

## Challenges Faced by College Graduates in Adapting to Saudized jobs: A Qualitative Study

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### Abstract

Workforce localization has the potential to lower unemployment rates within a given nation. Nevertheless, it is important to recognize that this system could potentially impede the success of small businesses as a result of the elevated rates of employee turnover. This study examines the challenges that employees encounter when adapting to newly Saudized positions. Based on a qualitative analysis of 23 interviews conducted with recently employed individuals who have completed their college education. This study aims to examine the challenges faced by graduates, especially in the business sector. The identified obstacles encompass two main categories: organizational barriers, such as inadequate support systems and inflexible working hour arrangements, and societal barriers, particularly the prevailing societal perception towards individuals employed in such occupations. It can be inferred that the successful implementation of the Saudization system is dependent upon a triangular interplay between the system itself, businesses, and society. The results of this study have the potential to provide valuable insights for policy makers who are seeking to update existing guidelines aimed at promoting employees' adaptation in both the workforce and society.

**Keywords:** saudization; foreign workers; workforce localization; unemployment; sustainable career

### 1. Introduction

The idea of hiring local employees may be perceived as a potential obstacle to achieving success by numerous business owners. This perception may be ascribed to factors such as employees' adherence to rules and regulations, dedication to their

work, and the prevalence of frequent employee turnover. This trend can also be ascribed to the perceived competence and expertise in task execution relative to foreign labourers who are less expensive to hire, willing to work longer hours, and possess the necessary aptitude and proficiency (Alshaikhmubarak & Aljabr, 2022). The Saudi government is currently engaged in the development of multiple legislative measures aimed at incentivizing private-sector enterprises to hire Saudi nationals for diverse positions within their organizations. The Ministry of Human Resources has implemented multiple programs aimed at enforcing legislation to increase Saudization rates within the private sector.

The job localization system in Saudi Arabia, known as Saudization, is a policy designed to facilitate the integration of Saudi citizens into the labour market with the objective of enhancing their employment opportunities. The primary objective of this system is to enhance the equilibrium between the domestic workforce and the international workforce, while concurrently augmenting the availability of training and qualification prospects for Saudi citizens across diverse professional domains (Sobaih, 2023). The Saudization system comprises a series of measures and initiatives designed to facilitate the integration of Saudi citizens into the labor market. This objective is accomplished by means of training and certification initiatives, as well as by offering tangible job prospects to individuals who are citizens of Saudi Arabia.

The issue of unemployment among domestic workers is a prominent concern in the Gulf region, encompassing Saudi Arabia. This predicament necessitates consideration, particularly in view of the elevated rate of employee attrition (Albejaidi & Nair, 2021). In order to effectively tackle the matter of high turnover, it is imperative to gain insight into the perspectives of the individuals directly impacted, namely Saudi employees. Therefore, the main objective of this study is to gain insight into the viewpoints of employees in order to identify any deficiencies within the existing system and to pinpoint potential areas for improvement. This research study enhances prior endeavours by focusing on comprehending the barriers that impede the efficacy of the Saudization system within the food and beverage industry. The present study endeavours to address the following inquiry, as stated above: What are the challenges that employees encounter in their adjustment to recently Saudized positions? This

paper focuses on the people who have been employed in occupations that were historically limited to foreign workers, such as those in the food and beverage industry.

The subsequent section will start with a comprehensive examination of relevant scholarly works concerning the concepts of Saudization and job localization. Subsequently, we proceed to outline our research methodology and explicate our data analysis approach. This paper engages in a discussion regarding the contribution it makes to the existing body of literature on human resources management. It suggests that the effectiveness of the Saudization system is contingent upon the mutual reliance between businesses and society. The study concludes by providing an overview of the real-world implications and potential transferability of the findings to various research settings, including the localization initiatives undertaken by other countries.

## 2. Literature review

### Localization policy and unemployment

Many countries acknowledge the significance of human capital as a vital component in the holistic advancement of their economies and societies (Baruch, 2013). [Almaghaslah and Alsayari \(2021\)](#) assert that diligent endeavors are undertaken to improve education and training, alongside the establishment of national policies, in order to equip workers with the requisite competencies essential for meeting the exigencies of the labor market. Saudi Arabia, in comparison to other countries, places significant emphasis on the advancement of its domestic workforce as the primary catalyst for achieving long-term economic and social progress. This approach is in line with the country's Vision 2030 agenda, as highlighted by [Alqahtani \(2022\)](#). The Saudization system is not a recent initiative; rather, it has been an ongoing endeavor that has undergone several periodic modifications. In recent years, there has been an accelerated implementation of Saudization policies across diverse sectors, resulting in a more rapid pace of job localization.

