the answer which describes your opinion best, if you do not find among the answers given the one that you agree with please write in the available in what you think the best answer is.

If it happens that you agree with more than one answer please check the ones that you agree with, in this case you are selected to mark these answers (1, 2, 3,4) according to their preferences.

Some time you might find that some questions do not require more than one, the given space with one or two sentences in the case insert the most descriptive phrase.

APPENDIX A  
QUESTIONNAIRE

General Managers  
and  
Department Managers

- Q.1 Sex: Male .....  
Female .....
- Q.2 What is your nationality? .....
- Q.3 How old are you? .....
- Q.4 Your social status
  - (a) Single .....
  - (b) Married .....
  - (c) If married, Number of Children .....
- Q.5 What was the occupation of your father?  
.....  
.....
- Q.6 What formal education did you receive?  
.....  
.....  
.....
- Q.7 Name of University/College/School attended?  
.....  
.....  
.....
- Q.8 Date of Graduation?  
.....

Q.9 If you have graduated from a University, what subject did you study?

.....  
.....  
.....

Q.10 Have you worked for other employers before joining this corporation?

(a) Yes .....

(b) No .....

(c) If Yes, how long and name of previous employer?

.....  
.....

(d) What position did you hold?

.....  
.....  
.....  
.....

Q.11 What position do you hold in the present corporation?

.....

Q.12 How long have you been in this position?

.....

Q.13 How long have you worked for the present corporation?

.....

Q.14 Do you perform management functions other than those associated with your answer to Q.11?

(a) Yes (please specify) .....

(b) No .....

- Q.15 Would you like to receive greater management responsibility than you have at present?
- (a) Yes (please specify) .....
  - (b) No .....

Q.16 Your monthly income?  
.....

- Q.17 When you joined this corporation, indicate which of the following factors were important to you. Mark the most important as (1), the second most important as (2), and so on.
- (a) Wages/Salary .....
  - (b) Security .....
  - (c) Working conditions .....
  - (d) Other (please specify) .....
  - .....

- Q.18 In evaluating your present job, would you say it is:
- (a) Very satisfactory .....
  - (b) Satisfactory .....
  - (c) Not satisfactory .....
  - (d) Totally unsatisfactory .....

- Q.19 Which of the following is the most important factor in explaining your answer to Q.18
- (a) The job itself .....
  - (b) your social relation at work. ....
  - (c) your social/family ties in the locality. ....
  - (d) your immediate group of colleagues .....

/continued over

- Q.19 (continued)
- (e) the lack of other .....  
 appropriate alternatives
- (f) others (please specify) .....  
 .....  
 .....
- Q.20 (1) Supposing the opportunity arose, would you like to change your  
 present job?
- (a) Yes .....
- (b) No .....
- (2) If yes, would you like to move to:
- (a) another job in this corporation .....
- (b) another job with another corporation .....
- (c) a similar job with another corporation .....
- (d) move out of .....
- Q.21 How do you evaluate your relationship with your subordinates? Do  
 you think it is:
- (a) Good .....
- (b) Satisfactory .....
- (c) Poor .....
- Q.22 How do you evaluate your relationship with your superiors?
- (a) Good .....
- (b) Satisfactory .....
- (c) Poor .....

- Q.23 Which of the following tasks do you think your immediate supervisor is most concerned with?
- (a) having the job done .....
- (b) your training, advancement.....  
and encouragement.
- (c) both (a) and (b) .....
- Q.24 How much does your work matter to you?
- (a) Important .....
- (b) Average .....
- (c) Not Important .....
- Q.25 (1) Does your present job involve work which is:  
(please circle the correct answer)
- (a) inherently interesting YES/NO
- (b) has variety YES/NO
- (c) provides you with a challenge YES/NO
- (d) all above YES/NO
- (2) How important are these qualities in the work?  
(please circle one)
- (a) interest: very important important no importance
- (b) variety: very important important no importance
- (c) challenge:very important important no importance
- Q.26 How closely does your superior supervise you? (delete as appropriate)
- loosely moderately closely



- Q.27 Do you feel that your superior will support you when necessary?
- (a) Never .....
  - (b) Rarely .....
  - (c) Usually .....
  - (d) Always .....

