Private and Public Sector: Conflicts and Resolution – HRM Practice in Saudi Arabia

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Abstract

The foundation of an organization is to combine the dynamism and knowledge of diverse people. Often such combinations may result in conflicts too. To take advantage of joint work requires conflict management. In this paper, the central focus is on the conflict management and resolution in Saudi Arabia's public and private sector. It is because Saudi Arabia is one of the countries that have immensely benefitted from globalization. Not only does it export oil, but also require a knowledgeable, skilled, and able workforce. In a country that 27% of the workforce is composed of the expatriates, it is important to identify and define the various factors that influence Human Resource Management practices. Management and resolution of conflicts is a functional area for the Human resource departments. The scope of conflict, as it were, includes those actions that hamper work relationships and interactions. The Kingdom of Saudi Arabia presents an important context for this study. As such, there are three study areas for this paper. These include conflict management and resolution, Saudi Arabia, and Human Resource Management. Through the blending of concepts associated with the study areas, it is possible to define not only industrial relations but also the difference in approaches taken by the public and the private sector. Because of the composition of the workforce, and the inevitability of conflicts, it is important to identify the environmental issues, which render the conditions in the Kingdom of Saudi Arabia unique, and, for several reasons, a challenge to Human Resource Management professionals. Since conflicts at workplace are inevitable, Saudi Arabia's unique political and social context provide a chance to define the conflict management and resolution approaches available for the public and private sector. Among other things, this paper resolves that the conflict management and resolution in the public sector is a rigid process.

Keywords: *Conflict; Management; Multiculturalism; Workforce; Saudi Arabia*

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Introduction

The position of Human Resource Management is indisputable. Ever since the 1970s, organizations have consistently adopted a formal approach to the management of the workforce. The results are satisfying. With a proper workforce, organizations can gain a competitive advantage. The spread of Human Resource Management (HRM) ideas is universal. Although environments differ – regarding political, social, and economic contexts, the principles of HRM are relevant in every region (Briscoe, 2004). Even so, due to social and political forces, the application of Human Resource Management differs across different zones. The case of the Kingdom of Saudi Arabia is interesting. Because of the dynamics of globalization, Saudi Arabia, through laws and reforms, must also participate in the improvement of industrial relations. Saudi Arabia, as a nation, has done considerably well in the implementation of Human Resource Management issues, especially health and safety. Even so, there is little research or structural advancement in the conflict management and resolution among organizations, both public and private. In an increasingly globalized and technological world, conflict management is essential.

Thus, this paper will incrementally build on the existing literature to define, evaluate, and predict the conflict resolution trends in the public and the private sector in the Kingdom of Saudi Arabia. The initial step is to unify the three key subject areas; the management and resolution, Human Resource Management, and Saudi Arabia. It is only then it is possible to assess the status of conflict management and resolution in Saudi Arabia. After the literature review, this paper will delve into the research question, which revolves around the Human Resource Management practice in Saudi Arabia, in general, and the conflicts resolution and management, in particular. In the methodology section, this paper will outline the approaches and the essence of the research. Finally, the latter sections will conclusively analyze and interpret the findings. Even so, the main purpose of this paper is to identify the conflict management and resolution methods adopted by Saudi organizations.

Literature Review

Unlike many nations, the Kingdom of Saudi Arabia is formed on traditional values. Saudi Arabia is first and foremost an Islamic state. The Sharia laws and Islamic customs are awarded precedence to other forms of transactions. The case of Saudi Arabia is quite compelling. As Torofdar observes, in 1945, Riyadh, the capital, was a rustic setting with mud houses and only twelve thousand inhabitants (n.d.). But today's Riyadh is a cosmopolitan city with above four million residents. This fact indicates a drastic shift from a marginal post to a center of commerce and trade. In fact, it is crude oil that has been the driving force of the economy, accounting for 75% percent of the source of the government's expenditure. Even so, it is interesting that Saudi Arabia, which is ruled by a monarch, and established on clan-based hierarchical structure, has no constitution. This political system is one of the socio-political factors that influence the Human Resource Management approach in Saudi Arabia, as well as conflict management and resolution.

Moreover, Saudi Arabia's cultural and social factors have placed this kingdom as the lucrative labor market. In discussing the significance of Human Resource Management in Saudi Arabia, it is interesting to consider the composition of the workforce, for this is significantly determined by the existing labor relations. While Saudi Arabia's population is approximately

thirty million, 27% of the workforce is composed of foreign expats. Most experts work in oil manufacturing and related industries. Saudi Arabia's birthrate stands at 3%. This growth and the disparity of the workforce composition has forced the authorities to develop corrective measures. For example, the labor laws require that those organizations with a few Saudi Arabians in the workforce should increase the number of the locals by 5% every year (Mellahi, 2001). In his thesis, Al-Sharif indicates that social factors have inadvertently affected HRM practices in Saudi Arabia (2014). It occurs that cultural practices influence work relations, and this deeply impacts the management of the workforce.

