



**Gulf Research Centre Cambridge**  
Knowledge for All

Workshop 5

## **Employed, yet Underemployed and Underestimated: Leadership, Ownership and Work Motivation in the Gulf**

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### **Abstract**

The following workshop tries to reach a better and more balanced understanding of the often quoted “low work motivation” or “rentier mentality” of Gulf nationals. While the academic literature shies away from these culturally sensitive topics, leaving them to “business guides,” the workshop assumes that the reasons for many motivational labour force problems are neither cultural nor religious. Instead, there are structural impediments stemming from the mixture of different business traditions and an extremely rapid and unbalanced growth process. In most cases, the results are underestimated and underutilized human resources and employees who are not encouraged to assume ownership and do not receive enough trust and responsibility. The workshop, therefore, will try to tackle the issue of low work motivation from the perspective of modern labour psychology and theories of organisational behaviour and project management, as well as the growing issues of youth unemployment and the urgent "localisation" programs that

various GCC countries have adopted in order to create jobs and their consequences on private sector costs and productivity. It will also underline the cultural and religious specificities of the region and their potential to achieve a better and more balanced work motivation than the West has developed during the last decades.

## **Description and Rationale**

### **Background**

A lot has been published recently about the efforts of governments in the Gulf States to nationalise their labour force. While the United Arab Emirates (UAE), Qatar and Kuwait can continue to rely on foreign workers for the near future given their small populations of locals, the more populous Gulf States have to tackle this issue urgently and take the issue of employment, especially private sector employment, of their nationals, seriously. Massive investments into education, attracting companies, institutes and organizations to the Gulf region, and policies which facilitate investments are just one side of the coin. Central to most employment policies are quotas and prohibitions, which oblige companies to employ more Gulf nationals but are often circumvented.

The use of market mechanisms (as in Bahrain and Oman) rather than of binding quotas and prohibitions might be a step in the right direction. However, treating these topics from the quantitative perspective of policy analyses and economics alone is not sufficient. There is also the more qualitative question: what do employees expect from their work and what role does work play in their lives? Most literature alludes to low work motivation and low efficiency but without further developing on these topics. Obviously, researchers shy away from making judgments about putative cultural reasons for this – and rightly so. Abroad, Gulf nationals work as diligently as their colleagues from other countries and integrate smoothly in work environments.

### **Workshop goals**

This workshop, therefore, tries to shed light on what researchers often do away with as “low work motivation of Gulf nationals” or “rentier mentality.” Rather than assuming often unpronounced cultural or even religious conditions, this workshop aims to investigate structural impediments to higher work effectiveness and work motivation which may have been caused by the rapid and often imported development within the Gulf region. While some traditions of the region have remained, others have been imported and grafted on existing practices. Often, these patchworks of practices are at odds: They cause miscommunication, confusion, mistrust, delays and, ultimately, lower efficiency and work motivation. The following section illustrates how this situation can lead to massive inefficiency, while at the same time describing the most important topics of the workshop.

### **Topics: Work motivation – a multifaceted problem**

Business guides and studies criticize the concentration of many functions in the hand of a few Gulf nationals which makes it impossible for them to concentrate on and to personally supervise one company or project. On the other hand, there is mistrust with regard to employees and a resulting tendency to micromanage from above and to strictly

control every decision in a company or institution. The latter tendency requires an executive who is an expert of both content and processes in his or her institution and within reach for the employees. If his or her workload makes this impossible, the executive tends to rely on second-hand opinions. While this is not per se problematic, it appears that these second-hand opinions often come from people who are either not specialists or are afraid of giving their true opinion. In this regard, it is important to point to the fact that the specialists or managers are often immigrants who are in a position of insecurity: They fear to lose their visa in case they complain or propose comprehensive changes: If they are asked for their opinion, they are most likely to portray a situation better than it is. The consequences of such a process are wrong, too cautious and often hesitant decisions. A project may be delayed or watered down to ultimate ineffectiveness.

This last tendency is aggravated by the strength of top-down and the weakness of bottom-up processes. It seems that an innovative approach or creative solutions to problems from lower levels of an institution go unnoticed by executives because there are few institutionalized bottom-up channels of information and advice. Studies found Gulf companies and institutions to be highly centralized. Lower management levels or just normal employees tend to have to just carry out orders. Nevertheless, there is an immense fear of being held responsible in case mistakes happen. Their task, hence, comes down to the squaring of the circle: While employees are not in a position to choose the means to implement a project, they might be held personally responsible for a failure. Such a situation causes fear, precludes ownership, and inevitably keeps work motivation low.