- Q.28 Are you given much freedom to do the job in the way you prefer?
- (a) You have a great deal of freedom to do the job in your own way  
.....
  - (b) You have quite a lot of freedom.....
  - (c) You do not have much freedom.....
  - (d) You have no freedom at all .....

- Q.29 In general, how much personal influence do you see your superior has on what goes on in your section/department?
- (a) He has a great deal of influence .....
  - (b) He has quite a lot of influence .....
  - (c) He has a little influence .....
  - (d) He has no influence .....

- Q.30 If any influence, how does it show itself?
- .....
  - .....
  - .....
  - .....
  - .....
  - .....

- Q.31 How important do you think it is for a group to have confidence in the ability of the superior?
- (a) It is very important .....
  - (b) It is quite important .....
  - (c) It has not much importance .....
  - (d) It has no importance .....
- Q.32 How confident do you feel about the ability of your own superior?
- (a) Very confident in his ability .....
  - (b) Quite confident in his ability .....
  - (c) Never really thought about it .....
  - (d) Little confidence in his ability .....
- Q.33 If the manager hopes to get the best out of his men, in your opinion which of the following ways would be most effective? Of your choices, could you say which comes first in effectiveness, then second, and so on?
- (a) "Needle" men to greater effort .....
  - (b) Let his men do their work the way they think best .....
  - (c) Stress being ahead of other work groups .....

- (d) Emphasise quality of work .....
- (e) Insist that his men follow  
standard ways of doing things .....  
in every detail
- (f) Express appreciation when  
a man does a good job .....
- (g) Rule with a firm hand .....
- (h) Treat his men with .....  
consideration
- (i) Set good example to his own  
men by being competent and .....  
keen on the job
- (j) Foster good relations all .....  
round.

Q.34 Please circle the correct answer:

- (a) Are you satisfied with your job: YES/NO
- (b) Do you find your job demanding: YES/NO
- (c) Are you under constant pressure YES/NO  
in your job:

If yes, please specify from where pressure comes, e.g. superiors/  
clients/colleagues:

.....  
.....  
.....  
.....

Q.35 Please circle the correct answer.

Do you work overtime in order to complete your assignments?

YES/NO If yes, frequently/occasionally?

.....  
.....

(a) Are you paid for overtime YES/NO

(b) Are you dissatisfied with any YES/NO  
aspects of your employment

If yes, please specify

.....  
.....

Q.36 Have you received any training since you joined this corporation?

(a) Yes .....

(b) No .....

If yes, where did the training take place

(a) Training provided by this corporation's official YES/NO

(b) Other national training institutions YES/NO  
(please specify)

.....  
.....

(c) Abroad (please specify)

.....  
.....

Q.37 What was the duration of that course of training and when?  
(please specify)

.....  
.....  
.....

Q.38 How useful was the training received in helping you cope with the practical aspects of your work?

- (a) Very useful .....
- (b) Fairly useful .....
- (c) Useful in some ways and not useful in others .....
- (d) Very unuseful .....

Q.39 How adequate is the training given to your subordinates?

- (a) Very adequate .....
- (b) Fairly adequate .....
- (c) Adequate in some ways, inadequate in others .....
- (d) Very inadequate .....

Q.40 Do you have training programmes given to new men in your department?

- (a) Yes .....
- (b) No .....
- (c) Brief resume of content of training and its duration. Who provides it? Is it formally or informally organised?  
.....  
.....  
.....  
.....

If yes, is the training:

- (a) very adequate .....
- (b) fairly adequate .....
- (c) adequate in some ways, inadequate in others .....
- (d) very inadequate .....

Q.41 Who writes the efficiency report for employees under your immediate supervision?

- (a) you personally .....
- (b) you and assistant manager .....
- (c) director general only .....
- (d) your director general .....  
with your consultation

Q.42 If you have filled an efficiency report for one of your subordinates, do you think that existing form gives officials in the specialised department clear picture about the employee under consideration?

- (a) Yes .....
- (b) No .....

Q.43 Regardless of what is stated in the laws and regulations:

Do you think (your opinion only) the efficiency report has a big role for promotion and assignment in new positions?