It is not only the social issues that influence HRM approaches in Saudi Arabia but also the available pool of expertise (Stevens & Campion, 1994). It is interesting that the oldest university in Saudi Arabia is only a half a century old. It is for such reasons that 95% of the personnel in the private sector are foreigners. Some scholars cite the cultural beliefs as a definitive factor in HRM approach, and specifically conflict management and resolution. Most firms in the private sector are foreign owned and report that the reluctance to absorb the Saudis in the workforce is due to innate traits of the population. For example, among the Saudis, there is a correlation between work and status. As a hierarchical society, there is some form of work that the population despises. Also, there is clear underrepresentation of women. Although Saudi women achieve equal education opportunities as men, they rarely join the workforce. Therefore, there is a shortage of expertise and skills among the indigenous population. Because of this discrepancy, the authorities are forced to deal with issues of multiculturalism. For the Saudi Arabia's workforce is one of the most diverse.

It is in Saudi Arabia that Wright and Boswell's concept of synthesizing the functional and strategic aspects of Human Resource Management (2002). While functional aspects deal with the internal or micro factors, strategically is concerned with the external factors. The case of Saudi Arabia conforms to the idea of combining these two approaches because of the nature of the laws. For example, the laws require that the leaders and the subordinates meet at least twice a day, during the prayers. Since the government controls the private sector, and significantly for the public sector, the Human Resource Management practices in Saudi Arabia not only depend on the industry-wide practices but also the customs and the decisions made by the monarchy.

Hence, the chaotic nature of the business environment does not eliminate chances of conflicts. But conflicts are necessary, for they pave the way for changes and transformation. Several scholars have argued that conflicts, with a proper approach, can enhance performance and strategic advantage (Becker & Gerhart, 1996). Dean Tjosvold states that through open communications, it is possible to develop sustainable solutions to challenges (2008). Among other benefits, the advantage of constructive conflicts includes learning, cooperation, quality decision-making, the saving of time, and improved relationships. It is then necessary that leaders should develop better methods of responding to micro-conflicts. While negative emotions, such as anger and violence, are associated with conflicts, Tjosvold asserts that these emotions are neither disruptive nor immaterial (2008). As long as there is a rational expression of emotions, where parties synthesize opposing ideas, the outcome of the process is likely to be

positive (Tjosvold, 1998). Having identified the landscape of Saudi Arabia's labor relations, these factors inevitably lead to conflicts, either in the private or the public sector.

Even so, awareness is the most important instrument in combating conflicts. As it were, conflicts often exist in communication (Gupta & Sasidhar, 2010). It is only possible to define conflicts when people share or exchange ideas. Otherwise, the conflict will be cerebral. While the thoughts and emotions are often the elements of conflicts, it is through expression that it is possible to identify the problematic areas. It is for this reason that Huan and Yazdanifard define two types of conflicts (2012). In the work environment, conflicts are either task-based or relational. Task-based conflicts are those founded on the completion of a task, which depends on objectives and goals. When employees cannot agree on the best course of action to take, and involve in the discussion, such conflict is task-based. On the other hand, when employees focus on blames and criticism of personalities, their conflict is relationship-based. In other words, the latter type of conflict aims at expressing personal differences, as opposed to the group objectives. In consequence, there are different styles of conflict management. These are aggressive, passive, avoiding, forcing, accommodating, and compromising. As Tjovold observes, no specific style is conducive, and leaders should identify the most appropriate style for different scenarios.

Hence, the case of Saudi Arabia presents the opportunities of applying the principles of conflict management and resolution. It is clear that the Human Resource department, in nearly every organization, is mandated with conflict management and resolution (Lengnick-Hall, C. & Lengnick-Hall, M., 1988). The same applies to Saudi Arabia, where the authorities have control not only on the composition of the workforce but also on approaches. It is true that issues of religion, as well as the political system, influences the best approach in conflict management and resolution. The effects of unresolved conflicts are clear. Conflicts can lead to employee dissatisfaction, and which affects productivity. For example, the conflicts can lead to absenteeism and carelessness at work. Also, conflicts affect employee loyalty.

Methodology

This paper is based on comparative analysis of existing literature, as well as the conducting of a short survey. This paper is also more qualitative than quantitative, for it does not only focus on results from the surveys but also personal opinions of the few subjects for this research. The primary data collection method was through conducting brief interviews on identified subjects, most of whom were part-time students. The respondents gave personal opinions of the conflict management and resolution approaches within their respective organizations. Therefore, because this paper focuses on the impression of the respondents, it remains as qualitative. For this research, there were only thirty subjects. Although this is a small sample, the respondents represented more than fifteen major Saudi Arabian organizations. Some of the respondents were also civil servants, therefore work in the public sector.