The substantial presence of foreign workers in Saudi Arabia's labor market has resulted in important demographic imbalances during the last three decades. In order

to promote the localization of job positions across various sectors, the government has enacted several legislations (Alkhatir & Alhalwachi, 2018). The government's objective is to promote the localization of a significant number of private sector jobs, which is expected to have a positive effect on unemployment rates and generate job prospects for the domestic labor force. Nevertheless, it is important to note that these transitions could potentially have adverse implications for private sector enterprises, primarily attributable to the significant turnover rate (Albejaidi & Nair, 2021; Almaghaslah & Alsayari, 2021). However, an essential inquiry remains unaddressed: What are the determinants that hinder the assimilation of Saudi individuals into localized employment, and what are the underlying causes for the elevated rates of employee attrition in said positions? These kinds of questions necessitate comprehensive research in order to assess the present state of Saudi employees' adaptation to private sector employment, particularly in occupations that have historically been predominantly filled by foreign employees.

The significant presence of foreign workers in Saudi Arabia's labor market has resulted in interesting demographic imbalances during the preceding three decades. This matter has attracted the interest of numerous researchers, officials, and policymakers within the Kingdom. During the latter half of the 20th century, there was a significant increase in the number of foreign workers who migrated to the Kingdom in pursuit of employment opportunities that emerged as a consequence of the economic boom driven by oil wealth. Due to the rise in the indigenous population and significant instability in oil revenues, the government's capacity to adequately furnish employment opportunities for its citizens declined. As the issue at hand was being addressed by authorities, one potential solution that was explored was the adoption of labor localization policies within the private sector. However, the implementation of these policies posed significant challenges due to the incongruity between the job profiles held by the substantial foreign workforce and the ones deemed appropriate for domestic citizens.

In the last thirty years, a significant amount of research has been conducted to investigate matters related to labour localization within the private sector. Different perspectives have been adopted by relevant entities in approaching localization

policies and programs. Several research studies have examined various government initiatives pertaining to localization policies in the labour market. Certain initiatives and policies have demonstrated favourable outcomes, whereas others have proven ineffective in yielding valuable results.

### **The Concept of Saudization**

The Saudi government has implemented a significant policy initiative known as Saudization, which aims to localise jobs within Saudi Arabia. The key objective of this initiative is to lower the nation's dependence on overseas workforce and generate additional job prospects for Saudi citizens. Still, the implementation of the Saudization system has faced numerous challenges and obstacles, as extensively studied in the available scholarly literature. The objective of this review is to provide a thorough and inclusive analysis of prior research endeavours pertaining to the topic, emphasising significant discoveries and pinpointing aspects that necessitate additional investigation. Saudization refers to the process of equipping citizens with the necessary qualifications to assume job positions that were previously held by non-national workers, on the condition that the national employee meets the job's requisite criteria (Al-Asfour & Khan, 2014).

The subject of job Saudization in the private sector remains a significant focal point for policymakers, representing a primary area of interest for the relevant authorities within the Kingdom of Saudi Arabia. The focus on Saudization stems from its close association with the issue of unemployment and its consequential economic, psychological, and social effects on individuals within the broader societal context. From approximately 1995 onwards, the initial endeavors to implement Saudization were initiated, wherein the government mandated that private sector establishments employing 20 or more individuals must progressively enhance their Saudization rates by 5% each year for the domestic labor force (Al-Asfour & Khan, 2014). In addition to the abovementioned, a number of strategies were implemented in order to attain the desired objectives. These measures encompassed a rise in visa charges for expatriates and an augmentation in governmental assistance to the private sector, primarily in the form of concessional loans, to facilitate the implementation of Saudization initiatives