- (a) Yes .....
- (b) No .....

How did you get your present grade:

- (a) By direct appointment .....
- (b) By promotion .....
- (c) By transfer from another .....  
department
- (d) Other (please specify) .....  
.....  
.....  
.....

- Q.44 Some managers are criticised for not delegating some of their authority. In your opinion what are the reasons behind this?
- (a) Over-estimation of their responsibility .....  
For this reasons they prefer to be sure that everything is done properly even if this would delay the work.
  - (b) They feel they do not have qualified .....  
and reliable subordinates
  - (c) Their tendency to obstination .....
  - (d) Mis-interpretation of authority .....  
and responsibility
  - (e) Other (please specify)  
.....  
.....  
.....  
.....  
.....

- Q.45 In your opinion, what is the source of authority? Is it:
- (a) Determined by law and regulations .....
  - (b) Acquired by a person according to .....  
effectiveness and ability to  
persuade others.
  - (c) Acquired by (a) and (b) above .....
  - (d) Acquired by a person through his .....  
skills and knowledge
  - (e) Acquired through social position .....
  - (f) Other (please specify) .....  
.....  
.....  
.....  
.....

Q.46 How would you describe the goals and responsibility of the department you currently work for?

- (a) Goals and responsibilities are very clear .....
- (b) Are quite clear .....
- (c) Generally clear .....
- (d) Other (please specify) .....
- .....
- .....

Q.47 Does your department have plan for action and known goals?

- (a) Yes .....
- (b) No .....

If yes, how would you answer the following:

- (a) You have participated in the study of the plan and the determination of my department, goals .....
- (b) You have not been asked to participate and arrive an opinion .....
- (c) Plans and goals were determined by high ranking officials my role is to execute. ....
- (d) You have not participated in the study of the plan and I have no knowledge of it. ....

Q.48 When the manager wants to make a decision in your opinion which of the following ways would he be more effective:

- (a) The manager makes the decision and announces it .....
- (b) The manager 'sells' his decision .....
- (c) The manager presents his ideas and invites questions .....
- (d) The manager presents a tentative decision subject to change .....



- (e) The manager presents the problem, .....  
gets suggestions
- (f) The manager defines the limits and .....  
requests the group to make a decision
- (g) The manager permits the group to make.....  
decisions within prescribed limits

بسم الله الرحمن الرحيم

الاساد الكرام

السلام عليكم ورحمة الله وبركاته .. وبعد ،  
 افيدكم اني محاضرة بقسم الادارة العامة بكلية العلوم الادارية بجامعة الملك  
 سعود ، وحاليا منعت لدراسة الدكتوراه في ادارة المؤسسات والشركات العامة بجامعة  
 ليعربول بالمملكة المتحدة .

ان المعلومات المطلوبة في هذا الاستصا المرفق ستساعدني في اكمال  
 دراسي هذه .

انذا آمل انكم ستساعدني في نمذ الاسماره المرفقه علما بانها باللغه  
 الانجليزية نظرا لان تحليلها واستخراج النتائج الحاصدها سيكون بالحامه المذكوره .

اسكركم سكرًا ، لا تلتن معاوتكم .

بوره عبدالله ابا الحيل

السؤال

- ١ - الجنس
- ( أ ) ذكر .....
- ( ب ) انثى .....
- ٢ - ما هي جنسيتك؟ .....
- ٣ - كم تبلغ من العمر؟ .....
- ٤ - الحالة الاجتماعية؟ .....
- ( أ ) غير متزوج .....
- ( ب ) متزوج .....
- ( ج ) اذا كنت متزوج كم عدد اطفالك .....
- ٥ - ما هي وظيفة والدك؟ .....
- ٦ - ما هي مؤهلاتك العلمية؟ .....
- .....
- .....
- .....
- .....
- ٧ - اسم الجامعة / الكليه / المدرسه التي تخرجت منها؟ .....
- .....
- .....
- .....
- .....

## السؤال :-

٨- تاريخ التخرج .....:.....

٩ - اذا كنت تخرجت من جامعه فما هو تخصصك؟

.....

.....

.....