Some of the key areas included:

• The cooperation of Saudis in conflict management and resolution within a multicultural context.

• The significance of Islamic codes and Royal Decrees on conflict management and resolution.

• The factors that frequently cause conflicts within the organization.

- The impact of Saudi Arabia's collectivistic culture on conflict management and resolution.
- The availability of parallel channels for conflict resolution in the public and private sector.
- The methods of conflict resolution and the frequency of occurrence.

Since the aim of this paper is to distinguish between the approaches in the public and private sector, it focused on primary areas of influence. These areas included the regulations and existing framework for conflict resolution. Again, this requires a qualitative evaluation of the conditions. While the numbers are important, it is the essence of the responses that can benefit this paper. Thus, it is for this reason that this study targeted the managers and decision makers within respective public and private organizations. However, there is a distinction between the study conducted on the public and the private sector respondents. The key issue was the impact of Islamic codes on conflict resolution, as well as government intrusion in Human Resource Management practices, and whether this action is constructive or destructive.

Results

There is no doubt that the result of this study was eclectic. Given the qualitative approach, there were diverse views and opinions. The disparity of these views is the essence of conflict management and conflict resolution. At the outset, the aim of this paper was to define the factors that contribute to conflict management and resolution, which is a task of the Human Resource department. Unlike other functional areas, conflict management and resolution requires that the Human Resource Management practices predict legal and political environment. This aspect also leads to development of measurement methods (William & O'Boyle, n.d.). Even so, the Saudi Arabian environment is stable because of the dependability of Islamic codes, which define interactions and relationships at work.

Findings

Of the thirty respondents, a half was from the private sector and the other from the public sector. In this research, it is clear that conflict management styles differ in these sectors. Without exception, those from the private sector consider that the style should be specific to the problem at hand. Even so, cooperation was the most popular method of conflict resolution in the private sector. In other words, those from the private sector engage in debates and communicate their emotions, without fear of retribution. Of course, there are also alternative methods for those in the private sector. For example, arbitration, where a senior manager or employees intervene, was the preferred method for most of the respondents from the private sector. Moreover, those in the private sector often work or interact with foreign colleagues. In fact, this interaction has heightened conflicts. Moreover, 70% of the respondents from the private sector that conflicts are often relationship-based than task-based.

On the other hand, the respondents from the public sector are more conservative. Their responses indicate that the conflict resolution methods are universal. Those who fail to adhere to the available standards face the risk of detainment or losing their posts. Within the public sector, government decrees and Islamic codes are the central force. There are also fewer conflicts within the public sector. Therefore, the main conflict management styles include avoiding, passive, and forcing. Because of the rigidity of the public sector, deviations are condemned. Thus, there are little alternatives for conflict resolution.

Discussion

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Thus, it occurs that while the private sector has the room for improvisation, the public sector remains rigid. Unlike the private sector, the public sector thrives on Royal decrees and the adherence to Islamic codes. These are the issues that influence conflict management and resolution in the public sector. Moreover, this trend is attributable to the predictable outcomes of every conflict. In fact, the Islamic codes seem to preempt the occurrence of conflicts. The frequency of conflicts within the public sector is rare, and when it occurs, it is taken as a serious matter. It is because of the political system. In the monarchial system of Saudi Arabia, and in the absence of a constitution, the King takes the highest position. And so, the disrupting of order emerges as disregard for the laws and regulations (Atiyyah, 1999).

Conversely, the private sector stands as chaotic. Unlike the public sector, indeed the private sector is composed of individuals from different societies. There is a high frequency of conflicts. First, it is because of the difference in customs and language among the private sector workforce. Even so, the approach in the private sector is constructive because it makes allowance for expression of differences, and the amicable resolution through various channels (Aljasser & Sasidhar, 2012). Also, the private sector is less autocratic. In short, one style does not fit all the manifestation of the conflicts. The methods in the private sector are flexible but less predictive. Hence, HRM practices for the public and private sectors differ.

Conclusion

The conditions in the Kingdom of Saudi Arabia are interesting. As a monarchy, almost every decision must conform to the royal decrees, including the Human Resource Management practices. The Humans Resource department are the functional branches in organizations concerned with managing the welfare of the workforce. In a work environment, conflicts are inevitable. These conflicts are either task or relationship based. If left unresolved, these conflicts can fester and diminish employee morale. In Saudi Arabia, the conflict management, and resolution approaches differ for the private and public sectors. The public sector is more autocratic than the private sector. The public sector is also homogenous since it is composed of indigenous Saudi. Therefore, the consequence of every action is predictable. Conflicts are rare in the public sector. On the other hand, the private sector is chaotic but full of positive conflicts. The composition of the workforce is diverse. This aspect demands tact and, as a result, allows different conflict management style. Moreover, those in the private sector often view these conflicts as important and beneficial.

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