(Al-Dosary & Rahman, 2005). The government initiated the Five-Year Plan 2000-2005 with the objective of generating employment opportunities for citizens by replacing foreign labor, with a target of 817,000 jobs. In the aforementioned year, the jewelry establishments underwent a process of Saudization, whereby their operations were restricted exclusively to individuals who hold citizenship. In 2003, the government made significant strides toward increasing Saudization rates within the private sector. The advisory council of Aramco, a Saudi-American oil company at the time, issued directives to its contractors, urging them to comply to Saudization standards and incorporate them into their operations. In the year 2004, the Saudi government initiated the establishment of a new division within the Ministry of Labour with the purpose of overseeing the execution of Saudization policies within the private sector. The situation persisted, marked by intermittent efforts to facilitate citizens' access to employment opportunities within the private sector, until the year 2011. In 2011, the Ministry of Labour established a minimum Saudization requirement of 49% for banks with a workforce of 500 or more employees, and a Saudization rate of 19% for the media sector. One of the important initiatives implemented by the government in this context was the introduction of the "Nitaqat" program by the Ministry of Labour. The primary objective of this program is to promote the extensive implementation of Saudization within the private sector. This section will provide an overview of the key government initiatives.

### **Initiatives and Programs for Job Localization in Saudi Arabia by the Ministry of Human Resources**

The Ministry of Human Resources has launched a variety of initiatives and exerted continuous efforts to enhance the skills and involvement of domestic talents in the labour market, while also striving to generate employment prospects for them within the private sector. The ministry has implemented various programs and initiatives aimed at enhancing the levels of national employment within the private sector.

For example, Nitaqat Program classifies private sector establishments and companies with a workforce of ten or more individuals into four distinct categories

(Red, Yellow, Green, and Platinum) using color-coded labels. These categories are determined by the level of Saudization achieved by the respective establishments. The performance of entities' Saudization is assessed by comparing it with other entities within the same industry in order to determine their classification. Organizations characterized by lower levels of Saudization are categorized as Red and Yellow, whereas those with higher levels are categorized as Green and Platinum. The Green and Platinum categories provide various advantages and assistance, whereas the Yellow and Red categories may incur penalties, such as the potential freezing of accounts by relevant ministries and authorities ([Ministry of Human Resources, 2023](#)).

Another program is Hadaf. The primary objective of the this program is to enhance the capabilities of individuals seeking employment by offering financial assistance during their job search phase and facilitating their professional development through training and qualification programs ([Ministry of Human Resources, 2023](#)).

Jadarah is another Saudi initiative, taking the form of an electronic recruitment platform associated with the Ministry of Human Resources and Social Development. This platform facilitates the submission of job applications by individuals seeking employment opportunities that align with their qualifications and areas of expertise. The platform facilitates the registration of job seekers' personal information, qualifications, work experience, and the attachment of necessary documents. The system encompasses various processes, namely verification, matching, and automated nomination ([Ministry of Human Resources, 2023](#)).

Another program is Tamheer, which places emphasis on providing practical training opportunities in order to enhance the skills and competencies of graduates from both Saudi and international educational institutions. It offers training opportunities within governmental institutions, prominent private sector entities, and non-profit organizations, with the objective of improving participants' employability and increasing their prospects of successfully entering the labor market ([Ministry of Human Resources, 2023](#)).

Taqat program provides comprehensive support packages aimed at incentivizing individuals seeking employment to actively participate in the labour

market. The program offers a duration of financial support spanning 15 months, commencing with a monthly stipend of 2,000 Saudi riyals. Furthermore, the program provides a range of training and employment services aimed at assisting individuals in obtaining and securing employment opportunities. The policy in question specifically focuses on individuals who have experienced a period of unemployment lasting no longer than two years, as stated by the Ministry of Human Resources in 2023.

Another program is Dorooob, an electronic training platform that operates within the framework of the Human Resources Development Fund (HRDF). The primary objective of this initiative is to enhance the competencies and proficiencies of the domestic labour force, thereby equipping these individuals with the necessary job-specific skills to secure appropriate employment opportunities. The platform provides a wide range of complimentary electronic training programs and tracks that encompass crucial skills that are in high demand within the job market. Learners possess a degree of flexibility in their ability to access educational material and cultivate their aptitude and competencies. The program represents a collaborative effort involving HRDF and various educational and training entities, including the Ministry of Human Resources ([Ministry of Human Resources, 2023](#)).