.....

١٠ - هل سبق لك أن عملت بمؤسسه اخرى قبل الالتحاق بهذه

المؤسسه ؟

..... ( أ ) نعم

..... ( ب ) لا

..... ( ج ) اذا كان نعم فما اسم المؤسسه السابقه ؟

.....

.....

١١ ماهى الوايفه التى تنغلها فى المؤسسه الحاليه ؟

.....

.....

١٢ ماهى المده الزمنيه التى قضيتها فى هذه الوظيفه ؟

.....

.....

١٣ ماهى المده التى قضيتها فى المؤسسه الحاليه ؟

.....

## السؤال

١٤ - هل تقوم باعمال عدا المجله فى اجابتك. على السؤال

رقم (١١) ؟

( أ ) نعم ( الرجاء التوضيح ) .....

( ب ) لا . . . . .

١٥ - هل تريد تولى مسئوليات اداريه اعلى من التى تشغلها

حاليا ؟

( أ ) نعم ( الرجاء التوضيح ) .....

.....

( ب ) لا .....

١٦ - دخلك الشهرى .....

١٧ - عند التحاقك بهذه المؤسسه وضح اهم العناصر بالنسبه لك .

وضع الرقم

( ١ ) على الاكثر اهمية والرقم (٢) الى العنصر الذى يليه وهكذا

( أ ) الرواتب والاجور .....

( ب ) الامن .....

( ج ) الاحوال العمليه .....

( د ) اسباب اخرى (مع رجاء التوضيح ) .....

.....

١٨ - عند تقييمك لوظيفتك الحاليه هل تعتقد انها :

( أ ) مرضيه جدا .....

( ب ) مرضيه .....

( ج ) غير مرضيه .....

( د ) غير مرضيه بتاتا .....

## السؤال

١٩ - ما هي اهم العناصر من التالي، لتوضيح اجابتك على السؤال

رقم ( ١٨ ) ؟

( أ ) الوظيفة نفسها .....

( ب ) علاقتك الاجتماعيه فى العمل .....

- ٢٠

(١) اذا اتاحت لك فرصه هل تريد تغير وظيفتك الحاليه ؟

( أ ) نعم .....

( ب ) لا .....

(٢) اذا كان نعم .

( أ ) وظيفه اخرى فى هذا المؤسسه .....

( ب ) وظيفه اخرى فى مؤسسه اخرى .....

( ج ) نفس الوظيفة بمؤسسه اخرى .....

( د ) المهم التغير .....

٢١ - كيف تقيم علاقتك بمروسيك ؟

( أ ) جيده .....

( ب ) مرضيه .....

( ج ) ضعيفه .....

## السؤال

٢٢ - كيف تقيم علاقتك بروسانك؟

( أ ) جيدة .....

( ب ) مرضية .....

( ج ) ضعيفة .....

٢٣ - اى نوع من التالى تعتقد ان رئيسك المباشر مهتم به

( أ ) القيام بالعمل على اكمل وجه .....

( ب ) تدريبك و تقدمك و تشجيعك .....

( ج ) كل من أ- ب .....

٢٤ - ما اهمية عملك بالنسبه لك؟

( أ ) مهم .....

( ب ) عادى .....

( ج ) غير مهم .....

٢٥- (١) هل عملك الحالى يشتمل ما يلى؟

( رجا \* عمل دائره على الاجابه الصحيحه )

( أ ) شيق فى طبيعته نعم / لا

( ب ) متنوع نعم / لا

( ج ) به نوع من التحدى نعم / لا

( د ) كل من (أ) و (ب) صحيح نعم / لا

(٢) ماهى اهمية النوعيات التالیه من العمل

١- الرغبه :- (أ) مهمه جداً (ب) مهمه (ج) غير مهمه

٢- التنوع :- (أ) مهم جداً (ب) مهم (ج) غير مهم

٣- التحدى :- (أ) مهم جداً (ب) مهم (ج) غير مهم

٢٦ - الى اى مدى يشرف عليك رئيسك؟

( أ ) عن بعد

( ب ) معقول

( ج ) عن قرب

٢٧- هل شعرت ان رئيسك يقف لجانبك عند الحاجه

( أ ) قطعاً لا .....