What is more, the top-down processes are often marked by incomplete briefings which leave the subordinate with unclear tasks and no possibility to clarify his or her questions, because of a lack of bottom-up mechanisms. On the motivational level, it is crucial that lower management levels also have responsibility besides a certain degree of liberty and constant and qualified feedback from his or her team and superior. Mistakes are partly inevitable and even necessary for learning and have to be regarded as such. Furthermore, the personal feedback, be it positive or negative, reflects the recognition of one's work and cannot be replaced by financial benefits. A qualified feedback would ultimately also lead to the trust which is the prerequisite for delegating tasks and decisions. Personal feedback costs time rather than money and in the Gulf, the latter may sometimes be spent more easily than the former. However, as Stephen R. Covey put it, "treat a man as he is and he will remain as he is. Treat a man as he can and should be and he will become as he can and should be." Hence, an immaterial reward, such as feedback, also encourages employees to seek for immaterial rewards. The personal fulfilment by achieving goals appears to be within reach, which ultimately lowers the importance of material benefits.

Another aspect which lowers work motivation is the place value of secrecy even if there are no obvious reasons to keep something secret. This secrecy seems to be part of a notion of professionalism, which reflects military norms and is quite widespread in the Gulf region: Professionalism does not seem to be output oriented but defined by formalities. The strict respect of hierarchies and discretion often seem to replace the interest in content. More often than not, this secrecy causes fear among the employees and miscommunication. Both lead to delays, underperformance and outputs which could

have been achieved more efficiently had the author of a piece of work been better informed, not to speak of the frustration of uninformed employees. Not having been informed about important events inevitably causes a feeling of not being valued enough. Apart from inefficiency, there lies a double risk with unnecessary secrecy. If only the head of the information department or the CEO speaks about a company or another institution, the information-seeker will not speak with the specialists of the topic he is interested in but with a generalist. As a consequence, the company or institution appears to be less professional than it could have appeared by allowing the “specialist” employee to speak. What is more, the “real specialist” in a company or institution is deprived of the satisfaction to speak about his or her work in public and to gain recognition from this. Secondly, any secrecy provokes the image that there is something to hide – in times after 9/11, the suspicion provoked will most likely be one of links to Islamic terrorism.

### **Potential remedies: A comprehensive approach**

This short and incomplete account has demonstrated that the problem of work motivation is at least partly a result of several intertwined circumstances. Hence, these problems have to be addressed simultaneously. Even if young graduates have taken classes such as “organisational behaviour” or “leadership” they will encounter problems when trying to apply their knowledge in a strictly hierarchical company. Even good and responsive leaders will fail if they hold too many positions.

On the other hand, there lies a huge chance in such an unbalanced situation: In times when the West suffers from massive psychological, work-related problems, developing countries still have an opportunity to learn from these mistakes and to channel work motivation into a healthier direction. Here, religion, both as a spiritual dimension of life but also as a guarantor of rest periods, can play a positive role.

## **Anticipated Papers**

### **Case studies of companies and institutions in the Gulf region which focus on leadership, ownership and work motivation problems**

The way in which different business traditions and expectations can cause mutual impediments and high costs is best illustrated by case studies and examples.

### **Empirical studies of work motivation in the Gulf**

While many Westerners assume that personal fulfilment through work does not play a big role for Gulf nationals, the few data sources we have (e.g., world value survey) suggest the opposite. Therefore, there is a need for more thorough empirical studies about what especially young graduates really expect from their jobs.

### **Successful role models for good and less hierarchical company structures**

Business culture is widely held to be a huge problem in the Gulf region. Both success stories and unsuccessful attempts can demonstrate how reforms can become role models, and the difficulties reformers face. Papers may refer to governments, government institutions, and companies. While this section will again encourage case studies, theoretical models are welcome too.

### **Roots of “low work motivation” in education and remedies**

The educational systems in the Gulf are marked by the government’s attempt to bring the best education possible to their population. However, while there might be many prestigious universities, teaching based on memorising is still widespread. This practice fails to encourage autonomous and critical thinking among the students. Nevertheless, autonomous and critical thinking are prerequisites for future employees who assume ownership and ultimately leadership.