The Saudi government also supports professional certification, providing assistance to recent graduates and individuals seeking employment, regardless of gender, in acquiring professional certifications across a range of disciplines. The [Ministry of Human Resources \(2023\)](#) provides financial compensation to individuals for the purpose of covering training expenses and examination fees. This initiative aims to incentivize the acquisition of knowledge, the development of skills, and the accumulation of experience in specialized fields that are currently in high demand within the Saudi labor market.

### **Challenges of Saudization Enforcement in Saudi Arabia's Private Sector**

Many scholarly studies have attempted to examine the matter of Saudization ([Sobaih, 2023](#)). Recent research has provided insights into a significant challenge, namely the disparity between the competencies and credentials held by individuals



seeking employment in Saudi Arabia and the requirements of the private industry (Alshaikhmubarak & Aljabr, 2022). Several studies (Al-Dosary, 2004; Al-Mahdi, 2012; Alsheikh, 2016) have documented the existence of a significant number of unemployed Saudi graduates who face challenges in finding appropriate job opportunities in the private sector due to this discrepancy. The Saudization system has encountered significant challenges in the form of cultural and social barriers. Previous research has indicated that a portion of individuals from Saudi Arabia exhibit a preference for employment in the public sector. This inclination is attributed to the comparatively elevated remuneration, enhanced job stability, and reduced working hours associated with such positions (Al-Dosary, 2004; Al-Ghannam, 2010). Furthermore, it has been observed that specific professions have encountered stigmatisation, characterised by being deemed socially unacceptable or subject to negative perceptions, particularly among Saudi nationals (Alshaikhmubarak & Aljabr, 2022).

The availability of inexpensive foreign labor has resulted in a competitive disadvantage for Saudi citizens who are seeking employment within the private sector. The Saudi government has faced difficulties in achieving its Saudization targets due to excessive dependence on expatriate workers (Al-Mahdi, 2012; Alsheikh, 2016). Previous studies have identified limited work experience as an additional barrier faced by Saudi nationals (Al-Dosary, 2004; Alsheikh, 2016). The aforementioned constraint is frequently ascribed to the limited availability of internship opportunities, part-time employment, and vocational training accessible to Saudi students. Insufficient implementation of Saudization policies and their ineffective enforcement has been a topic of criticism in the scholarly literature (Al-Mahdi, 2012; Alsheikh, 2016). Consequently, an absence of motivations for private sector employers to engage Saudi nationals has ensued, thereby constraining the efficacy of Saudization in mitigating unemployment levels. Numerous studies have been conducted in an effort to shed light on the key obstacles hindering job localization in the private sector and the recruitment of local individuals, while also suggesting possible remedies. Several studies aimed to identify both objective and subjective barriers that hindered the recruitment of local workforce within the private

sector. For example, [Al-Ghaith \(1996\)](#) identified several obstacles that impede the recruitment of Saudi nationals in the private sector, with the limited availability of domestic skills in specific industries being particularly noteworthy. However, it is crucial to acknowledge that this study was conducted in the past, and the present circumstances may have undergone changes. The labour market has experienced notable progress in terms of the increased presence of skilled individuals, which can be attributed to the establishment of higher education institutions in the Kingdom and the implementation of the King Abdullah Scholarship Program.

In a study carried out by [Al-Otaibi \(2006\)](#), attention was directed toward the difficulties associated with job localization in the contemporary era. This study revealed that job localization and organizations encounter challenges of both external and internal nature. Prior research has tended to overlook the internal challenges. The research highlighted the significance of various internal factors, such as the leadership style of organisational leaders, organisational culture, structure, and human resource management practises, in hindering job localization ([Al-Otaibi, 2006](#)). It has been argued that practitioners and researchers in this field have not adequately addressed the internal management challenges associated with job localization ([Al-Otaibi, 2006](#)). Another research investigation was conducted to analyse the perceived discrepancy between the Kingdom's favourable economic conditions and its high unemployment rate. This disparity was attributed to the prevalence of foreign labour in numerous professions within the private sector. According to [Fakeeh \(2009\)](#), the study posited that a potential factor contributing to this issue could be the inadequacy of job localization entities in generating appropriate employment prospects for the Saudi labour force. The research examined the strategies put forth by these entities in response to the increasing unemployment rate and evaluated the suitability of implementing Saudization in the private sector as the most effective approach to mitigate unemployment. The study's findings indicate that the underlying factor contributing to this issue can be attributed to the transition of the Kingdom's economy from an agricultural foundation to an industrial one, which heavily relies on foreign labour. Additionally, the text referred to concerns regarding the education system, dynamics within the labour market, a scarcity of proficient workers, and the lack of