( ب ) نادراً .....

( ج ) عادة .....

٢٨- هل لك حريه كافيه لانجاز العمل با لطريقه التى تعجبك؟

( أ ) لى حريه كامله لانجاز العمل بطريقتى .....

.....

.....

( ب ) لى الكثير من الحريه .....

.....

( ج ) ليس لى الكثير من الحريه .....

.....

( د ) ليس لى حريه مطلقاً .....

.....

٢٩- بشكل عام كيف ترى نفوذ رئيسك عن مسار العمل فى قسمك؟

( أ ) له نفوذ كبير .....

( ب ) له نفوذ .....

( ج ) له نفوذ قليل .....

( د ) ليس له نفوذ .....



## السؤال

٣٥- اذا كان لك اي نفوذ كيف يظهر ؟

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٣٦- الى اي مدى تعتقد ان ثقه المجموعه العالمه فى رئيسها مهمه ؟

- ( أ ) اعتقد انها مهمه جداً .....
- ( ب ) اعتقد انها مهمه .....
- ( ج ) لا اعتقد انها مهمه جداً .....
- ( د ) لا اعتقد انها ذات اهميه .....

## السؤال

٣٢- الى اى حد تشعر با لثقه تجاة مقدره رئيسك ؟

- ( أ ) اشعر تجاة بثقه كبيره .....
- ( ب ) اشعر بثقه .....
- ( ج ) لم افكر بذلك .....
- ( د ) اشعر بقليل من الثقه .....
- ( هـ ) لا اشعر بثقه البته تجاة مقدرته .....

٣٣- اذا كان المدير يأمل فى استفاده قصور من مرووسه فما هى  
فى رايك افضل الطرق ؟

( فى اختيارك يمكنك ترتيبهم حسب التى تراها انت  
اكثر اهميه ثم الثانيه وهكذا )

- ( أ ) اقصى مجهود
- ( ب ) القيام بالعمل بالطريقه التى يجدونها احسن .
- ( ج ) الجهد قبل عمل المجموعات الأخرى
- ( د ) تأكيد كمية العمل •
- ( هـ ) التاكيد من اتباع طريقه العمل بالتفصيل •
- ( و ) التعبير عن التقدير فى حاله القيام بعمل جيد •
- ( ي ) المعاملة بشده •
- ( د ) معاملة موظفيه باعتبار •
- ( ز ) ونع المثل الجيد لموظفيه وذلك بالقيام بعمله على اكمل وجه •
- ( ل ) اقامة علاقات جيده مع من حوله •

السؤال

٣٤- جاوب بنعم او لا على الاجابه الصحيحه .

( أ ) هل انت راضى عن عملك . نعم / لا

( ب ) هل تجد عملك يتطلب منك الكثير نعم / لا

( ج ) هل انت تحت ضغط مستمر فى عملك . نعم / لا

اذا كان هناك ضغط الرجاء الشرح من اين الروسا\* / العملا\* / الزملا\* .

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٣٥- الاجابه بنعم او لا :-

هل تحتاج الى عمل اضافى ( وقت اضافى ) لكى تنهى اعمالك ؟

نعم / لا

اذا الاجابه بنعم هل تقوم بذلك باستمرار ام من وقت لآخر ؟

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- ( أ ) هل يدفع لك مقابل العمل الاضافى ؟ نعم / لا  
 ( ب ) هل انت غير راضى عن اى امر فى وظيفتك نعم / لا  
 اذا اجبت بنعم الرجاء التوضيح .

.....  
 .....  
 .....  
 .....

٣٦ - هل تلقيت اى تدريب منذ انضمامك الى الشركة ؟

- ( أ ) نعم .....  
 ( ب ) لا .....

اذا الاجابه بنعم اين تلقيت تدريبك ؟

- ( أ ) تدريب قدم لك من موظفى هذه الشركه .  
 ( ب ) تدريب قدم لك فى معاهد قوميه اخرى .

الرجاء التوضيح

.....  
 .....  
 .....  
 .....

- ( ج ) اذا كان التدريب خارج البلاد الرجاء التوضيح .