### **Islam and its relevance for modern leadership as well as for a better work-life balance**

Islam, like other religions, provides believers with a spiritual dimension in life which goes beyond all mundane matters. In the West, this spiritual dimension has widely been replaced by work and career. The results are psychological difficulties once problems at work arise. The Islamic world, where religion plays an undoubtedly bigger role than in the West, may still be able to avoid this painful detour. Religion does not only provide spiritual guidance but stipulates breaks for prayer, fast and enjoyment and can therefore be an important tool to keep work motivation healthy.

### **Possibilities for new policy approaches, e.g., learning from other countries**

While the problems mentioned earlier are mostly problems of companies and institutions, policy measures can nevertheless support reforms. The scope of such measures could range from improving visa security for foreign white collar workers, installing committees, founding academies or educational programmes or awarding companies with the most satisfied employees.

### **Gender differences in work motivation**

Anecdotal evidence has it that women in the Gulf are more diligent than men. While educational statistics of all Gulf countries prove this, employment statistics do not reflect the higher number of women gaining university degrees. Nevertheless, gender specific approaches towards work motivation may yield an interesting basis for future policies.

### **Cultural differences between locals and immigrant workers**

The import of labour and education has contributed via different mechanisms to both the problematic employment and unemployment of Gulf nationals today. Websites where expatriates exchange their views testify to the multiple clashes and negative mutual perceptions between locals and expatriate workers. Many expatriates seem to take a “grin and bear it” attitude and do not try to change anything: They are dependent on their mostly local sponsors, employers, investors or government officials and prefer to keep silent. Hence, relations between locals and foreigners – if they exist at all – are often marked by indirectness and untruthfulness and the aspired mutual learning does not take place.

### **Localisation policies, their obstacles and success**

The introduction of various forms of "localisation" policies to replace foreign workers has assumed more urgency since the advent of the so-called "Arab Spring" and the

growing need to create jobs for nationals, especially the youth. Despite differences in population structures and reliance on foreign labour in the GCC countries, all the Gulf governments are pursuing one form of localisation or another. Papers are invited to identify the major obstacles in pursuing genuine localisation policies and whether the private sector of the Gulf has grown used to the lower cost foreign labour and is, therefore, inherently opposed to localisation policies and what further policies governments can apply to meet national employment objectives.

## **Workshop Director Profiles**

**Dr. Mohamed A. Ramady** is currently a Visiting Associate Professor, Finance and Economics, at King Fahd University of Petroleum and Minerals, Dhahran, Saudi Arabia. He specializes on regional geo-political risk assessment and the Saudi economy, energy, as well as money and banking, labour policies of the Gulf, globalization and WTO. He has authored "The Saudi Arabian Economy: Policies, Achievements and Challenges," Second Edition, 2010, published by Springer, and is the Editor of the "GCC Economies: Stepping up to Future Challenges" (Springer 2012). His forthcoming book on "Economic, Political and Financial Country Risk: An Analysis of the GCC Countries" is to be published by Springer.

Dr. Ramady has held senior level positions in banking, finance and investment, and was Project Manager to establish the guidelines for Saudi Arabia's WTO Centre for the Saudi Chambers of Commerce. He was also a Vice President with Citibank and was posted in Europe and the Middle East and seconded to the Saudi American Bank. He has held senior executive positions with Chase Manhattan, First City Texas Bank, Qatar National Bank, and Qatar International Islamic Bank. He obtained his B.A. and Ph.D. in Economics at the University of Leicester, UK, and a Master's Degree in Economic Development, at the University of Glasgow, UK. He is a Fellow of the Chartered Institute of Bankers, UK.

**Dr. Annika Kropf** Annika Kropf holds a PhD in Political Science from the University of Vienna. Her research interests are Lebanon, Syria and the Arab Gulf States with a focus on political economy and sectarian divisions. In her doctoral thesis entitled "Economic Diversification in the States of the Gulf Cooperation Council. An Evaluation and Systematic Comparison" she also focused on quantitative and qualitative research methodology. Currently, she holds a postdoctoral position at the Department for Oriental Languages and Islamic Studies at the University of Erlangen-Nuernberg and is Director of Research at FARIS Strategic Political Management, an international consultancy firm advising on projects related to the Middle East.

## **Selected Readings**

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