strategic plans aimed at improving the skillsets of forthcoming generations. Additionally, the study underscored the failure of the Saudization policy during that period to fulfil the anticipated requirements of both employers and citizens. According to [Fakeeh \(2009\)](#), it is crucial to recognise the distinct requirements of different sectors in order to effectively accomplish Saudization objectives. The author emphasises that Saudization policies cannot be considered comprehensive unless they take into account the logistical information and labour market obstacles. Hence, [Al-Dosary and Rahman \(2009\)](#) pointed out the importance of the private sector's active involvement in the formulation of strategies and methodologies governing Saudization and localization initiatives, thereby enhancing their feasibility and applicability. According to [Al-Dosary and Rahman \(2009\)](#), it was contended that the implementation of additional Saudization measures in the private sector, without active participation in decision-making and the formulation of policies pertaining to localization and Saudization programs, may result in the failure of these programs to attain their intended goals. This failure can be attributed to a discrepancy between the actual circumstances and the anticipated outcomes. A different research project conducted an analysis of the impact of Saudization on recruitment and retention strategies in the banking industry, with the objective of identifying key insights and determining appropriate measures ([Edgar, Azhar, & Duncan, 2016](#)). The researchers performed a comprehensive review of the existing literature and supplemented it with the distribution of questionnaires to 48 branch managers and interviews conducted with 12 Human Resource managers from prominent banks in Saudi Arabia. The findings of the study suggest that the implementation of Saudization policies has a notable influence on multiple facets of recruitment and retention within the banking industry. In order to effectively address the needs of Saudi recruits, it is imperative for banks to implement targeted training programs, reassess working hours, and augment the overall appeal of job positions. The implementation of these practices can yield benefits for the banking industry in Saudi Arabia and contribute to the effective achievement of Saudization objectives.

Furthermore, the research emphasizes the importance of modifying working hours in order to enhance the appeal of banking roles among Saudi workers. This

discovery recognizes the cultural and social factors that impact individuals' decision-making regarding their career paths and level of contentment in their jobs. By implementing flexible or modified working schedules that are in line with the preferences and commitments of Saudi employees, banks have the potential to enhance employee retention rates and foster a work environment that is more conducive to productivity.

Additionally, this research highlights the importance of enhancing job appeal in the banking industry. In order to attract Saudi recruits to banking positions, it is imperative to adopt a holistic strategy that takes into account various elements including competitive salary packages, prospects for professional advancement, and the establishment of a healthy work-life equilibrium. By strategically addressing these various aspects and proficiently articulating the advantages of pursuing a career in the banking sector, banks have the potential to allure and retain highly skilled Saudi professionals.

In a recent study conducted by Rand (2021), the objective was to raise the caliber of employment within the private sector through an examination of the obstacles encountered in the process of localizing and implementing efficacious policies. The research utilized three distinct methodologies, commencing with an analysis of sectors that have demonstrated prosperous development in previous instances within Saudi Arabia. This investigation specifically concentrated on the telecommunications and banking sectors. Subsequently, an analysis was conducted on the present state of the food manufacturing industry within the nation, followed by an examination of prosperous case studies pertaining to food manufacturing sectors in a foreign jurisdiction. The study primarily examined the obstacles associated with the provision of high-quality job opportunities within the private sector, and put forth recommendations and strategies to effectively address these challenges.

The paper also examines the government's efforts to enhance the private sector in the country through the implementation of various governmental reforms. This includes the decision to nationalise employment opportunities and its subsequent effects on the labour market. The study reveals a progressive rise in the employment

rate of Saudi Arabian citizens within the private sector throughout the years. Nevertheless, this observation also underscores the enduring difficulties encountered by Saudi individuals in securing employment prospects within the private sector and their capacity to adjust to the positions that are currently accessible, consequently leading to a stronger preference for the public sector.