.....  
 .....  
 .....  
 .....

السؤال

٣٧ - ما هي مدة و نوع التدريب و بالتحديد متى (الرجاء توضيح)

.....  
 .....  
 .....  
 .....

٣٨ - الى اى حد كانت فائدة التدريب الذي تلقيته في مساعدتك  
 للتأقلم مع المجالات المختلفه في عملك ؟

.....  
 .....  
 .....  
 .....

٣٩ - الى حد كانت فائده التدريب الذي اعطى لمرووسيك ؟

( أ ) اكثر من كافي .....  
 ( ب ) كافي .....  
 ( ج ) كافي بعض الحالات والبعض لا  
 ( د ) ليس بالكافي .

٤٠ - هل هناك برامج تدريبيه للموظفين الجدد في ادارتك ؟

( أ ) نعم .....  
 ( ب ) لا .....  
 ( ج ) الرجاء توضيح محتويات التدريب ومدته و من قام بتقديمه  
 وهل كان منظما أم لا ؟

.....  
 .....  
 .....

إذا كانت اجابتك بنعم :

( ١ ) هل التدريب اكثر من كافي؟.....

( ٢ ) كافي ..... .

( ٣ ) كافي فى بعض الحالات والبعض لا .

( ٤ ) ليس بالكافي

٤١ - من يقوم بكتابه التقارير عن الموظفين تحت اشرافك المباشر؟

( أ ) انت شخصيا.....

( ب ) انت و مساعد المدير .....

( ج ) المدير العام فقط .....

( د ) المدير العام بعد استشارتك.....

( و ) اذا كان هناك اخرين الرجاء التوضيح

.....

.....

.....

.....

٤١ - اذا قمت بكتابة تقرير لاحد مروو سيك هل تعتقد أن هذا

التقرير يعطى صورة واضحة للاشخاص ذوى العلاقة عن الموظف؟

( أ ) نعم .....

( ب ) لا .....

٤٣ - بدون الاخذ فى الاعتبار القوانين واللوائح هل تعتقد فى

رايك أن التقرير له التأثير الكبير فى الترقيه لمركز جديد؟

( أ ) نعم .....

( ب ) لا.....

كيف تحصلت على درجتك الحالية ؟

( أ ) بالتعيين المباشر

( ب ) بالترقيه .

( ج ) بالنقل من ادارة الى اخرى

( د ) اذا بطريقة اخرى الرجاء التوضيح .

.....

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.....

٤٤ - هناك انتقاد لبعض المديرين لعدم تفويض بعض سلطاتهم فى

رأيك ما هى العوامل المؤديه الى ذلك؟

( ا ) عدم تقدير حجم المسئوليه لذلك يفضلون التأكد من أن

العمل تم بصوره سليمه حتى لو ادى ذلك الى تاخير العمل

.....

( ب ) شعور بعدم كفاءه مرووسيه .....

( ج ) ميولهم للعناد والاضرار ..

( د ) عدم تقدير السلطه و المسئوليه .....

( هـ ) اذا كان هناك غير ذلك الرجاء \* التوضيح

.....

.....

السؤال

٤٥ - فى رأيك ماهى منبع السلطة هل هى :

- ( أ ) قررت بالقوانين واللوائح .....
- ( ب ) اكتسبب عن طريق الفاعليه و القدره على اقناع الاخرين .....
- ( ج ) اكتسبتب (ا) و (ب) المذكورين اعلاية .....
- ( د ) اكتسبت من خلال المعرفه و المهاره الفرديه .....
- ( و ) اذا كان هناك غير ذلك الرجاء التوضيح .....

٤٦ - كيف يكون وصفك للاهداف و المسئوليات للاداره التى تعمل بها ؟

- .....
- .....
- .....
- ( أ ) هناك اهداف و مسئوليات و اضحه جداً .....
- .....
- ( ب ) ليس هناك اهداف و مسئوليات و اضحه جداً .....
- .....
- ( ج ) تعتبر و اضحه بصفه عامه .
- ( د ) اذا كان هناك غير ذلك الرجاء التوضيح .....



السؤال

٤٧ - هل هناك خطة معينة للعمل واهداف محددة للاداره التى تعمل بها ؟

( أ ) نعم .....

( ب ) لا .....

اذا كانت الاجابه بنعم فما هو اجابتك على الاتى:-

( أ ) لقد تم الاشتراك فى دراسه الخطه و تحديد الاهداف ...

.....

( ب ) لم تسدع الاشتراك لكى تعطي راي .....

( ج ) تحدد الخطه و الاهداف بواسطة موظفين ذو درجه عاليه

وعليك تنفيذ ذلك .....

( د ) لم تشارك فى دراسه الخطه و ليس لك علم بها ...

.....

٤٨ - عند اتخاذ المدير لقرار معين اى الطرق فى رايك سكون المدير

فيها اكثر فاعليه ؟

( أ ) يتخذ القرار ثم يقوم باعلانه .....

( ب ) يروج قراراته ... ..

( ج ) يقوم بتقديم فكرته و يدعى الى الاستله عليها .....

.....

( د ) يقوم بتقديم قرارات غير نهائيه قابله للتغير .....

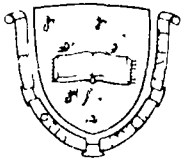
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( هـ ) يقوم بتقديم المشكله لاختد المقترحات .....

( و ) يقوم بتحديد الابعاد و يطلب من المجموعه اخذ الاقرارات

.....

( ي ) يسمح للمجموعه باخذ القرارات فى اطار محدود مسبقا .....

APPENDIX C

## PUBLIC ADMINISTRATION PROGRAMME

FROM DIRECTOR OF PUBLIC ADMINISTRATION STUDIES

MORTON R. DAVIES, B.A. Dip.Ed.  
ROXBY BUILDING P.O. BOX 147 LIVERPOOL L69 3BX

TEL. 051 - 709 - 6022

## The University of Liverpool

MRD/KJH.

25th July, 1984.

SABIC Corporation

To whom it may concernMiss Noorah Aba-Alkhail

Miss Aba-Alkhail is a registered student at this University studying leadership and selected aspects of administrative behaviour in public corporations in Saudi Arabia. She is returning to Saudi Arabia in November, 1984 to gather data for her study and will remain there until her assignment is completed before returning to resume her studies in Liverpool. I shall be grateful for any assistance which can be given to Miss Aba-Alkhail. Her topic of research is an extremely worthwhile one and will make a valuable contribution to the study of development efforts in her country.

In anticipation of the help you may be able to provide I thank you.

Morton R. Davies,  
Director,  
Public Administration.

SAUDI PETROCHEMICAL COMPANY

APPENDIX D

الشركة السعودية للبترول وكيماويات

05 FEBRUARY 1985

TO: GENERAL MANAGERS  
ASST. GENERAL MANAGERS  
DEPT. MANAGERS  
SECTION MANAGERS

FROM: MANAGER PUBLIC RELATIONS

SUBJECT: QUESTIONNAIRE

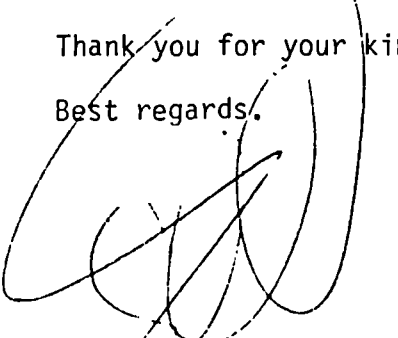
My department received questionnaires from Norah Abdullah Aba-Alkhalil, a lecturer from King Saud University and currently taking up her Ph.D. in Public Administration at the University of Liverpool in the United Kingdom.

As part of her studies, she is gathering data for her research project entitled "Leadership and Selected Aspects of Administrative Behaviour in the Public Corporation in Saudi Arabia" thus, forwarding some questionnaires and requesting our assistance.

In relation with the above, I am forwarding the said questionnaire for you to fill up so as to extend to her our assistance. When the questionnaire is completed, please return same to Public Relations at room A2-40-17 as soon as possible.

Thank you for your kind assistance and cooperation.

Best regards,



ABDULLA I. ALDAKHEEL

AID:alm

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