In the study conducted by [Al Qaws \(2020\)](#), the focus was on investigating the extent to which Saudi youth have successfully adapted socially and occupationally to localization jobs in alignment with the goals outlined in the Kingdom's Vision 2030. The study also examines whether there are statistically significant variations associated with variables such as gender, level of education, and monthly income within the sample. The researcher employed a descriptive quantitative methodology, utilising a social survey approach with a representative sample of the research community. The results suggest that the general mean level of adaptation among Saudi youth in localization employment is classified as "moderate." The study reveals that Saudi youth exhibit a high level of self-social adaptation and a moderate level of economic and occupational adaptation. Statistically significant differences in social and occupational adaptation were found in favour of females, individuals with lower qualifications, and those with higher incomes. However, this study focused specifically on their adaption in the workplace environment, rather than approaching the issue holistically.

In their study, [Albejaidi and Nair \(2021\)](#) conducted an examination of the Saudization system as it is applied in Saudi Arabia, specifically focusing on its impact on the healthcare workforce within both the public and private domains. The research assessed the strategic initiatives undertaken by the government to improve the healthcare workforce and examined the obstacles related to increased dependence on domestic professionals, as specified in the Vision 2030 blueprint. The article specifically highlights the issue of women being underrepresented in the nursing profession. This underrepresentation is believed to be influenced by negative perceptions of the profession, which are in turn shaped by religious and cultural factors. The authors emphasise the significance of formulating a healthcare workforce policy that integrates the local culture, values, and social connections. The authors

additionally presented a comprehensive strategy for altering the Saudi population's perception of healthcare occupations, specifically emphasising nursing and pharmacy.

A recent study examines the application of Saudization, with a particular focus on the restaurant industry, and elucidates the obstacles and perspectives of newly recruited domestic employees (Sobaih, 2023). The research employed a sequential mixed method design, incorporating a questionnaire administered to local workers and conducting in-depth interviews with managers. The findings from the questionnaire indicate that the local employees held unfavorable perceptions regarding their recent employment in the restaurant industry, perceiving these positions as being of low quality and lacking in respect. The participants conveyed a general sense of discontent and regarded the job as a transient or transitional position, lacking any intention of pursuing it as a full-time occupation or endorsing it to others. The lack of a clear strategic framework and executive plan by the government was primarily to blame for the managers' identification of six main challenges related to the implementation of the new quota. The challenges encompassed the requirement for a comprehensive strategy that prioritises employability, tackles cultural and social ramifications, and takes into account the requirements of both employers and employees in order to foster sustainable careers for local workers. The results of this study underscore the disparity between the ambitions and perspectives of indigenous employees and the obstacles encountered by managers in executing Saudization within the restaurant industry. The significance of setting up a well-defined strategic framework and executive plan that adequately addresses the interests and requirements of both employees and employers is underscored in order to guarantee the efficacy and long-term viability of Saudization endeavours within the private sector, with specific emphasis on the restaurant industry (Sobaih, 2023).

Despite the valuable insights provided by existing studies, the research on Saudization is still in its early stages. The majority of academic studies employ surveys as a means of gathering data from employees, thereby constraining our comprehension of employees' experiences. Studies in specific sectors, such as service sectors, are subject to certain limitations.

### 3. Materials and Methods

#### Research Context

The study was carried out in Saudi Arabia, a nation that has recently implemented significant policy reforms in its labour force with the aim of reducing unemployment rates by decreasing its dependence on foreign workers. Our focus is specifically directed towards the food and beverage industry. The implementation of the Saudization system in this sector has encountered significant challenges, primarily due to the prevailing social perception among Saudi workers that service jobs are unsuitable occupations.

#### Data collection and analysis

The research employed a qualitative methodology, which enables a concentrated examination of the fundamental nature of the phenomenon and its associated factors. The data was obtained by conducting 23 interviews with Saudi college graduates who had recently secured employment in Saudized positions within the food and beverage sector. The interviews were conducted in the Arabic language as a result of the majority of participants having limited proficiency in English. Additionally, this facilitated the participants' ability to articulate their perceptions and experiences with clarity. In anticipation of data analysis, all interviews were transcribed.

Utilising Braun and Clarke's (2012) thematic analysis methodology, the data underwent a thorough analysis. The initial step involved the careful examination and assessment of the transcripts to guarantee a precise translation. The coding process was centred around the analysis of data, with a specific emphasis on identifying and addressing the challenges encountered by employees. During the coding stage, various factors impeding employee satisfaction were identified. These factors encompassed limited time availability to fulfil personal obligations, a sense of inferiority compared to colleagues in different industries, and a dearth of opportunities for career progression. Following the preliminary analysis, the codes underwent a thorough review, leading to the identification of two overarching categories: internal elements pertaining to business policies, and external elements

associated with social status and societal perspective. The following two themes are presented subsequently.

#### 4. Results

The survey responses submitted by the employees showed a strong inclination towards engaging in their work. Numerous participants engage in discourse regarding the favourable ramifications of the Saudization system on both the national and individual spheres. Despite the perceived advantages, employees have articulated various concerns regarding obstacles that impede their job satisfaction. These concerns include inadequate support, limited opportunities for career progression, challenges related to working hour arrangements, and issues associated with social status. We will present these next.

##### Business Challenges

Business obstacles are related to the challenges encountered during the setting up of the Saudization system within businesses, particularly in the process of replacing foreign employees with domestic workers. The issues that were apparent included a dearth of financial support, limited opportunities for career progression, and suboptimal arrangements for working hours.

One of the most apparent challenges is the lack of adequate support, particularly in terms of financial considerations. A significant number of participants expressed concerns regarding the disparity between their assigned tasks and the remuneration they receive in relation to the minimum wage. This arrangement diminishes individuals' enthusiasm and deters many from pursuing employment in such positions.

*'There is no career advancement or promotions, the annual raise is almost non-existent, and there is also no bonus. Some shops or companies do have bonuses but it is very minimal. You are required as an employee to work over capacity, and there is no incentive that supports the young generation in joining this work'* (E3)

The issue of insufficient support is made worse by the extended duration of working hours and the number of working days. A considerable number of



participants conveyed a sense of discontentment regarding the requirement to engage in labor for six or seven consecutive days within a week. Many individuals compared their working arrangement to that of public sector employees who enjoy a two-day weekend, leading them to conclude that their own working arrangement was unjust.

*'An employee needs rest days, as is the practice for employees in the government sector, so he needs two days off instead of one day, even if it is in the middle of the week'* (E16)

It is significant that a limited number of employees have rationalized their diminished dedication to their professional responsibilities by attributing it to the meager allocation of mandatory days off. One employee asserts that the attainment of fairness in the workplace necessitates effective time management among employees, allowing them to effectively balance the demands of their professional and personal lives. The author elucidates that an employee may go the extra mile to uphold their personal obligations, occasionally compromising their professional productivity:

*'Justice and organizing working hours according to the available employees is needed, because everyone has his own matters. If he does not have time for it, he will do the impossible, and because of that, his performance at work will decrease and the reason behind this in the facility itself.'* (E9)

## **Societal Challenges**

The main motivating factor behind the local employees' decision to enter the workforce mostly stems from their inherent need for employment. Nevertheless, numerous individuals have reported that their social standing has been impacted by their employment in recently Saudized positions. A newly appointed employee clarifies:

*'If you are employed, they say that your job is bad. Whatever the type of job, they always want the highest jobs.'* (E3)

The perception of an individual's profession by society can impact an employee's attitude and engagement towards their work. It is possible that it may also influence the decision to pursue employment in such positions. The perception of society can also be shared by individuals within the employee's personal network, such as family and friends, which can influence the employee's attitudes toward the

significance of their work. The perspective of immediate family members towards an individual employed as a delivery personnel is elucidated by one such employee:

*'Sometimes people I know look down on me because I am a delivery car driver'* (E17)

The impression of individuals working in recently Saudized occupations by society is often associated with a lower social status, largely attributed to their limited educational background or financial resources. However, it is important to note that such an assumption may not necessarily hold true. It is not uncommon for certain employees to possess qualifications that exceed the requirements of their respective positions. The perception of the societal status of employees in recently Saudized occupations may be inflated due to the predominance of front-line positions within these job categories.

*'The level of Saudization must be transferred to large companies in senior positions, and salaries and wages should be improved, not in lower-level jobs such as cashiers, barista and waiters. I am not saying that these jobs are not suitable, but there are young people who have higher degrees that are not suitable for these jobs in relation to their degrees.'* (E19)

According to the previously mentioned response, the perceived societal status associated with individuals entering recently Saudized occupations may be attributed to the broader Saudization framework. This system primarily emphasizes the recruitment of individuals with lower qualifications for lower-level positions, who are willing to accept employment at minimum wage rates. As a result, it has implications for the social standing of those who hold such positions, irrespective of their actual levels of qualification.

## 5. Discussion

This study examines the challenges encountered by employees in their adjustment to newly Saudized positions. The study's findings unveiled two primary categories of impediments: obstacles pertaining to business operations and challenges pertaining to society. This underscores the efficacy of the Saudization system, which is bolstered by factors beyond its policies, namely the prevailing business norms and policies, as well as the support of society. These elements are commonly referred to as the triangular effect for achieving success in Saudization. The term "triangular effect"

is employed to denote the interrelationship among the three primary actors within the Saudization system. This pertains to the dynamics between the Saudization system, business norms and policies, and societal attitudes that impact the degree of success or failure in employees' adjustment to recently Saudized positions.

This study has identified several barriers of a business nature, including factors such as inadequate support, limited opportunities for career progression, and inflexible working-hour arrangements. This implies that businesses have a significant impact on promoting employee satisfaction and facilitating their adjustment in their new roles. The involvement of businesses in facilitating employee adaptation and promoting work-life balance is a well-established phenomenon. This discovery aligns with previous research that advocates for the participation of businesses in the development and implementation of the Saudization policy ([Al-Dosary & Rahman, 2009](#)). Furthermore, the aforementioned statement aligns with scholarly research that emphasizes the importance of the Saudization system in acknowledging and conforming to the unique requirements of different sectors ([Alshaikhmubarak & Aljabr, 2022](#); [Fakeeh, 2009](#)). However, the majority of research on Saudization primarily examines comprehensive business-related matters, neglecting to adequately address the experiences of individual employees in service industries.

The findings of our study indicate a lack of adequate acknowledgment regarding the diverse needs of employees subsequent to the implementation of the Saudization system. Given the long-standing presence of foreign workers in various job positions, it is important to acknowledge that business policies that have proven effective over the course of many years may not necessarily meet the needs and expectations of local employees to the same extent. This phenomenon may be particularly apparent in the service sector. In certain industries, the duration of work shifts spans the entirety of the day and is not necessarily confined to the conventional 7 AM to 4 PM schedule that is familiar to most individuals in Saudi Arabia. The aforementioned context presents challenges as a result of the heightened social and personal obligations that local individuals may possess in contrast to foreigners who are commonly perceived as arriving for employment purposes. Consequently, a significant number of community members experienced a sense of deprivation in their

social lives. Maximising productivity and enhancing employee well-being can be achieved by acknowledging and addressing the diverse demands and needs of each individual employee.

Another category of challenges pertains to societal factors. In contemporary scholarship, there has been a growing focus on the significance of society's role. Previous research on the Saudization system has predominantly focused on exploring the influence of culture and society in various sectors, including the healthcare industry, particularly in relation to the underrepresentation of females (Albejaidi & Nair, 2021). The results of our study emphasize the significant role that societal factors play in impeding the progress of individuals employed within the food and beverage industry. Employees frequently perceive their occupational status as being deemed 'unsatisfactory' by society. Frequently, individuals make reference to the perception of being socially stigmatized due to their occupations. These findings necessitate a significant focus on this matter and warrant substantial interventions to alter societal perspectives.

Multiple sectors have implemented measures to address barriers related to social status. In the transportation industry, efforts have been made to address social status barriers by introducing new job titles. One such example is the replacement of the title "driver" with "captain" in the company Careem (n.d.). However, such actions are notably absent within the food and beverage industry.

In summary, although notable advancements have been achieved in recent times, there still exists a considerable amount of work to be undertaken in order to effectively tackle the identified concerns and guarantee the enduring efficacy of the Saudization system. Further investigation is warranted to assess the efficacy of existing strategies and policies in Saudi Arabia that are designed to tackle obstacles and facilitate the localization of employment opportunities. The triangular effect posits that the efficacy of the Saudization system necessitates a comprehensive approach that takes into account the interconnections and dynamics among all pertinent stakeholders.

In order to facilitate successful staff adjustment in their respective roles, policymakers must take into account not only the implementation of the system but also the prevailing attitudes and practices of businesses and society. The findings of the study

underscore a number of suggestions for businesses and society as a whole. These recommendations encompass a range of areas, such as reassessing minimum wage policies, fostering a healthy work-life equilibrium, altering societal attitudes towards service-oriented occupations, offering improved benefits for individuals with advanced qualifications, and facilitating the progression and professional growth of employees.

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